

**DRAFT ANNUAL BUDGET OF  
WINNIE MADIKIZELA-MANDELA  
LOCAL MUNICIPALITY**



**2024/25 TO 2026/27  
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 third 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 2024/25 Annual Budget, the draft budget must be tabled to council by no later than March 31, 2024. This draft budget is in response and compliance to the afore-mentioned prescripts. This budget will then be taken to communities for consultation where comments will be solicited and incorporated when the final budget is being prepared for council to approve at least 30 days before the start of the budget year.

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

#### a) Water and sanitation backlogs

The estimated backlog for water service delivery continues to grow as the number of households with no access to clean water continue to grow at a pace faster than expected. A 54.3% backlog is reported on the latest statistics released by the office of the Statistician General. The estimated backlog for sanitation service delivery is 3 871 households with no access to sanitation resulting in a 6.2% 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.

Project Name	Scope of work	Wards	Projected Allocation
Greater Mbizana Water Supply-Phase 1A Reticulation System (Supply Zones A, C, E & O) Project adjustment	Construction of 20km pipeline and 1 reservoir for Mhlanga, Nkhwe and Simakadeni	06, 32, 31	R1 000 000,00
Mbizana ward 10, 12, 13 &15 water supply scheme: implementation phase	Construction of 80km pipeline and 2 reservoirs for Sizityaneni, Smakadeni, Mampingeni and Swane	10, 12, 13 & 15	R55 000 000,00
Greater Mbizana water supply phase 1B	Construction of 20km pipeline	9, 12	R55 000 000,00
Mbizana WSIG Provincial Capital Expenditure	Construction of 1 water supply scheme (1 borehole pump station),	9, 12, 30	R15 093 570,80

Project Name	Scope of work	Wards	Projected Allocation
	12.6km reticulation pipeline for Mxinga village and VIP toilets		
Mbizana stabilisation Ponds 10% MIG refurbishment		01	R10 000 000.00
Mbizana ward 21,23 & 24 water supply scheme – implementation phase		21, 23 & 24	R22 500 000,00
Mbizana ward 29&30 water supply feasibility studies		29 & 30	R22 500 000,00
Maintenance of WMMLM Water scheme	Maintenance of all identified and reported technical issues in all 68 schemes of WMMLM	All wards	R25 000 000,00
Refurbish WMMLM scheme	Complete construction of 500kl galaxy tank at ward 03 (Dumsi village), drilling of 1 borehole in ward 08 (kuBha), replace 700m gravity line from the existing reservoir in Lukholo ward 22	03, 08, 22	R12 000,000,00
Purchase of WMMLM water cart	Purchase of water cart	WMM LM	R2 000 000,00

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 to seven years. This was an attempt to maximize the available resources to ensure the municipality maintains as much roads as possible while creating enough capacity within the municipality. Over the past four years the municipal area 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 R36 million within the next year to support the municipal plant in the maintenance and refurbishment of road infrastructure including the town area.

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

It is planned that a total of 600m<sup>2</sup> 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 2024/25 financial year, 800m<sup>2</sup> is planned to be maintained using both service providers and internal capacity as indicated earlier in the report.

c) Electrification backlogs and planning

The latest statistics released confirms that 93.3% of households in the municipal area have access to electricity with 1.6% with access to alternative energy like solar energy.

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 2024/25 will be utilized to complete three projects that are currently being implemented by the municipality (Nomlacu, Enkaninini and Mathwebu 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 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 was planned to be rehabilitated for closure as soon as the Majazi landfill site is operational, however, due to community issues the projects has not commenced. The municipality is in the process of applying for a permit to formalize the dumping site into a temporal landfill site.

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 Treasure 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 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.

g) 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 from the 2022/23 to 2023/24 financial period which were implemented: -

<b>Project Name</b>	<b>Allocated Amount</b>	<b>Funding Source</b>
Electrification Of Nomlacu Village (Phase 1 & 2)	R 11 228 999.37	INEP/OWN FUNDING



Electrification Of Msarhweni Access Village (Phase 1 & 2)	R 11 370 811.39	INEP/OWN FUNDING
Electrification Of Redoubt Village(Ward 20) 180 Households (Phase 1 & 2)	R 8 972 663.42	INEP/OWN FUNDING
Electrification Of Zizityaneneneni Village	R 7 836 167.58	INEP/OWN FUNDING
<b>TOTAL</b>	<b>R 39 408 641.76</b>	

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.

In the current financial year (2024/25) Winnie Madikizela-Mandela Local Municipality received R 25 362 000 INEP funding allocation to implement three (3) projects as per the table below.

<b>Project Name</b>	<b>Allocated amount</b>	<b>Funding Source</b>
Electrification of Nomlacu Phase 3	R 13.7 million	INEP
Electrification of Nkanini Village	R 5.5 million	INEP
Electrification of Mathwebu Village	R 5.7 million	INEP
<b>TOTAL</b>	<b>R 24.9 million</b>	

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 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 2024/25.

#### h) 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 53.6 million has been allocated as follows:

<b>NAME OF PROJECT</b>	<b>BUDGETED AMOUNT</b>	
Construction of Mhlabomnyama Via Makhaweni to Plangeni Access Road	R 4,778,257.00	MIG
Construction of Mtamvuna to Mabheleni Access road	R 5,166,473.00	MIG
Construction of Mkhasweni Access Road	R 4,783,164.00	MIG
Construction of Sunny Side Acces Road	R 4,580,896.00	MIG
Construction of Nyanisweni Access Road	R 4,708,831.00	MIG
Construction of 116 to Somgungqu to Khwanyana Access Road	R 3,806,770.00	MIG

NAME OF PROJECT	BUDGETED AMOUNT	
Construction of Lukhanyo Access Road	R 4,795,332.00	MIG
Construction of Khutshi to Voting Station access road	R 4,859,675.00	MIG
Construction of Cabane Crestu Access Road	R 3,321,624.00	MIG
Construction of Ndlavini AR	R 5,279,893.00	
Construction of Mbuthweni to Nokhatshile Access Road	R 3,076,699.00	
Construction of Thalen Bridge	R 4,528,786.00	
	<u>R 53,686,400.00</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 R26.3 million. A further R3 million has been set aside for the maintenance of municipal buildings and another R4.7 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 R691 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 R8.5 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 R4.3 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 R812 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 R50 thousand has been set aside for this.

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

- Implement a differentiated approach to municipal financing, planning and support;
- Improve access to basic services;
- Implementation of the Community Work Programme;
- Actions supportive of the human settlement outcome;
- Deepen democracy through a refined Ward Committee Model;
- Improve administrative and financial capability;
- A single window of coordination.

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

## 1.2 Council Resolutions

The Council of Winnie Madikizela-Mandela Local Municipality seat on the 27<sup>th</sup> of March 2024 to consider the annual budget tabled by the Mayor at least 90 days before the start of the financial year 2024/25 and the Medium Term Revenue and Expenditure Framework. The council must then consider the following resolutions which will become final when the budget is adopted.

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

- a. The draft annual budget of the municipality for the financial year 2024/25 and the multi-year and single-year capital appropriations as set out in the following tables:
  - i) Budgeted Financial Performance (revenue and expenditure by functional classification);
  - ii) Budgeted Financial Performance (revenue and expenditure by municipal vote);
  - iii) Budgeted Financial Performance (revenue by source and expenditure by type); and
  - iv) Multi-year and single-year capital appropriations by municipal vote and functional classification and associated funding by source.
- b. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:
  - i. Budgeted Financial Position;
  - ii. Budgeted Cash Flows;
  - iii. Cash backed reserves and accumulated surplus reconciliation;
  - iv. Asset management; and
  - v. Basic service delivery measurement.
- c. The Council of Winnie Madikizela-Mandela Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) adopts the following proposed tariffs with effect from 1 July 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) adopts 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 adopts:

- i) That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed.
- f. To enable the proper implementation of the municipality's budget, the council of Winnie Madikizela-Mandela Local Municipality adopts the following budget related policies;
  - i) The IDP and Budget Policy
  - ii) Credit control and debt collection policy
  - iii) Property Rates Policy
  - iv) Supply Chain Management Policy
  - v) Tariff Policy
  - vi) Asset Management Policy
  - vii) Supply Chain Policy for Infrastructure Procurement and Delivery Management
  - viii) Cash Management and Investment Policy
  - ix) Contract Management policy
  - x) Debtors write-off policy
  - xi) Indigent policy
  - xii) Contract Management policy
  - xiii) Retention policy
  - xiv) Cost Containment Management policy
  - xv) Unauthorised, Irregular, Fruitless and Wasteful Expenditure policy
  - xvi) Petty Cash policy
  - xvii) Accounts payable policy

### **1.3 Executive Summary**

The municipality continues to find itself highly 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 in the past years where some 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 R18 million increase on the equitable share allocation to the municipality in the next year which is less than the over R21 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, 2021/22 and 2022/23 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 6.8 is released with circular No 126.

Version 6.8 of the chart will be effective from 2024/25 and must be used to compile the 2024/25 MTREF.

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 6.8 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 be 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 sure 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 2024/2025 MTREF is populated correctly. If the cash flow is not budget for 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**

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

Power cuts and operational problems in freight rail and ports continue to disrupt economic activity and limit the country's export potential. Comprehensive reforms are underway in these sectors, although it will take time to see recovery in growth. Household consumption is under pressure from high living costs, and investment remains low due to weak confidence and challenging business conditions linked to structural constraints.

South Africa has experienced over a decade of weak economic growth, GDP has averaged only 0.8 per cent annually since 2012, entrenching high levels of unemployment and poverty. To turn the tide and raise economic growth sustainably, government is prioritising energy and logistics reforms, along with measures to arrest the decline in state capacity. Successful efforts to improve the fiscal position, complete structural reforms and bolster the capacity of the state will, in combination, reduce borrowing costs, raise confidence, increase investment and employment, and accelerate economic growth.

The National Treasury estimates real economic growth of 0.6 per cent in 2023. This is a decrease from growth of 0.8 per cent projected in the 2023 MTBPS due to weaker than expected outcomes in the third quarter of 2023, resulting in downward revisions to household spending growth and spending on gross fixed investment. GDP growth is projected to average 1.6 per cent from 2024

to 2026 as the frequency of power cuts declines, lower inflation supports household consumption, and employment and credit extensions recover gradually. New energy projects will improve fixed investments and business sentiment.

To accelerate GDP growth after an extended period of weak economic performance, South Africa needs large-scale private investment. Government is working to improve the fiscal position, complete structural reforms and bolster the capacity of the state to reduce borrowing costs, raise confidence, increase investment, and put the economy on a higher job creating growth path.

### 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. 126 and 128. According to this circular, municipalities must consider the following consumer price index or inflationary indications:

Fiscal year	2024 Estimate	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
Consumer Price Inflation - CPI	6%	4.9%	4.6%	4.6%

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

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

- a) 10% increase on electricity tariffs
- b) 12.7% increase on Electricity Bulk purchases
- c) 4.9% increase on property rates
- d) 5.45% provision for employee costs which is the projected average CPI percentages for 2024 and 2025.
- e) 4.9% increase on the remuneration of councilors
- f) 4.9% for all other expenses, and
- g) 4.9% 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](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](mailto: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.

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act 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.

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- 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.

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 2024/25 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 2024/25 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 2024/25 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 the municipal financial year 2023/24, bulk electricity costs increased significantly at 15.1 per cent, compared to 8.61 per cent in the 2022/23 municipal financial year. There has been no change to the second year of the Multi-Year Price Determination (MYPD 5), as such bulk electricity costs are to be calculated using an increase of 12.7 per cent as per MYPD-5 in the 2024/25 financial year.

Given the absence of an approved tariff increase for the outer year of the MTEF, the increase is projected to be 15.7 per cent in 2025/26. This is the average of the approved increases for the two years of the MYPD-5 period. Municipalities in arrears with Eskom should ensure that their payment arrangements are included in the 2024/25 MTREF budget.

### **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 2022 Census 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 2024/25 financial year and the two outer years. This information has further been detailed more in the draft Service Delivery Budget Implementation Plan for the 2024/25 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 2024/25 Medium-term Revenue and Expenditure Framework:



Table 1 Consolidated Overview of the 2024/25 MTREF

## EC443 Winnie Madikizela Mandela - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	20,145	21,163	21,160	21,250	21,250	21,250	21,532	22,190	23,282
Service charges	40,257	42,139	56,325	37,904	44,111	44,111	56,844	59,311	62,568
Investment revenue	7,604	10,784	21,920	15,890	25,890	25,890	27,159	28,408	29,715
Transfer and subsidies - Operational	337,728	295,672	342,754	349,897	355,050	355,050	369,031	362,358	349,876
Other own revenue	16,448	20,749	22,108	15,153	15,186	15,186	18,549	19,513	20,530
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>422,182</b>	<b>390,507</b>	<b>464,268</b>	<b>440,094</b>	<b>461,487</b>	<b>461,487</b>	<b>493,115</b>	<b>491,780</b>	<b>485,971</b>
Employee costs	105,837	108,100	114,174	130,212	130,041	130,041	136,932	143,129	149,768
Remuneration of councillors	23,964	25,010	26,321	28,480	28,480	28,480	29,876	31,250	32,657
Depreciation and amortisation	40,180	52,674	41,761	54,371	64,371	64,371	54,371	56,546	56,546
Interest	1	26	-	100	100	100	100	100	100
Inventory consumed and bulk purchases	39,820	45,684	47,637	55,216	55,414	55,414	61,871	70,683	80,835
Transfers and subsidies	4,499	1,251	2,593	3,431	3,281	3,281	4,216	4,409	4,609
Other expenditure	128,000	174,397	155,315	175,887	242,642	242,642	187,496	193,898	204,550
<b>Total Expenditure</b>	<b>342,301</b>	<b>407,143</b>	<b>387,802</b>	<b>447,697</b>	<b>524,328</b>	<b>524,328</b>	<b>474,862</b>	<b>500,016</b>	<b>529,065</b>
<b>Surplus/(Deficit)</b>	<b>79,882</b>	<b>(16,636)</b>	<b>76,467</b>	<b>(7,603)</b>	<b>(62,841)</b>	<b>(62,841)</b>	<b>18,253</b>	<b>(8,236)</b>	<b>(43,094)</b>
Transfers and subsidies - capital (monetary allocations)	77,425	80,162	93,836	76,295	76,910	76,910	78,801	73,426	77,010
Transfers and subsidies - capital (in-kind)	-	79	479	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>157,306</b>	<b>63,605</b>	<b>170,782</b>	<b>68,692</b>	<b>14,068</b>	<b>14,068</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>157,306</b>	<b>63,605</b>	<b>170,782</b>	<b>68,692</b>	<b>14,068</b>	<b>14,068</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>139,660</b>	<b>139,660</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>
Transfers recognised - capital	65,642	64,059	87,749	66,343	52,965	52,965	68,523	62,979	66,096
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	73,853	101,241	61,474	56,939	86,695	86,695	62,420	51,021	30,620
<b>Total sources of capital funds</b>	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>139,660</b>	<b>139,660</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>
<b>Financial position</b>									
Total current assets	387,772	401,028	487,980	413,370	463,899	463,821	343,306	372,297	389,397
Total non current assets	737,528	809,673	881,715	875,374	934,572	934,572	958,287	939,169	921,885
Total current liabilities	91,182	102,121	101,333	99,779	116,040	116,040	117,735	109,866	112,963
Total non current liabilities	5,246	22,484	11,485	22,484	11,485	11,485	11,485	11,485	11,485
Community wealth/Equity	1,029,140	1,086,096	1,256,878	1,166,481	1,270,946	1,270,946	1,172,373	1,190,115	1,186,835
<b>Cash flows</b>									
Net cash from (used) operating	335,057	173,089	224,463	170,828	145,280	145,280	191,379	158,033	121,521
Net cash from (used) investing	(123,288)	(138,669)	(124,887)	(141,376)	(149,882)	(149,882)	(149,521)	(130,239)	(110,857)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>134,151</b>	<b>292,581</b>	<b>376,685</b>	<b>306,560</b>	<b>355,413</b>	<b>355,413</b>	<b>220,314</b>	<b>248,107</b>	<b>258,771</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	258,162	277,109	360,015	306,560	355,413	355,413	220,314	248,107	258,771
Application of cash and investments	43,391	51,199	51,187	49,843	68,981	68,981	(31,215)	(36,017)	(34,714)
<b>Balance - surplus (shortfall)</b>	<b>214,771</b>	<b>225,909</b>	<b>308,828</b>	<b>256,717</b>	<b>286,432</b>	<b>286,432</b>	<b>251,529</b>	<b>284,124</b>	<b>293,485</b>
<b>Asset management</b>									
Asset register summary (WDV)	572,362	591,378	708,419	766,516	811,370	811,370	958,287	939,169	921,899
Depreciation	40,180	44,118	40,770	54,371	54,371	54,371	54,371	56,527	56,527
Renewal and Upgrading of Existing Assets	60,478	90,916	83,391	23,008	57,451	57,451	19,565	24,588	18,317
Repairs and Maintenance	5,217	12,285	11,287	32,266	40,292	40,292	42,994	46,226	50,097
<b>Free services</b>									
Cost of Free Basic Services provided	-	-	-	4,800	4,800	4,800	4,800	5,021	5,252
Revenue cost of free services provided	-	-	5	608	608	608	1,198	1,234	1,270
<b>Households below minimum service level</b>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-
Energy:	6	6	6	6	6	6	2	2	2
Refuse:	48	48	48	48	48	48	48	48	48

The table above shows the summary of the draft budget for the 2024/25 financial period with the outer years. The table shows that the expected revenue for the 2024/25 financial year adds up to just above R571 million.

#### **a. Revenue**

The above table continues to show greater dependency of the municipality on the national fiscus through grants as these make up 78% of the municipality's anticipated revenues which is a decrease from 80% in the prior year with other sources anticipated to generate only 22% 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 6% taking the tune from the national performance as well where the country has seen slight improvements from no growth and negative in some. This will unfortunately continue as the world at large continues to experience situations that have a potential of collapsing economies due to wars that have continued to spread throughout the world impacting international trade and therefore the world economies at large.

#### **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 16% 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. The above table shows that the municipality requires over R54 million in the budget year to closer to achieving this goal.

##### **iii. Employee Related Cost**

Below are vacant positions that are included in the calculations of these draft budget amounts that have been agreed on with Corporate Services to ensure these are on the municipality's current organisational structure. In line with the national government's call to manage the public sector wage bill the municipality's employee costs budget plus remuneration of councillors makes up 35% of the operating budget including non-cash items which then breaches the maximum limit permitted of 41% when we exclude non-cash items. Below are the details of vacant positions included in the draft budget.

#### **Municipal Manager**

- Admin Clerk
- Monitoring and Evaluation Officer

**Corporate Services**

- IT Technician
- Receptionist

**Community Services**

- Security
- Cashier
- Admin Clerk

**Refuse Removal**

- General Assistants

**Engineering Services**

- Data Capturer (MIG)

The above positions exclude those where recruitment processes have already commenced or concluded but the successful incumbents have not resumed duties yet. These have been included as positions that are filled as they should be filled by the time this budget is implemented.

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 4.9% 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 R14.4 million requiring the municipality to also fund the remuneration of councillors from revenues internally generated.

**v. Bulk purchases**

The municipality is licensed to distribute areas in the municipal area, however such distribution only happens in town with the rest of the areas being distributed by Eskom. The municipality therefore buys electricity from Eskom to distribute to its customers at a charge as approved by NERSA from time to time. The budget has considered a 12.7% increase in line with the MYPD5 that comes to an end in 2024/25 financial year

**vi. Contracted Services**

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

- R9.9 million for outsourced security services
- R7 million for legal services
- R22.7 million for road maintenance

- R3.6 million for CBD road and storm water maintenance
- R1 million for maintenance electricity infrastructure
- R3 million for maintenance of municipal buildings
- R4.2 million for casual labour for refuse removal
- R2.2 million for security casual labour
- R2.9 million for EPWP implementation
- R3.5 million for maintenance of the landfill site
- R1.1 thousand for waste management services
- R1.4 million for Internal Audit fees
- R1.9 million for the maintenance and review of the Infrastructure Fixed Asset Register
- R1.5 million for debt collection services
- R1.5 maintenance of Financial Management Systems (FMG)
- R4.7 million for maintenance of municipal vehicles
- R5.8 million on catering for various municipal activities which is an increase from R4.5 million in the current year original budget
- R1.5 million for compilation of the valuation roll

There are other municipal programmes included as road marking, survey of municipal land, and all other programmes planned by the municipality for its day to day running and community programs.

#### **vii. 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:

- R5.8 million for compensation of ward committees
- R5.7 million for maintenance of IT systems and rentals thereof
- R4.9 million for License fees
- R1.2 million for communication in the form of telephone, fax and cellphones
- R5.7 million for external audit fees
- R4.8 million for free basic electricity
- R2 million for solar energy subsidy
- R6.3 million for accommodation of Municipal Officials and Councillors which is an increase from R5.3 million in the current year's original budget
- R3 million for insurance of municipal assets
- R2 million for SALGA levies and
- R570 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	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		-	822	-	-	-	-	-	-	-
Vote 2 - Corporate Services		405	483	1,332	441	441	441	449	167	175
Vote 3 - Budget and Treasury Office		354,557	318,256	373,263	362,652	372,706	372,706	388,792	386,756	375,295
Vote 4 - Community Services		12,198	11,732	25,490	13,502	12,590	12,590	14,829	12,191	13,268
Vote 5 - Development Planning		19,267	22,001	22,795	28,330	37,498	37,498	31,734	33,972	35,679
Vote 6 - Engineering Services		113,181	117,454	135,705	111,464	115,161	115,161	136,112	132,119	138,564
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]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>499,607</b>	<b>470,748</b>	<b>558,584</b>	<b>516,389</b>	<b>538,396</b>	<b>538,396</b>	<b>571,916</b>	<b>565,206</b>	<b>562,981</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		71,616	71,791	78,545	88,654	89,306	89,306	87,684	91,709	95,837
Vote 2 - Corporate Services		38,617	40,690	42,845	64,946	65,800	65,800	68,526	71,568	73,998
Vote 3 - Budget and Treasury Office		21,918	24,479	27,995	45,747	45,747	45,747	42,992	44,844	46,988
Vote 4 - Community Services		62,926	59,309	70,461	83,784	88,466	88,466	92,655	93,765	97,936
Vote 5 - Development Planning		15,944	17,186	21,936	24,898	29,673	29,673	29,366	30,711	32,073
Vote 6 - Engineering Services		131,280	193,688	146,019	139,669	205,336	205,336	153,638	167,418	182,232
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]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>342,301</b>	<b>407,143</b>	<b>387,802</b>	<b>447,697</b>	<b>524,328</b>	<b>524,328</b>	<b>474,862</b>	<b>500,016</b>	<b>529,065</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>157,306</b>	<b>63,605</b>	<b>170,782</b>	<b>68,692</b>	<b>14,068</b>	<b>14,068</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>

### a. REVENUE

Anticipated revenues have increased compared to the 2023/24 budget and this is due to mainly an increase in the equitable share, Municipal Infrastructure Grant, Integrated National Electrification grant as may be seen on the table above indicating the grants that have been confirmed for the municipality. There is also a significant increase of Electricity Service Charges taking from the current year performance.

The increase in operating grants though is getting smaller every year for the part three financial years. 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 taken into account submissions made during the budget sessions and these have been taken into account using the set limits for the overall expenditures and then using those to reprioritise.

### Budget and Treasury

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

### Corporate Services

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

### Development Planning

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

### Community and Social Services

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

### Road Engineering

The allocations made relate to the day to day operations of the department. There are also allocations for fuel and oil for the municipal plant which will be used to maintain some of the roads within the municipality. A provision of R26.3 million has been made to cater for external road maintenance and CBD maintenance, and R3 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 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 reduces anticipated revenues. Electricity and refuse removal show a slight increase and the main consideration has been the declining trend over the past few years, coupled with the weak performance of the said items in terms of revenue collection.

## 1.6 Reconciliation of grants allocations

Reconciliation of Winnie Madikizela-Mandela Local Municipality allocations for 24/25 MTREF					
	Revised 2023/24	Change	2024/25	2025/26	2026/27
<b>National Allocations</b>					
<b>Operational</b>	<b>348,891,280</b>	<b>18,456,321</b>	<b>367,347,600</b>	<b>361,211,300</b>	<b>348,690,050</b>
Equitable Share	341,203,992	18,237,008	359,441,000	356,151,000	343,179,000
Financial Management Grant	2,100,000	-	2,100,000	2,100,000	2,300,000
Municipal Disaster Management Grant	2,545,288	280,313	2,825,600	2,960,300	3,211,050
Expanded Public Works Programme	3,042,000	-61,000	2,981,000	-	-
Municipal Infrastructure Grant	-	-	-	-	-
<b>Capital</b>	<b>73,528,285</b>	<b>5,520,116</b>	<b>79,048,400</b>	<b>73,425,700</b>	<b>77,009,950</b>
Government Support Grant	9,167,822	-9,167,822	-	-	-
Neighbourhood Development Partnership Grant (Capital)	-	-	-	1,000,000	1,000,000
Municipal Infrastructure Grant	48,360,463	5,325,938	53,686,400	56,245,700	61,009,950
Integrated National Electrification	16,000,000	9,362,000	25,362,000	16,180,000	15,000,000
<b>Provincial Allocations</b>					
<b>Operational</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>522,000</b>
Green Municipality Grant	-	-	-	-	-
Library Grant	500,000	647,000	1,147,000	1,147,000	1,186,000

Reconciliation of Winnie Madikizela-Mandela Local Municipality allocations for 24/25 MTREF					
	Revised 2023/24	Change	2024/25	2025/26	2026/27
		-	-	-	-
<b>TOTAL ALLOCATIONS</b>	<b>422,919,564</b>	<b>24,623,436</b>	<b>447,543,000</b>	<b>435,784,000</b>	<b>426,886,000</b>

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 an overall increase of R23 million on the grants total compared with the with the revised budget. The Integrated National Electrification grant which is used to provide electricity in the rural areas of the municipality sees an increase of R9.3 Million which we hope will go a long way into eradicating backlogs created mostly by the grown of households within the municipal area. Another increase of just over R6 million is seen on the municipal infrastructure Grant which may just be a price adjustment cushioning in relation of the current economic climate. A significant improvement is also noted on the library subsidy where the municipality will now receive more than double the amount received in the past financial years for the first time.



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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	2	35,679	37,937	40,848	32,243	39,450	39,450	52,684	55,108	57,643
Service charges - Water	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	4,578	4,202	15,477	5,661	4,661	4,661	4,160	4,203	4,926
Sale of Goods and Rendering of Services		197	238	158	201	201	201	201	210	220
Agency services		1,291	1,202	1,361	1,266	1,414	1,414	1,427	1,493	1,562
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		3,538	1,852	2,413	3,390	3,390	3,390	3,556	3,719	3,890
Interest earned from Current and Non Current Assets		7,604	10,784	21,920	15,890	25,890	25,890	27,159	28,408	29,715
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		5,876	7,682	7,576	5,282	5,402	5,402	4,924	5,261	5,622
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		708	653	676	471	237	237	190	199	208
<b>Non-Exchange Revenue</b>										
Property rates	2	20,145	21,163	21,160	21,250	21,250	21,250	21,532	22,190	23,282
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		688	386	1,225	225	225	225	579	605	633
Licences or permits		2,343	2,141	2,169	2,537	2,537	2,537	2,277	2,382	2,491
Transfer and subsidies - Operational		337,728	295,672	342,754	349,897	355,050	355,050	369,031	362,358	349,876
Interest		737	2,750	4,037	1,780	1,780	1,780	5,396	5,644	5,904
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	756	-	-	-	-	-	-
Other Gains		1,069	3,843	1,738	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>422,182</b>	<b>390,507</b>	<b>464,268</b>	<b>440,094</b>	<b>461,487</b>	<b>461,487</b>	<b>493,115</b>	<b>491,780</b>	<b>485,971</b>

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

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	% Change	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	35,679	37,937	40,848	32,243	39,450	39,450	34%	52,684	55,108	57,643
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	4,578	4,202	15,477	5,661	4,661	4,661	-11%	4,160	4,203	4,926
Sale of Goods and Rendering of Services		197	238	158	201	201	201	0%	201	210	220
Agency services		1,291	1,202	1,361	1,266	1,414	1,414	1%	1,427	1,493	1,562
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		3,538	1,852	2,413	3,390	3,390	3,390	5%	3,556	3,719	3,890
Interest earned from Current and Non Current Assets		7,604	10,784	21,920	15,890	25,890	25,890	5%	27,159	28,408	29,715
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		5,876	7,682	7,576	5,282	5,402	5,402	-9%	4,924	5,261	5,622
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		708	653	676	471	237	237	-20%	190	199	208
<b>Non-Exchange Revenue</b>											
Property rates	2	20,145	21,163	21,160	21,250	21,250	21,250	1%	21,532	22,190	23,282
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		688	386	1,225	225	225	225	157%	579	605	633
Licences or permits		2,343	2,141	2,169	2,537	2,537	2,537	-10%	2,277	2,382	2,491
Transfer and subsidies - Operational		337,728	295,672	342,754	349,897	355,050	355,050	4%	369,031	362,358	349,876
Interest		737	2,750	4,037	1,780	1,780	1,780	203%	5,396	5,644	5,904
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	756	-	-	-	-	-	-	-
Other Gains		1,069	3,843	1,738	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>422,182</b>	<b>390,507</b>	<b>464,268</b>	<b>440,094</b>	<b>461,487</b>	<b>461,487</b>	<b>7%</b>	<b>493,115</b>	<b>491,780</b>	<b>485,971</b>

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		336,811	297,741	341,206	349,397	349,025	349,025	367,348	361,211	348,690
Local Government Equitable Share		332,422	289,620	320,095	341,204	341,204	341,204	359,441	356,151	343,179
Finance Management		2,000	2,000	2,100	2,100	2,100	2,100	2,100	2,100	2,300
Municipal Infrastructure Grant			2,551	2,534	2,871	2,679	2,679	2,826	2,960	3,211
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated		2,389	3,570	3,687	3,222	3,042	3,042	2,981	-	-
Municipal Disaster Relief Grant		-	-	12,790	-	-	-	-	-	-
<b>Provincial Government:</b>		773	500	500	500	500	500	1,147	1,147	1,186
Sport and Recreation		500	500	500	500	500	500	1,147	1,147	1,186
		273	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	337,584	298,241	341,706	349,897	349,525	349,525	368,495	362,358	349,876
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		75,916	86,447	98,354	71,555	76,074	76,074	79,048	73,426	77,010
Municipal Infrastructure Grant (MIG)		45,459	51,023	48,148	54,555	50,906	50,906	53,686	56,246	61,010
Neighbourhood Development Partnership		4,255	6,971	-	-	-	-	-	1,000	1,000
Municipal Disaster Recovery Grant		-	-	33,806	-	-	-	-	-	-
Integrated National Electrification Programme Grant		26,202	28,453	16,400	17,000	16,000	16,000	25,362	16,180	15,000
General Support Grant		-	-	-	-	9,168	9,168	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	75,916	86,447	98,354	71,555	76,074	76,074	79,048	73,426	77,010
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		413,500	384,688	440,060	421,452	425,599	425,599	447,543	435,784	426,886

Table 4 shows the operating grants that the municipality has been allocated for the 2024/25 financial period and the MTREF. The Equitable Share has increased to R359 million and the municipality revenue has grant funding in the excess of R447 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 2024/25 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, 2024 as indicated in earlier paragraphs.

### 1.6.1.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. In determining the tariff, the municipality has considered the values of properties on which the municipality will levy rates, the amounts desirable from rates for budget purposes, and the historic tariffs of the previous financial years.

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

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R40 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy. This is maintained from the previous financial year as there has not been any significant changes to the values of the properties;
- Details of further rebates and reductions are provided in the municipality's Property Rates Policy and the Indigent Policy.

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

**Table 5 Comparison of proposed rates to be levied for the 2024/25 financial year**

PROPERTY RATES	2023/2024	2024/2025	2025/2026	2026/2027
	R/c	R/c	R/c	R/c
Agriculture Properties	0.0072	0.0056	0.0057	0.0058
Residential Properties	0.0072	0.0074	0.0076	0.0077
Business and commercial properties	0.0149	0.0152	0.0158	0.0165
State Owned Properties	0.0135	0.0148	0.0154	0.0161
Public Benefit Organisations Properties	0.0000	0.0000	0.0000	0.0000
Public Service Infrastructure Properties	0.0135	0.0148	0.0154	0.0161
Vacant Land - Business and commercial properties	0.0112	0.0186	0.0193	0.0201
Vacant Land - Residential Properties	0.0112	0.0119	0.0124	0.0128

### 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 12.7% maximum increase. 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.

<b>ELECTRICITY TARIFFS DOMESTIC PREPAID TARIFF BLOCK HOMELIGHTH 20A</b>	2023/2024 @10% c/kwh	2024/2025 @10% c/kwh	2025/2026 @4.6% c/kwh	2026/2027 @4.6% c/kwh
Block 1 (0-350 KWh)	1.4875	<b>1.6363</b>	1.7115	1.7903
Block 2 (>350 KWh)	1.9125	<b>2.1038</b>	2.2005	2.3018
<b>DOMESTIC PREPAID TARIFF BLOCK HOMELIGHTH 60A</b>	2023/2024 @15.10% c/kwh	2024/2025 @10% c/kwh	2025/2026 @4.6% c/kwh	2026/2027 @4.6% c/kwh
Block 1 (0-50 KWh)	1.5565	<b>1.7121</b>	1.7909	1.8733
Block 2 (51-350 KWh)	2.0012	<b>2.2013</b>	2.3026	2.4085
Block 3 (351-600 KWh)	2.8165	<b>3.0981</b>	3.2406	3.3897
Block 4 (>600 KWh)	3.3168	<b>3.6485</b>	3.8164	3.9919
<b>DOMESTIC CONVENTIONAL (c/KWh) HOMELIGHTH 60A</b>	2023/2024 @15.10% c/kwh	2024/2025 @10% c/kwh	2025/2026 @4.6% c/kwh	2026/2027 @4.6% c/kwh
<b>TARIFF BLOCK</b>				
Block 1 (0-50 KWh)	1.5565	<b>1.7121</b>	1.7909	1.8733
Block 2 (51-350 KWh)	2.0012	<b>2.2013</b>	2.3026	2.4085
Block 3 (351-600 KWh)	2.8165	<b>3.0981</b>	3.2406	3.3897
Block 4 (>600 KWh)	3.3168	<b>3.6485</b>	3.8164	3.9919
Basic Charge (R/Month)	317.90	<b>349.69</b>	365.78	382.61

<b>COMMERCIAL TARIFFS SINGLE PHASE - CONVENTIONAL</b>	2023/2024 @15.10% c/kwh	2024/2025 @10% c/kwh	2025/2026 @4.6% c/kwh	2026/2027 @4.6% c/kwh
Basic Charge (R/ Month)	671.68	<b>738.85</b>	772.8350	808.3854
Energy Charge (c/KWh)	2.9457	<b>3.2403</b>	3.3894	3.5453
<b>COMMERCIAL SINGLE PHASE - PRE-PAID</b>	2023/2024 @15.10% c/kwh	2024/2025 @10% c/kwh	2025/2026 @4.6% c/kwh	2026/2027 @4.6% c/kwh
Basic Charge (R/ Month)	671.68	<b>738.85</b>	772.8350	808.3854
Energy Charge (c/KWh)	2.9457	<b>3.2403</b>	3.3894	3.5453

<b>COMMERCIAL THREE PHASE - CONVENTIONAL</b>	2023/2024 @ 15.10% c/kwh	2024/2025 @10% c/kwh	2025/2026 @4.6% c/kwh	2026/2027 @4.6% c/kwh
Basic Charge (R/ Month)	1,256.77	<b>1382.45</b>	1446.0411	1512.5590
Energy Charge (c/KWh)	2.8079	<b>3.0887</b>	3.2308	3.3794
<b>COMMERCIAL THREE PHASE - PRE-PAID</b>	2023/2024 @ 15.10% c/kwh	2024/2025 @10% c/kwh	2025/2026 @4.6% c/kwh	2026/2027 @4.6% c/kwh
Basic Charge (R/ Month)	1,248.11	<b>1372.92</b>	1436.0783	1502.1379
Energy Charge (c/KWh)	2.8079	<b>3.0887</b>	3.2308	3.3794
<b>LARGE POWER USER (More than 100KVA Maximum Demand)</b>	2023/2024 @ 15.10% c/kwh	2024/2025 @10% c/kwh	2025/2026 @4.6% c/kwh	2026/2027 @4.6% c/kwh
Basic Charge (R/ Month)	2,089.26	<b>2298.18</b>	2403.9011	2514.4805
Demand Charge (R/KVA)	361.20	<b>397.32</b>	415.5945	434.7118
Energy Charge (c/KWh)	1.3643	<b>1.5007</b>	1.5697	1.6419
<b>**EXCLUDING VAT (15%)</b>				
<b>Security deposit:-</b>	1,500	<b>1,500</b>	1,500	1500
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 :-				

<b>ELECTRICITY NEW CONNECTION FEES</b>	2023/2024	2024 /2025	2025 / 2026	2026/2027
	R	R		
20 Amps ( Single Phase)	2,607	<b>2,735</b>	2861	2993
60 Amps ( Single Phase)	5,127	<b>5,379</b>	5626	5885
100 Amps ( 3 Phase)	6,815	<b>7,149</b>	7478	7822
Per Kva	7,429	<b>7,793</b>	8152	8527
<b>Inspection and testing of installation:- (new)</b>				
To inspect and/or test consumer's installation for the first test	345	<b>362</b>	379	396
Thereafter				
To inspect and/or test consumer's installation per inspection, per visit.	345	<b>362</b>	379	396
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				
<b>Connection fee:-</b>				
The connection fee in respect of any temporary supply, per connection	537	<b>563</b>	589	616
The connection fee / Administration fee in respect of any disconnection and reconnection of services cutt-offs	537	<b>563</b>	589	616

<b>ELECTRICITY NEW CONNECTION FEES</b>	<b>2023/2024</b>	<b>2024 /2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
Meter movement fee in respect of meter relocation and redirecting the cable from 1 point to the other	555	<b>582</b>	609	637
<b>Meter Hardware costs</b>				
Meter keypad replacement	696	<b>730</b>	764	799
Meter replacement :20 Amps ( Single Phase)	838	<b>879</b>	920	962
Meter replacement :60 Amps ( Single Phase)	986	<b>1,034</b>	1081	1131
Meter replacement :100 Amps ( 3 phase)	2,282	<b>2,394</b>	2504	2619
<b>Tampering fine (Illegal connection) (no VAT)</b>	<b>2023/2024</b>	<b>2024 /2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
First temper	19,500	<b>20,500</b>	21443	22429
Second temper	27,000	<b>28,500</b>	29811	31182
Third temper(permanent disconnection )	32,000	<b>33,500</b>	35041	36653
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 proposed amounts payable from 1 July 2024:

**Table 6 Comparison between current waste removal fees and increases**

<b>REFUSE - RESIDENTIAL</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
	R	R	R	
Category 1	187	196	205	214
Category 2	375	393	412	430
Category 3	752	789	825	863
Category 4	316	331	347	363
Category 5	564	592	619	648
Category 6	187	196	205	214
Category 7	354	371	388	406
Category 8	88	92	96	100
Category 9	90	94	98	103
<i>**EXCLUDING VAT (15%)</i>				

<b>REFUSE - COMMERCIAL</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
Category 1.1	186	195	204	213
Category 1.2	300	315	329	344
Category 2	504	528	553	578
Category 3.1	632	663	693	725
Category 3.2	842	884	924	967
Category 3.3	1511	1585	1658	1734
Category 4.1	369	387	404	423
Category 4.2	1889	1982	2073	2168
Category 5.1	4408	4624	4836	5059
Category 5.2	3148	3303	3454	3613
Category 5.3	1439	1510	1579	1652
Category 5.4	632	663	693	725
Category 5.5	719	754	789	825
Category 5.6	369	387	404	423

<b>REFUSE - COMMERCIAL</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
Category 6	158	166	173	181
Category 7.1		1502	1571	1643
Category 7.2		2000	2092	2188
<b>**EXCLUDING VAT (15%)</b>				

<b>DUMPING SITE TARRIFS</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
<b>DISPOSAL:</b>	R	R	R	R
Bakkie per load	91	<b>95</b>	99	104
Truck per load(4 ton)	158	<b>166</b>	173	181
Truck per load(8 ton and above)	264	<b>277</b>	290	303
Clean Rubble (clean Rubble)	0	<b>0</b>	0	0
Grass Cutting per square meter	9	<b>10</b>	10	10
Allien Plant clearing per square meter	803	<b>843</b>	882	922
Disposal of Green Waste - Bakkie	120	<b>126</b>	132	138
Disposal of Green Waste - 4 Ton	86	<b>90</b>	94	99
Disposal of Green Waste - 8 Ton	150	<b>157</b>	165	172
<b>RENT A SKIP SERVICE</b>				
Daily	228	<b>239</b>	250	262
Weekly	742	<b>778</b>	814	851
Monthly	2,964	<b>3,109</b>	3252	3402
<b>OTHER CHARGES</b>				
Special collection of waste (per 240l bin)	50	<b>52</b>	55	57
Special event (cleaning and disposal)	2,000	<b>2,092</b>	2188	2289
safe disposal of products/condemned food stuffs (crushed, burried per ton)	450	<b>471</b>	492	515

#### Hiring of municipal facilities

<b>FACILITIES HIRE</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
<b>HALL HIRE: URBAN AREA</b>	R	R	R	R
Daily rate	1,002	1,052	1100	1151
Hourly rate	167	176	184	192
Monthly rate	25,066	26,294	27503	28768
IEC Tariffs Daily	609	638	668	699
IEC Tariffs Monthly	15,114	15,854	16584	17347
Security	1,455	1,527	1597	1670
<b>HALL HIRE: RURAL AREA</b>				
Daily rate	745	781	817	855
Hourly rate	167	176	184	192
Monthly rate	10,826	11,357	11879	12425

<b>FACILITIES HIRE</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
IEC Tariffs Daily	264	276	289	302
IEC Tariffs Monthly	6,851	7,187	7518	7863
Security	710	744	779	815
<b>COMMUNITY PARKS AND OPEN SPACE</b>				
Group Entertainment	1,580	1,658	1734	1814

<b>TAXI RANK TARIFFS</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026 / 2027</b>
	R	R		
Taxi per year at stand A	527	552	578	604
Taxi per year at stand B	369	387	404	423
Bus per year	527	552	578	604
Truck per year	527	552	578	604
Meter Taxi per year	158	166	173	181
Bakkie per year	158	166	173	181
Taxi from outside per load	53	55	58	60

<b>STADIUM /SPORTS FIELD</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
<b>MATCHES - ABC MOTSEPE LEAGUE &amp; SASOL</b>	R	R		
ABC MOTSEPE LEAGUE/ Seasonal	5,599	<b>5,873</b>	6144	6426
Per game	290	<b>304</b>	318	333
<b>Sasol/Seasonal</b>	3,475	<b>3,645</b>	3813	3989
Per game	425	<b>446</b>	466	488
SAB & ABSA League	2,317	<b>2,431</b>	2542	2659
Per game	290	<b>304</b>	318	333
<b>SAB /Seasonal</b>				
Womens Regional League				
Seasonal	2,896	<b>3,037</b>	3177	3323
Per game	290	<b>304</b>	318	333
General per match	580	<b>608</b>	636	665
Tournament(commercial) per match	2,896	<b>3,037</b>	3177	3323
Training fee per hour	290	<b>304</b>	318	333
Floodlights per hour w/o lights	116	<b>121</b>	127	133
Parking space per day	1,448	<b>1,519</b>	1589	1662
<b>ATHLETICS</b>				
<b>PROVINCIAL/MAJOR EVENTS</b>				
Hire per day	1,255	<b>1,316</b>	1377	1440
<b>DISTRICT/DEVELOPMENT</b>				
Hire per day	677	<b>710</b>	743	777

<b>STADIUM /SPORTS FIELD</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
Schools				

<b>STADIUM /SPORTS FIELD</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
Hire per day	387	<b>406</b>	425	444
Filming for commercial use per day	8,973	<b>9,412</b>	9845	10298
Filming for non commercial use per day	3,362	<b>3,526</b>	3688	3858
<b>NON SPORTING EVENTS</b>				
<b>MUSICAL/FESTIVAL</b>				
Hire Fee per day	25,099	<b>26,329</b>	27540	28807
Floodlights per hour	464	<b>487</b>	509	532
<b>POLITICAL</b>				
Hire Fee per day	1,544	<b>1,620</b>	1695	1773
<b>CHURCHES</b>				
Rental per day	4,826	<b>5,063</b>	5296	5539
<b>FUND RAISING EVENTS</b>				
e.g.Bazaar,Fetes,concert,ect per day	4,826	<b>5,063</b>	5296	5539
Netball Court – Fee- per Game /Match	150	<b>157</b>	165	172
Netball Court – Training fee per hour per team	70	<b>73</b>	77	80
Netball Court – Training fee per hour per school team	60	<b>63</b>	66	69
Volley ball – fee per Game/Match	120	<b>126</b>	132	138
Volley ball – Training fee per hour per team	70	<b>73</b>	77	80
Volley ball – Training fee per hour per school team	60	<b>63</b>	66	69
Tennis - fee per Game/Match	150	<b>157</b>	165	172
Tennis - Training fee per hour per team	70	<b>73</b>	77	80
Tennis - Training fee per hour per school team	60	<b>63</b>	66	69
Tennis – Individual annual membership fee	450	<b>472</b>	494	516
Athletics racing track - Athletics – Provincial / major events- hire per day	1,255	<b>1,316</b>	1377	1440
<b>Athletics racing track - District / Development</b>				
a) Hire per day - (only athletic turf sport shoes allowed)	677	<b>710</b>	743	777
b) Schools hire per day- (only athletic turf sport shoes allowed)	387	<b>406</b>	425	444
Athletics racing track – individual annual membership fee (only athletic turf sport shoes allowed)	500	<b>525</b>	549	574

**Pound Fees**

<b>POUND FEES</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
	R	R	R	R
Cattle, Horses, Donkeys and any other animal of similar size per day	73	77	81	84
Goats, sheep and other animals of the same size per day	44	46	48	50
If captured by SAPS(e.g. recovered stolen animals)	44	46	48	50
Motor vehicles	309	324	339	354
Other goods	53	55	58	60
Admission of guilt/Animal (large stock)	290	304	318	332
Admission of guilt/Animal (small stock)	116	122	127	133
<i>Where there are more than five animals impounded, from the sixth animal, 50% of the daily rate will be charged. This charge will apply for animals belonging to one owner.</i>				

**Library Services**

<b>LIBRARY SERVICES</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
Library membership	R	R	R	
Adult	free	free	free	
Children (12 years & older) per annum	free	free	free	
Photocopy(B&W per page)	1	1	1	1
Colour (per page)	3	3	3	3
Photocopying A3 page: Black and White	3	4	4	4
Photocopying A3 page: Colour	4	4	5	5
Printing A4: Black and White	6	6	6	6
Printing A4: Colour	8	8	8	9
Lost book (market value of the book and admin. Fees)	220	230	241	252
Overdue book returns	89	93	97	102
Book Tempered with	44	46	48	51

**Cemetery Fees**

<b>CEMETERY FEES</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
Burial site - Adult	812	852	891	932
Burial site - Children	409	429	448	469
Burial site - Stillborn	160	168	175	183
Burial of ashes in existing grave	228	239	250	262
Exhumation fee (admin. Fees)	228	239	250	262

<b>CEMETERY FEES</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
Burial site - Non- resident burial	1,141	1,197	1252	1310
	402	421	441	461
Burial on reserved grave	406	426	446	466
Penalty on extending grave	1,826	1,915	2003	2095

#### 1.6.1.4 Other Municipal Tariffs

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

##### **Development Planning Tariffs**

<b>Rezoning Application per m2</b>	<b>2023/2024</b>	<b>2024 /2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
<i>**EXCLUDING VAT (15%)</i>	<b>R</b>	<b>R</b>		
Erven 0 – 2500m2	2,496	<b>2,618</b>	2738	2864
Erven 2501 – 5000m2	4,654	<b>4,882</b>	5107	5342
Erven 5001 0 – 1 Ha	9,161	<b>9,610</b>	10052	10514
Erven 1, 0001Ha – 5Ha	12,057	<b>12,648</b>	13229	13838
Erven over 5Ha	16,500	<b>17,309</b>	18105	18938
<b>Special Consent / Temporary Departure Application m2</b>				
Erven 0 – 2500m2	2,033	<b>2,132</b>	2230	2333
Erven 2501 – 5000m2	4,180	<b>4,385</b>	4587	4798
Erven 5001 0 – 1 Ha	8,761	<b>9,190</b>	9613	10055
Erven 1, 0001Ha – 5Ha	11,857	<b>12,438</b>	13010	13608
Erven over 5Ha	15,627	<b>16,392</b>	17146	17935
<b>Subdivision Application</b>				
Erven 1-2	2,622	<b>2,750</b>	2877	3009
Erven 1-3	3,496	<b>3,667</b>	3836	4012
Erven 1-4	4,370	<b>4,584</b>	4795	5016
Erven 1-5	4,949	<b>5,192</b>	5430	5680
Erven 1-6	6,118	<b>6,418</b>	6713	7022
Erven 1-7	6,992	<b>7,335</b>	7672	8025
Erven 1-8	7,866	<b>8,251</b>	8631	9028
Erven 1-9	8,740	<b>9,168</b>	9590	10031
Erven 1-10	9,614	<b>10,085</b>	10549	11034
Erven more than 10	17,490	<b>18,347</b>	19191	20074

<b>Rezoning Application per m2</b>	<b>2023/2024</b>	<b>2024 /2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
<i>Departure Application from the scheme ( Building Lines, height, coverage etc)</i>				
Erven 0 – 530m2	1,646	<b>1,727</b>	1807	1890
Erven 531– more	2,912	<b>3,055</b>	3195	3342
Application for the Removal of Restrictions	12,449	<b>13,059</b>	13660	14288

<b>Rezoning Application per m2</b>	<b>2023/2024</b>	<b>2024 /2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
Zoning Certificate	161	<b>169</b>	177	185
Clearance Certificate	154	<b>161</b>	169	176
Valuation Certificate	154	<b>161</b>	169	176
Town Planning Scheme (soft copy)	209	<b>219</b>	229	240
Town Planning Scheme	404	<b>424</b>	443	464
Spatial Development Framework (soft copy)	336.58	<b>353</b>	369	386
Spatial Development Framework	673	<b>706</b>	739	773
Application for Consolidation of Erven	2,692	<b>2,823</b>	2953	3089
SG Diagram (soft copy)	40	<b>42</b>	44	46
SG Diagram	50	<b>52</b>	55	57
Amendment of the Subdivisional Plan	3,472	<b>3,642</b>	3809	3985
Extension of Validity	5,932	<b>6,222</b>	6508	6808
Sale or Lease of Land( Application fees)	5,983	<b>6,277</b>	6565	6867
<b>Contravention Fines and Penalties</b>				
<b>Newspaper(s) and government gazette Advertising Daily dispatch or Gov Gazette Tariff to be borne by the applicant</b>				
<b>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</b>				
Special Residential	2,538	<b>2,663</b>	2785	2913
General Residential	3,046	<b>3,195</b>	3342	3496
General Business	3,046	<b>3,195</b>	3342	3496
Special Business	3,046	<b>3,195</b>	3342	3496
Commercial	3,046	<b>3,195</b>	3342	3496
Industrial`	3,046	<b>3,195</b>	3342	3496
Institutional	3,553	<b>3,728</b>	3899	4078
Educational	3,046	<b>3,195</b>	3342	3496
Municipal	3,046	<b>3,195</b>	3342	3496
Government	3,553	<b>3,728</b>	3899	4078
Public Garage	3,046	<b>3,195</b>	3342	3496
Open Space	2,538	<b>2,663</b>	2785	2913
Agricultural	2,538	<b>2,663</b>	2785	2913
Special	2,538	<b>2,663</b>	2785	2913
Undetermined	2,538	<b>2,663</b>	2785	2913
Proposed New Road and	5,076	<b>5,325</b>	5570	5826
<b>Offences for contravention of Coverage: of the Transkei Standard Town Planning Scheme</b>				
Contravention of section 25	4,061	<b>4,260</b>	4456	4661
<b>Offences for contravention of Height: of the Transkei Standard Town Planning Scheme</b>				
Contravention of section 26	4,061	<b>4,260</b>	4456	4661
<b>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</b>				

Rezoning Application per m2	2023/2024	2024 /2025	2025 / 2026	2026/2027
Special and General Residential	2,538	<b>2,663</b>	2785	2913
Business and Commercial Zones	4,061	<b>4,260</b>	4456	4661
Other zones	4,061	<b>4,260</b>	4456	4661
<b>Offences for contravention of Building Lines: of the Transkei Standard Town Planning Scheme Offences for contravention:</b>				
Contravention of s(10)& s(11)	3,553	<b>3,728</b>	3899	4078
Contravention of s(17); (18); (19); (20); (21); (22); (23); (24); (28); (29); (30); (31) and (32)	5,076	<b>5,325</b>	5570	5826

### GIS Tariffs

GIS Tariffs Printing Charges Paper size - Full Ink	2023/24	2024/25	2025 / 2026	2026/2027
A4	15	15	16	17
A3	36	38	39	41
A2	57	60	62	65
A1	85	89	94	98
A0	113	118	124	129
<b>GIS Tariffs Printing Charges Paper size - Line Map</b>				
A4	9	10	10	11
A3	20	21	22	23
A2	31	32	34	35
A1	48	51	53	56
A0	60	63	66	69

BILLBOARD LOCAL	2023/24	2024/25	2025 / 2026	2026/2027
1m (h) x 1.5m(h) per month	571	<b>599</b>	626	655
1.5m(h) x 2m(w) per month	648	<b>679</b>	711	743
2m(h) x 3m(w) per panel per month	695	<b>729</b>	763	798
3(m) x 4m(w) per structure per month	801	<b>841</b>	879	920
<b>BILLBOARD NATIONAL</b>				
1.5m(h) x 3m(w)	1,655	<b>1,736</b>	1816	1900
3m(h) x 6m(w)	2,431	<b>2,551</b>	2668	2791
6m(h) x 4m(w)	3,206	<b>3,363</b>	3518	3680
9m(h) x 6m(w)	7,857	<b>8,243</b>	8622	9018
<b>BILLBOARD ANNUAL FEES</b>				
Directional Sign ( Per sign face)	798	<b>837</b>	876	916
Illuminated sign (per sign face )	1,007	<b>1,056</b>	1105	1155
Litter Bins	591	<b>620</b>	648	678
Permanent Street Pole Poster	763	<b>801</b>	838	876



<b>BILLBOARD LOCAL</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
Seating Bench	869	<b>911</b>	953	997
Encroaching Sign	869	<b>911</b>	953	997
<b>PERMIT FEES</b>				
Banner	592	<b>621</b>	649	679
Mobile Signs	1,771	<b>1,858</b>	1943	2033
Poster maximum 100	1,493	<b>1,566</b>	1638	1714
Standard signage	433	<b>454</b>	475	497
<b>DEPOSITS</b>				
Banner	916	<b>961</b>	1005	1051
For Sale	1,438	<b>1,509</b>	1578	1651
Poster	1,438	<b>1,509</b>	1578	1651
Election Poster (per party)	7,045	<b>7,390</b>	7730	8085

### **Town Planning Tariffs**

<b>Building Plan Fees Extension 1 and Extension 2</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
Fee per 1m <sup>2</sup>	34	<b>35</b>	37	39
Swimming Pool	530	<b>556</b>	581	608
Retaining /Boundary wall	534	<b>560</b>	586	613
Building plan elapses after a year	Full Fee	<b>Full Fee</b>	Full Fee	
<b>Plan Amendment Fees</b>				
No increase in floor area	513	<b>538</b>	563	589
<b>Temporary Building/Structure Approved by Council</b>				
Storage facility per year	527	<b>552</b>	578	604
Container per year	527	<b>552</b>	578	604
Caravan per year	527	<b>552</b>	578	604
<b>Demolitions</b>				
Per first 100 linear meter	476	<b>499</b>	522	546
Thereof every linear meter exceed 100 meters	35	<b>36</b>	38	40
<b>NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977</b>				
<b>DESCRIPTION OF OFFENCE</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
Building without approved building plan. S4(4)	1,580	<b>1,657</b>	1733	1813
Building in contravention of a notice prohibiting any building work. S10(2)	1,580	<b>1,657</b>	1733	1813
Failure to demolish, alter or safeguard. S12(6)	1,474	<b>1,546</b>	1618	1692

<b>Building Plan Fees Extension 1 and Extension 2</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
Submit false certificate or issuing thereof. S14(3)	1,422	<b>1,491</b>	1560	1632
Occupy or use of building without occupation certificate. S14(4)(a)	1,580	<b>1,657</b>	1733	1813
Preventing a building control officer in the execution of his/her duties. S15(2)	1,895	<b>1,988</b>	2080	2175
Prohibition on the use of certain building methods and materials. S19(2)	684	<b>718</b>	751	786
Submit false or misleading information. S(a)(2)(3)(f)	NAG	<b>NAG</b>	NAG	
Failure to maintain, safeguard or service installation. S(a)(15)(5)	684	<b>718</b>	751	786
Illegal or withdrawn certificate of identity. S(a)(17)(4)	NAG	<b>NAG</b>	NAG	

<b>NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977</b>				
<b>DESCRIPTION OF OFFENCE</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
Failure to supervise and/or control plumbing work. S(a)(18) (5)	684	718	751	786
Failure to give notice of intention to commence erection or demolition of a building. S(a)22 (4)	1,580	1,657	1733	1813
Use of a building for a purpose other than the purpose shown on approved plans. S(a)25 (2)	1,580	1,657	1733	1813
Deviation from approved building plan. S (A)25 (5)	1,580	1,657	1733	1813
Failure to comply with any provision of or any notice issued in terms of Regulation A25 General Enforcement. A25 (11)	1,580	1,657	1733	1813
Failure to safeguard a swimming pool. D4 (2)	1,580	1,657	1733	1813
Failure to apply for written permission for demolition. E1 (1)	1,580	1,657	1733	1813
Failure to safeguard demolition work. E1 (3)	2,001	2,099	2195	2296
Failure to comply with any provision of or any notice issued in terms of Regulation F1 Protection of the public. F1 (6)	2,001	2,099	2195	2296
Failure to control dust and noise. F6 (3)	684	718	751	786

<b>NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977</b>				
<b>DESCRIPTION OF OFFENCE</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
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)	684	718	751	786
Failure to comply with a notice to remove waste material on site. F8 (2)	684	718	751	786
Failure to comply with any provision of or any notice issued in terms of Regulation F9 Cleaning of site. F9 (2)	684	718	751	786
Failure to comply with any provision of or any notice issued in terms of Regulation F10 Builder's sheds. F10 (7)	1,580	1,657	1733	1813
Failure to comply with any provision of or any notice issued terms if Regulation F11 Sanitary facilities. F11 (2)	684	718	751	786
Failure to comply with any provision of or any notice issued in terms of Regulation P1 Compulsory drainage building. P1 (5)	684	718	751	786
Failure to comply with any provision of or any notice issued in terms off Regulation P3 Control of objectionable discharge. P3 (5)	684	718	751	786
Failure to comply with any provision of or any notice in terms of Regulation P4 Industrial effluent. P4 (2)	1,580	1,657	1733	1813
Failure to comply with any provision of or any notice in terms of Regulation P5 Disconnections. P5 (4)	684	718	751	786
Failure to comply with any provision of or any notice issued in terms of Regulation P6 Unauthorized drainage work. P6 (2)	1,580	1,657	1733	1813
Failure to comply with any provision of or any notice issued in terms of Regulations P7 Inspection and testing of drainage installations. P7 (4)	1,580	1,657	1733	1813
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)	1,580	1,657	1733	1813
Obstructing or causing to be obstructed of an escape route. T2 (2)	1,580	1,657	1733	1813
<b>WAYLEAVE</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025 / 2026</b>	<b>2026/2027</b>

<b>NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977</b>				
<b>DESCRIPTION OF OFFENCE</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
Application	R 3,500.00	<b>3,661</b>	3829	4006
Fine	R 7,000.00	<b>7,322</b>	7659	8011
<b>PROPERTY VALUATION</b>				
Valuation certificate	161	<b>169</b>	177	185

**Business Licensing and Other Tariffs**

<b>BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF: VENDING AND HAWKING TARRIFS</b>				
	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
	R	R		
Registration for permit for hawker with table	126	133	139	145
Renewal for permit of hawker with table	105	110	116	121
Registration of permit for hawker with shelter	316	331	347	363
Renewal for hawker with shelter	369	387	404	423
Registration of permit for bakkies	527	552	578	604
Renewal of permit for bakkies	527	552	578	604
Registration hawkers outside of town with table	74	77	81	85
Renewal of hawkers outside of town with table	74	77	81	85
Registration for hawkers with shelter outside town	158	166	173	181
Renewal for hawkers with shelter outside town	158	166	173	181
Penalty fee for failure to adhere to by-laws	369	387	404	423
Penalty fee for confiscated goods	527	552	578	604

<b>BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF</b>				
	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>
	R	R	R	
Registration fee: Sale and supply of meals	168	177	185	193
Registration fee: Health and entertainment	168	177	185	193
Registration fee: Mechanical electrical apparatus or devices (games) 3 or more	168	177	185	193
<i>NOTE: These fees are once off and only for registration fee.</i>				
Annual License fees (One year fee): Sale and supply of meals	421	442	462	483
Annual License fees (One year fee): Health and entertainment	421	442	462	483
Annual License fees (One year fee): Mechanical electrical apparatus or devices (games) 3 or more	421	442	462	483

## 1.7 Operating Expenditure Framework

The Municipality's expenditure framework for the 2024/25 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 2024/25 budget and MTREF (classified per main type of operating expenditure):

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	% Change	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Expenditure</b>											
Employee related costs	2	105,837	108,100	114,174	130,212	130,041	130,041	-	136,932	143,129	149,768
Remuneration of councillors		23,964	25,010	26,321	28,480	28,480	28,480	-	29,876	31,250	32,657
Bulk purchases - electricity	2	35,022	40,211	42,241	47,731	47,731	47,731	-	53,792	62,238	72,009
Inventory consumed	8	4,798	5,473	5,396	7,485	7,683	7,683	-	8,078	8,445	8,826
Debt impairment	3	5,208	822	1,059	10,109	10,109	10,109	-	6,109	6,390	6,684
Depreciation and amortisation		40,180	52,674	41,761	54,371	64,371	64,371	-	54,371	56,546	56,546
Interest	1	1	26	-	100	100	100	-	100	100	100
Contracted services		41,065	62,038	52,001	85,745	128,803	128,803	-	99,144	101,165	107,584
Transfers and subsidies		4,499	1,251	2,593	3,431	3,281	3,281	-	4,216	4,409	4,609
Irrecoverable debts written off		-	-	345	-	-	-	-	-	-	-
Operational costs		38,020	65,576	61,243	80,034	81,298	81,298	-	82,244	86,343	90,283
Losses on disposal of Assets		43,413	45,962	40,649	-	-	-	-	-	-	-
Other Losses		293	-	18	-	22,432	22,432	-	-	-	-
<b>Total Expenditure</b>		<b>342,301</b>	<b>407,143</b>	<b>387,802</b>	<b>447,697</b>	<b>524,328</b>	<b>524,328</b>	<b>-</b>	<b>474,862</b>	<b>500,016</b>	<b>529,065</b>

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities 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 and has posed challenges to most municipalities' sustainability. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Therefore, municipalities are urged to consider projecting salary and wage increases that would reflect their affordability given the current economic challenges. Municipalities that are already not in a position to afford the current wage cost, would have to limit the increase in the 2024/25 MTREF and to exercise the option for exemption for any negotiated increase above the level of their affordability

Below are vacant positions that are included in the calculations of these draft budget amounts that have been agreed on with Corporate Services to ensure these are on the municipality's current organisational structure. In line with the national government's call to manage the public sector wage bill the municipality's employee costs budget plus remuneration of councillors makes up 35% of the operating budget including non-cash items which then breaches the maximum limit permitted of 41% when we exclude non-cash items. Below are the details of vacant positions included in the draft budget.

### **Municipal Manager**

- Admin Clerk
- Monitoring and Evaluation Officer

### **Corporate Services**

- IT Technician
- Receptionist

### **Community Services**

- Security
- Cashier
- Admin Clerk

### **Refuse Removal**

- General Assistants

### **Engineering Services**

- Data Capturer (MIG)

The above positions exclude those where recruitment processes have already commenced or concluded but the successful incumbents have not resumed duties yet. These have been included as positions that are filled as they should be filled by the time this budget is implemented.

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.

#### **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 16% 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. The above table shows that the municipality requires over R54 million in the budget year to closer to achieving this goal.

#### **iii. Remuneration of councilors**

An increase of 4.9% 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 R14.4 million requiring the municipality to also fund the remuneration of councillors from revenues internally generated.

#### **iv. Bulk purchases**

The municipality is licensed to distribute areas in the municipal area, however such distribution only happens in town with the rest of the areas being distributed by Eskom. The municipality therefore buys electricity from Eskom to distribute to its customers at a charge as approved by NERSA from time to time. The budget has considered a 12.7% increase in line with the MYPD5 that comes to an end in 2024/25 financial year.

#### **v. Contracted Services**

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

- R9.9 million for outsourced security services



- R7 million for legal services
- R22.7 million for road maintenance
- R3.6 million for CBD road and storm water maintenance
- R1 million for maintenance electricity infrastructure
- R3 million for maintenance of municipal buildings
- R4.2 million for casual labour for refuse removal
- R2.2 million for security casual labour
- R2.9 million for EPWP implementation
- R3.5 million for maintenance of the landfill site
- R1.1 thousand for waste management services
- R1.4 million for Internal Audit fees
- R1.9 million for the maintenance and review of the Infrastructure Fixed Asset Register
- R1.5 million for debt collection services
- R1.5 maintenance of Financial Management Systems (FMG)
- R4.7 million for maintenance of municipal vehicles
- R5.8 million on catering for various municipal activities which is an increase from R4.5 million in the current year original budget
- R1.5 million for compilation of the valuation roll

There are other municipal programmes included as road marking, survey of municipal land, and all other programmes planned by the municipality for its day to day running and community programs.

#### **vi. Other Expenditure**

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

- R5.8 million for compensation of ward committees
- R5.7 million for maintenance of IT systems and rentals thereof
- R4.9 million for License fees
- R1.2 million for communication in the form of telephone, fax and cellphones
- R5.7 million for external audit fees
- R4.8 million for free basic electricity
- R2 million for solar energy subsidy
- R6.3 million for accommodation of Municipal Officials and Councillors which is an increase from R5.3 million in the current year's original budget
- R3 million for insurance of municipal assets
- R2 million for SALGA levies and
- R570 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.

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		374,115	340,724	395,755	391,308	401,363	401,363	420,865	419,780	410,028
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		374,115	339,902	395,755	391,308	401,363	401,363	420,865	419,780	410,028
Internal audit		-	822	-	-	-	-	-	-	-
<i>Community and public safety</i>		4,828	3,960	6,325	4,599	4,867	4,867	5,630	5,836	6,091
Community and social services		544	193	1,597	605	725	725	1,383	1,394	1,445
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4,285	3,768	4,728	3,993	4,141	4,141	4,246	4,442	4,646
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		45,586	51,861	80,051	62,281	68,939	68,939	56,622	60,322	65,342
Planning and development		127	46,324	6,859	2,986	11,962	11,962	2,936	4,076	4,332
Road transport		45,459	5,537	73,192	59,295	56,977	56,977	53,686	56,246	61,010
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		75,078	74,203	76,452	58,201	63,228	63,228	88,799	79,269	81,520
Energy sources		67,709	66,431	57,288	49,298	55,505	55,505	79,600	72,913	74,343
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7,369	7,772	19,164	8,903	7,723	7,723	9,199	6,355	7,177
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>499,607</b>	<b>470,748</b>	<b>558,584</b>	<b>516,389</b>	<b>538,396</b>	<b>538,396</b>	<b>571,916</b>	<b>565,206</b>	<b>562,981</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		144,871	151,842	166,327	217,120	218,952	218,952	220,302	230,192	239,898
Executive and council		55,097	55,003	59,350	68,123	65,938	65,938	63,097	65,996	68,961
Finance and administration		86,322	93,262	102,994	144,047	148,064	148,064	151,736	158,477	164,958
Internal audit		3,452	3,577	3,984	4,950	4,950	4,950	5,469	5,720	5,980
<i>Community and public safety</i>		24,262	26,795	25,233	34,348	36,823	36,823	36,240	37,888	39,541
Community and social services		7,338	9,955	8,067	13,748	15,493	15,493	13,466	14,079	14,671
Sport and recreation		2,079	2,404	1,977	2,866	2,798	2,798	3,274	3,423	3,579
Public safety		14,083	13,617	14,133	16,544	17,497	17,497	18,445	19,283	20,136
Housing		762	818	1,056	1,190	1,035	1,035	1,055	1,104	1,154
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		67,688	116,220	73,425	95,895	126,196	126,196	112,159	118,325	123,978
Planning and development		21,101	24,879	24,405	27,599	33,682	33,682	32,831	34,338	35,982
Road transport		45,014	89,183	46,783	65,786	89,937	89,937	76,524	81,055	84,931
Environmental protection		1,572	2,159	2,236	2,510	2,577	2,577	2,804	2,932	3,065
<i>Trading services</i>		102,932	109,265	119,513	96,035	138,341	138,341	101,906	109,159	120,994
Energy sources		79,676	94,693	94,197	67,303	108,815	108,815	70,769	79,722	90,240
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		23,256	14,573	25,316	28,732	29,526	29,526	31,137	29,437	30,754
<i>Other</i>	4	2,547	3,021	3,303	4,299	4,016	4,016	4,256	4,451	4,654
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>342,301</b>	<b>407,143</b>	<b>387,802</b>	<b>447,697</b>	<b>524,328</b>	<b>524,328</b>	<b>474,862</b>	<b>500,016</b>	<b>529,065</b>
<b>Surplus/(Deficit) for the year</b>		<b>157,306</b>	<b>63,605</b>	<b>170,782</b>	<b>68,692</b>	<b>14,068</b>	<b>14,068</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>

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 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>Repairs and Maintenance by Expenditure Item</b>	8										
Employee related costs		-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		50	52	7	65	65	65	-	-	-	
Contracted Services		5,167	12,232	11,280	32,201	40,227	40,227	42,994	46,226	50,097	
Operational Costs		-	-	-	-	-	-	-	-	-	
<b>Total Repairs and Maintenance Expenditure</b>	9	5,217	12,285	11,287	32,266	40,292	40,292	-	42,994	46,226	50,097
<b>Inventory Consumed</b>											
Inventory Consumed - Water		-	-	-	-	-	-	-	-	-	-
Inventory Consumed - Other		4,798	5,473	5,396	7,485	7,683	7,683	-	8,078	8,445	8,826
<b>Total Inventory Consumed &amp; Other Material</b>		4,798	5,473	5,396	7,485	7,683	7,683	-	8,078	8,445	8,826

EC443 Winnie Madikizela Mandela - Table A9 Asset Management

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
<b>R thousand</b>											
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		43.4%	54.0%	55.9%	18.7%	41.1%	41.1%	15.1%	21.7%	18.9%	
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		150.5%	206.1%	204.5%	42.3%	105.7%	105.7%	36.0%	43.5%	32.4%	
<i>R&amp;M as a % of PPE &amp; Investment Property</i>		0.9%	2.1%	1.6%	4.2%	5.0%	5.0%	4.6%	5.0%	5.5%	
<i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</i>		11.5%	17.5%	13.4%	7.2%	12.1%	12.1%	6.6%	7.6%	7.5%	

An amount of R42.9 million has been set aside in the 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	1	134,151	292,581	376,685	306,560	355,413	355,413	220,314	248,107	258,771
Other current investments > 90 days		124,011	(15,472)	(16,669)	0	(0)	(0)	-	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>258,162</b>	<b>277,109</b>	<b>360,015</b>	<b>306,560</b>	<b>355,413</b>	<b>355,413</b>	<b>220,314</b>	<b>248,107</b>	<b>258,771</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers		5,058	7,445	8,199	(4,740)	2,127	2,127	7,951	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	(15,385)	(17,500)	(19,206)
Other working capital requirements	3	18,109	22,476	23,071	34,276	46,936	46,936	(43,700)	(38,436)	(35,426)
Other provisions		20,224	21,279	19,918	20,308	19,919	19,919	19,919	19,919	19,919
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>43,391</b>	<b>51,199</b>	<b>51,187</b>	<b>49,843</b>	<b>68,981</b>	<b>68,981</b>	<b>(31,215)</b>	<b>(36,017)</b>	<b>(34,714)</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Bene</b>		<b>214,771</b>	<b>225,909</b>	<b>308,828</b>	<b>256,717</b>	<b>286,432</b>	<b>286,432</b>	<b>251,529</b>	<b>284,124</b>	<b>293,485</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Bene</b>		<b>214,771</b>	<b>225,909</b>	<b>308,828</b>	<b>256,717</b>	<b>286,432</b>	<b>286,432</b>	<b>251,529</b>	<b>284,124</b>	<b>293,485</b>

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 A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		-	822	-	-	-	-	-	-	-
Vote 2 - Corporate Services		405	483	1,332	441	441	441	449	167	175
Vote 3 - Budget and Treasury Office		354,557	318,256	373,263	362,652	372,706	372,706	388,792	386,756	375,295
Vote 4 - Community Services		12,198	11,732	25,490	13,502	12,590	12,590	14,829	12,191	13,268
Vote 5 - Development Planning		19,267	22,001	22,795	28,330	37,498	37,498	31,734	33,972	35,679
Vote 6 - Engineering Services		113,181	117,454	135,705	111,464	115,161	115,161	136,112	132,119	138,564
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]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>499,607</b>	<b>470,748</b>	<b>558,584</b>	<b>516,389</b>	<b>538,396</b>	<b>538,396</b>	<b>571,916</b>	<b>565,206</b>	<b>562,981</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		71,616	71,791	78,545	88,654	89,306	89,306	87,684	91,709	95,837
Vote 2 - Corporate Services		38,617	40,690	42,845	64,946	65,800	65,800	68,526	71,568	73,998
Vote 3 - Budget and Treasury Office		21,918	24,479	27,995	45,747	45,747	45,747	42,992	44,844	46,988
Vote 4 - Community Services		62,926	59,309	70,461	83,784	88,466	88,466	92,655	93,765	97,936
Vote 5 - Development Planning		15,944	17,186	21,936	24,898	29,673	29,673	29,366	30,711	32,073
Vote 6 - Engineering Services		131,280	193,688	146,019	139,669	205,336	205,336	153,638	167,418	182,232
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]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>342,301</b>	<b>407,143</b>	<b>387,802</b>	<b>447,697</b>	<b>524,328</b>	<b>524,328</b>	<b>474,862</b>	<b>500,016</b>	<b>529,065</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>157,306</b>	<b>63,605</b>	<b>170,782</b>	<b>68,692</b>	<b>14,068</b>	<b>14,068</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>

### MM's Office and Council expense

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

### Budget and Treasury

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

### Corporate Services

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

#### Development Planning

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

#### Community and Social Services

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

#### Road Engineering

The allocations made relate to the day to day operations of the department. There are also allocations for fuel and oil for the municipal plant which will be used to maintain some of the roads within the municipality. A provision of R26.3 million has been made to cater for external road maintenance and CBD maintenance, and R3 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 that are made for purchase of electrical material and maintenance of electrical infrastructure.

**Table 12 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	1									
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-
Vote 5 - Development Planning		-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		-	-	-	-	-	-	-	-	-
		27,639	66,237	14,976	10,125	22,914	22,914	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	<b>27,639</b>	<b>66,237</b>	<b>14,976</b>	<b>10,125</b>	<b>22,914</b>	<b>22,914</b>	-	-	-
<b>Single-year expenditure to be appropriated</b>	2									
Vote 1 - Executive and Council		-	30	-	1,304	1,304	1,304	-	-	-
Vote 2 - Corporate Services		6,269	1,855	6,366	9,457	7,490	7,490	8,587	4,674	4,370
Vote 3 - Budget and Treasury Office		2,096	-	-	-	300	300	-	-	-
Vote 4 - Community Services		3,035	306	4,289	21,308	15,334	15,334	13,241	10,443	1,822
Vote 5 - Development Planning		1,447	597	3,423	2,376	7,742	7,742	3,043	870	-
Vote 6 - Engineering Services		99,009	96,277	120,168	78,712	84,574	84,574	106,071	98,014	90,524
<b>Capital single-year expenditure sub-total</b>		<b>111,856</b>	<b>99,064</b>	<b>134,247</b>	<b>113,157</b>	<b>116,746</b>	<b>116,746</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>
<b>Total Capital Expenditure - Vote</b>		<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>139,660</b>	<b>139,660</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>8,470</b>	<b>1,885</b>	<b>6,594</b>	<b>11,109</b>	<b>9,269</b>	<b>9,269</b>	<b>8,952</b>	<b>5,056</b>	<b>4,769</b>
Executive and council		-	30	-	1,304	1,304	1,304	-	-	-
Finance and administration		8,470	1,855	6,594	9,804	7,964	7,964	8,952	5,056	4,769
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>2,272</b>	<b>221</b>	<b>1,607</b>	<b>907</b>	<b>3,585</b>	<b>3,585</b>	<b>8,268</b>	<b>4,654</b>	<b>1,042</b>
Community and social services		1,376	221	1,473	770	1,405	1,405	8,137	4,523	911
Sport and recreation		-	-	134	137	137	137	130	130	130
Public safety		896	-	-	-	2,043	2,043	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>93,514</b>	<b>136,787</b>	<b>123,316</b>	<b>75,731</b>	<b>111,818</b>	<b>111,818</b>	<b>72,597</b>	<b>72,901</b>	<b>71,394</b>
Planning and development		41,937	76,744	21,038	13,300	32,748	32,748	11,739	5,217	3,652
Road transport		51,577	60,044	102,278	62,430	78,983	78,983	60,858	67,683	67,742
Environmental protection		-	-	-	-	87	87	-	-	-
<b>Trading services</b>		<b>35,239</b>	<b>26,408</b>	<b>17,706</b>	<b>35,536</b>	<b>14,988</b>	<b>14,988</b>	<b>41,126</b>	<b>31,390</b>	<b>19,511</b>
Energy sources		34,185	26,323	15,252	15,483	3,500	3,500	29,213	22,330	19,130
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1,054	85	2,454	20,054	11,488	11,488	11,913	9,059	381
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>139,660</b>	<b>139,660</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>
<b>Funded by:</b>										
National Government		65,442	64,059	87,749	66,343	52,965	52,965	68,523	62,979	66,096
Provincial Government		200	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>65,642</b>	<b>64,059</b>	<b>87,749</b>	<b>66,343</b>	<b>52,965</b>	<b>52,965</b>	<b>68,523</b>	<b>62,979</b>	<b>66,096</b>
<b>Borrowing</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	7	<b>73,853</b>	<b>101,241</b>	<b>61,474</b>	<b>56,939</b>	<b>86,695</b>	<b>86,695</b>	<b>62,420</b>	<b>51,021</b>	<b>30,620</b>
<b>Total Capital Funding</b>	7	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>139,660</b>	<b>139,660</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>

For the 2024/25 Annual budget, there is a decrease in the capital budget of the municipality compared to the final approved budget of the 2023/24 financial year which should be used as a baseline going forward. This accounts for about R9 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.

### Corporate services

The department has budgeted for the purchase of Municipal Vehicles, IT equipment, as well as office furniture including that for the Civic Center and other municipal offices.

### 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 paving of community halls, grass cutting machines, installation of CCTV cameras, and Security equipment.

### Refuse Removal

The department has budgeted for the construction of Landfill site, procurement of a refuse truck, changeroom container septic tank and skip bins.

### Road works and Engineering

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

- |   |               |
|---|---------------|
| • Mphuthumi Mafumbatha multi-purpose center             | R10 million   |
| • Ward 32 Community Hall                                | R 4.2 million |
| • Ward 16 Community Hall                                | R 4.2 million |
| • Construction of Market Place                          | R 3.5 million |
| • Mhlabomnyama Via Makhalweni to Plangeni Access Road   | R4.7 million  |
| • Mtamvuna to Mabheleni Access road                     | R5.1 million  |
| • Construction of Mkhasweni Access Road                 | R4.7 million  |
| • Construction of Sunny Side Acces Road                 | R4.5 million  |
| • Construction of Nyanisweni Access Road                | R4.7 million  |
| • 116 to Somgungqu to Khwanyana Access Road             | R3.8 million  |
| • Construction of Lukhanyo Access Road                  | R4.7 million  |
| • Construction of Khutshi to Voting Station access road | R4.8 million  |
| • Construction of Cabane Crestu Access Road             | R3.3 million  |
| • Construction of Ndlavini Access Road                  | R5.2 million  |
| • Construction of Mbuthweni to Nokhatshile Access Road  | R3 million    |
| • Upgrade of CBD  | R10 million   |
| • Rehabilitation of Pelepele Bridge and Access Road     | R3 million    |
| • Rehabilitation of Ntinga Bridge with Access Road      | R3 million    |
| • Construction of Thaleni Bridge                        | R4.5 million  |



Electricity

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

- Replacement of low voltage lines R4 million
- Electrification of Nomlacu Phase 3 R13.7 million
- Electrification of Nkanini Village R5.5 million
- Electrification of Mathwebu Village R5.7 million
- Upgrade of Albany Substation R2.5 million
- Backup Energy System R500 thousand
- Fencing of substation R 600 thousand.

## 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 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	20,145	21,163	21,160	21,250	21,250	21,250	21,532	22,190	23,282
Service charges	40,257	42,139	56,325	37,904	44,111	44,111	56,844	59,311	62,568
Investment revenue	7,604	10,784	21,920	15,890	25,890	25,890	27,159	28,408	29,715
Transfer and subsidies - Operational	337,728	295,672	342,754	349,897	355,050	355,050	369,031	362,358	349,876
Other own revenue	16,448	20,749	22,108	15,153	15,186	15,186	18,549	19,513	20,530
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>422,182</b>	<b>390,507</b>	<b>464,268</b>	<b>440,094</b>	<b>461,487</b>	<b>461,487</b>	<b>493,115</b>	<b>491,780</b>	<b>485,971</b>
Employee costs	105,837	108,100	114,174	130,212	130,041	130,041	136,932	143,129	149,768
Remuneration of councillors	23,964	25,010	26,321	28,480	28,480	28,480	29,876	31,250	32,657
Depreciation and amortisation	40,180	52,674	41,761	54,371	64,371	64,371	54,371	56,546	56,546
Interest	1	26	-	100	100	100	100	100	100
Inventory consumed and bulk purchases	39,820	45,684	47,637	55,216	55,414	55,414	61,871	70,683	80,835
Transfers and subsidies	4,499	1,251	2,593	3,431	3,281	3,281	4,216	4,409	4,609
Other expenditure	128,000	174,397	155,315	175,887	242,642	242,642	187,496	193,898	204,550
<b>Total Expenditure</b>	<b>342,301</b>	<b>407,143</b>	<b>387,802</b>	<b>447,697</b>	<b>524,328</b>	<b>524,328</b>	<b>474,862</b>	<b>500,016</b>	<b>529,065</b>
<b>Surplus/(Deficit)</b>	<b>79,882</b>	<b>(16,636)</b>	<b>76,467</b>	<b>(7,603)</b>	<b>(62,841)</b>	<b>(62,841)</b>	<b>18,253</b>	<b>(8,236)</b>	<b>(43,094)</b>
Transfers and subsidies - capital (monetary allocations)	77,425	80,162	93,836	76,295	76,910	76,910	78,801	73,426	77,010
Transfers and subsidies - capital (in-kind)	-	79	479	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>157,306</b>	<b>63,605</b>	<b>170,782</b>	<b>68,692</b>	<b>14,068</b>	<b>14,068</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>157,306</b>	<b>63,605</b>	<b>170,782</b>	<b>68,692</b>	<b>14,068</b>	<b>14,068</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>139,660</b>	<b>139,660</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>
Transfers recognised - capital	65,642	64,059	87,749	66,343	52,965	52,965	68,523	62,979	66,096
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	73,853	101,241	61,474	56,939	86,695	86,695	62,420	51,021	30,620
<b>Total sources of capital funds</b>	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>139,660</b>	<b>139,660</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>
<b>Financial position</b>									
Total current assets	387,772	401,028	487,980	413,370	463,899	463,821	343,306	372,297	389,397
Total non current assets	737,528	809,673	881,715	875,374	934,572	934,572	958,287	939,169	921,885
Total current liabilities	91,182	102,121	101,333	99,779	116,040	116,040	117,735	109,866	112,963
Total non current liabilities	5,246	22,484	11,485	22,484	11,485	11,485	11,485	11,485	11,485
Community wealth/Equity	1,029,140	1,086,096	1,256,878	1,166,481	1,270,946	1,270,946	1,172,373	1,190,115	1,186,835
<b>Cash flows</b>									
Net cash from (used) operating	335,057	173,089	224,463	170,828	145,280	145,280	191,379	158,033	121,521
Net cash from (used) investing	(123,288)	(138,669)	(124,887)	(141,376)	(149,882)	(149,882)	(149,521)	(130,239)	(110,857)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>134,151</b>	<b>292,581</b>	<b>376,685</b>	<b>306,560</b>	<b>355,413</b>	<b>355,413</b>	<b>220,314</b>	<b>248,107</b>	<b>258,771</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	258,162	277,109	360,015	306,560	355,413	355,413	220,314	248,107	258,771
Application of cash and investments	43,391	51,199	51,187	49,843	68,981	68,981	(31,215)	(36,017)	(34,714)
<b>Balance - surplus (shortfall)</b>	<b>214,771</b>	<b>225,909</b>	<b>308,828</b>	<b>256,717</b>	<b>286,432</b>	<b>286,432</b>	<b>251,529</b>	<b>284,124</b>	<b>293,485</b>
<b>Asset management</b>									
Asset register summary (WDV)	572,362	591,378	708,419	766,516	811,370	811,370	958,287	939,169	921,899
Depreciation	40,180	44,118	40,770	54,371	54,371	54,371	54,371	56,527	56,527
Renewal and Upgrading of Existing Assets	60,478	90,916	83,391	23,008	57,451	57,451	19,565	24,588	18,317
Repairs and Maintenance	5,217	12,285	11,287	32,266	40,292	40,292	42,994	46,226	50,097
<b>Free services</b>									
Cost of Free Basic Services provided	-	-	-	4,800	4,800	4,800	4,800	5,021	5,252
Revenue cost of free services provided	-	-	5	608	608	608	1,198	1,234	1,270
<b>Households below minimum service level</b>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-
Energy :	6	6	6	6	6	6	2	2	2
Refuse:	48	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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		374,115	340,724	395,755	391,308	401,363	401,363	420,865	419,780	410,028
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		374,115	339,902	395,755	391,308	401,363	401,363	420,865	419,780	410,028
Internal audit		-	822	-	-	-	-	-	-	-
<i>Community and public safety</i>		4,828	3,960	6,325	4,599	4,867	4,867	5,630	5,836	6,091
Community and social services		544	193	1,597	605	725	725	1,383	1,394	1,445
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4,285	3,768	4,728	3,993	4,141	4,141	4,246	4,442	4,646
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		45,586	51,861	80,051	62,281	68,939	68,939	56,622	60,322	65,342
Planning and development		127	46,324	6,859	2,986	11,962	11,962	2,936	4,076	4,332
Road transport		45,459	5,537	73,192	59,295	56,977	56,977	53,686	56,246	61,010
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		75,078	74,203	76,452	58,201	63,228	63,228	88,799	79,269	81,520
Energy sources		67,709	66,431	57,288	49,298	55,505	55,505	79,600	72,913	74,343
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7,369	7,772	19,164	8,903	7,723	7,723	9,199	6,355	7,177
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>499,607</b>	<b>470,748</b>	<b>558,584</b>	<b>516,389</b>	<b>538,396</b>	<b>538,396</b>	<b>571,916</b>	<b>565,206</b>	<b>562,981</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		144,871	151,842	166,327	217,120	218,952	218,952	220,302	230,192	239,898
Executive and council		55,097	55,003	59,350	68,123	65,938	65,938	63,097	65,996	68,961
Finance and administration		86,322	93,262	102,994	144,047	148,064	148,064	151,736	158,477	164,958
Internal audit		3,452	3,577	3,984	4,950	4,950	4,950	5,469	5,720	5,980
<i>Community and public safety</i>		24,262	26,795	25,233	34,348	36,823	36,823	36,240	37,888	39,541
Community and social services		7,338	9,955	8,067	13,748	15,493	15,493	13,466	14,079	14,671
Sport and recreation		2,079	2,404	1,977	2,866	2,798	2,798	3,274	3,423	3,579
Public safety		14,083	13,617	14,133	16,544	17,497	17,497	18,445	19,283	20,136
Housing		762	818	1,056	1,190	1,035	1,035	1,055	1,104	1,154
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		67,688	116,220	73,425	95,895	126,196	126,196	112,159	118,325	123,978
Planning and development		21,101	24,879	24,405	27,599	33,682	33,682	32,831	34,338	35,982
Road transport		45,014	89,183	46,783	65,786	89,937	89,937	76,524	81,055	84,931
Environmental protection		1,572	2,159	2,236	2,510	2,577	2,577	2,804	2,932	3,065
<i>Trading services</i>		102,932	109,265	119,513	96,035	138,341	138,341	101,906	109,159	120,994
Energy sources		79,676	94,693	94,197	67,303	108,815	108,815	70,769	79,722	90,240
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		23,256	14,573	25,316	28,732	29,526	29,526	31,137	29,437	30,754
<i>Other</i>	4	2,547	3,021	3,303	4,299	4,016	4,016	4,256	4,451	4,654
<b>Total Expenditure - Functional</b>	3	<b>342,301</b>	<b>407,143</b>	<b>387,802</b>	<b>447,697</b>	<b>524,328</b>	<b>524,328</b>	<b>474,862</b>	<b>500,016</b>	<b>529,065</b>
<b>Surplus/(Deficit) for the year</b>		<b>157,306</b>	<b>63,605</b>	<b>170,782</b>	<b>68,692</b>	<b>14,068</b>	<b>14,068</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>

**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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>										
Vote 1 - Executive and Council	1	-	822	-	-	-	-	-	-	-
Vote 2 - Corporate Services		405	483	1,332	441	441	441	449	167	175
Vote 3 - Budget and Treasury Office		354,557	318,256	373,263	362,652	372,706	372,706	388,792	386,756	375,295
Vote 4 - Community Services		12,198	11,732	25,490	13,502	12,590	12,590	14,829	12,191	13,268
Vote 5 - Development Planning		19,267	22,001	22,795	28,330	37,498	37,498	31,734	33,972	35,679
Vote 6 - Engineering Services		113,181	117,454	135,705	111,464	115,161	115,161	136,112	132,119	138,564
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]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>499,607</b>	<b>470,748</b>	<b>558,584</b>	<b>516,389</b>	<b>538,396</b>	<b>538,396</b>	<b>571,916</b>	<b>565,206</b>	<b>562,981</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - Executive and Council	1	71,616	71,791	78,545	88,654	89,306	89,306	87,684	91,709	95,837
Vote 2 - Corporate Services		38,617	40,690	42,845	64,946	65,800	65,800	68,526	71,568	73,998
Vote 3 - Budget and Treasury Office		21,918	24,479	27,995	45,747	45,747	45,747	42,992	44,844	46,988
Vote 4 - Community Services		62,926	59,309	70,461	83,784	88,466	88,466	92,655	93,765	97,936
Vote 5 - Development Planning		15,944	17,186	21,936	24,898	29,673	29,673	29,366	30,711	32,073
Vote 6 - Engineering Services		131,280	193,688	146,019	139,669	205,336	205,336	153,638	167,418	182,232
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]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>342,301</b>	<b>407,143</b>	<b>387,802</b>	<b>447,697</b>	<b>524,328</b>	<b>524,328</b>	<b>474,862</b>	<b>500,016</b>	<b>529,065</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>157,306</b>	<b>63,605</b>	<b>170,782</b>	<b>68,692</b>	<b>14,068</b>	<b>14,068</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	2	35,679	37,937	40,848	32,243	39,450	39,450	52,684	55,108	57,643
Service charges - Water	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	4,578	4,202	15,477	5,661	4,661	4,661	4,160	4,203	4,926
Sale of Goods and Rendering of Services		197	238	158	201	201	201	201	210	220
Agency services		1,291	1,202	1,361	1,266	1,414	1,414	1,427	1,493	1,562
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		3,538	1,852	2,413	3,390	3,390	3,390	3,556	3,719	3,890
Interest earned from Current and Non Current Assets		7,604	10,784	21,920	15,890	25,890	25,890	27,159	28,408	29,715
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		5,876	7,682	7,576	5,282	5,402	5,402	4,924	5,261	5,622
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		708	653	676	471	237	237	190	199	208
<b>Non-Exchange Revenue</b>										
Property rates	2	20,145	21,163	21,160	21,250	21,250	21,250	21,532	22,190	23,282
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		688	386	1,225	225	225	225	579	605	633
Licences or permits		2,343	2,141	2,169	2,537	2,537	2,537	2,277	2,382	2,491
Transfer and subsidies - Operational		337,728	295,672	342,754	349,897	355,050	355,050	369,031	362,358	349,876
Interest		737	2,750	4,037	1,780	1,780	1,780	5,396	5,644	5,904
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	756	-	-	-	-	-	-
Other Gains		1,069	3,843	1,738	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>422,182</b>	<b>390,507</b>	<b>464,268</b>	<b>440,094</b>	<b>461,487</b>	<b>461,487</b>	<b>493,115</b>	<b>491,780</b>	<b>485,971</b>
<b>Expenditure</b>										
Employee related costs	2	105,837	108,100	114,174	130,212	130,041	130,041	136,932	143,129	149,768
Remuneration of councillors	2	23,964	25,010	26,321	28,480	28,480	28,480	29,876	31,250	32,657
Bulk purchases - electricity	2	35,022	40,211	42,241	47,731	47,731	47,731	53,792	62,238	72,009
Inventory consumed	8	4,798	5,473	5,396	7,485	7,683	7,683	8,078	8,445	8,826
Debt impairment	3	5,208	822	1,059	10,109	10,109	10,109	6,109	6,390	6,684
Depreciation and amortisation		40,180	52,674	41,761	54,371	64,371	64,371	54,371	56,546	56,546
Interest	1	1	26	-	100	100	100	100	100	100
Contracted services		41,065	62,038	52,001	85,745	128,803	128,803	99,144	101,165	107,584
Transfers and subsidies		4,499	1,251	2,593	3,431	3,281	3,281	4,216	4,409	4,609
Irrecoverable debts written off		-	-	345	-	-	-	-	-	-
Operational costs		38,020	65,576	61,243	80,034	81,298	81,298	82,244	86,343	90,283
Losses on disposal of Assets		43,413	45,962	40,649	-	-	-	-	-	-
Other Losses		293	-	18	-	22,432	22,432	-	-	-
<b>Total Expenditure</b>		<b>342,301</b>	<b>407,143</b>	<b>387,802</b>	<b>447,697</b>	<b>524,328</b>	<b>524,328</b>	<b>474,862</b>	<b>500,016</b>	<b>529,065</b>
<b>Surplus/(Deficit)</b>		<b>79,882</b>	<b>(16,636)</b>	<b>76,467</b>	<b>(7,603)</b>	<b>(62,841)</b>	<b>(62,841)</b>	<b>18,253</b>	<b>(8,236)</b>	<b>(43,094)</b>
Transfers and subsidies - capital (monetary allocations)	6	77,425	80,162	93,836	76,295	76,910	76,910	78,801	73,426	77,010
Transfers and subsidies - capital (in-kind)	6	-	79	479	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>157,306</b>	<b>63,605</b>	<b>170,782</b>	<b>68,692</b>	<b>14,068</b>	<b>14,068</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>157,306</b>	<b>63,605</b>	<b>170,782</b>	<b>68,692</b>	<b>14,068</b>	<b>14,068</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>157,306</b>	<b>63,605</b>	<b>170,782</b>	<b>68,692</b>	<b>14,068</b>	<b>14,068</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>157,306</b>	<b>63,605</b>	<b>170,782</b>	<b>68,692</b>	<b>14,068</b>	<b>14,068</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>



**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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	1									
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-
Vote 5 - Development Planning		-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		-	-	-	-	-	-	-	-	-
		27,639	66,237	14,976	10,125	22,914	22,914	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	<b>27,639</b>	<b>66,237</b>	<b>14,976</b>	<b>10,125</b>	<b>22,914</b>	<b>22,914</b>	-	-	-
<b>Single-year expenditure to be appropriated</b>	2									
Vote 1 - Executive and Council		-	30	-	1,304	1,304	1,304	-	-	-
Vote 2 - Corporate Services		6,269	1,855	6,366	9,457	7,490	7,490	8,587	4,674	4,370
Vote 3 - Budget and Treasury Office		2,096	-	-	-	300	300	-	-	-
Vote 4 - Community Services		3,035	306	4,289	21,308	15,334	15,334	13,241	10,443	1,822
Vote 5 - Development Planning		1,447	597	3,423	2,376	7,742	7,742	3,043	870	-
Vote 6 - Engineering Services		99,009	96,277	120,168	78,712	84,574	84,574	106,071	98,014	90,524
<b>Capital single-year expenditure sub-total</b>		<b>111,856</b>	<b>99,064</b>	<b>134,247</b>	<b>113,157</b>	<b>116,746</b>	<b>116,746</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>
<b>Total Capital Expenditure - Vote</b>		<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>139,660</b>	<b>139,660</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>8,470</b>	<b>1,885</b>	<b>6,594</b>	<b>11,109</b>	<b>9,269</b>	<b>9,269</b>	<b>8,952</b>	<b>5,056</b>	<b>4,769</b>
Executive and council		-	30	-	1,304	1,304	1,304	-	-	-
Finance and administration		8,470	1,855	6,594	9,804	7,964	7,964	8,952	5,056	4,769
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>2,272</b>	<b>221</b>	<b>1,607</b>	<b>907</b>	<b>3,585</b>	<b>3,585</b>	<b>8,268</b>	<b>4,654</b>	<b>1,042</b>
Community and social services		1,376	221	1,473	770	1,405	1,405	8,137	4,523	911
Sport and recreation		-	-	134	137	137	137	130	130	130
Public safety		896	-	-	-	2,043	2,043	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>93,514</b>	<b>136,787</b>	<b>123,316</b>	<b>75,731</b>	<b>111,818</b>	<b>111,818</b>	<b>72,597</b>	<b>72,901</b>	<b>71,394</b>
Planning and development		41,937	76,744	21,038	13,300	32,748	32,748	11,739	5,217	3,652
Road transport		51,577	60,044	102,278	62,430	78,983	78,983	60,858	67,683	67,742
Environmental protection		-	-	-	-	87	87	-	-	-
<b>Trading services</b>		<b>35,239</b>	<b>26,408</b>	<b>17,706</b>	<b>35,536</b>	<b>14,988</b>	<b>14,988</b>	<b>41,126</b>	<b>31,390</b>	<b>19,511</b>
Energy sources		34,185	26,323	15,252	15,483	3,500	3,500	29,213	22,330	19,130
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1,054	85	2,454	20,054	11,488	11,488	11,913	9,059	381
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>139,660</b>	<b>139,660</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>
<b>Funded by:</b>										
National Government		65,442	64,059	87,749	66,343	52,965	52,965	68,523	62,979	66,096
Provincial Government		200	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>65,642</b>	<b>64,059</b>	<b>87,749</b>	<b>66,343</b>	<b>52,965</b>	<b>52,965</b>	<b>68,523</b>	<b>62,979</b>	<b>66,096</b>
<b>Borrowing</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>73,853</b>	<b>101,241</b>	<b>61,474</b>	<b>56,939</b>	<b>86,695</b>	<b>86,695</b>	<b>62,420</b>	<b>51,021</b>	<b>30,620</b>
<b>Total Capital Funding</b>	7	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>139,660</b>	<b>139,660</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>

**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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>ASSETS</b>										
<b>Current assets</b>										
Cash and cash equivalents		258,162	277,109	360,015	306,560	355,413	355,413	220,314	248,107	258,771
Trade and other receivables from exchange transactions	1	47,585	39,555	28,306	46,746	34,375	34,375	36,399	37,380	38,065
Receivables from non-exchange transactions	1	36,254	39,453	44,778	25,809	30,700	30,700	43,213	42,677	46,147
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-
Inventory	2	2,046	450	1,384	450	1,685	1,607	1,269	814	1,009
VAT		36,120	32,738	37,405	18,042	22,880	22,880	23,263	24,471	26,558
Other current assets		7,605	11,723	16,092	15,763	18,847	18,847	18,847	18,847	18,847
<b>Total current assets</b>		<b>387,772</b>	<b>401,028</b>	<b>487,980</b>	<b>413,370</b>	<b>463,899</b>	<b>463,821</b>	<b>343,306</b>	<b>372,297</b>	<b>389,397</b>
<b>Non current assets</b>										
Investments		-	-	-	-	-	-	-	-	-
Investment property		36,655	40,472	42,210	39,090	42,210	42,210	42,210	42,210	42,210
Property, plant and equipment	3	699,573	767,897	837,613	834,980	890,470	890,470	914,185	895,067	877,783
Biological assets		-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-
Heritage assets		1,231	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
Intangible assets		69	43	632	43	631	631	631	631	631
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>737,528</b>	<b>809,673</b>	<b>881,715</b>	<b>875,374</b>	<b>934,572</b>	<b>934,572</b>	<b>958,287</b>	<b>939,169</b>	<b>921,885</b>
<b>TOTAL ASSETS</b>		<b>1,125,300</b>	<b>1,210,701</b>	<b>1,369,695</b>	<b>1,288,744</b>	<b>1,398,471</b>	<b>1,398,394</b>	<b>1,301,592</b>	<b>1,311,466</b>	<b>1,311,282</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft		-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-
Consumer deposits		455	456	447	506	497	497	497	497	497
Trade and other payables from exchange transactions	4	44,934	53,057	52,985	78,759	88,551	88,551	81,489	82,479	85,195
Trade and other payables from non-exchange transactions	5	5,058	7,445	8,199	(4,740)	2,127	2,127	7,951	-	-
Provision		20,224	21,279	19,918	20,308	19,919	19,919	19,919	19,919	19,919
VAT		20,511	19,885	19,784	4,947	4,947	4,947	7,878	6,971	7,352
Other current liabilities		-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>91,182</b>	<b>102,121</b>	<b>101,333</b>	<b>99,779</b>	<b>116,040</b>	<b>116,040</b>	<b>117,735</b>	<b>109,866</b>	<b>112,963</b>
<b>Non current liabilities</b>										
Financial liabilities	6	-	-	-	-	-	-	-	-	-
Provision	7	5,246	22,484	11,485	22,484	11,485	11,485	11,485	11,485	11,485
Long term portion of trade payables		-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-
<b>Total non current liabilities</b>		<b>5,246</b>	<b>22,484</b>	<b>11,485</b>	<b>22,484</b>	<b>11,485</b>	<b>11,485</b>	<b>11,485</b>	<b>11,485</b>	<b>11,485</b>
<b>TOTAL LIABILITIES</b>		<b>96,428</b>	<b>124,605</b>	<b>112,818</b>	<b>122,263</b>	<b>127,525</b>	<b>127,525</b>	<b>129,219</b>	<b>121,351</b>	<b>124,447</b>
<b>NET ASSETS</b>		<b>1,028,872</b>	<b>1,086,096</b>	<b>1,256,878</b>	<b>1,166,481</b>	<b>1,270,946</b>	<b>1,270,868</b>	<b>1,172,373</b>	<b>1,190,115</b>	<b>1,186,835</b>
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated surplus/(deficit)	8	1,029,140	1,086,096	1,256,878	1,166,481	1,270,946	1,270,946	1,172,373	1,190,115	1,186,835
Reserves and funds	9	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>1,029,140</b>	<b>1,086,096</b>	<b>1,256,878</b>	<b>1,166,481</b>	<b>1,270,946</b>	<b>1,270,946</b>	<b>1,172,373</b>	<b>1,190,115</b>	<b>1,186,835</b>

**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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	1	134,151	292,581	376,685	306,560	355,413	355,413	220,314	248,107	258,771
Other current investments > 90 days		124,011	(15,472)	(16,669)	0	(0)	(0)	-	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>258,162</b>	<b>277,109</b>	<b>360,015</b>	<b>306,560</b>	<b>355,413</b>	<b>355,413</b>	<b>220,314</b>	<b>248,107</b>	<b>258,771</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers		5,058	7,445	8,199	(4,740)	2,127	2,127	7,951	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	(15,385)	(17,500)	(19,206)
Other working capital requirements	3	18,109	22,476	23,071	34,276	46,936	46,936	(43,700)	(38,436)	(35,426)
Other provisions		20,224	21,279	19,918	20,308	19,919	19,919	19,919	19,919	19,919
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>43,391</b>	<b>51,199</b>	<b>51,187</b>	<b>49,843</b>	<b>68,981</b>	<b>68,981</b>	<b>(31,215)</b>	<b>(36,017)</b>	<b>(34,714)</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Bene</b>		<b>214,771</b>	<b>225,909</b>	<b>308,828</b>	<b>256,717</b>	<b>286,432</b>	<b>286,432</b>	<b>251,529</b>	<b>284,124</b>	<b>293,485</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Bene</b>		<b>214,771</b>	<b>225,909</b>	<b>308,828</b>	<b>256,717</b>	<b>286,432</b>	<b>286,432</b>	<b>251,529</b>	<b>284,124</b>	<b>293,485</b>

**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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		15,110	21,235	20,224	29,982	29,982	29,982	25,770	27,141	25,005
Service charges		34,756	43,512	54,103	32,606	40,606	40,606	54,412	54,927	57,814
Other revenue		9,342	8,656	11,312	51,616	51,700	51,700	50,413	48,411	47,473
Transfers and Subsidies - Operational	1	340,408	295,692	372,978	349,897	355,050	355,050	368,784	362,358	349,876
Transfers and Subsidies - Capital	1	47,207	87,203	67,082	71,555	70,838	70,838	78,801	73,426	77,010
Interest		109	183	1,133	15,890	25,890	25,890	27,159	28,408	29,715
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(111,875)	(283,390)	(302,368)	(380,618)	(428,684)	(428,684)	(413,860)	(436,538)	(465,272)
Interest		-	-	-	(100)	(100)	(100)	(100)	(100)	(100)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>335,057</b>	<b>173,089</b>	<b>224,463</b>	<b>170,828</b>	<b>145,280</b>	<b>145,280</b>	<b>191,379</b>	<b>158,033</b>	<b>121,521</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(123,288)	(138,669)	(124,887)	(141,376)	(149,882)	(149,882)	(149,521)	(130,239)	(110,857)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(123,288)</b>	<b>(138,669)</b>	<b>(124,887)</b>	<b>(141,376)</b>	<b>(149,882)</b>	<b>(149,882)</b>	<b>(149,521)</b>	<b>(130,239)</b>	<b>(110,857)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>211,769</b>	<b>34,420</b>	<b>99,576</b>	<b>29,451</b>	<b>(4,602)</b>	<b>(4,602)</b>	<b>41,858</b>	<b>27,794</b>	<b>10,664</b>
Cash/cash equivalents at the year begin:	2	(77,617)	258,161	277,109	277,109	360,015	360,015	178,456	220,314	248,107
Cash/cash equivalents at the year end:	2	134,151	292,581	376,685	306,560	355,413	355,413	220,314	248,107	258,771

Table 20 MBRR Table A10 – Basic Service Delivery Measurement

EC443 Winnie Madikizela Mandela - Table A10 Basic service delivery measurement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Household service targets</b>	1									
<b>Water:</b>										
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>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
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>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		200	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	22,346	-	-	-
<i>Minimum Service Level and Above sub-total</i>		22,546	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	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	6,000	1,890	1,890	1,890
<b>Total number of households</b>	5	28,546	28,546	28,546	28,633	28,633	28,633	319,948	319,948	319,948
<b>Refuse:</b>										
Removed at least once a week		800	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	800
Removed less frequently than once a week		157	157	157	157	157	157	157	157	157
Using communal refuse dump		250	250	250	250	250	250	250	250	250
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		3	3	3	3	3	3	3	3	3
No rubbish disposal		47,480	47,480	47,480	47,480	47,480	47,480	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	47,890
<b>Total number of households</b>	5	48,690	48,690	48,690	48,690	48,690	48,690	48,690	48,690	48,690
<b>Households receiving Free Basic Service</b>	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>		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
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)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>	8	-	-	-	4,800	4,800	4,800	4,800	5,021	5,252
<b>Highest level of free service provided per household</b>										
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)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	5	608	608	608	741	767	794
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
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	6	-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>		-	-	5	608	608	608	741	767	794

## **Part 2 – Supporting Documentation**

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

A budget and IDP process plan was tabled to the municipal council 10 months before the start of the 2024/25 financial year as required by the Municipal Finance Management Act. The process plan sets out a road map with timeframes and tasks clearly set with responsible officials or institutions. The process plan in part of the IDP document and efforts have been made to ensure that these timelines are adhered to the latter.

A draft budget has been tabled to council on 27 March 2024. Inputs will then be sought from all stakeholders within the communities and therefore community consultations will be carried out in April and May 2024. The final budget adoption will have to take into consideration these inputs.

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

### **2.2 Overview of budget related-policies**

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

#### ***2.2.1 Review of credit control and debt collection policy***

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

#### ***2.2.2 Supply Chain Management Policy***

The 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.

Revisions relating to the Municipal Supply Chain Management Regulations of 2023 have been taken into account, presented to council for consideration and approval, these are further enhanced in this policy reviews.

### ***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.

The policy ensures compliance with the MFMA, municipal budget and reporting regulations and other prescripts. With the implementation of mSCOA the major changes in this policy relate to the processing of virements.

### ***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 realised. The major change relates to formalisation of 4 payment runs on the last month of the financial year.

### ***2.2.10 Indigent policy***

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

### ***2.2.11 Debt Impairment Policy***

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

### ***2.2.12 Inventory Management policy***

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

### 2.3 Overview of budget assumptions

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. 126 and 128. According to this circular, municipalities must consider the following consumer price index or inflationary indications:

<b>Fiscal year</b>	<b>2024 Estimate</b>	<b>2024/25 Forecast</b>	<b>2025/26 Forecast</b>	<b>2026/27 Forecast</b>
Consumer Price Inflation - CPI	6%	4.9%	4.6%	4.6%

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

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

- a) 10% increase on electricity tariffs
- b) 12.7% increase on Electricity Bulk purchases
- c) 4.9% increase on property rates
- d) 5.45% provision for employee costs which is the projected average CPI percentages for 2024 and 2025.
- e) 4.9% increase on the remuneration of councilors
- f) 4.9% for all other expenses, and
- g) 4.9% for other revenue municipal Tariffs

## 2.4 Councilor and employee benefits

### Table 21 MBRR SA22 - Summary of councilor and staff benefits

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

Summary of Employee and Councilor remuneration	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		12,723	13,357	14,085	15,153	15,153	15,153	15,896	16,627	17,375
Pension and UIF Contributions		1,064	1,110	1,167	1,263	1,263	1,263	1,325	1,386	1,448
Medical Aid Contributions		1,064	1,110	1,167	1,263	1,263	1,263	1,325	1,386	1,448
Motor Vehicle Allowance		5,318	5,513	5,762	6,314	6,314	6,314	6,623	6,928	7,240
Cellphone Allowance		3,796	3,691	4,139	4,488	4,488	4,488	3,384	3,539	3,698
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	1,325	1,386	1,448
<b>Sub Total - Councillors</b>		<b>23,964</b>	<b>24,782</b>	<b>26,321</b>	<b>28,481</b>	<b>28,481</b>	<b>28,481</b>	<b>29,876</b>	<b>31,250</b>	<b>32,657</b>
% increase	4		3.4%	6.2%	8.2%	-	-	4.9%	4.6%	4.5%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		4,526	5,172	5,572	5,572	5,423	5,423	5,575	5,832	6,100
Pension and UIF Contributions		84	92	176	250	210	210	194	203	212
Medical Aid Contributions		416	429	343	361	331	331	307	321	336
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1,517	1,576	1,477	1,630	1,710	1,710	1,770	1,852	1,937
Cellphone Allowance	3	124	129	114	120	120	120	93	97	102
Housing Allowances	3	430	445	426	465	445	445	415	434	454
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>7,097</b>	<b>7,843</b>	<b>8,107</b>	<b>8,398</b>	<b>8,240</b>	<b>8,240</b>	<b>8,354</b>	<b>8,738</b>	<b>9,140</b>
% increase	4		10.5%	3.4%	3.6%	(1.9%)	-	1.4%	4.6%	4.6%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		65,302	64,485	79,542	76,704	76,873	76,873	80,942	84,647	88,632
Pension and UIF Contributions		8,885	10,240	11,266	12,619	12,766	12,766	13,382	13,997	14,641
Medical Aid Contributions		4,513	4,888	5,356	6,213	6,353	6,353	6,627	6,931	7,250
Overtime		1,300	1,715	1,387	2,925	2,495	2,495	3,290	3,442	3,600
Performance Bonus		4,833	5,166	5,971	6,093	6,341	6,341	6,435	6,731	7,040
Motor Vehicle Allowance	3	6,533	6,988	7,625	8,157	8,327	8,327	8,784	9,188	9,610
Cellphone Allowance	3	605	611	615	875	992	992	1,251	1,225	1,245
Housing Allowances	3	3,332	3,384	3,728	4,403	4,192	4,192	4,386	4,588	4,799
Other benefits and allowances	3	2,977	1,810	2,017	3,825	3,462	3,462	3,482	3,642	3,810
<b>Sub Total - Other Municipal Staff</b>		<b>98,279</b>	<b>99,286</b>	<b>117,507</b>	<b>121,814</b>	<b>121,801</b>	<b>121,801</b>	<b>128,578</b>	<b>134,390</b>	<b>140,627</b>
% increase	4		1.0%	18.4%	3.7%	(0.0%)	-	5.6%	4.5%	4.6%
<b>Total Parent Municipality</b>		<b>129,340</b>	<b>131,912</b>	<b>151,935</b>	<b>158,693</b>	<b>158,522</b>	<b>158,522</b>	<b>166,808</b>	<b>174,379</b>	<b>182,425</b>
			2.0%	15.2%	4.4%	(0.1%)	-	5.2%	4.5%	4.6%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>129,340</b>	<b>131,912</b>	<b>151,935</b>	<b>158,693</b>	<b>158,522</b>	<b>158,522</b>	<b>166,808</b>	<b>174,379</b>	<b>182,425</b>
% increase	4		2.0%	15.2%	4.4%	(0.1%)	-	5.2%	4.5%	4.6%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>105,376</b>	<b>107,129</b>	<b>125,614</b>	<b>130,213</b>	<b>130,041</b>	<b>130,041</b>	<b>136,932</b>	<b>143,129</b>	<b>149,768</b>

#### a. Employee costs

Below are vacant positions that are included in the calculations of these draft budget amounts that have been agreed on with Corporate Services to ensure these are on the municipality's current organisational structure. In line with the national government's call to manage the public sector wage bill the municipality's employee costs budget plus remuneration of councillors makes up 35% of the operating budget including non-cash items which then breaches the maximum limit permitted of 41% when we exclude non-cash items. Below are the details of vacant positions included in the draft budget.

#### Municipal Manager

- Admin Clerk
- Monitoring and Evaluation Officer

**Corporate Services**

- IT Technician
- Receptionist

**Community Services**

- Security
- Cashier
- Admin Clerk

**Refuse Removal**

- General Assistants

**Engineering Services**

- Data Capturer (MIG)

The above positions exclude those where recruitment processes have already commenced or concluded but the successful incumbents have not resumed duties yet. These have been included as positions that are filled as they should be filled by the time this budget is implemented.

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 4.9% 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 R14.4 million requiring the municipality to also fund the remuneration of councillors from revenues internally generated.

## EC443 Winnie Madikizela Mandela - Supporting Table SA23 Salaries, allowances &amp; 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.
<b>Councillors</b>	3							
Speaker	4		532,596	88,776	317,292			938,664
Chief Whip			499,296	83,208	300,648			883,152
Executive Mayor			665,736	110,928	383,856			1,160,520
Deputy Executive Mayor			-	-	-			-
Executive Committee			3,874,584	645,768	2,467,248			6,987,600
Total for all other councillors			10,323,348	1,720,560	7,862,316			19,906,224
<b>Total Councillors</b>	8	-	<b>15,895,560</b>	<b>2,649,240</b>	<b>11,331,360</b>			<b>29,876,160</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1,075,020	116,460	440,556			1,632,036
Chief Finance Officer			830,376	2,232	554,844			1,387,452
Senior Manager - Engineering			931,392	2,232	400,008			1,333,632
Senior Manager - Corporate Services			908,856	113,340	311,316			1,333,512
Senior Manager - Community Services			920,460	166,681	246,624			1,333,765
Senior Manager - Development Planning			909,120	99,996	324,648			1,333,764
<i>List of each official with packages &gt;= senior manager</i>								
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>5,575,224</b>	<b>500,941</b>	<b>2,277,996</b>	-		<b>8,354,161</b>
<b>Total for municipal entities</b>	8,10	-	-	-	-	-		-
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	<b>21,470,784</b>	<b>3,150,181</b>	<b>13,609,356</b>	-		<b>38,230,321</b>

## 2.5 Expenditure on grants and reconciliations of unspent funds

### Table 22 MBRR SA19 – Expenditure on transfers and grant programmes

EC443 Winnie Madikizela Mandela - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>339,089</b>	<b>297,741</b>	<b>341,206</b>	<b>349,397</b>	<b>349,025</b>	<b>349,025</b>	<b>367,595</b>	<b>361,211</b>	<b>348,690</b>
Local Government Equitable Share		332,421	289,620	320,095	341,204	341,204	341,204	359,441	356,151	343,179
Finance Management		2,000	2,000	2,100	2,100	2,100	2,100	2,100	2,100	2,300
Municipal Infrastructure Grant		2,273	2,551	2,534	2,871	2,679	2,679	2,826	2,960	3,211
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		2,389	3,570	3,687	3,222	3,042	3,042	2,981	-	-
Municipal Disaster Relief Grant		5	-	12,790	-	-	-	-	-	-
Integrated National Electrification Programme Grant		-	-	-	-	-	-	247	-	-
<b>Provincial Government:</b>		<b>912</b>	<b>482</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>1,147</b>	<b>1,147</b>	<b>1,186</b>
Sport and Recreation		511	144	500	500	500	500	1,147	1,147	1,186
Other		402	339	-	-	-	-	-	-	-
<b>District Municipality:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operating expenditure of Transfers and Grants</b>		<b>340,001</b>	<b>298,224</b>	<b>341,706</b>	<b>349,897</b>	<b>349,525</b>	<b>349,525</b>	<b>368,742</b>	<b>362,358</b>	<b>349,876</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>75,152</b>	<b>77,611</b>	<b>93,836</b>	<b>76,295</b>	<b>82,145</b>	<b>82,145</b>	<b>79,048</b>	<b>73,426</b>	<b>77,010</b>
Municipal Infrastructure Grant (MIG)		43,186	48,472	48,148	54,555	50,906	50,906	53,686	56,246	61,010
Neighbourhood Development Partnership		-	-	-	-	-	-	-	1,000	1,000
Municipal Disaster Recovery Grant		-	-	27,735	4,740	6,071	6,071	-	-	-
Integrated National Electrification Programme Grant		31,966	28,453	16,400	17,000	16,000	16,000	25,362	16,180	15,000
General Budget Grant (GBS)		-	686	1,553	-	9,168	9,168	-	-	-
<b>Provincial Government:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>District Municipality:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital expenditure of Transfers and Grants</b>		<b>75,152</b>	<b>77,611</b>	<b>93,836</b>	<b>76,295</b>	<b>82,145</b>	<b>82,145</b>	<b>79,048</b>	<b>73,426</b>	<b>77,010</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>415,153</b>	<b>375,834</b>	<b>435,542</b>	<b>426,192</b>	<b>431,670</b>	<b>431,670</b>	<b>447,790</b>	<b>435,784</b>	<b>426,886</b>

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		337,089	295,529	338,714	349,397	349,025	349,025	367,348	361,211	348,690
Repayment of grants		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>337,089</b>	<b>295,529</b>	<b>338,602</b>	<b>349,397</b>	<b>349,025</b>	<b>349,025</b>	<b>367,348</b>	<b>361,211</b>	<b>348,690</b>
Conditions still to be met - transferred to liabilities		-	-	112	-	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		814	804	1,048	-	-	-	-	-	-
Current year receipts		500	500	500	500	500	500	1,147	1,147	1,186
<b>Conditions met - transferred to revenue</b>		<b>1,314</b>	<b>1,304</b>	<b>1,548</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>1,147</b>	<b>1,147</b>	<b>1,186</b>
Conditions still to be met - transferred to liabilities	0	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>		<b>338,403</b>	<b>296,832</b>	<b>340,150</b>	<b>349,897</b>	<b>349,525</b>	<b>349,525</b>	<b>368,495</b>	<b>362,358</b>	<b>349,876</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>-</b>	<b>-</b>	<b>112</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		6,305	4,255	6,285	4,740	6,071	6,071	8,199	-	-
Current year receipts		75,374	86,447	98,354	71,555	66,906	66,906	79,048	73,426	77,010
<b>Conditions met - transferred to revenue</b>		<b>81,680</b>	<b>90,702</b>	<b>96,552</b>	<b>76,295</b>	<b>72,977</b>	<b>64,779</b>	<b>87,247</b>	<b>73,426</b>	<b>77,010</b>
Conditions still to be met - transferred to liabilities		-	-	8,087	-	-	8,199	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		<b>81,680</b>	<b>90,702</b>	<b>96,552</b>	<b>76,295</b>	<b>72,977</b>	<b>64,779</b>	<b>87,247</b>	<b>73,426</b>	<b>77,010</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>-</b>	<b>-</b>	<b>8,087</b>	<b>-</b>	<b>-</b>	<b>8,199</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>420,082</b>	<b>387,534</b>	<b>436,703</b>	<b>426,192</b>	<b>422,502</b>	<b>414,304</b>	<b>455,742</b>	<b>435,784</b>	<b>426,886</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>-</b>	<b>-</b>	<b>8,198</b>	<b>-</b>	<b>-</b>	<b>8,199</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 24 MBRR SA24 – Summary of personnel numbers**

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

Summary of Personnel Numbers	Ref	2022/23			Current Year 2023/24			Budget Year 2024/25			
		Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>											
Councillors (Political Office Bearers plus Other Councillors)			9		64		64	64	-	64	
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-	
<b>Municipal employees</b>	5										
Municipal Manager and Senior Managers	3		6	6	6	6	-	6	5	1	
Other Managers	7		19	19	21	21	-	21	21	-	
Professionals			8	8	8	8	-	11	11	-	
<i>Finance</i>			3	3	3	3	-	4	4	-	
<i>Spatial/town planning</i>								2	2	-	
<i>Information Technology</i>			1	1	1	1	-	1	1	-	
<i>Roads</i>			2	2	2	2	-	2	2	-	
<i>Electricity</i>			1	1	1	1	-	1	1	-	
<i>Water</i>			-	-	-	-	-	-	-	-	
<i>Sanitation</i>			-	-	-	-	-	-	-	-	
<i>Refuse</i>			1	1	1	1	-	1	1	-	
<i>Other</i>			-	-	-	-	-	-	-	-	
Technicians			18	18	18	18	-	18	18	2	
<i>Finance</i>			7	7	7	7	-	6	6	-	
<i>Spatial/town planning</i>			-	-	-	-	-	-	-	-	
<i>Information Technology</i>			2	2	2	2	-	2	2	-	
<i>Roads</i>			5	5	5	5	-	5	5	-	
<i>Electricity</i>			2	2	2	2	-	3	3	-	
<i>Water</i>			-	-	-	-	-	-	-	-	
<i>Sanitation</i>			-	-	-	-	-	-	-	-	
<i>Refuse</i>			2	2	2	2	-	2	2	2	
<i>Other</i>			-	-	-	-	-	-	-	-	
Clerks (Clerical and administrative)			104	104	104	104	-	99	99	-	
Service and sales workers			-	-	-	-	-	-	-	-	
Skilled agricultural and fishery workers			-	-	-	-	-	2	2	-	
Craft and related trades			-	-	-	-	-	-	-	-	
Plant and Machine Operators			5	5	5	5	-	5	5	-	
Elementary Occupations			118	118	118	118	-	110	110	-	
<b>TOTAL PERSONNEL NUMBERS</b>	9		<b>287</b>	<b>278</b>	<b>74</b>	<b>344</b>	<b>280</b>	<b>64</b>	<b>336</b>	<b>271</b>	<b>67</b>
<b>% increase</b>						19.9%	0.7%	(13.5%)	(2.3%)	(3.2%)	4.7%
<b>Total municipal employees headcount</b>	6, 10		<b>70</b>	<b>68</b>	<b>2</b>	<b>70</b>	<b>68</b>	<b>2</b>			
Finance personnel headcount	8, 10		<b>30</b>	<b>29</b>	<b>1</b>	<b>31</b>	<b>30</b>	<b>1</b>	<b>25</b>	<b>25</b>	<b>-</b>
Human Resources personnel headcount	8, 10		<b>40</b>	<b>39</b>	<b>1</b>	<b>40</b>	<b>39</b>	<b>1</b>	<b>44</b>	<b>44</b>	<b>-</b>



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

Summary of Employee and Councillor remuneration R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		12,723	13,357	14,085	15,153	15,153	15,153	15,896	16,627	17,375
Pension and UIF Contributions		1,064	1,110	1,167	1,263	1,263	1,263	1,325	1,386	1,448
Medical Aid Contributions		1,064	1,110	1,167	1,263	1,263	1,263	1,325	1,386	1,448
Motor Vehicle Allowance		5,318	5,513	5,762	6,314	6,314	6,314	6,623	6,928	7,240
Cellphone Allowance		3,796	3,691	4,139	4,488	4,488	4,488	3,384	3,539	3,698
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	1,325	1,386	1,448
<b>Sub Total - Councillors</b>		<b>23,964</b>	<b>24,782</b>	<b>26,321</b>	<b>28,481</b>	<b>28,481</b>	<b>28,481</b>	<b>29,876</b>	<b>31,250</b>	<b>32,657</b>
% increase	4		3.4%	6.2%	8.2%	-	-	4.9%	4.6%	4.5%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		4,526	5,172	5,572	5,572	5,423	5,423	5,575	5,832	6,100
Pension and UIF Contributions		84	92	176	250	210	210	194	203	212
Medical Aid Contributions		416	429	343	361	331	331	307	321	336
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1,517	1,576	1,477	1,630	1,710	1,710	1,770	1,852	1,937
Cellphone Allowance	3	124	129	114	120	120	120	93	97	102
Housing Allowances	3	430	445	426	465	445	445	415	434	454
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>7,097</b>	<b>7,843</b>	<b>8,107</b>	<b>8,398</b>	<b>8,240</b>	<b>8,240</b>	<b>8,354</b>	<b>8,738</b>	<b>9,140</b>
% increase	4		10.5%	3.4%	3.6%	(1.9%)	-	1.4%	4.6%	4.6%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		65,302	64,485	79,542	76,704	76,873	76,873	80,942	84,647	88,632
Pension and UIF Contributions		8,885	10,240	11,266	12,619	12,766	12,766	13,382	13,997	14,641
Medical Aid Contributions		4,513	4,888	5,356	6,213	6,353	6,353	6,627	6,931	7,250
Overtime		1,300	1,715	1,387	2,925	2,495	2,495	3,290	3,442	3,600
Performance Bonus		4,833	5,166	5,971	6,093	6,341	6,341	6,435	6,731	7,040
Motor Vehicle Allowance	3	6,533	6,988	7,625	8,157	8,327	8,327	8,784	9,188	9,610
Cellphone Allowance	3	605	611	615	875	992	992	1,251	1,225	1,245
Housing Allowances	3	3,332	3,384	3,728	4,403	4,192	4,192	4,386	4,588	4,799
Other benefits and allowances	3	2,977	1,810	2,017	3,825	3,462	3,462	3,482	3,642	3,810
<b>Sub Total - Other Municipal Staff</b>		<b>98,279</b>	<b>99,286</b>	<b>117,507</b>	<b>121,814</b>	<b>121,801</b>	<b>121,801</b>	<b>128,578</b>	<b>134,390</b>	<b>140,627</b>
% increase	4		1.0%	18.4%	3.7%	(0.0%)	-	5.6%	4.5%	4.6%
<b>Total Parent Municipality</b>		<b>129,340</b>	<b>131,912</b>	<b>151,935</b>	<b>158,693</b>	<b>158,522</b>	<b>158,522</b>	<b>166,808</b>	<b>174,379</b>	<b>182,425</b>
			2.0%	15.2%	4.4%	(0.1%)	-	5.2%	4.5%	4.6%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>129,340</b>	<b>131,912</b>	<b>151,935</b>	<b>158,693</b>	<b>158,522</b>	<b>158,522</b>	<b>166,808</b>	<b>174,379</b>	<b>182,425</b>
% increase	4		2.0%	15.2%	4.4%	(0.1%)	-	5.2%	4.5%	4.6%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>105,376</b>	<b>107,129</b>	<b>125,614</b>	<b>130,213</b>	<b>130,041</b>	<b>130,041</b>	<b>136,932</b>	<b>143,129</b>	<b>149,768</b>

## 2.6 Monthly targets for revenue, expenditure and cash flow

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

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													1		
Property rates	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	25,770	27,141	25,005
Service charges - electricity revenue	4,058	4,058	4,058	4,058	4,058	4,058	4,058	4,058	4,058	4,058	4,058	4,058	48,699	50,940	53,283
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	410	410	410	410	410	410	410	410	410	410	410	410	4,924	5,261	5,622
Interest earned - external investments	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	27,159	28,408	29,715
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	190	190	190	190	190	190	190	190	190	190	190	190	2,277	2,382	2,491
Agency services	119	119	119	119	119	119	119	119	119	119	119	119	1,427	1,493	1,562
Transfers and Subsidies - Operational	146,313	2,100	500	-	894	109,735	-	1,192	107,401	-	-	647	368,784	362,358	349,876
Other revenue	3,478	3,478	4,203	4,203	3,478	4,203	4,203	3,478	4,203	4,203	2,608	-	41,735	39,180	37,713
<b>Cash Receipts by Source</b>	<b>159,460</b>	<b>15,246</b>	<b>14,371</b>	<b>13,871</b>	<b>14,040</b>	<b>123,606</b>	<b>13,871</b>	<b>14,339</b>	<b>121,272</b>	<b>13,871</b>	<b>12,276</b>	<b>10,315</b>	<b>526,537</b>	<b>521,245</b>	<b>509,883</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	31,521	-	-	23,640	-	-	23,640	-	-	(0)	78,801	73,426	77,010
Transfers and subsidies - capital (monetary allocations) (Nat / Prov / Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>159,460</b>	<b>15,246</b>	<b>45,891</b>	<b>13,871</b>	<b>14,040</b>	<b>147,246</b>	<b>13,871</b>	<b>14,339</b>	<b>144,913</b>	<b>13,871</b>	<b>12,276</b>	<b>10,315</b>	<b>605,339</b>	<b>594,671</b>	<b>586,893</b>
<b>Cash Payments by Type</b>															
Employee related costs	11,549	11,549	11,549	11,549	11,549	11,549	11,549	11,549	11,549	11,549	11,549	11,549	138,588	144,861	151,580
Remuneration of councillors	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	29,876	31,250	32,656
Interest	8	8	8	8	8	8	8	8	8	8	8	8	100	100	100
Bulk purchases - electricity	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	53,792	62,238	72,009
Acquisitions - water & other inventory	664	664	664	664	664	664	664	664	664	664	664	664	7,964	8,326	8,700
Contracted services	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	99,143	101,163	107,582
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	7,367	7,367	7,367	7,367	7,367	7,367	7,367	7,367	7,367	7,367	7,367	3,455	84,496	88,700	92,744
<b>Cash Payments by Type</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>30,911</b>	<b>413,960</b>	<b>436,638</b>	<b>465,372</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	149,521	130,239	110,857
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flow s/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>43,371</b>	<b>563,481</b>	<b>566,877</b>	<b>576,229</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>112,177</b>	<b>(32,037)</b>	<b>-</b>	<b>(33,412)</b>	<b>(33,242)</b>	<b>-</b>	<b>-</b>	<b>(32,944)</b>	<b>-</b>	<b>(33,412)</b>	<b>(35,006)</b>	<b>(33,056)</b>	<b>41,858</b>	<b>27,794</b>	<b>10,664</b>
Cash/cash equivalents at the month/year begin:	178,456	290,632	258,596	258,596	225,184	191,942	191,942	191,942	158,997	158,997	125,586	90,579	178,456	220,314	248,107
Cash/cash equivalents at the month/year end:	290,632	258,596	258,596	225,184	191,942	191,942	191,942	158,997	158,997	125,586	90,579	57,523	220,314	248,107	258,771

**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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		4,390	4,390	4,390	4,390	4,390	4,390	4,390	4,390	4,390	4,390	4,390	4,390	52,684	55,108	57,643
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		347	347	347	347	347	347	347	347	347	347	347	347	4,160	4,203	4,926
Sale of Goods and Rendering of Services		17	17	17	17	17	17	17	17	17	17	17	17	201	210	220
Agency services		119	119	119	119	119	119	119	119	119	119	119	119	1,427	1,493	1,562
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		296	296	296	296	296	296	296	296	296	296	296	296	3,556	3,719	3,890
Interest earned from Current and Non Current As		2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	27,159	28,408	29,715
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		410	410	410	410	410	410	410	410	410	410	410	410	4,924	5,261	5,622
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		16	16	16	16	16	16	16	16	16	16	16	16	190	199	208
<b>Non-Exchange Revenue</b>																
Property rates		1,794	1,794	1,794	1,794	1,794	1,794	1,794	1,794	1,794	1,794	1,794	1,794	21,532	22,190	23,282
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		48	48	48	48	48	48	48	48	48	48	48	48	579	605	633
Licences or permits		190	190	190	190	190	190	190	190	190	190	190	190	2,277	2,382	2,491
Transfer and subsidies - Operational		30,678	30,678	30,678	30,678	30,678	30,678	30,678	30,678	30,678	30,678	30,678	31,572	369,031	362,358	349,876
Interest		450	450	450	450	450	450	450	450	450	450	450	450	5,396	5,644	5,904
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and</b>		<b>41,018</b>	<b>41,018</b>	<b>41,018</b>	<b>41,018</b>	<b>41,018</b>	<b>41,018</b>	<b>41,018</b>	<b>41,018</b>	<b>41,018</b>	<b>41,018</b>	<b>41,018</b>	<b>41,912</b>	<b>493,115</b>	<b>491,780</b>	<b>485,971</b>
<b>Expenditure</b>																
Employee related costs		11,411	11,411	11,411	11,411	11,411	11,411	11,411	11,411	11,411	11,411	11,411	11,411	136,932	143,129	149,768
Remuneration of councillors		2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	29,876	31,250	32,657
Bulk purchases - electricity		4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	53,792	62,238	72,009
Inventory consumed		673	673	673	673	673	673	673	673	673	673	673	673	8,078	8,445	8,826
Debt impairment		509	509	509	509	509	509	509	509	509	509	509	509	6,109	6,390	6,684
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	56,546	56,546
Interest		8	8	8	8	8	8	8	8	8	8	8	8	100	100	100
Contracted services		8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	99,144	101,165	107,584
Transfers and subsidies		351	351	351	351	351	351	351	351	351	351	351	351	4,216	4,409	4,609
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		6,854	6,854	6,854	6,854	6,854	6,854	6,854	6,854	6,854	6,854	6,853	6,853	82,244	86,343	90,283
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>39,572</b>	<b>39,572</b>	<b>39,572</b>	<b>39,572</b>	<b>39,572</b>	<b>39,572</b>	<b>39,572</b>	<b>39,572</b>	<b>39,572</b>	<b>39,572</b>	<b>39,572</b>	<b>39,572</b>	<b>474,862</b>	<b>500,016</b>	<b>529,065</b>
<b>Surplus/(Deficit)</b>		<b>1,447</b>	<b>1,447</b>	<b>1,447</b>	<b>1,447</b>	<b>1,447</b>	<b>1,447</b>	<b>1,447</b>	<b>1,447</b>	<b>1,447</b>	<b>1,447</b>	<b>1,447</b>	<b>2,341</b>	<b>18,253</b>	<b>(8,236)</b>	<b>(43,094)</b>
Transfers and subsidies - capital (monetary allocations)		6,587	6,587	6,587	6,587	6,587	6,587	6,587	6,587	6,587	6,587	6,587	6,340	78,801	73,426	77,010
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,681</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,681</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,681</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany /Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	1	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,034</b>	<b>8,681</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>

**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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>																
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 2 - Corporate Services		37	37	37	37	37	37	37	37	37	37	37	37	449	167	175
Vote 3 - Budget and Treasury Office		32,399	32,399	32,399	32,399	32,399	32,399	32,399	32,399	32,399	32,399	32,399	32,399	388,792	386,756	375,295
Vote 4 - Community Services		1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,829	1,829	14,829	12,191	13,268
Vote 5 - Development Planning		2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	31,734	33,972	35,679
Vote 6 - Engineering Services		11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	136,112	132,119	138,564
<b>Total Revenue by Vote</b>		<b>47,606</b>	<b>47,606</b>	<b>47,606</b>	<b>47,606</b>	<b>47,606</b>	<b>47,606</b>	<b>47,606</b>	<b>47,606</b>	<b>47,606</b>	<b>47,606</b>	<b>47,606</b>	<b>48,253</b>	<b>571,916</b>	<b>565,206</b>	<b>562,981</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Executive and Council		7,307	7,307	7,307	7,307	7,307	7,307	7,307	7,307	7,307	7,307	7,307	7,307	87,684	91,709	95,837
Vote 2 - Corporate Services		4,349	4,349	4,349	4,349	4,349	4,349	4,349	4,349	4,349	4,349	4,349	20,687	68,526	71,568	73,998
Vote 3 - Budget and Treasury Office		1,772	1,772	1,772	1,772	1,772	1,772	1,772	1,772	1,772	1,772	1,772	23,499	42,992	44,844	46,988
Vote 4 - Community Services		7,629	7,629	7,629	7,629	7,629	7,629	7,629	7,629	7,629	7,629	8,741	8,741	92,655	93,765	97,936
Vote 5 - Development Planning		2,447	2,447	2,447	2,447	2,447	2,447	2,447	2,447	2,447	2,447	2,447	2,447	29,366	30,711	32,073
Vote 6 - Engineering Services		12,803	12,803	12,803	12,803	12,803	12,803	12,803	12,803	12,803	12,803	12,803	12,803	153,638	167,418	182,232
<b>Total Expenditure by Vote</b>		<b>36,307</b>	<b>36,307</b>	<b>36,307</b>	<b>36,307</b>	<b>36,307</b>	<b>36,307</b>	<b>36,307</b>	<b>36,307</b>	<b>36,307</b>	<b>36,307</b>	<b>36,307</b>	<b>75,484</b>	<b>474,862</b>	<b>500,016</b>	<b>529,065</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>(27,231)</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>11,299</b>	<b>(27,231)</b>	<b>97,055</b>	<b>65,190</b>	<b>33,916</b>

**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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue - Functional</b>																
<b>Governance and administration</b>		35,072	35,072	35,072	35,072	35,072	35,072	35,072	35,072	35,072	35,072	35,072	35,072	420,865	419,780	410,028
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		35,072	35,072	35,072	35,072	35,072	35,072	35,072	35,072	35,072	35,072	35,072	35,072	420,865	419,780	410,028
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		415	415	415	415	415	415	415	415	415	415	1,062	5,630	5,836	6,091	
Community and social services		61	61	61	61	61	61	61	61	61	61	61	708	1,383	1,394	1,445
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		354	354	354	354	354	354	354	354	354	354	354	4,246	4,442	4,646	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	56,622	60,322	65,342	
Planning and development		245	245	245	245	245	245	245	245	245	245	245	2,936	4,076	4,332	
Road transport		4,474	4,474	4,474	4,474	4,474	4,474	4,474	4,474	4,474	4,474	4,474	53,686	56,246	61,010	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	88,799	79,269	81,520	
Energy sources		6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	79,600	72,913	74,343	
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		767	767	767	767	767	767	767	767	767	767	767	9,199	6,355	7,177	
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>		47,606	47,606	47,606	47,606	47,606	47,606	47,606	47,606	47,606	47,606	48,253	571,916	565,206	562,981	
<b>Expenditure - Functional</b>																
<b>Governance and administration</b>		18,358	18,358	18,358	18,358	18,358	18,358	18,358	18,358	18,358	18,358	18,358	220,302	230,192	239,898	
Executive and council		5,258	5,258	5,258	5,258	5,258	5,258	5,258	5,258	5,258	5,258	5,258	63,097	65,996	68,961	
Finance and administration		12,645	12,645	12,645	12,645	12,645	12,645	12,645	12,645	12,645	12,645	12,645	151,736	158,477	164,958	
Internal audit		456	456	456	456	456	456	456	456	456	456	456	5,469	5,720	5,980	
<b>Community and public safety</b>		3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020	36,240	37,888	39,541	
Community and social services		1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	13,466	14,079	14,671	
Sport and recreation		273	273	273	273	273	273	273	273	273	273	273	3,274	3,423	3,579	
Public safety		1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	18,445	19,283	20,136	
Housing		88	88	88	88	88	88	88	88	88	88	88	1,055	1,104	1,154	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		9,347	9,347	9,347	9,347	9,347	9,347	9,347	9,347	9,347	9,347	9,347	112,159	118,325	123,978	
Planning and development		2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	32,831	34,338	35,982	
Road transport		6,377	6,377	6,377	6,377	6,377	6,377	6,377	6,377	6,377	6,377	6,377	76,524	81,055	84,931	
Environmental protection		234	234	234	234	234	234	234	234	234	234	234	2,804	2,932	3,065	
<b>Trading services</b>		8,492	8,492	8,492	8,492	8,492	8,492	8,492	8,492	8,492	8,492	8,492	101,906	109,159	120,994	
Energy sources		5,897	5,897	5,897	5,897	5,897	5,897	5,897	5,897	5,897	5,897	5,897	70,769	79,722	90,240	
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		2,595	2,595	2,595	2,595	2,595	2,595	2,595	2,595	2,595	2,595	2,595	31,137	29,437	30,754	
<b>Other</b>		355	355	355	355	355	355	355	355	355	355	355	4,256	4,451	4,654	
<b>Total Expenditure - Functional</b>		39,572	39,572	39,572	39,572	39,572	39,572	39,572	39,572	39,572	39,572	39,572	474,862	500,016	529,065	
<b>Surplus/(Deficit) before assoc.</b>		8,034	8,034	8,034	8,034	8,034	8,034	8,034	8,034	8,034	8,034	8,681	97,055	65,190	33,916	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	8,034	8,034	8,034	8,034	8,034	8,034	8,034	8,034	8,034	8,034	8,681	97,055	65,190	33,916	

**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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Development Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		716	716	716	716	716	716	716	716	716	716	716	716	8,587	4,674	4,370
Vote 3 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	13,241	10,443	1,822
Vote 5 - Development Planning		254	254	254	254	254	254	254	254	254	254	254	254	3,043	870	-
Vote 6 - Engineering Services		8,839	8,839	8,839	8,839	8,839	8,839	8,839	8,839	8,839	8,839	8,839	8,839	106,071	98,014	90,524
<b>Capital single-year expenditure sub-total</b>	2	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>
<b>Total Capital Expenditure</b>	2	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>10,912</b>	<b>130,942</b>	<b>114,000</b>	<b>96,715</b>

**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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		746	746	746	746	746	746	746	746	746	746	746	746	8,952	5,056	4,769
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		746	746	746	746	746	746	746	746	746	746	746	746	8,952	5,056	4,769
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		689	689	689	689	689	689	689	689	689	689	689	689	8,268	4,654	1,042
Community and social services		678	678	678	678	678	678	678	678	678	678	678	678	8,137	4,523	911
Sport and recreation		11	11	11	11	11	11	11	11	11	11	11	11	130	130	130
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	72,597	72,901	71,394
Planning and development		978	978	978	978	978	978	978	978	978	978	978	978	11,739	5,217	3,652
Road transport		5,071	5,071	5,071	5,071	5,071	5,071	5,071	5,071	5,071	5,071	5,071	5,071	60,858	67,683	67,742
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		3,427	3,427	3,427	3,427	3,427	3,427	3,427	3,427	3,427	3,427	3,427	3,427	41,126	31,390	19,511
Energy sources		2,434	2,434	2,434	2,434	2,434	2,434	2,434	2,434	2,434	2,434	2,434	2,434	29,213	22,330	19,130
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		993	993	993	993	993	993	993	993	993	993	993	993	11,913	9,059	381
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	10,912	10,912	10,912	10,912	10,912	10,912	10,912	10,912	10,912	10,912	10,912	10,912	130,942	114,000	96,715
<b>Funded by:</b>																
National Government		5,710	5,710	5,710	5,710	5,710	5,710	5,710	5,710	5,710	5,710	5,710	5,710	68,523	62,979	66,096
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		5,710	5,710	5,710	5,710	5,710	5,710	5,710	5,710	5,710	5,710	5,710	5,710	68,523	62,979	66,096
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		5,202	5,202	5,202	5,202	5,202	5,202	5,202	5,202	5,202	5,202	5,202	5,202	62,420	51,021	30,620
<b>Total Capital Funding</b>		10,912	10,912	10,912	10,912	10,912	10,912	10,912	10,912	10,912	10,912	10,912	10,912	130,942	114,000	96,715

**Table 30 MBRR SA30 – Budgeted monthly cash flow**

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

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash Receipts By Source</b>														1		
Property rates	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	25,770	27,141	25,005
Service charges - electricity revenue	4,058	4,058	4,058	4,058	4,058	4,058	4,058	4,058	4,058	4,058	4,058	4,058	4,058	48,699	50,940	53,283
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	476	476	476	476	476	476	476	476	476	476	476	476	476	5,712	3,987	4,531
Rental of facilities and equipment	410	410	410	410	410	410	410	410	410	410	410	410	410	4,924	5,261	5,622
Interest earned - external investments	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	27,159	28,408	29,715
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	4	4	4	4	4	4	4	4	4	4	4	4	4	50	95	85
Licences and permits	190	190	190	190	190	190	190	190	190	190	190	190	190	2,277	2,382	2,491
Agency services	119	119	119	119	119	119	119	119	119	119	119	119	119	1,427	1,493	1,562
Transfers and Subsidies - Operational	146,313	2,100	500	-	894	109,735	-	1,192	107,401	-	-	647	-	368,784	362,358	349,876
Other revenue	3,478	3,478	4,203	4,203	3,478	4,203	4,203	3,478	4,203	4,203	2,608	-	-	41,735	39,180	37,713
<b>Cash Receipts by Source</b>	<b>159,460</b>	<b>15,246</b>	<b>14,371</b>	<b>13,871</b>	<b>14,040</b>	<b>123,606</b>	<b>13,871</b>	<b>14,339</b>	<b>121,272</b>	<b>13,871</b>	<b>12,276</b>	<b>10,315</b>	<b>526,537</b>	<b>521,245</b>	<b>509,883</b>	
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	31,521	-	-	23,640	-	-	23,640	-	-	(0)	78,801	73,426	77,010	
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>159,460</b>	<b>15,246</b>	<b>45,891</b>	<b>13,871</b>	<b>14,040</b>	<b>147,246</b>	<b>13,871</b>	<b>14,339</b>	<b>144,913</b>	<b>13,871</b>	<b>12,276</b>	<b>10,315</b>	<b>605,339</b>	<b>594,671</b>	<b>586,893</b>	
<b>Cash Payments by Type</b>																
Employee related costs	11,549	11,549	11,549	11,549	11,549	11,549	11,549	11,549	11,549	11,549	11,549	11,549	138,588	144,861	151,580	
Remuneration of councillors	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	29,876	31,250	32,656	
Interest	8	8	8	8	8	8	8	8	8	8	8	8	100	100	100	
Bulk purchases - electricity	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	53,792	62,238	72,009	
Acquisitions - water & other inventory	664	664	664	664	664	664	664	664	664	664	664	664	7,964	8,326	8,700	
Contracted services	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	99,143	101,163	107,582	
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	7,367	7,367	7,367	7,367	7,367	7,367	7,367	7,367	7,367	7,367	7,367	3,455	84,496	88,700	92,744	
<b>Cash Payments by Type</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>34,823</b>	<b>30,911</b>	<b>413,960</b>	<b>436,638</b>	<b>465,372</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	149,521	130,239	110,857	
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>47,283</b>	<b>43,371</b>	<b>563,481</b>	<b>566,877</b>	<b>576,229</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>112,177</b>	<b>(32,037)</b>	<b>-</b>	<b>(33,412)</b>	<b>(33,242)</b>	<b>-</b>	<b>-</b>	<b>(32,944)</b>	<b>-</b>	<b>(33,412)</b>	<b>(35,006)</b>	<b>(33,056)</b>	<b>41,858</b>	<b>27,794</b>	<b>10,664</b>	
Cash/cash equivalents at the month/year begin:	178,456	290,632	258,596	258,596	225,184	191,942	191,942	191,942	158,997	158,997	125,586	90,579	178,456	220,314	248,107	
Cash/cash equivalents at the month/year end:	290,632	258,596	258,596	225,184	191,942	191,942	191,942	158,997	158,997	125,586	90,579	57,523	220,314	248,107	258,771	



## 2.7 Contracts having future budgetary implications

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

Vote Description	Ref	2024/25 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - Executive and Council		-	-	-	-	-	-	-
Vote 2 - Corporate Services		8,587	4,674	4,370	-	-	-	-
Vote 3 - Budget and Treasury Office		-	-	-	-	-	-	-
Vote 4 - Community Services		13,241	10,443	1,822	-	-	-	-
Vote 5 - Development Planning		3,043	870	-	-	-	-	-
Vote 6 - Engineering Services		106,071	98,014	90,524	-	-	-	-
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]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>		<b>130,942</b>	<b>114,000</b>	<b>96,715</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - Executive and Council		87,684	91,709	95,837	-	-	-	-
Vote 2 - Corporate Services		59,344	62,018	64,448	-	-	-	-
Vote 3 - Budget and Treasury Office		42,992	44,844	46,988	-	-	-	-
Vote 4 - Community Services		101,838	103,315	107,486	-	-	-	-
Vote 5 - Development Planning		29,366	30,711	32,073	-	-	-	-
Vote 6 - Engineering Services		153,638	167,418	182,232	-	-	-	-
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]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
<b>Total future operational costs</b>		<b>474,862</b>	<b>500,016</b>	<b>529,065</b>	-	-	-	-
<b>Future revenue by source</b>	3							
Exchange Revenue		-	-	-	-	-	-	-
Service charges - Electricity		52,684	55,108	57,643	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-
Service charges - Waste Management		4,160	4,203	4,926	-	-	-	-
Agency services		1,427	1,493	1,562	-	-	-	-
<i>List other revenues sources if applicable</i>		4,696	5,023	5,373	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
<b>Total future revenue</b>		<b>62,968</b>	<b>65,826</b>	<b>69,503</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>542,836</b>	<b>548,189</b>	<b>556,277</b>	-	-	-	-

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

## 2.8 Detailed Capital budget

EC443 Winnie Madikizela Mandela - Supporting Table SA36 Detailed capital budget

R thousand											2024/25 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
<b>Parent municipality:</b>													
<i>List all capital projects grouped by Function</i>													
<b>Administrative and Corporate Support:Corporate Services</b>													
	Furniture and Office Equipment:Office Equipment		New	accountable, effective and efficient local	Governance	working conditions for all emp	Furniture and Office Equipment	Unspecified	admin	565	565	696	
Community Halls and Facilities:Community Halls and Facilities													
	Halls:Community Hall		New	th Africa and contribute to a better Africa	Inclusion and access	Construct community hall	Community Facilities	Halls	Ward 32	3,652	3,652	-	
	Halls:Community hall Paving		New	th Africa and contribute to a better Africa	Inclusion and access	Paving of community hall	Community Facilities	Halls	Ward 4	770	806	843	
	Halls:Ward 16 Community Hall		New	th Africa and contribute to a better Africa	Inclusion and access	Construct community hall	Community Facilities	Halls	Ward 16	3,652	-	-	
	Machinery and Equipment:Grass cutting Machine		New	effective and development-oriented put	Governance	Grass cutting machines	Machinery and Equipment	Unspecified	whole	63	65	69	
<b>Core Function:Administrative and Corporate Support</b>													
	Furniture and Office Equipment:Mbizana Civic Centre		New	accountable, effective and efficient local	Governance	working conditions for all emp	Furniture and Office Equipment	Unspecified	admin	435	435	435	
<b>Core Function:Community Parks (including Nurseries)</b>													
	Machinery and Equipment:Grass cutting Machine		New	effective and development-oriented put	Governance	Grass cutting machines	Machinery and Equipment	Unspecified	whole	130	130	130	
<b>Core Function:Economic Development/Planning</b>													
	Markets:Market Place		New	th Africa and contribute to a better Africa	Growth	ow the local economy to 20 % b	Community Facilities	Markets	Ward 1	3,043	870	-	
<b>Core Function:Electricity</b>													
	HV Substations:Construction of Substation		New	th Africa and contribute to a better Africa	Inclusion and access	sion of electricity to the rural c	Electrical Infrastructure	MV Networks	Ward 1	-	14,070	13,043	
	HV Substations:Fencing of Substation		New	th Africa and contribute to a better Africa	Inclusion and access	sion of electricity to the rural c	Electrical Infrastructure	MV Networks	Ward 1	522	-	-	
	LV Networks:Supply and Installation of High Master		New	th Africa and contribute to a better Africa	Inclusion and access	Installation of high master	Electrical Infrastructure	MV Networks	Ward 1	-	2,174	2,174	
	LV Networks:Upgrade to 315 kva		New	th Africa and contribute to a better Africa	Inclusion and access	Upgrading of 315 kva	Electrical Infrastructure	MV Networks	Ward 1	2,174	2,174	-	
	LV Networks:Upgrading of Low Voltage		New	th Africa and contribute to a better Africa	Inclusion and access	Upgrading of low voltage lines	Electrical Infrastructure	MV Networks	Ward 1	3,478	3,913	3,913	
	Machinery and Equipment:Backup energy system		New	th Africa and contribute to a better Africa	Inclusion and access	Installation of backup energy syst	Electrical Infrastructure	MV Networks	Admin	500	-	-	
	MV Networks:Electrification of Matwebu		New	th Africa and contribute to a better Africa	Inclusion and access	sion of electricity to the rural c	Electrical Infrastructure	MV Networks	Ward 13	5,042	-	-	
	MV Networks:Electrification of Nkanini Village		New	th Africa and contribute to a better Africa	Inclusion and access	sion of electricity to the rural c	Electrical Infrastructure	MV Networks	Ward 1	4,839	-	-	
	MV Networks:Electrification of Nomiacu Phase 3		New	th Africa and contribute to a better Africa	Inclusion and access	sion of electricity to the rural c	Electrical Infrastructure	MV Networks	Ward 26	11,957	-	-	
	Transport Assets:Transport Assets		New	accountable, effective and efficient local	Inclusion and access	ure electricity problem are alter	Transport Assets	Unspecified	Admin	700	-	-	
<b>Core Function:Fleet Management</b>													
	Transport Assets:Transport Assets		New	accountable, effective and efficient local	Governance	better service delivery	Transport Assets	Unspecified	admin	1,500	1,500	1,500	
<b>Core Function:Information Technology</b>													
	Computer Equipment:Computer Equipment		New	accountable, effective and efficient local	Governance	r perform and improve service	Computer Equipment	Unspecified	admin	4,783	1,739	1,739	
	Halls:Mbizana Town Hall in Ward1		New	accountable, effective and efficient local	Governance	r perform and improve service	Computer Equipment	Unspecified	admin	1,304	435	-	
<b>Core Function:Project Management Unit</b>													
	Crèches:ECDC Ward 1		New	th Africa and contribute to a better Africa	Inclusion and access	cting of Creshe for Ward 1 con	Community Facilities	Crèches	Ward 32	-	-	3,652	
	Outdoor Facilities:Multi purpose centre		Upgrading	th Africa and contribute to a better Africa	Inclusion and access	Multi-Purpose Town In Bizana b	Community Facilities	Halls	Ward 1	8,696	4,348	-	
<b>Core Function:Roads</b>													
	Furniture and Office Equipment:Office Equipment		New	effective and development-oriented put	Governance	ge room for Solid waste empic	Furniture and Office Equipment	Unspecified	admin	261	273	285	
	Road Structures:Alternative surfacing		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 27	-	4,348	8,696	
	Road Structures:Thaleni Bridge		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 27	3,938	22,502	15,271	
	Roads:Construction of 116 to Somgungu to Khwanyana A		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 19	3,310	1,739	3,304	
	Roads:Construction of Cabane Crestu Access Road		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 27	2,888	2,888	2,888	
	Roads:Construction of Khutshi to Voëing Station Access Rd		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 27	4,226	4,226	4,226	
	Roads:Construction of Lukhanyo Access Road		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 3	4,170	2,640	4,170	
	Roads:Construction of Mbuwveni to Nokhathshile Access R		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 2	2,675	1,091	2,675	
	Roads:Construction of Mhlalomyama via Makhalweni to		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 15	4,155	3,362	3,362	
	Roads:Construction of Mkhaweni Access Road		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 16	4,159	3,478	3,638	
	Roads:Construction of Mtamvuna to Mabheleli via Ndayini		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 5	4,493	3,923	3,923	
	Roads:Construction of Ndlalini Access Road		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 17	4,591	1,757	4,591	
	Roads:Construction of Nyantaweni Access Road		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 30	4,095	435	4,094	
	Roads:Construction of Sunny Side Access Road		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 26	3,983	870	910	
	Roads:Rehabilitation of Ninga Bridge and Access Road (D		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 21	2,609	2,729	2,954	
	Roads:Rehabilitation of Pelepete Bridge and Access Road		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 29	2,609	2,729	2,854	
	Roads:Upgrade of CBD		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 1	8,696	8,696	-	
<b>Core Function:Security Services</b>													
	Furniture and Office Equipment:CCTV cameras		New	accountable, effective and efficient local	Governance	Safety of the municipal assets	Furniture and Office Equipment	Unspecified	admin	182	191	200	
	Furniture and Office Equipment:Backup Equipment		New	accountable, effective and efficient local	Governance	Safety of the municipal assets	Furniture and Office Equipment	Unspecified	admin	182	191	200	
<b>Core Function:Solid Waste Removal</b>													
	Furniture and Office Equipment:Skip Bins		New	effective and development-oriented put	Governance	ge room for Solid waste empic	Furniture and Office Equipment	Unspecified	admin	348	364	381	
	Landfill Sites:Landfill		New	hance our environmental assets and nat	Inclusion and access	dispose waste in an acceptable	Solid Waste Infrastructure	Landfill Sites	Ward 7	8,696	8,696	-	
	Transport Assets:Refuse Truck		New	effective and development-oriented put	Governance	ortion of refuse from different	Transport Assets	Unspecified	admin	2,870	-	-	
<b>Parent Capital expenditure</b>											<b>130,942</b>	<b>114,000</b>	<b>96,715</b>
<b>Entities:</b>													
<i>List all capital projects grouped by Entity</i>													
<b>Entity A</b>													
	Water project A												
<b>Entity B</b>													
	Electricity project B												
<b>Entity Capital expenditure</b>											<b>130,942</b>	<b>114,000</b>	<b>96,715</b>
<b>Total Capital expenditure</b>											<b>130,942</b>	<b>114,000</b>	<b>96,715</b>

## 2.9 Capital Expenditure details

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

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>		<b>64,579</b>	<b>64,737</b>	<b>51,479</b>	<b>82,532</b>	<b>58,134</b>	<b>58,134</b>	<b>77,740</b>	<b>73,849</b>	<b>68,270</b>
Roads Infrastructure		31,539	35,302	35,196	51,478	50,472	50,472	46,684	48,909	53,052
Roads		31,539	35,302	35,196	42,181	41,059	41,059	42,746	26,408	37,781
Electrical Infrastructure		32,643	29,278	15,252	14,783	-	-	22,360	16,243	15,217
MV Networks		30,937	28,553	14,432	14,783	-	-	21,839		
LV Networks		1,707	724	820	-	-	-		2,174	2,174
Solid Waste Infrastructure		397	158	1,032	16,271	7,662	7,662	8,696	8,696	-
Landfill Sites				1,032	16,271	7,575	7,575	8,696	8,696	-
Waste Drop-off Points		397	158			87	87			
<b>Community Assets</b>		<b>2,803</b>	<b>9,910</b>	<b>5,009</b>	<b>3,754</b>	<b>6,994</b>	<b>6,994</b>	<b>19,814</b>	<b>9,675</b>	<b>4,495</b>
Community Facilities		2,803	9,910	4,632	3,117	6,704	6,704	11,118	5,327	4,495
Halls		1,356	6,168	693	770	770	770	8,075	4,458	843
Centres		-	-	-	-	-	-	-	-	-
Crèches			3,743	1,890	607	1,900	1,900	-	-	3,652
Markets		1,447		2,050	1,739	4,033	4,033	3,043	870	-
Sport and Recreation Facilities		-	-	377	637	289	289	8,696	4,348	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities				377	637	289	289	8,696	4,348	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>			30		1,304	1,304	1,304			
Monuments										
Historic Buildings										
Works of Art					1,304	1,304	1,304			
Conservation Areas										
Other Heritage			30							
<b>Other assets</b>		<b>736</b>	<b>660</b>	<b>997</b>	<b>-</b>	<b>3,419</b>	<b>3,419</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		736	660	997	-	3,419	3,419	-	-	-
Yards		736	63							
Manufacturing Plant			597	997		3,419	3,419			
<b>Intangible Assets</b>				600						
Servitudes										
Licences and Rights				600						
Computer Software and Applications				600						
<b>Computer Equipment</b>		<b>5,784</b>	<b>1,834</b>	<b>1,920</b>	<b>2,000</b>	<b>2,086</b>	<b>2,086</b>	<b>4,783</b>	<b>1,739</b>	<b>1,739</b>
Computer Equipment		5,784	1,834	1,920	2,000	2,086	2,086	4,783	1,739	1,739
<b>Furniture and Office Equipment</b>		<b>1,154</b>	<b>84</b>	<b>1,201</b>	<b>3,870</b>	<b>4,087</b>	<b>4,087</b>	<b>1,974</b>	<b>2,018</b>	<b>2,196</b>
Furniture and Office Equipment		1,154	84	1,201	3,870	4,087	4,087	1,974	2,018	2,196
<b>Machinery and Equipment</b>		<b>1,987</b>	<b>119</b>	<b>168</b>	<b>137</b>	<b>206</b>	<b>206</b>	<b>693</b>	<b>196</b>	<b>199</b>
Machinery and Equipment		1,987	119	168	137	206	206	693	196	199
<b>Transport Assets</b>		<b>1,974</b>	<b>-</b>	<b>4,457</b>	<b>6,678</b>	<b>5,978</b>	<b>5,978</b>	<b>5,070</b>	<b>1,500</b>	<b>1,500</b>
Transport Assets		1,974	-	4,457	6,678	5,978	5,978	5,070	1,500	1,500
<b>Total Capital Expenditure on new assets</b>	1	<b>79,017</b>	<b>77,374</b>	<b>65,832</b>	<b>100,274</b>	<b>82,209</b>	<b>82,209</b>	<b>110,073</b>	<b>88,977</b>	<b>78,398</b>

**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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		16,495	24,090	66,994	4,122	21,681	21,681	5,217	5,457	5,708
Roads Infrastructure		16,495	24,090	66,994	4,122	21,681	21,681	5,217	5,457	5,708
Roads		16,495	24,090	66,994	4,122	21,681	21,681	5,217	5,457	5,708
<b>Community Assets</b>		12,588	26,700	2,374	-	-	-	-	-	-
Community Facilities		12,588	26,700	2,374	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		12,588	26,700	2,374	-	-	-	-	-	-
<b>Other assets</b>		-	(63)	1,243	191	191	191	-	-	-
Operational Buildings		-	(63)	1,243	191	191	191	-	-	-
Municipal Offices		-	(63)	1,243	191	191	191	-	-	-
<b>Total Capital Expenditure on renewal of existing</b>	<b>1</b>	<b>29,083</b>	<b>50,726</b>	<b>70,611</b>	<b>4,313</b>	<b>21,872</b>	<b>21,872</b>	<b>5,217</b>	<b>5,457</b>	<b>5,708</b>
<b>Renewal of Existing Assets as % of total capex</b>		20.8%	30.1%	47.3%	3.5%	15.7%	15.7%	4.0%	4.8%	5.9%
<b>Renewal of Existing Assets as % of deprecn"</b>		72.4%	115.0%	173.2%	7.9%	40.2%	40.2%	9.6%	9.7%	10.1%

The above tables shows that the municipality's anticipated total capital budget is R130 million excluding VAT for the 2024/25 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:

- Community Assets R 22.7 million Incl. VAT
  - Mphuthumi Mafumbatha multi-purpose center R10 million
  - Ward 32 Community Hall R 4.2 million
  - Ward 16 Community Hall R 4.2 million
  - Construction of Market Place R 3.5 million
  - Paving of ward 20 community hall R 885 thousand
- Computer Equipment R 5.5 million Incl. VAT
  - Computer and Server Room Infrastructure R 5.5 million
- Furniture and office equipment R 3.4 million Incl. VAT
  - CCTV Cameras R 209 thousand
  - Council Chamber Equipment R 1.5 million
  - Security Equipment R 209 thousand
  - Civic Center Furniture R 500 thousand
  - Skip bins R 400 thousand
  - Office Furniture R 650 thousand
- Landfill site R10 million Incl. VAT

○ Majazi/Extension 4 landfill site construction	R10 million
● Electricity Infrastructure	R 32.7 million Incl. VAT
○ Replacement of low voltage lines	R4 million
○ Electrification of Nomlacu Phase 3	R13.7 million
○ Electrification of Nkanini Village	R5.5 million
○ Electrification of Mathwebu Village	R5.7 million
○ Upgrade of Albany Substation	R2.5 million
○ Backup Energy System	R500 thousand
○ Fencing of substation	R 600 thousand
● Transport Assets	R 5.5 million Incl. VAT
○ Refuse truck	R3.3 million
○ Electricity Bakkie	R 700 thousand
○ Other municipal vehicles	R1.5 million
● Road Infrastructure	R 70 million Incl. VAT
○ Mhlabomnyama Via Makhalweni to Plangeni Access Road	R4.7 million
○ Mtamvuna to Mabheleni Access road	R5.1 million
○ Construction of Mkhasweni Access Road	R4.7 million
○ Construction of Sunny Side Acces Road	R4.5 million
○ Construction of Nyanisweni Access Road	R4.7 million
○ 116 to Somgungqu to Khwanyana Access Road	R3.8 million
○ Construction of Lukhanyo Access Road	R4.7 million
○ Construction of Khutshi to Voting Station access road	R4.8 million
○ Construction of Cabane Crestu Access Road	R3.3 million
○ Construction of Ndlavini Access Road	R5.2 million
○ Construction of Mbuthweni to Nokhatshile Access Road	R3 million
○ Upgrade of CBD	R10 million
○ Rehabilitation of Pelepele Bridge and Access Road	R3 million
○ Rehabilitation of Ntinga Bridge with Access Road	R3 million
○ Construction of Thaleni Bridge	R4.5 million

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

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>	<b>1</b>									
<b>Infrastructure</b>		(1,227)	5,288	1,966	22,656	27,763	27,763	32,314	33,801	35,322
Roads Infrastructure		(1,566)	3,845	1,404	18,715	23,313	23,313	27,715	28,990	30,295
Roads		3	191	43	666	466	466	534	559	584
Road Structures		(2,068)	3,357	1,117	17,583	22,381	22,381	26,543	27,764	29,013
Road Furniture		500	297	244	466	466	466	639	668	698
Electrical Infrastructure		339	1,443	562	3,941	3,450	3,450	550	575	601
MV Networks		339	1,443	562	3,941	300	300	300	314	328
LV Networks		-	-	-	-	3,150	3,150	250	262	273
Solid Waste Infrastructure		-	-	-	-	1,000	1,000	4,049	4,235	4,426
Landfill Sites		-	-	-	-	-	-	3,000	3,138	3,279
Waste Drop-off Points		-	-	-	-	1,000	1,000	1,049	1,097	1,147
<b>Community Assets</b>		515	482	668	864	1,354	1,354	953	996	1,041
Community Facilities		515	482	668	864	1,354	1,354	953	996	1,041
Halls		27	-	426	262	752	752	338	353	369
Libraries		281	69	155	350	350	350	350	366	383
Cemeteries/Crematoria		-	-	87	105	105	105	110	115	120
Parks		207	413	148	148	148	148	155	162	170
<b>Other assets</b>		3,646	3,472	3,391	3,279	3,308	3,308	3,439	4,852	6,862
Operational Buildings		3,646	3,472	3,391	3,279	3,308	3,308	3,439	4,852	6,862
Municipal Offices		3,498	3,328	3,235	3,123	3,152	3,152	3,276	4,681	6,683
Yards		149	143	157	156	156	156	164	171	179
<b>Computer Equipment</b>		72	35	23	30	30	30	31	33	34
Computer Equipment		72	35	23	30	30	30	31	33	34
<b>Furniture and Office Equipment</b>		-	-	69	199	259	259	267	279	292
Furniture and Office Equipment		-	-	69	199	259	259	267	279	292
<b>Machinery and Equipment</b>		324	256	-	692	1,192	1,192	1,251	1,308	1,367
Machinery and Equipment		324	256	-	692	1,192	1,192	1,251	1,308	1,367
<b>Transport Assets</b>		1,886	2,753	5,170	4,545	6,385	6,385	4,738	4,956	5,179
Transport Assets		1,886	2,753	5,170	4,545	6,385	6,385	4,738	4,956	5,179
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>5,217</b>	<b>12,285</b>	<b>11,287</b>	<b>32,266</b>	<b>40,292</b>	<b>40,292</b>	<b>42,994</b>	<b>46,226</b>	<b>50,097</b>
<b>R&amp;M as a % of PPE &amp; Investment Property</b>		0.9%	2.1%	1.6%	4.2%	5.0%	5.0%	4.6%	5.0%	5.5%
<b>R&amp;M as % Operating Expenditure</b>		1.5%	3.0%	2.9%	7.2%	7.7%	7.7%	0.0%	9.7%	10.0%

Table 34 MBRR SA34d – Depreciation by asset class

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	<b>1</b>									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>29,666</b>	<b>31,004</b>	<b>30,625</b>	<b>34,353</b>	<b>34,353</b>	<b>34,353</b>	<b>34,353</b>	<b>35,709</b>	<b>35,709</b>
Roads Infrastructure		29,499	29,635	29,277	32,894	32,894	32,894	32,894	34,210	34,210
Roads		29,499	12,902	12,562	14,241	14,241	14,241	14,241	14,811	14,811
Road Structures			16,295	16,277	18,165	18,165	18,165	18,165	18,892	18,892
Road Furniture			438	438	488	488	488	488	507	507
Capital Spares										
Storm water Infrastructure			543	543	588	588	588	588	611	611
Drainage Collection			204	204	221	221	221	221	230	230
Storm water Conveyance			338	338	366	366	366	366	381	381
Attenuation										
Electrical Infrastructure			659	638	691	691	691	691	700	700
MV Substations			51	51	55	55	55	55	58	58
MV Switching Stations										
MV Networks			453	432	467	467	467	467	467	467
LV Networks			155	155	168	168	168	168	175	175
Solid Waste Infrastructure		167	167	167	181	181	181	181	188	188
Landfill Sites		167	167	167	181	181	181	181	188	188
<b>Community Assets</b>		<b>2,371</b>	<b>2,881</b>	<b>4,532</b>	<b>9,089</b>	<b>9,089</b>	<b>9,089</b>	<b>9,089</b>	<b>9,453</b>	<b>9,453</b>
Community Facilities		2,371	2,110	3,762	6,344	6,344	6,344	6,344	6,598	6,598
Halls		2,371	1,616	3,268	4,764	4,764	4,764	4,764	4,954	4,954
Crèches			295	295	320	320	320	320	333	333
Cemeteries/Crematoria			13	13	14	14	14	14	15	15
Police										
Parks			101	101	1,068	1,068	1,068	1,068	1,111	1,111
Public Open Space										
Nature Reserves										
Public Ablution Facilities			27	27	114	114	114	114	118	118
Markets										
Stalls			58	58	64	64	64	64	67	67
Abattoirs										
Sport and Recreation Facilities			772	770	2,745	2,745	2,745	2,745	2,855	2,855
Indoor Facilities										
Outdoor Facilities			772	770	2,745	2,745	2,745	2,745	2,855	2,855
<b>Other assets</b>		<b>722</b>	<b>674</b>	<b>675</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>759</b>	<b>759</b>
Operational Buildings		722	661	662	716	716	716	716	744	744
Municipal Offices		722	357	358	386	386	386	386	401	401
Pay/Enquiry Points			3	3	4	4	4	4	4	4
Yards			77	77	83	83	83	83	86	86
Stores			115	115	125	125	125	125	130	130
Laboratories										
Training Centres			110	110	119	119	119	119	123	123
Housing			13	13	14	14	14	14	14	14
Staff Housing										
Social Housing			13	13	14	14	14	14	14	14
<b>Intangible Assets</b>		<b>129</b>	<b>26</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes										
Licences and Rights		129	26	11						
Computer Software and Applications		129	26	11						
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>		<b>186</b>	<b>2,278</b>	<b>2,380</b>	<b>2,809</b>	<b>2,809</b>	<b>2,809</b>	<b>2,809</b>	<b>2,921</b>	<b>2,921</b>
Computer Equipment		186	2,278	2,380	2,809	2,809	2,809	2,809	2,921	2,921
<b>Furniture and Office Equipment</b>		<b>2,797</b>	<b>2,174</b>	<b>29</b>	<b>1,341</b>	<b>1,341</b>	<b>1,341</b>	<b>1,341</b>	<b>1,395</b>	<b>1,395</b>
Furniture and Office Equipment		2,797	2,174	29	1,341	1,341	1,341	1,341	1,395	1,395
<b>Machinery and Equipment</b>		<b>2,856</b>	<b>2,894</b>	<b>1,564</b>	<b>4,550</b>	<b>4,550</b>	<b>4,550</b>	<b>4,550</b>	<b>4,732</b>	<b>4,732</b>
Machinery and Equipment		2,856	2,894	1,564	4,550	4,550	4,550	4,550	4,732	4,732
<b>Transport Assets</b>		<b>1,452</b>	<b>2,187</b>	<b>954</b>	<b>1,499</b>	<b>1,499</b>	<b>1,499</b>	<b>1,499</b>	<b>1,559</b>	<b>1,559</b>
Transport Assets		1,452	2,187	954	1,499	1,499	1,499	1,499	1,559	1,559
<b>Total Depreciation</b>	<b>1</b>	<b>40,180</b>	<b>44,118</b>	<b>40,770</b>	<b>54,371</b>	<b>54,371</b>	<b>54,371</b>	<b>54,371</b>	<b>56,527</b>	<b>56,527</b>

**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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>4,152</b>	<b>652</b>	<b>-</b>	<b>6,830</b>	<b>10,330</b>	<b>10,330</b>	<b>14,348</b>	<b>19,130</b>	<b>12,609</b>
Roads Infrastructure		3,543	652	-	6,830	6,830	6,830	8,696	13,043	8,696
Roads		3,543	652	-	6,830	6,830	6,830	8,696	8,696	-
Road Structures		-	-	-	-	-	-	-	4,348	8,696
Electrical Infrastructure		609	-	-	-	3,500	3,500	5,652	6,087	3,913
LV Networks		609	-	-	-	3,500	3,500	5,652	6,087	3,913
<b>Community Assets</b>		<b>27,243</b>	<b>39,537</b>	<b>12,780</b>	<b>11,864</b>	<b>25,249</b>	<b>25,249</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community Facilities		17,310	19,960	9,921	8,744	18,764	18,764	-	-	-
Halls		17,310	19,960	9,921	8,744	18,764	18,764	-	-	-
Sport and Recreation Facilities		9,933	19,577	2,859	3,120	6,485	6,485	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		9,933	19,577	2,859	3,120	6,485	6,485	-	-	-
<b>Total Capital Expenditure on upgrading of existing a</b>	<b>1</b>	<b>31,395</b>	<b>40,189</b>	<b>12,780</b>	<b>18,695</b>	<b>35,579</b>	<b>35,579</b>	<b>14,348</b>	<b>19,130</b>	<b>12,609</b>
<b>Upgrading of Existing Assets as % of total capex</b>		22.5%	23.9%	8.6%	15.2%	25.5%	25.5%	11.1%	16.8%	13.0%
<b>Upgrading of Existing Assets as % of deprecn"</b>		78.1%	91.1%	31.3%	34.4%	65.4%	65.4%	26.4%	33.8%	22.3%



## 2.10 Legislation compliance status

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

### 1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis through the submission of Section 71 reports to the Mayor, National Treasury, Provincial Treasury and other stakeholders within 10 working days of the end of each month.

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

The municipality's mid-year assessment report was tabled to the municipal council by 25 January 2024 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 draft budget to ensure alignment of these plans.

The detail SDBIP document is at a draft stage and will be finalized after approval of the 2024/25 MTREF in May 2024 directly aligned and informed by the 2024/25 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 draft procurement plans are developed together with the draft budget to ensure full alignment of this plan as well. The procurement plan will be reviewed and revised where necessary to ensure that it assists the municipality in delivering services within planned timeframes.

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

National Treasury has instructed municipalities to develop and adopt plans to reduce UIFW&E over the five year period. Even though the municipality had already cleared these expenditures a reduction strategy was developed and adopted by the municipal council on the 28<sup>th</sup> 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 31<sup>st</sup> 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 has completed the process of making sure that all mSCOA structures are revived through replacement of members who have since left the municipality and developing a schedule of meetings for these structures.

#### **11. Budget steering committee**

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

## 2.11 Municipal manager's quality certificate

I Luvuyo Mahlaka, municipal manager of Winnie Madikizela-Mandela Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name        L. Mahlaka    

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

Signature     \_\_\_\_\_

Date                        27/03/2024