

# **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 second full year of its term, has a responsibility of ensuring that basic service delivery is provided for all within its jurisdiction. This is the provision of the Constitution of the Republic of South Africa which is the supreme law of the land. The Municipal Finance Management Act No. 56 of 2003, section 16, provides that a municipality must compile an annual budget before the start of the financial year. A draft budget must be tabled 90 days before the start of the budget year, which means that for a 2024/25 Annual Budget, the draft budget must be tabled to council by no later than March 31, 2024. The draft budget that was tabled in council on 27 March 2024 was in response and compliance to the afore-mentioned prescripts. This was followed by the publication on a local newspaper of the draft budget summaries and calling for comments from the public.

The municipality then conducted public consultation sessions to present the budget and solicit comments from the general public during the month of April and May 2024.

The Provincial Treasury as required assessed the municipality's draft budget for compliance and credibility with the results presented in a meeting that was held on the 19th of April 2024. Comments and recommendations of both the public and Provincial Treasury have been considered in getting to the final budget proposals including submission to them before submitting to council structures for them to assess the municipality's funding compliance which will be the major focus in the years to come due to the anticipated municipalities' ability to collect revenue as well as the impact of the recent disaster following heavy rains during the month of April 2022, December 2023 and January 2024 which continues to require resources to help communities recover.

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

#### a) Water and sanitation backlogs

The estimated backlog for water service delivery 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), 12.6km reticulation pipeline for Mxinga village and VIP toilets	9, 12, 30	R15 093 570,80
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 Makhalweni to Plangeni Access Road	R 4,778,257.00	MIG

NAME OF PROJECT	BUDGETED AMOUNT	
Construction of Mtamvuna to Mabhelani 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
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 Thaleni 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 met 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 then considers the following resolutions which will become final when the budget is approved.

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

- a. The annual budget of the municipality for the financial year 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 approved as set out in the following tables:
  - i. Budgeted Financial Position;
  - ii. Budgeted Cash Flows;
  - iii. Cash backed reserves and accumulated surplus reconciliation;
  - iv. Asset management; and
  - v. Basic service delivery measurement.
- c. The Council of Winnie Madikizela-Mandela Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the following proposed tariffs with effect from 1 July 2024:
  - i) the tariffs for property rates
  - ii) the tariffs for electricity
  - iii) the tariffs for solid waste services
  - iv) Other municipal charges
- d. The Council of Winnie Madikizela-Mandela Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the proposed tariffs with effect from 1 July 2024 the tariffs for other services, as set out in the paragraphs on tariffs;
- e. To give proper effect to the municipality's annual budget, the Council of Winnie Madikizela-Mandela Local Municipality approves:
  - i) That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed.

- f. To enable the proper implementation of the municipality's budget, the council of Winnie Madikizela-Mandela Local Municipality approves the following budget related policies;
- i) The IDP and Budget Policy
  - ii) Credit control and debt collection policy
  - iii) Property Rates Policy
  - iv) Supply Chain Management Policy
  - v) Tariff Policy
  - vi) Asset Management Policy
  - vii) Supply Chain Policy for Infrastructure Procurement and Delivery Management
  - viii) Cash Management and Investment Policy
  - ix) Contract Management policy
  - x) Debtors write-off policy
  - xi) Indigent policy
  - xii) Contract Management policy
  - xiii) Retention policy
  - xiv) Cost Containment Management policy

### 1.3 Executive Summary

The municipality continues to find itself highly dependent on grants from the national fiscus which makes it impossible to contribute with the development and service delivery needs as it wishes as these allocations do not depend on the municipality. Despite the municipality having implemented a number of incentives 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 become mSCOA compliant;

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

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

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

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

SLAs with system vendors must also be managed properly.

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

### **Balance sheet and Cashflow budgeting**

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

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

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

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

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



and the identification of the actual cash available per funding source that can be utilised for service delivery. Non-funding should not be used.

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

Municipalities are required to implement balance sheet budgeting and movement accounting to ensure that the cash flow for the 2024/2025 MTREF is populated correctly. If the cash flow is not budgeted correctly, transactions will be a challenge.

### **Depreciation and asset impairment budgeting**

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

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

## **1.4 The South African Economy and Inflation Targets**

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) 5% for the bargaining council levy
- f) 4.9% increase on the remuneration of councilors
- g) 4.9% for all other expenses, and
- h) 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 to 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 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	49,111	49,111	56,844	59,289	62,546
Investment revenue	7,604	10,784	21,920	15,890	31,890	31,890	27,159	28,408	29,715
Transfer and subsidies - Operational	337,728	295,672	342,754	349,897	357,060	357,060	394,792	361,765	349,251
Other own revenue	16,448	20,749	22,108	15,153	19,256	19,256	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>478,568</b>	<b>478,568</b>	<b>518,876</b>	<b>491,165</b>	<b>485,323</b>
Employee costs	105,837	108,100	114,174	130,212	130,041	130,041	137,766	143,984	150,648
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	64,536	64,536	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	55,315	55,315	61,876	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	245,301	245,301	211,626	193,932	204,568
<b>Total Expenditure</b>	<b>342,301</b>	<b>407,143</b>	<b>387,802</b>	<b>447,697</b>	<b>527,053</b>	<b>527,053</b>	<b>499,830</b>	<b>500,905</b>	<b>529,962</b>
<b>Surplus/(Deficit)</b>	<b>79,882</b>	<b>(16,636)</b>	<b>76,467</b>	<b>(7,603)</b>	<b>(48,485)</b>	<b>(48,485)</b>	<b>19,046</b>	<b>(9,740)</b>	<b>(44,639)</b>
Transfers and subsidies - capital (monetary allocations)	77,425	80,162	93,836	76,295	94,040	94,040	64,754	74,019	77,596
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>45,554</b>	<b>45,554</b>	<b>83,800</b>	<b>64,279</b>	<b>32,957</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>45,554</b>	<b>45,554</b>	<b>83,800</b>	<b>64,279</b>	<b>32,957</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>155,056</b>	<b>155,056</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</b>
Transfers recognised - capital	65,642	64,059	87,749	66,343	67,860	67,860	56,308	63,495	66,605
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	73,853	101,241	61,474	56,939	87,195	87,195	63,154	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>155,056</b>	<b>155,056</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</b>
<b>Financial position</b>									
Total current assets	387,772	401,028	487,980	413,370	479,153	479,153	323,623	354,709	367,585
Total non current assets	737,528	809,673	881,715	875,374	949,968	949,968	946,807	983,886	984,502
Total current liabilities	91,182	102,121	101,333	99,779	115,039	115,039	103,343	107,228	110,180
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	1,155,603	1,219,882	1,230,423
<b>Cash flows</b>									
Net cash from (used) operating	335,057	173,089	224,463	170,828	170,215	170,215	189,425	153,648	116,909
Net cash from (used) investing	(123,288)	(138,669)	(124,887)	(141,376)	(168,512)	(168,512)	(161,090)	(129,891)	(110,459)
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>361,719</b>	<b>361,719</b>	<b>206,790</b>	<b>230,547</b>	<b>236,997</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	258,162	277,109	360,015	306,560	361,719	361,719	206,790	230,547	236,997
Application of cash and investments	43,391	51,199	51,187	49,843	(31,214)	(31,214)	(43,478)	(38,649)	(37,487)
<b>Balance - surplus (shortfall)</b>	<b>214,771</b>	<b>225,909</b>	<b>308,828</b>	<b>256,717</b>	<b>392,933</b>	<b>392,933</b>	<b>250,268</b>	<b>269,196</b>	<b>274,484</b>
<b>Asset management</b>									
Asset register summary (WDV)	572,362	591,378	708,419	766,516	949,803	949,803	946,807	983,886	984,502
Depreciation	40,180	44,118	40,770	54,371	54,536	54,536	54,371	56,546	56,546
Renewal and Upgrading of Existing Assets	60,478	90,916	83,391	23,008	73,625	73,625	27,198	25,023	18,317
Repairs and Maintenance	5,217	12,285	11,287	32,266	42,352	42,352	53,184	55,533	59,811
<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

The table above shows the summary of the 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 R583 million.

The above table continues to show greater dependency of the municipality on the national fiscus through grants as these make up 77% of the municipality's anticipated revenues which is a decrease from 81% in the prior year with other sources anticipated to generate only 21% which means the municipality has very little resources to spend without prescribed conditions. This has a potential to limit the municipality in terms of the programmes it would like to implement to improve the lives of the people of Mbizana. The overall increase in revenue is about 5% 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.

#### **a. Revenue**

The above table continues to show greater dependency of the municipality on the national fiscus through grants as these make up 77% of the municipality's anticipated revenues which is a decrease from 81% in the prior year with other sources anticipated to generate only 21% which means the municipality has very little resources to spend without prescribed conditions. This has a potential to limit the municipality in terms of the programmes it would like to implement to improve the lives of the people of Mbizana. The overall increase in revenue is about 5% 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 12% 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 final 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 34% of the operating budget including non-cash items which then comes closer to breaching the maximum limit permitted of 40% when we exclude non-cash items. Below are the details of vacant positions included in the draft budget.

**Municipal Manager**

- Admin Clerk
- Monitoring and Evaluation Officer

**Corporate Services**

- IT Technician
- Receptionist

**Community Services**

- Cashier
- Admin Clerk

**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 councillors**

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 CSIR Roads 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
- R13.7 million for Electrification of Nomlacu Phase 3
- R5.5 million for Electrification of Nkanini Village
- R5.7 million for Electrification of Mathwebu Village

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>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		–	822	–	–	–	–	–	–	–
Vote 2 - Corporate Services		405	483	1,332	441	392	392	449	167	175
Vote 3 - Budget and Treasury Office		354,557	318,256	373,263	362,652	379,156	379,156	388,792	386,756	375,295
Vote 4 - Community Services		12,198	11,732	25,490	13,502	12,590	12,590	15,029	12,169	13,206
Vote 5 - Development Planning		19,267	22,001	22,795	28,330	41,118	41,118	31,734	33,972	35,679
Vote 6 - Engineering Services		113,181	117,454	135,705	111,464	139,351	139,351	147,626	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>572,607</b>	<b>572,607</b>	<b>583,630</b>	<b>565,184</b>	<b>562,919</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	87,695	91,720	95,849
Vote 2 - Corporate Services		38,617	40,690	42,845	64,946	65,965	65,965	68,785	71,839	74,281
Vote 3 - Budget and Treasury Office		21,918	24,479	27,995	45,747	45,747	45,747	43,075	44,931	47,079
Vote 4 - Community Services		62,926	59,309	70,461	83,784	88,666	88,666	92,455	93,511	97,640
Vote 5 - Development Planning		15,944	17,186	21,936	24,898	29,973	29,973	29,543	30,895	32,264
Vote 6 - Engineering Services		131,280	193,688	146,019	139,669	207,396	207,396	178,277	168,009	182,849
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>527,053</b>	<b>527,053</b>	<b>499,830</b>	<b>500,905</b>	<b>529,962</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>45,554</b>	<b>45,554</b>	<b>83,800</b>	<b>64,279</b>	<b>32,957</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 well as the Disaster Management Grant projected to be spent beyond June 2024 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. The department also receives an allocation for Electrification of villages where the municipality is not distributing and the infrastructure is transferred to Eskom at completion. These have been budgeted for as operating expenses in line with the guidelines issued by the Office of the Accountant General in July 2023.

## 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

Reconciliaton 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>384,081,280</b>	<b>20,342,321</b>	<b>404,423,600</b>	<b>377,391,300</b>	<b>363,690,050</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	19,190,000	-7,476,000	11,714,000	-	-
Expanded Public Works Programme	3,042,000	-61,000	2,981,000	-	-
Municipal Infrastructure Grant	2,545,288	280,313	2,825,600	2,960,300	3,211,050
Integrated National Electrification Grant	16,000,000	9,362,000	25,362,000	16,180,000	15,000,000
<b>Capital</b>	<b>40,883,572</b>	<b>3,914,428</b>	<b>44,798,000</b>	<b>60,206,000</b>	<b>65,221,000</b>
Government Support Grant	9,167,822	-9,167,822	-	-	-
Neighbourhood Development Partnership Grant(Capital)	-	-	-	1,000,000	1,000,000
Municipal Infrastructure Grant	31,715,750	13,082,250	44,798,000	59,206,000	64,221,000
Integrated National Electrification	-	-	-	-	-
<b>Provincial Allocations</b>					
<b>Operational</b>	<b>500,000</b>	<b>647,000</b>	<b>1,147,000</b>	<b>1,147,000</b>	<b>1,186,000</b>
Green Municipality Grant	-	-	-	-	-
Library Grant	500,000	647,000	1,147,000	1,147,000	1,186,000
		-	-	-	-
		-	-	-	-
<b>TOTAL ALLOCATIONS</b>	<b>425,464,852</b>	<b>24,903,749</b>	<b>450,368,600</b>	<b>438,744,300</b>	<b>430,097,050</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 R24.9 million the grants total compared with the with the revised budget. The Integrated National Electrification grants which is used to provide electricity in the rural areas of the municipality sees an increase of R9.3 million which is a much-improved allocation compared to the current financial year's allocation and the anticipated level of growth in the households around the 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. The municipality also received a Disaster Recovery allocation of R19.19 million during the month of March 2024 to assist with flood recovery from the December 2023 and January 2024. The allocation will be spent in the next six months due to end in August 2024. There are no disaster funds confirmed to be received in the 2024/25 financial year but we have made an allocation of the balance that is anticipated to be remaining at the end of the year so that the project do not stop implementation while we are still waiting for approval of rollovers which normally takes up to October of the budget year. This is therefore an estimated amount that will then be revised to the actual figures after completion of the rollover processes.



**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>R thousand</b>	<b>1</b>									
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	2	35,679	37,937	40,848	32,243	44,450	44,450	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	4,181	4,903
Sale of Goods and Rendering of Services		197	238	158	201	221	221	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	3,790	3,790	3,556	3,719	3,890
Interest earned from Current and Non Current Assets		7,604	10,784	21,920	15,890	31,890	31,890	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	287	287	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	357,060	357,060	394,792	361,765	349,251
Interest		737	2,750	4,037	1,780	5,380	5,380	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>478,568</b>	<b>478,568</b>	<b>518,876</b>	<b>491,165</b>	<b>485,323</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>R thousand</b>	<b>1</b>										
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	35,679	37,937	40,848	32,243	44,450	44,450	19%	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	4,181	4,903
Sale of Goods and Rendering of Services		197	238	158	201	221	221	-9%	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	3,790	3,790	-6%	3,556	3,719	3,890
Interest earned from Current and Non Current Assets		7,604	10,784	21,920	15,890	31,890	31,890	-15%	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	287	287	-34%	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	357,060	357,060	11%	394,792	361,765	349,251
Interest		737	2,750	4,037	1,780	5,380	5,380	0%	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>478,568</b>	<b>478,568</b>	<b>8%</b>	<b>518,876</b>	<b>491,165</b>	<b>485,323</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 years 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**

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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
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		336,811	297,741	341,206	349,397	349,025	349,025	392,710	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	–	–	–	–	–	–
Integrated National Electrification Programme Grant								25,362	–	–
Provincial Government:		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	–							
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	337,584	298,241	341,706	349,897	349,525	349,525	393,857	362,358	349,876
<u>Capital Transfers and Grants</u>										
National Government:		75,916	86,447	98,354	71,555	76,074	76,074	53,686	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	–	16,180	15,000
General Support Grant		–	–	–	–	9,168	9,168	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	75,916	86,447	98,354	71,555	76,074	76,074	53,686	73,426	77,010
TOTAL RECEIPTS OF TRANSFERS & GRANTS		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 2023/24 financial period and the MTREF. The Equitable Share has increased to R341 million and the municipality revenue has grant funding in the excess of R421 million. It is important to note though that the INEP allocation has not seen a significant increase putting more pressure on the municipal resources when it comes to funding of the capital budget.

- **Financial Management Grant (FMG):** This grant is meant to assist in ensuring that financial management systems of the municipality are functioning and that the staff complement at the Budget and Treasury Office is adequately capacitated in terms of skill and understanding of accounting and municipal finance.
- **Municipal Infrastructure Grant (MIG) (Operational):** The MIG is meant for the development of infrastructure within the municipality, but then 5% of that is utilized for project management, payment of salaries of specific staff members and planning for those infrastructure projects.
- **Department of Sport and Culture – Library:** The grant is meant to assist in the running of the library, including ensuring that the library is appropriately stocked with books.
- **Expanded Public Works Program Grants:** This is meant to assist municipalities and the government to create labour intensive employment opportunities for the previously disadvantaged communities.
- **Integrated National Electrification Program Grant:** This is meant 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 approved 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	<b>0.0056</b>	0.0057	0.0058
Residential Properties	0.0072	<b>0.0074</b>	0.0076	0.0077
Business and commercial properties	0.0149	<b>0.0152</b>	0.0158	0.0165
State Owned Properties	0.0135	<b>0.0148</b>	0.0154	0.0161
Public Benefit Organisations Properties	0.0000	<b>0.0000</b>	0.0000	0.0000
Public Service Infrastructure Properties	0.0135	<b>0.0148</b>	0.0154	0.0161
Vacant Land - Business and commercial properties	0.0112	<b>0.0186</b>	0.0193	0.0201
Vacant Land - Residential Properties	0.0112	<b>0.0119</b>	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.

*The following electricity tariffs are still subject to change depending on the final approval by NERSA which has been finalised yet but should be finalised before the start of the budget year in terms of the guiding laws and implemented as such.*

<b>ELECTRICITY TARIFFS DOMESTIC PREPAID TARIFF BLOCK HOMELIGHT 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 HOMELIGHT 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) HOMELIGHT 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

<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 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: -				

<b>ELECTRICITY NEW CONNECTION FEES</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
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
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				
<p><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></p>				

<b>EMBEDED ENERGY (EG) PURCHASE COSTS</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
Flat tariff energy purchase costs (c/kWh)	NEW	<b>149.46</b>	156.33	163.52
<b>TIME OF USE (TOU) energy purchase costs (c/kWh)</b>				
Low Season Offpeak	NEW	<b>93.85</b>	98.17	102.69
Low Season Standard	NEW	<b>147.92</b>	154.73	161.84
Low Season Peak	NEW	<b>214.98</b>	224.87	235.21
High Season Offpeak	NEW	<b>108.41</b>	113.40	118.61
High Season Standard	NEW	<b>199.57</b>	208.75	218.35
High Season Peak	NEW	<b>658.97</b>	689.29	720.99

<b>EMBEDED ENERGY (EG) PURCHASE COSTS</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
<i>Fixed charge / basic charge is aligned to each customer category</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	<b>196</b>	205	214
Category 2	375	<b>393</b>	412	430
Category 3	752	<b>789</b>	825	863
Category 4	316	<b>331</b>	347	363
Category 5	564	<b>592</b>	619	648
Category 6	187	<b>196</b>	205	214
Category 7	354	<b>371</b>	388	406
Category 8	88	<b>92</b>	96	100
Category 9	90	<b>94</b>	98	103
<b>**EXCLUDING VAT (15%)</b>				

<b>REFUSE - COMMERCIAL</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
Category 1.1	186	<b>195</b>	204	213
Category 1.2	300	<b>315</b>	329	344
Category 2	504	<b>528</b>	553	578
Category 3.1	632	<b>663</b>	693	725
Category 3.2	842	<b>884</b>	924	967
Category 3.3	1,511	<b>1,585</b>	1,658	1,734



<b>REFUSE - COMMERCIAL</b>	2023/2024	2024/2025	2025/2026	2026/2027
Category 4.1	369	<b>387</b>	404	423
Category 4.2	1,889	<b>1,982</b>	2,073	2,168
Category 5.1	4,408	<b>4,624</b>	4,836	5,059
Category 5.2	3,148	<b>3,303</b>	3,454	3,613
Category 5.3	1,439	<b>1,510</b>	1,579	1,652
Category 5.4	632	<b>663</b>	693	725
Category 5.5	719	<b>754</b>	789	825
Category 5.6	369	<b>387</b>	404	423
Category 6	158	<b>166</b>	173	181
Category 7.1		<b>1,502</b>	1,571	1,643
Category 7.2		<b>2,000</b>	2,092	2,188
<b>**EXCLUDING VAT (15%)</b>				

<b>DUMPING SITE TARRIFS</b>	2023/2024	2024/2025	2025/2026	2026/2027
<b>DISPOSAL:</b>	<b>R</b>	<b>R</b>		
Bakkie per load	91	<b>95</b>	99	104
Truck per load (1.3 -3 ton)	0	<b>120</b>	126	131
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
Clearing of overgrown sites per square meter	15	<b>16</b>	16	17
Tree felling per hour	0	<b>850</b>	889	930
Disposal of Green Waste - Bakkie	120	<b>126</b>	132	138
Disposal of Green waste -1.3 to 3	0	<b>850</b>	889	930
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>				

<b>DUMPING SITE TARRIFS</b>	2023/2024	2024/2025	2025/2026	2026/2027
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>	2023/2024	2024/2025	2025 / 2026	2026/2027
<b>HALL HIRE: URBAN AREA</b>	R			
Daily rate	1,002	<b>1,055</b>	1104	1154
Hourly rate	167	<b>175</b>	183	191
Monthly rate	25,066	<b>26,295</b>	27505	28770
IEC Tarrifs Daily	609	<b>640</b>	669	700
IEC Tarrifs Monthly	15,114	<b>15,855</b>	16584	17347
Security deposit	1,455	<b>1,525</b>	1595	1669
<b>HALL HIRE: RURAL AREA</b>				
Daily rate	745	<b>780</b>	816	853
Hourly rate	167	<b>175</b>	183	191
Monthly rate	10,826	<b>11,360</b>	11883	12429
IEC Tarrifs Daily	264	<b>275</b>	288	301
IEC Tarrifs Monthly	6,851	<b>7,190</b>	7521	7867
Security deposit	710	<b>755</b>	790	826
<b>COMMUNITY PARKS AND OPEN SPACE</b>				
Group Entertainment	1,580	<b>1,660</b>	1736	1816

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

<b>TAXI RANK TARIFFS</b>	2023/2024	2024/2025	2025/2026	2026/2027
Bakkie per year	158	166	173	181
Taxi from outside per load	53	55	58	60

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

<b>STADIUM NON SPORTING EVENTS</b>	2023/2024	2024/2025	2025/2026	2026/2027
Floodlights per hour	464	487	509	532
<b>FILMING</b>				
Filming for commercial use per day	8,973	9,412	9845	10298
Filming for non commercial use per day	3,362	3,526	3688	3858
<b>MUSICAL/FESTIVAL</b>				
Hire Fee per day	25,099	26,329	27540	28807
<b>POLITICAL</b>				
Hire Fee per day	1,544	1,620	1695	1773
<b>CHURCHES</b>				
Hire Fee per day	4,826	5,063	5296	5539

<b>STADIUM NON SPORTING EVENTS</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
<b>FUND RAISING EVENTS</b>				
Hire Fee per day: e.g. Bazaar, Fetes, concert, ect	4,826	<b>5,063</b>	5296	5539
<b>COMBINATION COURTS</b>				
Netball Court – Fee per tournament per day	150	<b>157</b>	165	172
Netball Court – Training fee per 2 hours per team	70	<b>73</b>	77	80
Netball Court – Training fee per 2 hours per school team	60	<b>63</b>	66	69
Volley ball – Fee per tournament per day	120	<b>126</b>	132	138
Volley ball – Training fee per 2 hours per team	70	<b>73</b>	77	80
Volley ball – Training fee per 2 hour per school team	60	<b>63</b>	66	69
Tennis - Fee per tournament per day	150	<b>157</b>	165	172
Tennis - Training fee per 2 hours per team	70	<b>25</b>	26	27
Tennis - Training fee per 2 hours per school team	60	<b>20</b>	21	22
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			
Cattle, Horses, Donkeys and any other animal of similar size per day	73	<b>77</b>	81	84
Goats, sheep and other animals of the same size per day	44	<b>46</b>	48	50
If captured by SAPS(e.g. recovered stolen animals)	44	<b>46</b>	48	50
Motor vehicles	309	<b>324</b>	339	354
Other goods	53	<b>55</b>	58	60
Admission of guilt/Animal (large stock)	290	<b>304</b>	318	332
Admission of guilt/Animal (small stock)	116	<b>122</b>	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>				

<b>POUND FEES</b>	2023/2024	2024/2025	2025 / 2026	2026/2027

### Library Services

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

### Cemetery Fees

<b>CEMETERY FEES</b>	2023/2024	2024/2025	2025/2026	2026/2027
Burial site - Adult	812	<b>852</b>	891	932
Burial site - Child (1-12yrs)	409	<b>429</b>	448	469
Burial site - Stillborn & Infant	160	<b>168</b>	175	183
Burial of ashes in existing grave	228	<b>239</b>	250	262
Exhumation fee (admin. Fees)	228	<b>239</b>	250	262
Burial site - Non- resident burial - Adult	1,141	<b>1,197</b>	1252	1310
Burial site - Non- resident burial - Child	-	<b>500</b>	523	547

<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 - Still born & Infant	402	<b>421</b>	441	461
Burial on reserved grave	406	<b>426</b>	446	466
Pernalty on extending grave	1,826	<b>1,915</b>	2003	2095
Reservation of burial site	402	<b>422</b>	441	461
Enlarge or Deepening of burial site	-	<b>500</b>	523	547
Burial after hours	-	<b>800</b>	837	875

#### **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>
<b>**EXCLUDING VAT (15%)</b>	<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

Rezoning Application per m2	2023/2024	2024 /2025	2025/2026	2026/2027
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

Rezoning Application per m2	2023/2024	2024/2025	2025/2026	2026/2027
<b>Departure Application from the scheme ( Building Lines, height, coverage etc)</b>				
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
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

<b>Rezoning Application per m2</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
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>				
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</b>				
<b>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

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



**Advertising**

<b>BILLBOARD LOCAL</b>	2023/24	2024/25	2025/2026	2026/2027
1m (h) x 1.5m(h) per month	571	599	626	655
1.5m(h) x 2m(w) per month	648	679	711	743
2m(h) x 3m(w) per panel per month	695	729	763	798
3(m) x 4m(w) per structure per month	801	841	879	920
<b>BILLBOARD NATIONAL</b>				
1.5m(h) x 3m(w)	1,655	1,736	1816	1900
3m(h) x 6m(w)	2,431	2,551	2668	2791
6m(h) x 4m(w)	3,206	3,363	3518	3680
9m(h) x 6m(w)	7,857	8,243	8622	9018
<b>BILLBOARD ANNUAL FEES</b>				
Directional Sign (Per sign face)	798	837	876	916
Illuminated sign (per sign face)	1,007	1,056	1105	1155
Litter Bins	591	620	648	678
Permanent Street Pole Poster	763	801	838	876
Seating Bench	869	911	953	997
Encroaching Sign	869	911	953	997
<b>PERMIT FEES</b>				
Banner	592	621	649	679
Mobile Signs	1,771	1,858	1943	2033
Poster maximum 100	1,493	1,566	1638	1714
Standard signage	433	454	475	497
<b>DEPOSITS</b>				
Banner	916	961	1005	1051
For Sale	1,438	1,509	1578	1651
Poster	1,438	1,509	1578	1651
Election Poster (per party)	7,045	7,390	7730	8085

**Town Planning Tariffs**

<b>Building Plan Fees Extension 1 and Extension 2</b>	2023/24	2024/25	2025/2026	2026/2027
Fee per 1m <sup>2</sup>	34	35	37	39
Swimming Pool	530	556	581	608
Retaining /Boundary wall	534	560	586	613
Building plan elapses after a year	Full Fee	Full Fee	Full Fee	
<b>Plan Amendment Fees</b>				
No increase in floor area	513	538	563	589
<b>Temporary Building/Structure Approved by Council</b>				
Storage facility per year	527	552	578	604

<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>
Container per year	527	552	578	604
Caravan per year	527	552	578	604
<b>Demolitions</b>				
Per first 100 linear meter	476	499	522	546
Thereof every linear meter exceed 100 meters	35	36	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	1,657	1733	1813
Building in contravention of a notice prohibiting any building work. S10(2)	1,580	1,657	1733	1813
Failure to demolish, alter or safeguard. S12(6)	1,474	1,546	1618	1692
Submit false certificate or issuing thereof. S14(3)	1,422	1,491	1560	1632
Occupy or use of building without occupation certificate. S14(4)(a)	1,580	1,657	1733	1813
Preventing a building control officer in the execution of his/her duties. S15(2)	1,895	1,988	2080	2175
Prohibition on the use of certain building methods and materials. S19(2)	684	718	751	786
Submit false or misleading information. S(a)(2)(3)(f)	NAG	NAG	NAG	
Failure to maintain, safeguard or service installation. S(a)(15)(5)	684	718	751	786
Illegal or withdrawn certificate of identity. S(a)(17)(4)	NAG	NAG	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>2025/026</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

<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>2025/026</b>	<b>2026/2027</b>
Failure to comply with any provision of or any notice issued in terms of Regulation F1 Protection of the public. F1 (6)	2,001	<b>2,099</b>	2195	2296
Failure to control dust and noise. F6 (3)	684	<b>718</b>	751	786
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	<b>718</b>	751	786
Failure to comply with a notice to remove waste material on site. F8 (2)	684	<b>718</b>	751	786
Failure to comply with any provision of or any notice issued in terms of Regulation F9 Cleaning of site. F9 (2)	684	<b>718</b>	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	<b>1,657</b>	1733	1813
Failure to comply with any provision of or any notice issued terms if Regulation F11 Sanitary facilities. F11 (2)	684	<b>718</b>	751	786
Failure to comply with any provision of or any notice issued in terms of Regulation P1 Compulsory drainage building. P1 (5)	684	<b>718</b>	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	<b>718</b>	751	786
Failure to comply with any provision of or any notice in terms of Regulation P4 Industrial effluent. P4 (2)	1,580	<b>1,657</b>	1733	1813
Failure to comply with any provision of or any notice in terms of Regulation P5 Disconnections. P5 (4)	684	<b>718</b>	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	<b>1,657</b>	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	<b>1,657</b>	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	<b>1,657</b>	1733	1813
Obstructing or causing to be obstructed of an escape route. T2 (2)	1,580	<b>1,657</b>	1733	1813
<b>WAYLEAVE</b>				
Application	3,500.00	<b>3,661</b>	3829	4006

<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>2025/026</b>	<b>2026/2027</b>
Fine	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	<b>133</b>	139	145
Renewal for permit of hawker with table	105	<b>110</b>	116	121
Registration of permit for hawker with shelter	316	<b>331</b>	347	363
Renewal for hawker with shelter	369	<b>387</b>	404	423
Registration of permit for bakkies	527	<b>552</b>	578	604
Renewal of permit for bakkies	527	<b>552</b>	578	604
Registration hawkers outside of town with table	74	<b>77</b>	81	85
Renewal of hawkers outside of town with table	74	<b>77</b>	81	85
Registration for hawkers with shelter outside town	158	<b>166</b>	173	181
Renewal for hawkers with shelter outside town	158	<b>166</b>	173	181
Penalty fee for failure to adhere to by-laws	369	<b>387</b>	404	423
Penalty fee for confiscated goods	527	<b>552</b>	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	<b>177</b>	185	193
Registration fee: Health and entertainment	168	<b>177</b>	185	193
Registration fee: Mechanical electrical apparatus or devices (games) 3 or more	168	<b>177</b>	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	<b>442</b>	462	483
Annual License fees (One-year fee): Health and entertainment	421	<b>442</b>	462	483

<b>BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
Annual License fees (One-year fee): Mechanical electrical apparatus or devices (games) 3 or more	421	<b>442</b>	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 &		
		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>Expenditure</b>										
Employee related costs	2	105,837	108,100	114,174	130,212	130,041	130,041	137,766	143,984	150,648
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	7,584	7,584	8,083	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	64,536	64,536	54,371	56,546	56,546
Interest		1	26	-	100	100	100	100	100	100
Contracted services		41,065	62,038	52,001	85,745	131,051	131,051	123,545	101,641	108,065
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	81,709	81,709	81,972	85,901	89,819
Losses on disposal of Assets		43,413	45,962	40,649	-	22,432	22,432	-	-	-
Other Losses		293	-	18	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>342,301</b>	<b>407,143</b>	<b>387,802</b>	<b>447,697</b>	<b>527,053</b>	<b>527,053</b>	<b>499,830</b>	<b>500,905</b>	<b>529,962</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

**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 12% 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 final 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 34% of the operating budget including non-cash items which then comes closer to breaching the maximum limit permitted of 40% when we exclude non-cash items. Below are the details of vacant positions included in the draft budget.

**Municipal Manager**

- Admin Clerk
- Monitoring and Evaluation Officer

**Corporate Services**

- IT Technician
- Receptionist

**Community Services**

- Cashier
- Admin Clerk

**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 councillors**

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 CSIR Roads 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
- R13.7 million for Electrification of Nomlacu Phase 3
- R5.5 million for Electrification of Nkanini Village
- R5.7 million for Electrification of Mathwebu Village

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

- **Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

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

EC443 Winnie Madikizela Mandela - Table A10 Basic service delivery measurement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue &		
		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>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>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissable values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		-	-	5	608	608	608	1,198	1,234	1,270
<b>Total revenue cost of subsidised services provided</b>		-	-	5	608	608	608	1,198	1,234	1,270

**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><b>Governance and administration</b></i>		<b>374,115</b>	<b>340,724</b>	<b>395,755</b>	<b>391,308</b>	<b>411,363</b>	<b>411,363</b>	<b>420,865</b>	<b>419,780</b>	<b>410,028</b>
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		374,115	339,902	395,755	391,308	411,363	411,363	420,865	419,780	410,028
Internal audit		—	822	—	—	—	—	—	—	—
<i><b>Community and public safety</b></i>		<b>4,828</b>	<b>3,960</b>	<b>6,325</b>	<b>4,599</b>	<b>4,867</b>	<b>4,867</b>	<b>5,830</b>	<b>5,836</b>	<b>6,052</b>
Community and social services		544	193	1,597	605	725	725	1,383	1,394	1,406
Sport and recreation		—	—	—	—	—	—	200	—	—
Public safety		4,285	3,768	4,728	3,993	4,141	4,141	4,246	4,442	4,646
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i><b>Economic and environmental services</b></i>		<b>45,586</b>	<b>51,861</b>	<b>80,051</b>	<b>62,281</b>	<b>88,149</b>	<b>88,149</b>	<b>68,136</b>	<b>60,322</b>	<b>65,342</b>
Planning and development		127	46,324	6,859	2,986	11,982	11,982	2,936	4,076	4,332
Road transport		45,459	5,537	73,192	59,295	76,167	76,167	65,200	56,246	61,010
Environmental protection		—	—	—	—	—	—	—	—	—
<i><b>Trading services</b></i>		<b>75,078</b>	<b>74,203</b>	<b>76,452</b>	<b>58,201</b>	<b>68,228</b>	<b>68,228</b>	<b>88,799</b>	<b>79,247</b>	<b>81,497</b>
Energy sources		67,709	66,431	57,288	49,298	60,505	60,505	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	6,333	7,154
<i><b>Other</b></i>	<b>4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<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>572,607</b>	<b>572,607</b>	<b>583,630</b>	<b>565,184</b>	<b>562,919</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>144,871</b>	<b>151,842</b>	<b>166,327</b>	<b>217,120</b>	<b>219,417</b>	<b>219,417</b>	<b>220,562</b>	<b>230,451</b>	<b>240,156</b>
Executive and council		55,097	55,003	59,350	68,123	65,938	65,938	63,053	65,949	68,912
Finance and administration		86,322	93,262	102,994	144,047	148,529	148,529	152,028	158,770	165,252
Internal audit		3,452	3,577	3,984	4,950	4,950	4,950	5,481	5,732	5,992
<i><b>Community and public safety</b></i>		<b>24,262</b>	<b>26,795</b>	<b>25,233</b>	<b>34,348</b>	<b>36,733</b>	<b>36,733</b>	<b>36,259</b>	<b>37,867</b>	<b>39,501</b>
Community and social services		7,338	9,955	8,067	13,748	15,455	15,455	14,083	14,693	15,296
Sport and recreation		2,079	2,404	1,977	2,866	2,726	2,726	3,104	3,236	3,383
Public safety		14,083	13,617	14,133	16,544	17,517	17,517	18,011	18,828	19,662
Housing		762	818	1,056	1,190	1,035	1,035	1,061	1,109	1,160
Health		—	—	—	—	—	—	—	—	—
<i><b>Economic and environmental services</b></i>		<b>67,688</b>	<b>116,220</b>	<b>73,425</b>	<b>95,895</b>	<b>128,396</b>	<b>128,396</b>	<b>114,613</b>	<b>118,552</b>	<b>124,214</b>
Planning and development		21,101	24,879	24,405	27,599	33,682	33,682	33,168	34,690	36,349
Road transport		45,014	89,183	46,783	65,786	91,997	91,997	78,631	80,920	84,790
Environmental protection		1,572	2,159	2,236	2,510	2,717	2,717	2,814	2,942	3,076
<i><b>Trading services</b></i>		<b>102,932</b>	<b>109,265</b>	<b>119,513</b>	<b>96,035</b>	<b>138,441</b>	<b>138,441</b>	<b>124,133</b>	<b>109,574</b>	<b>121,427</b>
Energy sources		79,676	94,693	94,197	67,303	108,815	108,815	93,136	80,275	90,818
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		23,256	14,573	25,316	28,732	29,626	29,626	30,996	29,299	30,609
<i><b>Other</b></i>	<b>4</b>	<b>2,547</b>	<b>3,021</b>	<b>3,303</b>	<b>4,299</b>	<b>4,066</b>	<b>4,066</b>	<b>4,264</b>	<b>4,461</b>	<b>4,664</b>
<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>527,053</b>	<b>527,053</b>	<b>499,830</b>	<b>500,905</b>	<b>529,962</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>45,554</b>	<b>45,554</b>	<b>83,800</b>	<b>64,279</b>	<b>32,957</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	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		–	–	–	–	–	–	7,494	7,796	8,149
Inventory Consumed (Project Maintenance)		50	52	7	65	65	65	118	124	129
Contracted Services		5,167	12,232	11,280	32,201	42,287	42,287	44,311	46,295	50,154
<b>Operational Costs</b>		–	–	–	–	–	–	1,261	1,319	1,378
<b>Total Repairs and Maintenance Expenditure</b>	9	5,217	12,285	11,287	32,266	42,352	42,352	53,184	55,533	59,811

**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>										
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		43.4%	54.0%	55.9%	18.7%	47.5%	47.5%	22.8%	21.9%	18.8%
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>		150.5%	206.1%	204.5%	42.3%	135.0%	135.0%	50.0%	44.3%	32.4%
<b>R&amp;M as a % of PPE &amp; Investment Property</b>		0.9%	2.1%	1.6%	4.2%	4.5%	4.5%	5.6%	5.6%	6.1%
<b>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</b>		11.5%	17.5%	13.4%	7.2%	12.2%	12.2%	8.5%	8.2%	7.9%

An amount of R53.1 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
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	1	134,151	292,581	376,685	306,560	361,719	361,719	206,790	230,547	236,997
Other current investments > 90 days		124,011	(15,472)	(16,669)	0	-	-	-	0	0
Non current investments	1	-	-	-	-	-	-	-	-	-
Cash and investments available:		258,162	277,109	360,015	306,560	361,719	361,719	206,790	230,547	236,997
Application of cash and investments										
Unspent conditional transfers		5,058	7,445	8,199	(4,740)	2,127	2,127	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2					(17,933)	(17,933)	(9,281)	(17,500)	(19,206)
Other working capital requirements	3	18,109	22,476	23,071	34,276	(35,327)	(35,327)	(54,115)	(41,068)	(38,199)
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	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		43,391	51,199	51,187	49,843	(31,214)	(31,214)	(43,478)	(38,649)	(37,487)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Bene		214,771	225,909	308,828	256,717	392,933	392,933	250,268	269,196	274,484
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Bene		214,771	225,909	308,828	256,717	392,933	392,933	250,268	269,196	274,484

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

## 1.8 Capital expenditure

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

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

Vote Description	Ref	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 - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>									
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	23,179	23,179	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>27,639</b>	<b>66,237</b>	<b>14,976</b>	<b>10,125</b>	<b>23,179</b>	<b>23,179</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>									
Vote 1 - Executive and Council		-	30	-	1,304	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	300	-	-
Vote 4 - Community Services		3,035	306	4,289	21,308	15,834	15,834	13,928	10,959	2,331
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	99,205	99,205	92,300	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>131,877</b>	<b>131,877</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</b>
<b>Total Capital Expenditure - Vote</b>		<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>155,056</b>	<b>155,056</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</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>10,556</b>	<b>5,056</b>	<b>4,769</b>
Executive and council		-	30	-	1,304	1,304	1,304	1,304	-	-
Finance and administration		8,470	1,855	6,594	9,804	7,964	7,964	9,252	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>4,085</b>	<b>4,085</b>	<b>17,650</b>	<b>9,517</b>	<b>1,551</b>
Community and social services		1,376	221	1,473	770	1,405	1,405	17,355	9,387	1,421
Sport and recreation		-	-	134	137	137	137	296	130	130
Public safety		896	-	-	-	2,543	2,543	-	-	-
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>126,714</b>	<b>126,714</b>	<b>71,969</b>	<b>68,553</b>	<b>71,394</b>
Planning and development		41,937	76,744	21,038	13,300	33,013	33,013	3,043	870	3,652
Road transport		51,577	60,044	102,278	62,430	93,613	93,613	68,926	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>19,287</b>	<b>31,390</b>	<b>19,511</b>
Energy sources		34,185	26,323	15,252	15,483	3,500	3,500	7,374	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>	<b>3</b>	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>155,056</b>	<b>155,056</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</b>
<b>Funded by:</b>										
National Government		65,442	64,059	87,749	66,343	67,860	67,860	55,621	62,979	66,096
Provincial Government		200	-	-	-	-	-	687	516	510
District Municipality		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>65,642</b>	<b>64,059</b>	<b>87,749</b>	<b>66,343</b>	<b>67,860</b>	<b>67,860</b>	<b>56,308</b>	<b>63,495</b>	<b>66,605</b>
<b>Borrowing</b>	<b>6</b>	<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>87,195</b>	<b>87,195</b>	<b>63,154</b>	<b>51,021</b>	<b>30,620</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>155,056</b>	<b>155,056</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</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 R36 million of the budget and this is mainly due to projects funded from INEP for electrification as these have now moved to the operating budget. 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 as well.

Executive and Council

The allocation in the vote's budget relates to the erection of life size bronze statue of the late Winnie Madikizela-Mandela which will be placed at the soon to be completed civic center.

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, purchase of police vehicles, 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                 | R700 thousand |
| • Construction of Sunny Side Acces Road                 | R4.5 million  |
| • Construction of Nyanisweni Access Road                | R4.7 million  |
| • 116 to Somgungqu to Khwanyana Access Road             | R1.8 million  |
| • Construction of Lukhanyo Access Road                  | R700 thousand |
| • Construction of Khutshi to Voting Station access road | R2.9 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  | R9 million    |
| • Rehabilitation of Pelepele Bridge and Access Road     | R3 million    |
| • Rehabilitation of Ntinga Bridge with Access Road      | R3 million    |

- |  |              |
|--|--------------|
| • Construction of Thaleni Bridge and Access Road | R15 million  |
| • Upgrading of Khaleni AR                        | R2.6 million |
| • Upgrading of Ndayini AR                        | R2.8 million |
| • Upgrading of Ndela to ward 11                  | R1.8 million |
| • Upgrading of Labane AR                         | R3 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     |
| • Upgrade of Albany Substation     | R2.5 million   |
| • Backup Energy System             | R500 thousand  |
| • Fencing of substation            | R 600 thousand |



**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>	<b>1</b>									
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>									
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	23,179	23,179	–	–	–
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>27,639</b>	<b>66,237</b>	<b>14,976</b>	<b>10,125</b>	<b>23,179</b>	<b>23,179</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>									
Vote 1 - Executive and Council		–	30	–	1,304	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	300	–	–
Vote 4 - Community Services		3,035	306	4,289	21,308	15,834	15,834	13,928	10,959	2,331
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	99,205	99,205	92,300	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>131,877</b>	<b>131,877</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</b>
<b>Total Capital Expenditure - Vote</b>		<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>155,056</b>	<b>155,056</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</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>10,556</b>	<b>5,056</b>	<b>4,769</b>
Executive and council		–	30	–	1,304	1,304	1,304	1,304	–	–
Finance and administration		8,470	1,855	6,594	9,804	7,964	7,964	9,252	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>4,085</b>	<b>4,085</b>	<b>17,650</b>	<b>9,517</b>	<b>1,551</b>
Community and social services		1,376	221	1,473	770	1,405	1,405	17,355	9,387	1,421
Sport and recreation		–	–	134	137	137	137	296	130	130
Public safety		896	–	–	–	2,543	2,543	–	–	–
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>126,714</b>	<b>126,714</b>	<b>71,969</b>	<b>68,553</b>	<b>71,394</b>
Planning and development		41,937	76,744	21,038	13,300	33,013	33,013	3,043	870	3,652
Road transport		51,577	60,044	102,278	62,430	93,613	93,613	68,926	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>19,287</b>	<b>31,390</b>	<b>19,511</b>
Energy sources		34,185	26,323	15,252	15,483	3,500	3,500	7,374	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>	<b>3</b>	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>155,056</b>	<b>155,056</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</b>
<b>Funded by:</b>										
National Government		65,442	64,059	87,749	66,343	67,860	67,860	55,621	62,979	66,096
Provincial Government		200	–	–	–	–	–	687	516	510
District Municipality		–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	<b>4</b>	<b>65,642</b>	<b>64,059</b>	<b>87,749</b>	<b>66,343</b>	<b>67,860</b>	<b>67,860</b>	<b>56,308</b>	<b>63,495</b>	<b>66,605</b>
<b>Borrowing</b>	<b>6</b>	<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>87,195</b>	<b>87,195</b>	<b>63,154</b>	<b>51,021</b>	<b>30,620</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>155,056</b>	<b>155,056</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</b>

The above table shows that the municipality's anticipated total capital budget is R119 million for the 2024/25 financial year which increases in the following year as a result of the increases in the grants allocation for infrastructure development as well as the municipality's own contribution. 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
• Solid Waste Infrastructure	R10 million Incl. VAT
○ Majazi/Extension 4 landfill site construction	R10 million
• Electricity Infrastructure	R 7.6 million Incl. VAT
○ Replacement of low voltage lines	R4 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 79.96 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	R700 thousand
○ Construction of Sunny Side Acces Road	R4.5 million
○ Construction of Nyanisweni Access Road	R4.7 million
○ 116 to Somgungqu to Khwanyana Access Road	R1.8 million
○ Construction of Lukhanyo Access Road	R700 thousand
○ Construction of Khutshi to Voting Station access road	R2.9 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 R9 million
- Rehabilitation of Pelepele Bridge and Access Road R3 million
- Rehabilitation of Ntinga Bridge with Access Road R3 million
- Construction of Thaleni Bridge and Access Road R15 million
- Mqonjwana Access Road R 2 million
- Upgrading of Khaleni AR R2.6 million
- Upgrading of Ndayini AR R2.8 million
- Upgrading of Ndela to ward 11 R1.8 million
- Upgrading of Labane AR R3 million
- Heritage Assets R1.3 million incl. VAT
  - Erection of a life size statue R1.3 million

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

## 1.9 Annual Budget Tables

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 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	49,111	49,111	56,844	59,289	62,546
Investment revenue	7,604	10,784	21,920	15,890	31,890	31,890	27,159	28,408	29,715
Transfer and subsidies - Operational	337,728	295,672	342,754	349,897	357,060	357,060	394,792	361,765	349,251
Other own revenue	16,448	20,749	22,108	15,153	19,256	19,256	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>478,568</b>	<b>478,568</b>	<b>518,876</b>	<b>491,165</b>	<b>485,323</b>
Employee costs	105,837	108,100	114,174	130,212	130,041	130,041	137,766	143,984	150,648
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	64,536	64,536	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	55,315	55,315	61,876	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	245,301	245,301	211,626	193,932	204,568
<b>Total Expenditure</b>	<b>342,301</b>	<b>407,143</b>	<b>387,802</b>	<b>447,697</b>	<b>527,053</b>	<b>527,053</b>	<b>499,830</b>	<b>500,905</b>	<b>529,962</b>
<b>Surplus/(Deficit)</b>	<b>79,882</b>	<b>(16,636)</b>	<b>76,467</b>	<b>(7,603)</b>	<b>(48,485)</b>	<b>(48,485)</b>	<b>19,046</b>	<b>(9,740)</b>	<b>(44,639)</b>
Transfers and subsidies - capital (monetary allocations)	77,425	80,162	93,836	76,295	94,040	94,040	64,754	74,019	77,596
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>45,554</b>	<b>45,554</b>	<b>83,800</b>	<b>64,279</b>	<b>32,957</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>45,554</b>	<b>45,554</b>	<b>83,800</b>	<b>64,279</b>	<b>32,957</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>155,056</b>	<b>155,056</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</b>
Transfers recognised - capital	65,642	64,059	87,749	66,343	67,860	67,860	56,308	63,495	66,605
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	73,853	101,241	61,474	56,939	87,195	87,195	63,154	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>155,056</b>	<b>155,056</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</b>
<b>Financial position</b>									
Total current assets	387,772	401,028	487,980	413,370	479,153	479,153	323,623	354,709	367,585
Total non current assets	737,528	809,673	881,715	875,374	949,968	949,968	946,807	983,886	984,502
Total current liabilities	91,182	102,121	101,333	99,779	115,039	115,039	103,343	107,228	110,180
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	1,155,603	1,219,882	1,230,423
<b>Cash flows</b>									
Net cash from (used) operating	335,057	173,089	224,463	170,828	170,215	170,215	189,425	153,648	116,909
Net cash from (used) investing	(123,288)	(138,669)	(124,887)	(141,376)	(168,512)	(168,512)	(161,090)	(129,891)	(110,459)
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>361,719</b>	<b>361,719</b>	<b>206,790</b>	<b>230,547</b>	<b>236,997</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	258,162	277,109	360,015	306,560	361,719	361,719	206,790	230,547	236,997
Application of cash and investments	43,391	51,199	51,187	49,843	(31,214)	(31,214)	(43,478)	(38,649)	(37,487)
<b>Balance - surplus (shortfall)</b>	<b>214,771</b>	<b>225,909</b>	<b>308,828</b>	<b>256,717</b>	<b>392,933</b>	<b>392,933</b>	<b>250,268</b>	<b>269,196</b>	<b>274,484</b>
<b>Asset management</b>									
Asset register summary (WDV)	572,362	591,378	708,419	766,516	949,803	949,803	946,807	983,886	984,502
Depreciation	40,180	44,118	40,770	54,371	54,536	54,536	54,371	56,546	56,546
Renewal and Upgrading of Existing Assets	60,478	90,916	83,391	23,008	73,625	73,625	27,198	25,023	18,317
Repairs and Maintenance	5,217	12,285	11,287	32,266	42,352	42,352	53,184	55,533	59,811
<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>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		374,115	340,724	395,755	391,308	411,363	411,363	420,865	419,780	410,028
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		374,115	339,902	395,755	391,308	411,363	411,363	420,865	419,780	410,028
Internal audit		—	822	—	—	—	—	—	—	—
<b>Community and public safety</b>		4,828	3,960	6,325	4,599	4,867	4,867	5,830	5,836	6,052
Community and social services		544	193	1,597	605	725	725	1,383	1,394	1,406
Sport and recreation		—	—	—	—	—	—	200	—	—
Public safety		4,285	3,768	4,728	3,993	4,141	4,141	4,246	4,442	4,646
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		45,586	51,861	80,051	62,281	88,149	88,149	68,136	60,322	65,342
Planning and development		127	46,324	6,859	2,986	11,982	11,982	2,936	4,076	4,332
Road transport		45,459	5,537	73,192	59,295	76,167	76,167	65,200	56,246	61,010
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		75,078	74,203	76,452	58,201	68,228	68,228	88,799	79,247	81,497
Energy sources		67,709	66,431	57,288	49,298	60,505	60,505	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	6,333	7,154
<b>Other</b>	4	—	—	—	—	—	—	—	—	—
<b>Total Revenue - Functional</b>	2	499,607	470,748	558,584	516,389	572,607	572,607	583,630	565,184	562,919
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		144,871	151,842	166,327	217,120	219,417	219,417	220,562	230,451	240,156
Executive and council		55,097	55,003	59,350	68,123	65,938	65,938	63,053	65,949	68,912
Finance and administration		86,322	93,262	102,994	144,047	148,529	148,529	152,028	158,770	165,252
Internal audit		3,452	3,577	3,984	4,950	4,950	4,950	5,481	5,732	5,992
<b>Community and public safety</b>		24,262	26,795	25,233	34,348	36,733	36,733	36,259	37,867	39,501
Community and social services		7,338	9,955	8,067	13,748	15,455	15,455	14,083	14,693	15,296
Sport and recreation		2,079	2,404	1,977	2,866	2,726	2,726	3,104	3,236	3,383
Public safety		14,083	13,617	14,133	16,544	17,517	17,517	18,011	18,828	19,662
Housing		762	818	1,056	1,190	1,035	1,035	1,061	1,109	1,160
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		67,688	116,220	73,425	95,895	128,396	128,396	114,613	118,552	124,214
Planning and development		21,101	24,879	24,405	27,599	33,682	33,682	33,168	34,690	36,349
Road transport		45,014	89,183	46,783	65,786	91,997	91,997	78,631	80,920	84,790
Environmental protection		1,572	2,159	2,236	2,510	2,717	2,717	2,814	2,942	3,076
<b>Trading services</b>		102,932	109,265	119,513	96,035	138,441	138,441	124,133	109,574	121,427
Energy sources		79,676	94,693	94,197	67,303	108,815	108,815	93,136	80,275	90,818
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		23,256	14,573	25,316	28,732	29,626	29,626	30,996	29,299	30,609
<b>Other</b>	4	2,547	3,021	3,303	4,299	4,066	4,066	4,264	4,461	4,664
<b>Total Expenditure - Functional</b>	3	342,301	407,143	387,802	447,697	527,053	527,053	499,830	500,905	529,962
<b>Surplus/(Deficit) for the year</b>		157,306	63,605	170,782	68,692	45,554	45,554	83,800	64,279	32,957

**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 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
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		–	822	–	–	–	–	–	–	–
Vote 2 - Corporate Services		405	483	1,332	441	392	392	449	167	175
Vote 3 - Budget and Treasury Office		354,557	318,256	373,263	362,652	379,156	379,156	388,792	386,756	375,295
Vote 4 - Community Services		12,198	11,732	25,490	13,502	12,590	12,590	15,029	12,169	13,206
Vote 5 - Development Planning		19,267	22,001	22,795	28,330	41,118	41,118	31,734	33,972	35,679
Vote 6 - Engineering Services		113,181	117,454	135,705	111,464	139,351	139,351	147,626	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>572,607</b>	<b>572,607</b>	<b>583,630</b>	<b>565,184</b>	<b>562,919</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	87,695	91,720	95,849
Vote 2 - Corporate Services		38,617	40,690	42,845	64,946	65,965	65,965	68,785	71,839	74,281
Vote 3 - Budget and Treasury Office		21,918	24,479	27,995	45,747	45,747	45,747	43,075	44,931	47,079
Vote 4 - Community Services		62,926	59,309	70,461	83,784	88,666	88,666	92,455	93,511	97,640
Vote 5 - Development Planning		15,944	17,186	21,936	24,898	29,973	29,973	29,543	30,895	32,264
Vote 6 - Engineering Services		131,280	193,688	146,019	139,669	207,396	207,396	178,277	168,009	182,849
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>527,053</b>	<b>527,053</b>	<b>499,830</b>	<b>500,905</b>	<b>529,962</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>45,554</b>	<b>45,554</b>	<b>83,800</b>	<b>64,279</b>	<b>32,957</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)

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



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

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	2	33,884	35,679	37,937	30,845	36,845	36,845	32,243	33,823	35,412
Service charges - Water	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	4,490	4,578	4,202	5,834	4,502	4,502	5,661	5,939	6,218
Sale of Goods and Rendering of Services		568	197	238	353	303	303	201	211	221
Agency services		1,021	1,291	1,202	1,401	1,521	1,521	1,266	1,328	1,391
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		4,593	3,538	1,941	3,229	3,229	3,229	3,390	3,556	3,723
Interest earned from Current and Non Current As		9,660	7,604	10,784	9,760	19,090	19,090	15,890	16,669	17,452
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		5,097	5,876	7,511	3,893	4,498	4,498	5,282	5,670	6,087
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		392	708	653	167	565	565	471	495	518
<b>Non-Exchange Revenue</b>										
Property rates	2	16,284	20,145	21,163	21,468	21,468	21,468	21,250	22,096	22,976
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2,066	688	386	593	593	593	225	236	247
Licences or permits		2,237	2,343	2,141	2,404	2,404	2,404	2,537	2,662	2,787
Transfer and subsidies - Operational		268,843	337,728	295,672	338,352	350,924	350,924	349,897	371,637	364,128
Interest		-	737	2,750	2,149	2,149	2,149	1,780	1,867	1,955
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		187	-	-	-	-	-	-	-	-
Gains on disposal of Assets		7,339	1,069	2,461	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations										
<b>Total Revenue (excluding capital transfers and</b>		<b>356,660</b>	<b>422,182</b>	<b>389,042</b>	<b>420,449</b>	<b>448,092</b>	<b>448,092</b>	<b>440,094</b>	<b>466,188</b>	<b>463,114</b>
<b>Expenditure</b>										
Employee related costs	2	104,852	105,837	107,129	124,799	122,052	122,052	130,212	136,500	142,503
Remuneration of councillors		23,970	23,964	24,782	27,047	27,047	27,047	28,480	29,876	31,280
Bulk purchases - electricity	2	33,255	35,022	40,211	40,005	40,005	40,005	47,731	53,792	60,624
Inventory consumed	8	8,162	4,798	5,473	7,627	6,910	6,910	7,485	7,829	8,190
Debt impairment	3	7,103	5,208	822	9,600	9,600	9,600	10,109	10,574	11,060
Depreciation and amortisation		39,437	40,180	52,653	49,735	49,735	49,735	54,371	57,035	59,716
Interest		11	1	-	100	100	100	100	100	100
Contracted services		51,003	41,065	63,499	86,644	99,475	99,475	85,745	89,685	98,017
Transfers and subsidies		1,418	4,499	1,251	3,200	3,349	3,349	3,431	3,589	3,754
Irrecoverable debts written off		549	-	-	-	-	-	-	-	-
Operational costs		44,470	38,020	65,440	82,560	87,357	87,357	80,034	83,563	87,347
Losses on disposal of Assets		55,411	43,413	46,551	-	36,336	36,336	-	-	-
Other Losses		-	293	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>369,642</b>	<b>342,301</b>	<b>407,811</b>	<b>431,318</b>	<b>481,966</b>	<b>481,966</b>	<b>447,697</b>	<b>472,544</b>	<b>502,592</b>
<b>Surplus/(Deficit)</b>		<b>(12,982)</b>	<b>79,882</b>	<b>(18,769)</b>	<b>(10,870)</b>	<b>(33,874)</b>	<b>(33,874)</b>	<b>(7,603)</b>	<b>(6,356)</b>	<b>(39,478)</b>
Transfers and subsidies - capital (monetary	6	79,423	77,425	80,162	82,288	107,215	107,215	76,295	80,471	82,487
Transfers and subsidies - capital (in-kind)	6	-	-	79	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>66,441</b>	<b>157,306</b>	<b>61,472</b>	<b>71,418</b>	<b>73,341</b>	<b>73,341</b>	<b>68,692</b>	<b>74,114</b>	<b>43,009</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>66,441</b>	<b>157,306</b>	<b>61,472</b>	<b>71,418</b>	<b>73,341</b>	<b>73,341</b>	<b>68,692</b>	<b>74,114</b>	<b>43,009</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>66,441</b>	<b>157,306</b>	<b>61,472</b>	<b>71,418</b>	<b>73,341</b>	<b>73,341</b>	<b>68,692</b>	<b>74,114</b>	<b>43,009</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>66,441</b>	<b>157,306</b>	<b>61,472</b>	<b>71,418</b>	<b>73,341</b>	<b>73,341</b>	<b>68,692</b>	<b>74,114</b>	<b>43,009</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>	<b>1</b>									
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>									
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	23,179	23,179	–	–	–
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>27,639</b>	<b>66,237</b>	<b>14,976</b>	<b>10,125</b>	<b>23,179</b>	<b>23,179</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>									
Vote 1 - Executive and Council		–	30	–	1,304	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	300	–	–
Vote 4 - Community Services		3,035	306	4,289	21,308	15,834	15,834	13,928	10,959	2,331
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	99,205	99,205	92,300	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>131,877</b>	<b>131,877</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</b>
<b>Total Capital Expenditure - Vote</b>		<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>155,056</b>	<b>155,056</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</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>10,556</b>	<b>5,056</b>	<b>4,769</b>
Executive and council		–	30	–	1,304	1,304	1,304	1,304	–	–
Finance and administration		8,470	1,855	6,594	9,804	7,964	7,964	9,252	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>4,085</b>	<b>4,085</b>	<b>17,650</b>	<b>9,517</b>	<b>1,551</b>
Community and social services		1,376	221	1,473	770	1,405	1,405	17,355	9,387	1,421
Sport and recreation		–	–	134	137	137	137	296	130	130
Public safety		896	–	–	–	2,543	2,543	–	–	–
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>126,714</b>	<b>126,714</b>	<b>71,969</b>	<b>68,553</b>	<b>71,394</b>
Planning and development		41,937	76,744	21,038	13,300	33,013	33,013	3,043	870	3,652
Road transport		51,577	60,044	102,278	62,430	93,613	93,613	68,926	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>19,287</b>	<b>31,390</b>	<b>19,511</b>
Energy sources		34,185	26,323	15,252	15,483	3,500	3,500	7,374	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>	<b>3</b>	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>155,056</b>	<b>155,056</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</b>
<b>Funded by:</b>										
National Government		65,442	64,059	87,749	66,343	67,860	67,860	55,621	62,979	66,096
Provincial Government		200	–	–	–	–	–	687	516	510
District Municipality		–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	<b>4</b>	<b>65,642</b>	<b>64,059</b>	<b>87,749</b>	<b>66,343</b>	<b>67,860</b>	<b>67,860</b>	<b>56,308</b>	<b>63,495</b>	<b>66,605</b>
<b>Borrowing</b>	<b>6</b>	<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>87,195</b>	<b>87,195</b>	<b>63,154</b>	<b>51,021</b>	<b>30,620</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>139,495</b>	<b>165,301</b>	<b>149,223</b>	<b>123,282</b>	<b>155,056</b>	<b>155,056</b>	<b>119,463</b>	<b>114,516</b>	<b>97,225</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>R thousand</b>										
<b>ASSETS</b>										
<b>Current assets</b>										
Cash and cash equivalents		258,162	277,109	360,015	306,560	361,719	361,719	206,790	230,547	236,997
Trade and other receivables from exchange transactions	1	47,585	39,555	28,306	46,746	39,775	39,775	36,399	37,358	38,042
Receivables from non-exchange transactions	1	36,254	39,453	44,778	25,809	34,150	34,150	43,163	42,672	46,132
Current portion of non-current receivables		—	—	—	—	—	—	—	—	—
Inventory	2	2,046	450	1,384	450	1,784	1,784	1,264	814	1,009
VAT		36,120	32,738	37,405	18,042	22,880	22,880	17,160	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>479,153</b>	<b>479,153</b>	<b>323,623</b>	<b>354,709</b>	<b>367,585</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	905,866	905,866	902,875	939,962	940,587
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	461	454	445
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>949,968</b>	<b>949,968</b>	<b>946,807</b>	<b>983,886</b>	<b>984,502</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>1,429,121</b>	<b>1,429,121</b>	<b>1,270,430</b>	<b>1,338,595</b>	<b>1,352,087</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	87,550	87,550	75,049	79,841	82,412
Trade and other payables from non-exchange transactions	5	5,058	7,445	8,199	(4,740)	2,127	2,127	—	—	—
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>115,039</b>	<b>115,039</b>	<b>103,343</b>	<b>107,228</b>	<b>110,180</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>126,524</b>	<b>126,524</b>	<b>114,828</b>	<b>118,713</b>	<b>121,664</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>1,302,597</b>	<b>1,302,597</b>	<b>1,155,603</b>	<b>1,219,882</b>	<b>1,230,423</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	1,155,603	1,219,882	1,230,423
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>1,155,603</b>	<b>1,219,882</b>	<b>1,230,423</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
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	1	134,151	292,581	376,685	306,560	361,719	361,719	206,790	230,547	236,997
Other current investments > 90 days		124,011	(15,472)	(16,669)	0	-	-	-	0	0
Non current Investments	1	-	-	-	-	-	-	-	-	-
Cash and investments available:		258,162	277,109	360,015	306,560	361,719	361,719	206,790	230,547	236,997
Application of cash and investments										
Unspent conditional transfers		5,058	7,445	8,199	(4,740)	2,127	2,127	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	(17,933)	(17,933)	(9,281)	(17,500)	(19,206)
Other working capital requirements	3	18,109	22,476	23,071	34,276	(35,327)	(35,327)	(54,115)	(41,068)	(38,199)
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	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		43,391	51,199	51,187	49,843	(31,214)	(31,214)	(43,478)	(38,649)	(37,487)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Bene		214,771	225,909	308,828	256,717	392,933	392,933	250,268	269,196	274,484
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Bene		214,771	225,909	308,828	256,717	392,933	392,933	250,268	269,196	274,484

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves - Total Reserves to be backed by cash/investments excl Valuation reserve

Other working capital requirements

Debtors	26,825	30,581	29,914	44,483	122,877	122,877	129,164	120,909	120,611
Creditors due	44,934	53,057	52,985	78,759	87,550	87,550	75,049	79,841	82,412
Total	(18,109)	(22,476)	(23,071)	(34,276)	35,327	35,327	54,115	41,068	38,199

Debtors collection assumptions

Balance outstanding - debtors	83,839	79,009	73,084	72,555	73,924	73,924	79,562	80,030	84,174
Estimate of debtors collection rate	32.0%	38.7%	40.9%	61.3%	63.5%	63.5%	162.3%	151.1%	143.3%

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

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

**Table 19 MBRR Table A7 – Budgeted Cash Flows****EC443 Winnie Madikizela Mandela - Table A7 Budgeted Cash Flows**

Description	Ref	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>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	25,006
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	54,154	54,154	54,644	48,416	47,487
Transfers and Subsidies - Operational	1	340,408	295,692	372,978	349,897	357,060	357,060	393,546	361,765	349,251
Transfers and Subsidies - Capital	1	47,207	87,203	67,082	71,555	87,968	87,968	54,286	74,019	77,596
Interest		109	183	1,133	15,890	31,890	31,890	27,159	28,408	29,715
Dividends		–	–	–	–	–	–	–	–	–
<b>Payments</b>										
Suppliers and employees		(111,875)	(283,390)	(302,368)	(380,618)	(431,344)	(431,344)	(420,293)	(440,928)	(469,860)
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>170,215</b>	<b>170,215</b>	<b>189,425</b>	<b>153,648</b>	<b>116,909</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)	(168,512)	(168,512)	(161,090)	(129,891)	(110,459)
<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>(168,512)</b>	<b>(168,512)</b>	<b>(161,090)</b>	<b>(129,891)</b>	<b>(110,459)</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>1,703</b>	<b>1,703</b>	<b>28,335</b>	<b>23,756</b>	<b>6,450</b>
Cash/cash equivalents at the year begin:	2	(77,617)	258,161	277,109	277,109	360,015	360,015	178,456	206,790	230,547
Cash/cash equivalents at the year end:	2	134,151	292,581	376,685	306,560	361,719	361,719	206,790	230,547	236,997

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 &		
		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)		-	-	-	-	-	-	-	-	-
<b>Informal Settlements</b>										
<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>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	1,198	1,234	1,270
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	5	608	608	608	1,198	1,234	1,270
<b>Total revenue cost of subsidised services provided</b>		-	-	5	608	608	608	1,198	1,234	1,270

## **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 was tabled to council and adopted on 27 March 2024. This was followed by the publication on a local newspaper of the draft budget summaries and calling for comments from the public.

The municipality then conducted public consultation sessions to present the budget and solicit comments from the general public during the month of April and May 2024.

The Provincial Treasury as required assessed the municipality's draft budget for compliance and credibility with the results presented in a meeting that was held on the 19<sup>th</sup> of April 2024. Comments and recommendations of both the public and Provincial Treasury have been considered in getting to the final budget proposals including submission to them before submitting to council structures for them to assess the municipality's funding compliance which will be the major focus in the years to come due to the anticipated municipalities' ability to collect revenue as well as the impact of the recent disaster following heavy rains during the month of April 2022, December 2023 and January 2024 which continues to require resources to help communities recover.

### **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 review.

### ***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 councillors 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) 5% for the bargaining council levy
- f) 4.9% increase on the remuneration of councilors
- g) 4.9% for all other expenses, and
- h) 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 councillor and staff benefits

Summary of Employee and Councillor 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>
<b>% increase</b>	4		<b>3.4%</b>	<b>6.2%</b>	<b>8.2%</b>	-	-	<b>4.9%</b>	<b>4.6%</b>	<b>4.5%</b>
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		4,526	5,172	5,572	5,572	5,423	5,423	5,602	5,860	6,129
Pension and UIF Contributions		84	92	176	250	210	210	195	204	214
Medical Aid Contributions		416	429	343	361	331	331	308	323	337
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1,517	1,576	1,477	1,630	1,710	1,710	1,780	1,862	1,947
Cellphone Allowance	3	124	129	114	120	120	120	94	98	102
Housing Allowances	3	430	445	426	465	445	445	417	436	456
<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>8,396</b>	<b>8,782</b>	<b>9,186</b>
<b>% increase</b>	4		<b>10.5%</b>	<b>3.4%</b>	<b>3.6%</b>	<b>(1.9%)</b>	-	<b>1.9%</b>	<b>4.6%</b>	<b>4.6%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		65,302	64,485	79,542	76,704	76,873	76,873	81,477	85,206	89,217
Pension and UIF Contributions		8,885	10,240	11,266	12,619	12,766	12,766	13,562	14,186	14,839
Medical Aid Contributions		4,513	4,888	5,356	6,213	6,353	6,353	6,640	6,945	7,265
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	6,453	6,750	7,060
Motor Vehicle Allowance	3	6,533	6,988	7,625	8,157	8,327	8,327	8,829	9,235	9,659
Cellphone Allowance	3	605	611	615	875	992	992	1,257	1,217	1,224
Housing Allowances	3	3,332	3,384	3,728	4,403	4,192	4,192	4,373	4,574	4,784
Other benefits and allowances	3	2,977	1,810	2,017	3,825	3,462	3,462	3,489	3,647	3,813
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
<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>129,370</b>	<b>135,202</b>	<b>141,462</b>
<b>% increase</b>	4		<b>1.0%</b>	<b>18.4%</b>	<b>3.7%</b>	<b>(0.0%)</b>	-	<b>6.2%</b>	<b>4.5%</b>	<b>4.6%</b>
<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>167,642</b>	<b>175,234</b>	<b>183,305</b>
			<b>2.0%</b>	<b>15.2%</b>	<b>4.4%</b>	<b>(0.1%)</b>	-	<b>5.8%</b>	<b>4.5%</b>	<b>4.6%</b>
<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>167,642</b>	<b>175,234</b>	<b>183,305</b>
<b>% increase</b>	4		<b>2.0%</b>	<b>15.2%</b>	<b>4.4%</b>	<b>(0.1%)</b>	-	<b>5.8%</b>	<b>4.5%</b>	<b>4.6%</b>
<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>137,766</b>	<b>143,984</b>	<b>150,648</b>

### a. Employee costs

Below are vacant positions that are included in the calculations of these final 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 34% of the operating budget including non-cash items which then comes closer to breaching the maximum limit permitted of 40% when we exclude non-cash items. Below are the details of vacant positions included in the draft budget.

**Municipal Manager**

- Admin Clerk
- Monitoring and Evaluation Officer

**Corporate Services**

- IT Technician
- Receptionist

**Community Services**

- Cashier
- Admin Clerk

**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.

**viii. Remuneration of councillors**

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 & 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)			1,080,228	117,060	442,860			1,640,148
Chief Finance Officer			834,732	2,244	557,760			1,394,736
Senior Manager - Engineering			935,580	2,244	402,216			1,340,040
Senior Manager - Corporate Services			913,620	113,928	312,936			1,340,484
Senior Manager - Community Services			924,720	167,556	247,908			1,340,184
Senior Manager - Development Planning			913,308	100,524	326,340			1,340,172
<b>Total Senior Managers of the Municipality</b>	8,10	–	<b>5,602,188</b>	<b>503,556</b>	<b>2,290,020</b>	–		<b>8,395,764</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	–	<b>21,497,748</b>	<b>3,152,796</b>	<b>13,621,380</b>	–		<b>38,271,924</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
R thousand										
<b>EXPENDITURE:</b>	1									
<b><u>Operating expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		339,089	297,741	341,206	349,397	349,025	349,025	392,710	361,211	348,690
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		–	–	–	–	–	–	25,362	–	–
<b>Provincial Government:</b>		912	482	500	500	500	500	1,347	1,147	1,186
Sport and Recreation		511	144	500	500	500	500	1,147	1,147	1,186
Greenest Municipality Competition		402	339	–	–	–	–	200	–	–
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
<b>Total operating expenditure of Transfers and Grants:</b>		340,001	298,224	341,706	349,897	349,525	349,525	394,057	362,358	349,876
<b><u>Capital expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		75,152	77,611	93,836	76,295	82,145	82,145	65,200	73,426	77,010
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	11,514	–	–
Integrated National Electrification Programme Grant		31,966	28,453	16,400	17,000	16,000	16,000	–	16,180	15,000
General Budget Grant (GBS)		–	686	1,553	–	9,168	9,168	–	–	–
<b>Provincial Government:</b>		–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
<b>Total capital expenditure of Transfers and Grants</b>		75,152	77,611	93,836	76,295	82,145	82,145	65,200	73,426	77,010
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		415,153	375,834	435,542	426,192	431,670	431,670	459,257	435,784	426,886

**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>R thousand</b>										
<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	392,710	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>392,710</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	–	–	–	200	–	–
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>1,347</b>	<b>1,147</b>	<b>1,186</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 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>394,057</b>	<b>362,358</b>	<b>349,876</b>
<b>Total operating transfers and grants - CTBM</b>	2	–	–	112	–	–	–	–	–	–
<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	11,514	–	–
Current year receipts		75,374	86,447	98,354	71,555	66,906	66,906	53,686	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>65,200</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>65,200</b>	<b>73,426</b>	<b>77,010</b>
<b>Total capital transfers and grants - CTBM</b>	2	–	–	8,087	–	–	8,199	–	–	–
<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>459,257</b>	<b>435,784</b>	<b>426,886</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		–	–	8,198	–	–	8,199	–	–	–



**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		1,2	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		74	64		64	64	–	64
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–	–
<b>Municipal employees</b>											
Municipal Manager and Senior Managers	5										
Other Managers	3	6	6	–	6	6	–	6	6	5	1
Professionals	7	19	19	–	21	21	–	21	21	21	–
Finance		8	8	–	8	8	–	–	11	11	–
Spatial/town planning		3	3	–	3	3	–	–	4	4	–
Information Technology									2	2	–
Roads		1	1	–	1	1	–	–	1	1	–
Electricity		2	2	–	2	2	–	–	2	2	–
Water		1	1	–	1	1	–	–	1	1	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–	–
Other		1	1	–	1	1	–	–	1	1	–
Technicians		–	–	–	–	–	–	–	–	–	–
Finance		18	18	–	18	18	–	–	18	18	2
Spatial/town planning		7	7	–	7	7	–	–	6	6	–
Information Technology		–	–	–	–	–	–	–	–	–	–
Roads		2	2	–	2	2	–	–	2	2	–
Electricity		5	5	–	5	5	–	–	5	5	–
Water		2	2	–	2	2	–	–	3	3	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–	–
Other		2	2	–	2	2	–	–	2	2	2
Clerks (Clerical and administrative)		–	–	–	–	–	–	–	–	–	–
Service and sales workers		104	104	–	104	104	–	–	99	99	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	2	2	–
Plant and Machine Operators		–	–	–	–	–	–	–	–	–	–
Elementary Occupations		5	5	–	5	5	–	–	5	5	–
		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>											
Finance personnel headcount	6, 10	70	68	2	70	68	2				
Human Resources personnel headcount	8, 10	30	29	1	31	30	1	25	25	–	
	8, 10	40	39	1	40	39	1	44	44	–	

## 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>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	25,006
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	54	100	100	100
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	547	10,145	894	109,735	7,609	1,195	115,007	-	-	-	393,546	361,765	349,251
Other revenue	3,478	3,478	4,203	4,203	3,478	4,203	4,203	3,478	4,203	4,203	2,608	4,181	45,916	39,180	37,712
<b>Cash Receipts by Source</b>	<b>159,460</b>	<b>15,246</b>	<b>14,418</b>	<b>24,016</b>	<b>14,040</b>	<b>123,606</b>	<b>21,479</b>	<b>14,342</b>	<b>128,878</b>	<b>13,871</b>	<b>12,276</b>	<b>13,900</b>	<b>555,531</b>	<b>520,657</b>	<b>509,273</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	16,706	-	-	16,106	-	-	21,475	-	-	-	54,286	74,019	77,596
Transfers and subsidies - capital (monetary allocations) (Nat / Prov / Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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>31,124</b>	<b>24,016</b>	<b>14,040</b>	<b>139,712</b>	<b>21,479</b>	<b>14,342</b>	<b>150,352</b>	<b>13,871</b>	<b>12,276</b>	<b>13,900</b>	<b>609,817</b>	<b>594,676</b>	<b>586,869</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	11,553	138,592	144,865	151,584
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
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	8,701
Contracted services	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	10,499	101,380	101,165	107,584
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	7,647	88,688	93,084	97,326
<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>37,344</b>	<b>420,393</b>	<b>441,028</b>	<b>469,960</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	24,029	161,090	129,891	110,459
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>61,372</b>	<b>581,482</b>	<b>570,920</b>	<b>580,419</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>112,177</b>	<b>(32,037)</b>	<b>(16,159)</b>	<b>(23,267)</b>	<b>(33,242)</b>	<b>92,429</b>	<b>(25,803)</b>	<b>(32,941)</b>	<b>103,070</b>	<b>(33,412)</b>	<b>(35,006)</b>	<b>(47,473)</b>	<b>28,335</b>	<b>23,756</b>	<b>6,450</b>
Cash/cash equivalents at the month/year begin:	178,456	290,632	258,596	242,437	219,170	185,927	278,356	252,553	219,612	322,682	289,270	254,283	178,456	206,790	230,547
Cash/cash equivalents at the month/year end:	290,632	258,596	242,437	219,170	185,927	278,356	252,553	219,612	322,682	289,270	254,263	206,790	206,790	230,547	236,997

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>R thousand</b>																
<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	4,181	4,903
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	57,333	394,792	361,765	349,251
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>67,673</b>	<b>518,876</b>	<b>491,165</b>	<b>485,323</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	12,245	137,766	143,984	150,648
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	8,083	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		10,295	10,295	10,295	10,295	10,295	10,295	10,295	10,295	10,295	10,295	10,295	10,295	123,545	101,641	108,065
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	6,854	6,582	81,972	85,901	89,819
Losses on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>41,605</b>	<b>41,605</b>	<b>41,605</b>	<b>41,605</b>	<b>41,605</b>	<b>41,605</b>	<b>41,605</b>	<b>41,605</b>	<b>41,605</b>	<b>41,605</b>	<b>41,605</b>	<b>42,173</b>	<b>499,830</b>	<b>500,905</b>	<b>529,962</b>
<b>Surplus/(Deficit)</b>		<b>(587)</b>	<b>(587)</b>	<b>(587)</b>	<b>(587)</b>	<b>(587)</b>	<b>(587)</b>	<b>(587)</b>	<b>(587)</b>	<b>(587)</b>	<b>(587)</b>	<b>(587)</b>	<b>25,501</b>	<b>19,046</b>	<b>(9,740)</b>	<b>(44,639)</b>
Transfers and subsidies - capital (monetary allocations)		5,346	5,346	5,346	5,346	5,346	5,346	5,346	5,346	5,346	5,346	5,346	5,946	64,754	74,019	77,596
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>31,447</b>	<b>83,800</b>	<b>64,279</b>	<b>32,957</b>
Income Tax		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after income tax</b>		<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>31,447</b>	<b>83,800</b>	<b>64,279</b>	<b>32,957</b>
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) attributable to municipality</b>		<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>31,447</b>	<b>83,800</b>	<b>64,279</b>	<b>32,957</b>
Share of Surplus/Deficit attributable to Associate Intercompany /Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	1	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>4,759</b>	<b>31,447</b>	<b>83,800</b>	<b>64,279</b>	<b>32,957</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>R thousand</b>																
<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		1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252	15,029	12,169	13,206
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		12,302	12,302	12,302	12,302	12,302	12,302	12,302	12,302	12,302	12,302	12,302	12,302	147,626	132,119	138,564
<b>Total Revenue by Vote</b>		<b>48,636</b>	<b>48,636</b>	<b>48,636</b>	<b>48,636</b>	<b>48,636</b>	<b>48,636</b>	<b>48,636</b>	<b>48,636</b>	<b>48,636</b>	<b>48,636</b>	<b>48,636</b>	<b>48,636</b>	<b>583,630</b>	<b>565,184</b>	<b>562,919</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Executive and Council		7,308	7,308	7,308	7,308	7,308	7,308	7,308	7,308	7,308	7,308	7,308	7,308	87,695	91,720	95,849
Vote 2 - Corporate Services		5,732	5,732	5,732	5,732	5,732	5,732	5,732	5,732	5,732	5,732	5,732	5,732	68,785	71,839	74,281
Vote 3 - Budget and Treasury Office		3,590	3,590	3,590	3,590	3,590	3,590	3,590	3,590	3,590	3,590	3,590	3,590	43,075	44,931	47,079
Vote 4 - Community Services		7,705	7,705	7,705	7,705	7,705	7,705	7,705	7,705	7,705	7,705	7,705	7,705	92,455	93,511	97,640
Vote 5 - Development Planning		2,462	2,462	2,462	2,462	2,462	2,462	2,462	2,462	2,462	2,462	2,462	2,462	29,543	30,895	32,264
Vote 6 - Engineering Services		14,856	14,856	14,856	14,856	14,856	14,856	14,856	14,856	14,856	14,856	14,856	14,856	178,277	168,009	182,849
<b>Total Expenditure by Vote</b>		<b>41,653</b>	<b>41,653</b>	<b>41,653</b>	<b>41,653</b>	<b>41,653</b>	<b>41,653</b>	<b>41,653</b>	<b>41,653</b>	<b>41,653</b>	<b>41,653</b>	<b>41,653</b>	<b>41,653</b>	<b>499,830</b>	<b>500,905</b>	<b>529,962</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>83,800</b>	<b>64,279</b>	<b>32,957</b>
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>6,983</b>	<b>83,800</b>	<b>64,279</b>	<b>32,957</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	415	1,262	5,830	5,836	6,052
Community and social services		61	61	61	61	61	61	61	61	61	61	61	708	1,383	1,394	1,406
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	200	200	—	—
Public safety		354	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	16,233	68,136	60,322	65,342
Planning and development		245	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	15,988	65,200	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	7,400	88,799	79,247	81,497
Energy sources		6,633	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	767	9,199	6,333	7,154
<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	47,606	59,967	583,630	565,184	562,919
<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	18,618	220,562	230,451	240,156
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	5,214	63,053	65,949	68,912
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	12,937	152,028	158,770	165,252
Internal audit		456	456	456	456	456	456	456	456	456	456	456	467	5,481	5,732	5,992
<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	3,039	36,259	37,867	39,501
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	1,739	14,083	14,693	15,296
Sport and recreation		273	273	273	273	273	273	273	273	273	273	273	104	3,104	3,236	3,383
Public safety		1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,103	18,011	18,828	19,662
Housing		88	88	88	88	88	88	88	88	88	88	88	93	1,061	1,109	1,160
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	11,801	114,613	118,552	124,214
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	3,073	33,168	34,690	36,349
Road transport		6,377	6,377	6,377	6,377	6,377	6,377	6,377	6,377	6,377	6,377	6,377	8,484	78,631	80,920	84,790
Environmental protection		234	234	234	234	234	234	234	234	234	234	234	243	2,814	2,942	3,076
<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	30,719	124,133	109,574	121,427
Energy sources		5,897	5,897	5,897	5,897	5,897	5,897	5,897	5,897	5,897	5,897	5,897	28,265	93,136	80,275	90,818
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	2,454	30,996	29,299	30,609
<b>Other</b>		355	355	355	355	355	355	355	355	355	355	355	363	4,264	4,461	4,664
<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	64,540	499,830	500,905	529,962
<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	8,034	(4,573)	83,800	64,279	32,957
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	8,034	(4,573)	83,800	64,279	32,957

**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		-	-	-	-	-	-	-	-	-	-	-	1,304	1,304	-	-
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		-	-	-	-	-	-	-	-	-	-	-	300	300	-	-
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	1,790	13,928	10,959	2,331
Vote 5 - Development Planning		254	254	254	254	254	254	254	254	254	254	254	254	3,043	870	-
Vote 6 - Engineering Services		7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	92,300	98,014	90,524
<b>Capital single-year expenditure sub-total</b>	2	9,764	9,764	9,764	9,764	9,764	9,764	9,764	9,764	9,764	9,764	9,764	12,056	119,463	114,516	97,225
<b>Total Capital Expenditure</b>	2	9,764	9,764	9,764	9,764	9,764	9,764	9,764	9,764	9,764	9,764	9,764	12,056	119,463	114,516	97,225

**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>R thousand</b>																
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		800	1,200	–	2,804	–	1,800	–	952	–	1,300	–	1,700	10,556	5,056	4,769
Executive and council		–	–	–	1,304	–	–	–	–	–	–	–	–	1,304	–	–
Finance and administration		800	1,200	–	1,500	–	1,800	–	952	–	1,300	–	1,700	9,252	5,056	4,769
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		–	–	3,000	–	1,665	–	–	4,200	131	–	–	8,655	17,650	9,517	1,551
Community and social services		–	–	3,000	–	1,500	–	–	4,200	–	–	–	8,655	17,355	9,387	1,421
Sport and recreation		–	–	–	–	165	–	–	–	131	–	–	–	296	130	130
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		5,744	5,744	7,244	5,744	5,744	6,287	5,744	5,744	6,544	5,744	5,744	5,944	71,969	68,553	71,394
Planning and development		–	–	1,500	–	–	543	–	–	800	–	–	200	3,043	870	3,652
Road transport		5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,744	68,926	67,683	67,742
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		–	2,500	1,800	4,800	–	754	–	2,600	2,790	–	1,800	2,243	19,287	31,390	19,511
Energy sources		–	–	1,800	–	–	374	–	–	2,790	–	1,800	610	7,374	22,330	19,130
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	2,500	–	4,800	–	380	–	2,600	–	–	–	1,633	11,913	9,059	381
<b>Other</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure - Functional</b>	2	6,544	9,444	12,044	13,348	7,409	8,841	5,744	13,496	9,464	7,044	7,544	18,542	119,463	114,516	97,225
<b>Funded by:</b>																
National Government		4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,005	55,621	62,979	66,096
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	687	687	516	510
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>		4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	56,308	63,495	66,605
<b>Borrowing</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Internally generated funds</b>		1,851	4,751	7,351	8,656	2,716	4,148	1,051	8,803	4,772	2,351	2,851	13,849	63,154	51,021	30,620
<b>Total Capital Funding</b>		6,544	9,444	12,044	13,348	7,409	8,841	5,744	13,496	9,464	7,044	7,544	18,542	119,463	114,516	97,225

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		
	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	25,770	27,141	25,006
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	54	100	100	100
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	547	10,145	894	109,735	7,609	1,195	115,007	—	—	—	393,546	361,765	349,251
Other revenue	3,478	3,478	4,203	4,203	3,478	4,203	4,203	3,478	4,203	4,203	2,608	4,181	45,916	39,180	37,712
<b>Cash Receipts by Source</b>	<b>159,460</b>	<b>15,246</b>	<b>14,418</b>	<b>24,016</b>	<b>14,040</b>	<b>123,606</b>	<b>21,479</b>	<b>14,342</b>	<b>128,878</b>	<b>13,871</b>	<b>12,276</b>	<b>13,900</b>	<b>555,531</b>	<b>520,657</b>	<b>509,273</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	—	—	16,706	—	—	16,106	—	—	21,475	—	—	—	54,286	74,019	77,596
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on Disposal of Fixed and Intangible Assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
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>31,124</b>	<b>24,016</b>	<b>14,040</b>	<b>139,712</b>	<b>21,479</b>	<b>14,342</b>	<b>150,352</b>	<b>13,871</b>	<b>12,276</b>	<b>13,900</b>	<b>609,817</b>	<b>594,676</b>	<b>586,869</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	11,553	138,592	144,865	151,584
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
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	8,701
Contracted services	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	8,262	10,499	101,380	101,165	107,584
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	7,647	88,688	93,084	97,326
<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>37,344</b>	<b>420,393</b>	<b>441,028</b>	<b>469,960</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	24,029	161,090	129,891	110,459
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>61,372</b>	<b>581,482</b>	<b>570,920</b>	<b>580,419</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>112,177</b>	<b>(32,037)</b>	<b>(16,159)</b>	<b>(23,267)</b>	<b>(33,242)</b>	<b>92,429</b>	<b>(25,803)</b>	<b>(32,941)</b>	<b>103,070</b>	<b>(33,412)</b>	<b>(35,006)</b>	<b>(47,473)</b>	<b>28,335</b>	<b>23,756</b>	<b>6,450</b>
Cash/cash equivalents at the month/year begin:	178,456	290,632	258,596	242,437	219,170	185,927	278,356	252,553	219,612	322,682	289,270	254,263	178,456	206,790	230,547
Cash/cash equivalents at the month/year end:	290,632	258,596	242,437	219,170	185,927	278,356	252,553	219,612	322,682	289,270	254,263	206,790	206,790	230,547	236,997



## 2.7 Contracts having future budgetary implications

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

Vote Description R thousand	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>Capital expenditure</b>	1							
Vote 1 - Executive and Council		1,304	–	–	–	–	–	–
Vote 2 - Corporate Services		8,587	4,674	4,370	–	–	–	–
Vote 3 - Budget and Treasury Office		300	–	–	–	–	–	–
Vote 4 - Community Services		13,928	10,959	2,331	–	–	–	–
Vote 5 - Development Planning		3,043	870	–	–	–	–	–
Vote 6 - Engineering Services		92,300	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]		–	–	–	–	–	–	–
List entity summary if applicable		–	–	–	–	–	–	–
<b>Total Capital Expenditure</b>		<b>119,463</b>	<b>114,516</b>	<b>97,225</b>	–	–	–	–
<b>Future operational costs by vote</b>	2							
Vote 1 - Executive and Council		87,695	91,720	95,849	–	–	–	–
Vote 2 - Corporate Services		59,602	62,289	64,731	–	–	–	–
Vote 3 - Budget and Treasury Office		43,075	44,931	47,079	–	–	–	–
Vote 4 - Community Services		101,638	103,061	107,190	–	–	–	–
Vote 5 - Development Planning		29,543	30,895	32,264	–	–	–	–
Vote 6 - Engineering Services		178,277	168,009	182,849	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–
List entity summary if applicable		–	–	–	–	–	–	–
<b>Total future operational costs</b>		<b>499,830</b>	<b>500,905</b>	<b>529,962</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	–	–	–	–
List other revenues sources if applicable		4,696	5,023	5,373	–	–	–	–
List entity summary if applicable		–	–	–	–	–	–	–
<b>Total future revenue</b>		<b>62,968</b>	<b>65,826</b>	<b>69,503</b>	–	–	–	–
<b>Net Financial Implications</b>		<b>556,325</b>	<b>549,594</b>	<b>557,684</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													2024/25 Medium Term Revenue & Expenditure Framework				
R thousand													Audited Outcome 2022/23	Current Year 2023/24 Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude						
Parent municipality: <i>List all capital projects grouped by Function</i>																	
Administrative and Corporate Support:Corporate Services																	
	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
Executive and Coucil																	
	Works of Art:Sculpture		New	accountable, effective and efficient local	Inclusion and access	construct a Statue for the WM	Heritage assets	Works of Art	Ward 1						1,304	-	-
Core Function:Administrative and Corporate Support																	
	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
Core Function:Community Parks (including Nurseries)																	
	Machinery and Equipment:Grass cutting Machine		New	effective and development-oriented put	Governance	Grass cutting machines	Machinery and Equipment	Unspecified	whole						130	130	130
	Outdoor Facilities:Parks Revitalisation		New	effective and development-oriented put	Governance	Parks rejuvenation	Sport and Recreation Facilities	Unspecified	Ward 1						165	-	-
Core Function:Economic Development/Planning																	
	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	-
Core Function:Electricity																	
	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	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	-	-
	Transport Assets:Transport Assets		New	accountable, effective and efficient local	Inclusion and access	are electricity problem are alter	Transport Assets	Unspecified	Admin						700	-	-
Core Function:Fleet Management																	
	Transport Assets:Transport Assets		New	accountable, effective and efficient local	Governance	better service delivery	Transport Assets	Unspecified	admin						1,500	1,500	1,500
Core Function: Finance																	
	Computer Equipment:Computer Equipment		New	effective and development-oriented put	Growth	urement of Computer Equipm	Computer Equipment		Admin						300	-	-
Core Function:Information Technology																	
	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	-
Core Function:Project Management Unit																	
	Creches: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	-
Libraries																	
	Machinery and Equipment:Jungle Gym Equipment		New	th Africa and contribute to a better Africa	Governance	struction a jungle gym in Libr	Community Facilities	Libraries	Ward 1						522	516	510
Core Function:Roads																	
	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:Thalen Bridge		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 27						14,286	22,502	15,271
	Roads:Construction of 116 to Somungungu to Khwayana A		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 19						1,571	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 Voing Station Access Rd		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 17						2,574	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						692	2,640	4,170
	Roads:Construction of Mbulweni to Nkhabalele Access F		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 2						2,676	1,091	2,676
	Roads:Construction of Mhlabomnyama 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 Mhlaweni Access Road		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 16						681	3,478	3,638
	Roads:Construction of Mlamvuna to Makhelani via Ndayini		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 5						4,463	3,923	3,923
	Roads:Construction of Ndayini 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 Nyanisweni 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 Ntanga 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						1,739	2,729	2,854
	Roads:Rehabilitation of Pelepele 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						1,739	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						7,826	8,696	-
	Roads:Upgrading of Labane AR		Upgrading	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 15						2,621	-	-
	Roads:Upgrading of Ndala to Ward 11		Upgrading	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 12						1,576	-	-
	Roads:Upgrading of Ndayini AR		Upgrading	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 9						2,479	-	-
	Roads:Upgrading of Khaleini AR		Upgrading	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 26						2,262	-	-
	Roads:Mqorweni ana to Greenville AR		New	th Africa and contribute to a better Africa	Inclusion and access	cess roads backlog by constru	Roads Infrastructure	Roads	Ward 18						1,739	-	-
Core Function:Security Services																	
	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:Security Equipment		New	accountable, effective and efficient local	Governance	Safety of the municipal assets	Furniture and Office Equipment	Unspecified	admin						182	191	200
Core Function:Solid Waste Removal																	
	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	ortionalncor refuse from different	Transport Assets	Unspecified	admin						2,870	-	-
Parent Capital expenditure													-	-	119,463	114,516	97,225
Entities: <i>List all capital projects grouped by Entity</i>																	
Entity A Water project A																	
Entity B Electricity project B																	
Entity Capital expenditure													-	-	-	-	-
Total Capital expenditure													-	-	119,463	114,516	97,225

## 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
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		64,579	64,737	51,479	82,532	56,856	56,856	57,640	73,849	68,270
Roads Infrastructure		31,539	35,302	35,196	51,478	49,194	49,194	48,423	48,909	53,052
Roads		31,539	35,302	35,196	42,181	39,781	39,781	34,137	26,408	37,781
Electrical Infrastructure		32,643	29,278	15,252	14,783	–	–	522	16,243	15,217
MV Networks		30,937	28,553	14,432	14,783	–	–	–	–	–
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 Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		397	158	–	–	87	87	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		2,803	9,910	5,009	3,754	6,994	6,994	19,979	9,675	4,495
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
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		1,447	–	2,050	1,739	4,033	4,033	3,043	870	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	377	637	289	289	8,861	4,348	–
Indoor Facilities		–	–	–	–	–	–	8,696	4,348	–
Outdoor Facilities		–	–	377	637	289	289	165	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	30	–	1,304	1,304	1,304	1,304	–	–
Works of Art		–	–	–	1,304	1,304	1,304	1,304	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	30	–	–	–	–	–	–	–
Other assets		736	660	997	–	3,419	3,419	–	–	–
Operational Buildings		736	660	997	–	3,419	3,419	–	–	–
Yards		736	63	–	–	–	–	–	–	–
Manufacturing Plant		–	597	997	–	3,419	3,419	–	–	–
Intangible Assets		–	–	600	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	600	–	–	–	–	–	–
Computer Software and Applications		–	–	600	–	–	–	–	–	–
Computer Equipment		5,784	1,834	1,920	2,000	2,086	2,086	5,083	1,739	1,739
Computer Equipment		5,784	1,834	1,920	2,000	2,086	2,086	5,083	1,739	1,739
Furniture and Office Equipment		1,154	84	1,201	3,870	4,062	4,062	1,974	2,018	2,196
Furniture and Office Equipment		1,154	84	1,201	3,870	4,062	4,062	1,974	2,018	2,196
Machinery and Equipment		1,987	119	168	137	231	231	1,215	712	709
Machinery and Equipment		1,987	119	168	137	231	231	1,215	712	709
Transport Assets		1,974	–	4,457	6,678	6,478	6,478	5,070	1,500	1,500
Transport Assets		1,974	–	4,457	6,678	6,478	6,478	5,070	1,500	1,500
Total Capital Expenditure on new assets	1	79,017	77,374	65,832	100,274	81,431	81,431	92,264	89,493	78,908

**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>R thousand</b>	<b>1</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>16,495</b>	<b>24,090</b>	<b>66,994</b>	<b>4,122</b>	<b>21,681</b>	<b>21,681</b>	<b>3,478</b>	<b>5,457</b>	<b>5,708</b>
Roads Infrastructure		16,495	24,090	66,994	4,122	21,681	21,681	3,478	5,457	5,708
Roads		16,495	24,090	66,994	4,122	21,681	21,681	3,478	5,457	5,708
<b>Community Assets</b>		<b>12,588</b>	<b>26,700</b>	<b>2,374</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community Facilities		12,588	26,700	2,374	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		12,588	26,700	2,374	-	-	-	-	-	-
<b>Other assets</b>		<b>-</b>	<b>(63)</b>	<b>1,243</b>	<b>191</b>	<b>191</b>	<b>191</b>	<b>-</b>	<b>-</b>	<b>-</b>
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>3,478</b>	<b>5,457</b>	<b>5,708</b>
<b>Renewal of Existing Assets as % of total capex</b>		<b>20.8%</b>	<b>30.1%</b>	<b>47.3%</b>	<b>3.5%</b>	<b>14.1%</b>	<b>14.1%</b>	<b>2.9%</b>	<b>4.8%</b>	<b>5.9%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>		<b>72.4%</b>	<b>115.0%</b>	<b>173.2%</b>	<b>7.9%</b>	<b>40.1%</b>	<b>40.1%</b>	<b>6.4%</b>	<b>9.7%</b>	<b>10.1%</b>

**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
R thousand	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		(1,227)	5,288	1,966	22,656	29,823	29,823	42,655	43,282	45,232
Roads Infrastructure		(1,566)	3,845	1,404	18,715	25,373	25,373	38,056	38,471	40,205
Roads		3	191	43	666	466	466	534	559	584
Road Structures		(2,068)	3,357	1,117	17,583	24,441	24,441	36,383	36,721	38,376
Road Furniture		500	297	244	466	466	466	1,139	1,191	1,245
Attenuation		–	–	–	–	–	–	–	–	–
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 Processing Facilities		–	–	–	–	–	–	–	–	–
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	980	1,009
Community Facilities		515	482	668	864	1,354	1,354	953	980	1,009
Halls		27	–	426	262	752	752	338	353	369
Libraries		281	69	155	350	350	350	350	350	350
Cemeteries/Crematoria		–	–	87	105	105	105	110	115	120
Police		–	–	–	–	–	–	–	–	–
Parks		207	413	–	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
Workshops		–	–	–	–	–	–	–	–	–
Yards		149	143	157	156	156	156	164	171	179
<b>Intangible Assets</b>		–	–	–	–	–	–	200	209	219
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	200	209	219
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licences		–	–	–	–	–	–	–	–	–
Solid Waste Licences		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	200	209	219
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
<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	901	942	985
Machinery and Equipment		324	256	–	692	1,192	1,192	901	942	985
<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>	1	5,217	12,285	11,287	32,266	42,352	42,352	53,184	55,533	59,811
<b>R&amp;M as a % of PPE &amp; Investment Property</b>		0.9%	2.1%	1.6%	4.2%	4.5%	4.5%	5.6%	5.6%	6.1%
<b>R&amp;M as % Operating Expenditure</b>		1.5%	3.0%	2.9%	7.2%	8.0%	8.0%	10.6%	11.1%	11.3%

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>34,183</b>	<b>35,550</b>	<b>35,542</b>
Roads Infrastructure		29,499	29,635	29,277	32,894	32,894	32,894	32,724	34,032	34,024
Roads		29,499	12,902	12,562	14,241	14,241	14,241	14,071	14,633	14,625
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	718	718
Power Plants		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	51	51	55	55	55	55	58	58
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	453	432	467	467	467	467	486	486
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
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	295	295	320	320	320	320	333	333
Libraries		–	–	–	–	–	–	–	–	–
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
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	27	27	114	114	114	114	118	118
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	58	58	64	64	64	64	67	67
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
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
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
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	13	13	14	14	14	14	14	14
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	13	13	14	14	14	14	14	14
Capital Spares		–	–	–	–	–	–	–	–	–
<b>Biological or Cultivated Assets</b>		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
<b>Intangible Assets</b>		<b>129</b>	<b>26</b>	<b>11</b>	<b>–</b>	<b>165</b>	<b>165</b>	<b>170</b>	<b>178</b>	<b>186</b>
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		129	26	11	–	165	165	170	178	186
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		129	26	11	–	165	165	170	178	186
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
<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>54,536</b>	<b>54,536</b>	<b>54,371</b>	<b>56,546</b>	<b>56,546</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>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		4,152	652	–	6,830	26,239	26,239	22,416	19,130	12,609
Roads Infrastructure		3,543	652	–	6,830	22,739	22,739	16,764	13,043	8,696
Roads		3,543	652	–	6,830	22,739	22,739	16,764	8,696	–
Attenuation		–	–	–	–	–	–	–	–	–
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>		27,243	39,537	12,780	11,864	25,514	25,514	1,304	435	–
Community Facilities		17,310	19,960	9,921	8,744	19,029	19,029	1,304	435	–
Halls		17,310	19,960	9,921	8,744	19,029	19,029	1,304	435	–
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 assets</b>	<b>1</b>	<b>31,395</b>	<b>40,189</b>	<b>12,780</b>	<b>18,695</b>	<b>51,753</b>	<b>51,753</b>	<b>23,720</b>	<b>19,565</b>	<b>12,609</b>
<b>Upgrading of Existing Assets as % of total capex</b>		22.5%	23.9%	8.6%	15.2%	33.4%	33.4%	19.9%	17.1%	13.0%
<b>Upgrading of Existing Assets as % of deprecn"</b>		78.1%	91.1%	31.3%	34.4%	94.9%	94.9%	43.6%	34.6%	22.3%

The above tables show that the municipality's anticipated total capital budget is R119 million excluding VAT for the 2024/25 financial year which increases in the following year as a result of the increases in the grants allocation for infrastructure development as well as the municipality's own contribution. 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
• Solid Waste Infrastructure	R10 million Incl. VAT
○ Majazi/Extension 4 landfill site construction	R10 million
• Electricity Infrastructure	R 7.6 million Incl. VAT
○ Replacement of low voltage lines	R4 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 79.96 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	R700 thousand
○ Construction of Sunny Side Acces Road	R4.5 million
○ Construction of Nyanisweni Access Road	R4.7 million
○ 116 to Somgungqu to Khwanyana Access Road	R1.8 million
○ Construction of Lukhanyo Access Road	R700 thousand
○ Construction of Khutshi to Voting Station access road	R2.9 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 and Access Road	R15 million
○ Mqonjwana Access Road	R 2 million
○ Upgrading of Khaleni AR	R2.6 million
○ Upgrading of Ndayini AR	R2.8 million
○ Upgrading of Ndela to ward 11	R1.8 million
○ Upgrading of Labane AR	R3 million



- Heritage Assets R1.3 million incl. VAT
  - Erection of a life size statue R1.3 million

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

## 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**

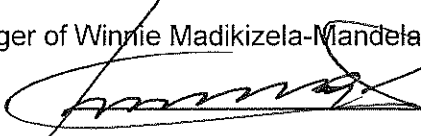
The Mayor of the municipality appointed members of the executive committee chaired by the Budget and Treasury Portfolio head together with members of Senior management as well as the managers responsible for IDP and Budget within the municipality.

## 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        Luvuyo Mahlaka    

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

Signature     \_\_\_\_\_

Date                        20 May 2024