

INTSIKA YETHU

MUNICIPALITY

MEDIUM TERM REVENUE AND

EXPENDITURE FRAMEWORK

2024/2025 TO 2026/2027

Copies of this document can be viewed:

- **In the foyers of all municipal buildings**
- **All public libraries within the municipality**
- **At www.Intsikayethumunicipality.gov.za**

Table of Contents

PART 1 – ANNUAL BUDGET	2
1.1 MAYOR’S REPORT	2
1.2 COUNCIL RESOLUTIONS	4
1.3 EXECUTIVE SUMMARY	5
1.4 OPERATING REVENUE FRAMEWORK.....	9
1.5 OPERATING EXPENDITURE FRAMEWORK.....	19
1.6 CAPITAL EXPENDITURE	24
1.7 ANNUAL BUDGET TABLES.....	27
PART 2 – SUPPORTING DOCUMENTATION	44
1.8 OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	44
1.9 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	46
1.10 OVERVIEW OF BUDGET RELATED-POLICIES AND MUNICIPAL BY-LAWS.....	58
1.11 OVERVIEW OF BUDGET ASSUMPTIONS	60
1.12 OVERVIEW OF BUDGET FUNDING	62
1.13 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS.....	70
1.14 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY	72
1.15 COUNCILOR AND EMPLOYEE BENEFITS	73
1.16 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW.....	75
1.17 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	82
1.18 CAPITAL EXPENDITURE DETAILS	82
1.19 LEGISLATION COMPLIANCE STATUS.....	88
1.20 OTHER SUPPORTING DOCUMENTS.....	89
1.21 SERVICE DELIVERY STANDARDS.....	89
1.22 MUNICIPAL MANAGER’S QUALITY CERTIFICATE.....	92
PART 3 – APPENDICES	93
3.1 APPENDIX A – A-SCHEDULES	93
3.2 APPENDIX B – ANNUAL PROCUREMENT PLAN.....	93

Abbreviations and Acronyms

MM Municipal Manager
CPI Consumer Price
Index
CRRF Capital Replacement Reserve
Fund DoRA Division of Revenue Act
FBS Free basic services
GDP Gross domestic
product
IDP Integrated Development
Strategy KPAKey Performance Area
KPI Key Performance
Indicator
LED Local Economic Development
MFMA Municipal Financial Management
Act
Programme

MIG Municipal Infrastructure
Grant MPRA Municipal Properties
Rates Act MSA Municipal
Systems Act
MTEF Medium-term
Expenditure Framework
MTREF Medium-term Revenue
and Expenditure
Framework
PMS Performance Management
System PPE Property Plant and
Equipment SDBIP Service Delivery
Budget
Implementation Plan

Part 1 – Annual Budget

1.1 Mayor’s Report

Honourable Speaker,

Honourable Chief Whip,

Honourable, Councilors,

Traditional Leaders serving in the Council,

Municipal Manager, Directors and staff members,

Representatives of organized business and all stakeholders,

Illustrious Members of the Community,

Ladies and Gentlemen,

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

As this budget constitutes the proposed financial plan for the next 3 years, it naturally impacts on the community as a whole and it is thus extremely important to consult the community to create awareness and to gain support for joint ownership and responsibility in managing the municipality’s financial affairs.

The 2024/2025 MTREF Framework assesses our achievements over the past few years and looks into the challenges that lie ahead. Intsika Yethu Municipality, like so many other municipalities in South Africa, is faced with various challenges when balancing quality basic services and support to the financial and administrative capabilities of the municipalities. These challenges include, but is not limited to the following:

- Ageing Infrastructure as one of the biggest threats to sustainable service delivery;
- Population growth putting strain on the municipal infrastructure to keep track of service delivery demands;
- Housing backlogs;
- Poverty in the municipal area and the ability to pay for basic services; and - No Cash Reserves

The poverty stricken areas contributes to the high crime rate, which can directly be linked to the high unemployment rate. The key challenge is to assist in creating an environment for job creation, which remains one of the most pressing concerns for the economy. Intsika Yethu Municipality supports job creation and is in the process of implementing job creation programs which will be integrated with the municipal IDP.

Planning as an institution is very important. The progress of the municipality depends on the quality of the planning. Good planning guarantees good decisions and is important to the municipality, because it gives a steady growth and prepares the municipality for a desired future. It is also important that a municipality have sufficient financial resources so that the funding of a new budget is credible. Our focus must be on spending the entire budget in a financial year. Projects must be finished within a financial year and creditors paid within 30 days.

Ladies and Gentlemen,

This budget is largely based on submissions from the communities during the IDP process. Our capital budget totals R102 million for the 2024/25 budget year from which a total of 30 per cent, capital budget mainly is funded from National grants as well as a small portion which is funded internally.

When compiling a MTREF, one needs to consider all factors which might influence the forecasts and plan accordingly. Our approach this year was thus to budget conservatively on special collection rates and services, thereby ensuring what is contained in expenditure will be achieved through revenue.

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

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

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

I thank you.

Enkosi!

1.2 Council Resolutions

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

- 1.1. The annual budget of the municipality for the financial year 2024/25 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification);
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type);
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables attached in the budget documentation:
 - 1.2.1. Budgeted Financial Position;
 - 1.2.2. Budgeted Cash Flows;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation;
 - 1.2.4. Asset management; and
 - 1.2.5. Basic service delivery measurement.
2. The Council of Intsika Yethu Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables for approval and adoption the following tariffs, related by-laws and related policy changes as attached in the budget documentation, with effect from 1 July 2023:
 - 2.1. the tariffs for property rates, related by-laws and related policy changes,
 - 2.2. the tariffs for solid waste services, related by-laws and related policy changes
 - 2.3. the tariffs for other services provided, related by-laws and related policy changes
 - 2.4. the summary of all budget related policy changes and summary of by-law changes
3. The Council of Intsika Yethu Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables for approval and adoption with effect from 1 July 2024 the tariffs and related by-laws for other services, as set out in the attached budget documentation.
4. To give proper effect to the municipality's annual budget, the Council of Intsika Yethu Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash

MTREF

backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

- 4.2. That the Draft Budget be advertised for public comments in accordance with chapter 4 of the Municipal Systems Act (Act 32 of 2000) and sections 22 & 23 of Municipal Finance Management Act, (Act 56 of 2003)

1. EXECUTIVE SUMMARY

The 2024 Medium Term Budget Policy Statement (MTBPS) was tabled in a difficult global and domestic environment. The global growth forecast for 2024 is the lowest since the 2008 financial crisis, weighed down by mounting trade tensions and political uncertainty.

The compilation of the MTREF remains a huge challenge to balance the budget between the limited revenue resources available and the immense need to provide quality service delivery to our community. Tariff increases must be limited to be within the affordability levels of our community and must still promote economic growth to ensure financial sustainability.

Despite these challenges, the municipality continues to thrive to adopt funded budget through the years, however, it needs to at least stabilize and further strive to continuously better its financial position, coupled with acceptable levels of service delivery at affordable tariffs. The retention of sufficient cash-backed reserves is critical for the long-term sustainability of the municipality, and to this end the municipality has not been achieving this objective but we remain hopeful that with the limited resources in the new financial year we shall start building reserves in order to achieve Capital Replacement Reserve to a level where future external funding, excluding grants, be minimized.

With the compilation of the 2024/25 Medium-Term Revenue and Expenditure Framework (MTREF), each department had to review its business planning processes taking into account their individual departmental strategies. Business planning links back to priority needs and master planning, and essentially inform the detail operating budget appropriations and three-year capital program. National Treasury MFMA Circular’s No.126 and 128 were also used to guide the compilation of the 2024/25 MTREF.

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 (R’000)

BUDGET PERFORMANCE (GRANTS SUBSIDIES AND INTERNAL REVENUE)					
	CURRENT YEAR 2023/24		2024/25 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
DESCRIPTION	Original Budget	Adjustment Budget	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Grant & Subsidies	284 912 000	321 743 025	311 433 000	301 758 000	269 353 208
Own Revenue	55 117 664	51 796 664	58 377 012	61 062 355	63 993 348
TOTAL	340 029 664	373 539 689	369 810 012	362 820 355	333 346 556
BUDGET PERFORMANCE (OPERATIONAL AND CAPITAL EXPENDITURE)					
	CURRENT YEAR 2023/24		2024/25 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
DESCRIPTION	Original Budget	Adjustment Budget	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Operating Expenditure	270 652 501	265 747 501	278 668 841	291 430 078	305 418 722

MTREF

Capital Expenditure	82 064 971	124 420 756	100 230 700	98 537 656	71 793 928
TOTAL	352 717 472	390 168 257	378 899 541	389 967 734	377 212 650

As can be seen from the above, the municipality will operate within its funded budget throughout the MTREF. It must be noted that even though the budget is funded there is an indication that the municipality is not generating sufficient revenue to sustain its operating expenditure, let alone the fact that the operating budget is not contributing any revenue at all towards the capital program. It should also be noted that the operating budget also includes items such as depreciation and debt impairment which are not considered to be a “cash” expense. These items will not result in an immediate cash outflow. It should however be noted that non-cash items will eventually translate into cash outflow when for example the fully depreciated asset needs to be replaced.

Municipalities are advised, as a minimum, to prepare or strive towards a balanced budget (i.e. revenue equals expenditure). Although a balanced budget is not necessarily considered a funded budget, it will definitely contribute to the “funded budget principle” over the long run.

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

Table 2 Total Capital Funding of the 2024/25 MTREF (R'000)

Vote Description R thousand	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funded by:							
National Government	86 902 628	102 711 547	102 711 547	53 120 986	98 067 701	93 914 334	66 948 691
Transfers recognised - capital	86 902 628	102 711 547	102 711 547	53 120 986	98 067 701	93 914 334	66 948 691
Internally generated funds	15 795 655	14 057 831	14 057 831	8 194 540	5 162 999	4 623 322	4 845 238
Total Capital Funding	102 698 283	116 769 378	116 769 378	61 315 526	103 230 700	98 537 656	71 793 928

The capital budget of R103,2 million for 2024/25 is 17 per cent less when compared to the 2023/24 Adjustment Budget. The decrease is mainly attributed by the following decrease in grants:

- Decrease in INEP from R27 896 000 to R 8 652 000
- Increase of MIG from R47 559 000 to R60 166 000
- Decrease in MDRG from R43 181 000 to R29 258 000

A large portion of the capital budget will be funded from national grants (R98.6million) over the MTREF with no anticipated borrowings and the main funding source being National Government Grants. The municipality should be mindful of the fact that the capital program, especially from internally generated funds, places enormous pressure on the financial viability of Intsika Yethu Municipality. This could significantly influence the long-term sustainability of the entity.

Financial viability and sustainability is one of the major cornerstones that needs to remain intact to ensure that municipalities follow through on their constitutional obligation to deliver high quality basic services to the citizens of South Africa.

Municipalities should as far as possible approve budgets that is within their financial constraints. In other words, projected capital and operating expenditure should be financed from projected future revenue streams, thus eliminating the need use of little savings which can be invested to generate future reserves for the municipality. Currently, although still a funded budget, the proposed budget will have a negative impact on the projected cash position of the municipality as indicated below:

Description R thousand	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
NET INCREASE/ (DECREASE) IN CASH HELD	87 046 387	112 723 283	112 723 283	82 039 221	8 973 428	25 244 542	- 20 591 466
Cash/cash equivalents at the year begin:	-	-	-	-	60 995 187	69 968 615	95 213 157
Cash/cash equivalents at the year end:	87 046 387	112 723 283	112 723 283	82 039 221	69 968 615	95 213 157	74 621 691

This significant upward trend can mainly be attributed to the ability of the municipal budget to produce adequate cash resources to meet the proposed capital and operating program of the municipality from own revenue sources during each of the financial years during the MTREF.

1.4 Operating Revenue Framework

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

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

In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

Table 3 Summary of revenue classified by main revenue source

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue										
Exchange Revenue										
Service charges - Waste Management	1 259 409	1 316 361	1 379 875	2 514 056	2 214 056	2 214 056	969 072	1 428 557	1 512 670	1 804 479
Sale of Goods and Rendering of Services	181 793	389 243	647 505	1 902 905	1 322 655	1 322 655	171 656	14 500	61 167	112 102
Agency services	1 040 159	1 033 931	890 164	1 204 050	1 204 050	1 204 050	445 487	1 200 000	1 255 200	1 315 450
Interest earned from Receivables	879 657	1 087 381	1 297 402	1 034 960	1 434 960	1 434 960	1 100	1 500 000	1 569 000	1 644 312
Interest earned from Current and Non Current Assets	1 874 285	2 229 452	5 336 310	4 221 549	5 021 549	5 021 549	4 133 240	5 000 000	5 230 000	5 481 040
Rental from Fixed Assets	1 022 828	1 304 533	1 335 244	931 467	931 467	931 467	849 423	601 500	626 869	654 559
Licence and permits	2 762 005	1 838 844	1 793 397	3 200 000	3 200 000	3 200 000	1 783 516	2 500 000	2 615 000	2 735 290
Operational Revenue	-	855 041	478 461	14 500 000	17 500 000	17 500 000	157 060	19 300 000	20 013 000	16 791 224
Non-Exchange Revenue										
Property rates	10 523 848	10 945 943	13 596 233	13 262 658	13 262 658	13 262 658	12 147 882	16 762 455	17 634 728	18 586 796
Fines, penalties and forfeits	173 213	189 325	540 921	1 120 000	820 000	820 000	86 935	570 000	596 220	624 839
Licences or permits	131 501	50 130	173 690	172 500	230 875	230 875	139 950	300 000	309 200	319 241
Transfer and subsidies - Operational	204 393 453	182 326 561	196 904 537	206 096 400	400	400	256	300	082	415
Interest	2 013 491	2 296 007	3 693 031	2 129 636	2 929 636	2 929 636	4 119 292	3 000 000	3 138 000	3 288 624
Gains on disposal of Assets	-	786 184	-	-	-	-	-	3 375 000	-	-
Total Revenue (excluding capital transfers and contributions)	226 255 642	206 648 936	228 066 770	252 290 181	255 611 306	255 611 306	234 297 869	272 117 312	267 123 136	258 322 371

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

The percentage revenue increases with 4,9% per cent for the 2024/25 financial year when compared to the 2023/24 Adjustments Budget. This is mainly due to increase in Equitable Share allocation as well as the increase in tariffs for Property Rates and Service Charges. In the two outer years of the MTREF the revenue increases further with 4,6 per cent and 4,6 per cent respectively for each of the two years.

1.4 Operating Revenue Framework

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

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

(a) projected revenue for the current year based on collection levels to date; and (b) actual revenue collected in previous years.”

In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

Table 3 Summary of revenue classified by main revenue source

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Waste Management	2	1 259	1 316	1 380	2 514	2 214	2 214	969	1 429	1 513	1 804
Sale of Goods and Rendering of Services		182	389	648	1 903	1 323	1 323	172	15	61	112
Agency services		1 040	1 034	890	1 204	1 204	1 204	445	1 200	1 255	1 315
Interest earned from Receivables		880	1 087	1 297	1 035	1 435	1 435	1	1 500	1 569	1 644
Interest earned from Current and Non Current Assets		1 874	2 229	5 336	4 222	5 022	5 022	4 133	5 000	5 230	5 481
Rental from Fixed Assets		1 023	1 305	1 335	931	931	931	849	602	627	655
Licence and permits		2 762	1 839	1 793	3 200	3 200	3 200	1 784	2 500	2 615	2 735
Operational Revenue		-	855	478	14 500	17 500	17 500	157	19 300	20 013	16 791
Non-Exchange Revenue											
Property rates	2	10 524	10 946	13 596	13 263	13 263	13 263	12 148	16 762	17 635	18 587
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		173	189	541	1 120	820	820	87	570	596	625
Licences or permits		132	50	174	173	231	231	140	300	309	319
Transfer and subsidies - Operational		204 393	182 327	196 905	206 096	205 539	205 539	209 293	216 565	212 562	204 964
Interest		2 013	2 296	3 693	2 130	2 930	2 930	4 119	3 000	3 138	3 289
Gains on disposal of Assets		-	786	-	-	-	-	-	3 375	-	-
Total Revenue (excluding capital transfers and contributions)		226 256	206 649	228 067	252 290	255 611	255 611	234 298	272 117	267 123	258 322

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

The percentage revenue increases with 6 % per cent for the 2024/25 financial year when compared to the 2023/24 Adjustments Budget. This is mainly due to higher Equitable Share allocation as well as the increase in tariffs for Property Rates and Service Charges.

Table 4 Summary of revenue classified by municipal vote (including capital transfers)

Functional Classification 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
Revenue - Functional										
Governance and administration		295 202	240 414	282 262	321 295	319 923	319 923	329 436	319 612	315 511
Executive and council		-	-	-	14 000	14 000	14 000	-	-	-
Finance and administration		295 202	240 414	282 262	307 295	305 923	305 923	329 436	319 612	315 511
Community and public safety		238	815	1 029	1 526	1 508	1 508	1 000	1 055	1 115
Community and social services		149	773	1 008	526	508	508	500	532	567
Public safety		35	42	21	1 000	1 000	1 000	500	523	548
Health		54	-	-	-	-	-	-	-	-
Economic and environmental services		1 195	3 843	3 436	3 822	40 373	40 373	33 056	34 000	4 154
Planning and development		1 195	1 146	687	1 274	37 716	37 716	29 898	30 697	692
Road transport		-	2 697	2 749	2 548	2 657	2 657	3 158	3 304	3 462
Trading services		1 360	1 316	1 380	4 263	4 263	4 263	3 693	1 870	2 169
Energy sources		100	-	-	-	-	-	-	-	-
Waste management		1 259	1 316	1 380	4 263	4 263	4 263	3 693	1 870	2 169
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	297 994	246 388	288 107	330 906	366 067	366 067	367 185	356 537	322 950

Revenue generated from rates and services charges forms an important percentage of the revenue basket for the Municipality, but measured against other municipalities, the percentage is relatively low. Rates and service charge revenues comprise between 4.9% and 4.6% of the total revenue mix over the MTREF period.

Intsika Yethu municipality is mainly dependent on grants (Equitable share) to sustain the budget (as illustrated on the graph on the next page). The unconditional Equitable Share Grant is a grant growing annually according to a formula determined nationally and such formula is applicable to all local authorities on an equal basis.

Approximately 84% of the revenue basket can be attributed to equitable share. This, together with the lower percentage for rates and service charge revenues, is an indication of the high unemployment rate in the area and the focus on job creation projects were therefore treated as a priority in this budget.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted be within the upper limit of the 4.9 to 4.6 per cent target band, therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2024/25 in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently, but there are always situations where there are defaults on payment. This increase forms part of the revenue enhancement strategy that the municipality is busy implementing.

MTREF**Table 6 Operating Transfers and Grant Receipts**

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

BUDGET ITEM	MTREF BUDGET 2023/24	MTREF ADJUSTED BUDGET 2023/24	MTREF BUDGET 2024/25	MTREF BUDGET 2025/26	MTREF BUDGET 2026/27
EQUITABLE SHARE	197 942 000	197 942 000	208 343 000	206 051 000	198 032 000
MIG	50 968 000	47 559 000	60 166 000	52 529 000	56 925 000
DISASTER GRANT		43 181 000	29 258 000	30 032 000	-
FMG	2 100 000	2 100 000	2 100 000	2 100 000	2 300 000
EPWP	1 749 000	1 749 000	1 914 000	-	-
INEP	30 196 000	27 896 000	8 652 000	10 000 000	11 000 000
LIBRARY AND ARCHIVES	700 000	816 025	500 000	523 000	548 104
CHDM GRANT	1 057 000	500 000	500 000	523 000	548 104
GRAND TOTAL REVENUE	284 712 000	321 743 025	311 433 000	301 758 000	269 353 208

1.4.1 Property Rates

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

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of R40 000;
- The limit for indigent households is twice the amount of government pension grant.

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

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

Vacant properties are rated higher, as the municipality is encouraging owners of vacant land to develop it and that the vacant land should not be used for speculation purposes by owners. The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2024/25 financial year are as follows:

MTREF**Table 7 Comparison of proposed rates to be levied for the 2021/22 financial year**

PROPERTY RATES	2024/25	2025/26	2026/27
Government	0,0190	0,0198	0,0207
Business	0,0152	0,0158	0,0166
Residential	0,0076	0,0079	0,0083
Agricultural	0,0019	0,0020	0,0021
Vacant Site - Government	0,0190	0,0198	0,0207
Vacant Site - Business	0,0152	0,0158	0,0166
Vacant Site - Residential	0,0076	0,0079	0,0083
Rebates on residential properties	15 000	15 000	15 000
Senior Citizens: On written application (residential properties)	25%	25%	25%
Disabled and Medically boarded property owners: On written application	100%	100%	100%
Place of Workshop	100%	100%	100%
REFUSE REMOVAL			
Domestic consumers (per month for one removal per week)	R93	R97	R102
Additional removal (per load or part thereof)	R103	R107	R112
Commercial consumers small (per month for two removals per week) Banks, Flats, Restaurants, internet café, filling stations	R191	R200	R209
Commercial consumers medium (per month for two removals per week) Retail shops, furniture shops, pharmacy, boarding houses	R587	R613	R641
Trolley bin (rental per month per removal)	R191	R200	R209
Additional removal (per load or part thereof)	R230	R240	R251
Commercial consumers large (Daily per removal removal) hardwares, supermarket, multipurpose, shopping complex	R14 712	R15 374	R16 066
Skip bin (rental per month per removal)	R945	R987	R1 032
Additional removal (per load or part thereof)	R485	R507	R530
Government Departments (Schools, Hostels, SAPS, Prison etc) per month	R1 026	R1 072	R1 120
Government Departments (Prison, Hospital etc) per month	R7 662	R8 006	R8 367
Additional removal (per load or part thereof)	R255	R267	R279
Garden refuse (per load to be paid in advance)	R255	R267	R279
Building Rubble fine per day	R769	R804	R840
Cleaning of Ervin (per load to be paid in advance)	R444	R464	R485
Domestic grass cutting (per erf number to be paid in advance) per square metre	R4 370	R4 567	R4 772
Building Plans	R0	R0	R0
Application for approval of building plans (Per square meter) First 100 s/m-Residential	R13	R13	R14
100+ s/m-Residential	R4	R4	R4
Application Admin Fees	R378	R395	R412
Application for approval of building plans (Per square meter) Commercial	R16	R17	R18
Application for approval of building plans (Per square meter) Industrial	R16	R17	R18
Further Application fees for expired building plans - Residential	R755	R789	R825
Further Application fees for expired building plans - Commercial	R2 266	R2 368	R2 474
Application fees	R2 554	R2 669	R2 789
Application for Rezoning	R0	R0	R0
Application fees	R0	R0	R0
Erven 0 – 2500m ²	R2 554	R2 669	R2 789
Erven 2501 – 5000m ²	R5 108	R5 338	R5 578
Erven 5001 – 10 000m ²	R10 216	R10 676	R11 156
Erven 1 ha – 5 ha	R15 324	R16 014	R16 734
Erven over 5 ha	R17 878	R18 683	R19 523

MTREF

Advertising fees	R1 277	R1 334	R1 394
Application for departure from building lines and Spaza Shop application fees			
Erven smaller than 500m ²	R290	R303	R316
Erven 500m ² -750m ²	R511	R534	R558
Erven larger than 750m ²	R1 022	R1 068	R1 116
Basic Fee	R1 277	R1 334	R1 394
Charge per subdivision(Reminder considered a subdivision	R128	R133	R139
Advertisement fees	R10 216	R10 676	R11 156
Application fees	R5 108	R5 338	R5 578
Application fees (Refundable Deposit)	R1 276	R1 334	R1 394
Zoning Certificate	R89	R93	R98
Extension of Time	R490	R512	R535
Amendments of existing subdivision	R1 532	R1 601	R1 673
Town Planning Scheme Document	R511	R534	R558
Town Planning Scheme – CD	R128	R133	R139
SURVEY DEPARTMENT			
Establishment of boundaries per erven	R1 810	R1 891	R1 976
Survey Certificate	R339	R355	R371
Rentals	R0	R0	R0
Road reserve (Portion of) per m ²	R9	R10	R10
Camp site per m ² (Open space)	R9	R10	R10
Government Buildings per m ²	R108	R113	R118
Residential Buildings per m ²	R34	R36	R37
Commercial Buildings per m ² A Category	R89	R93	R97
Commercial Buildings per m ² B Category	R80	R84	R87
Commercial Buildings per m ² C Category	R53	R55	R58
Storage-confiscated goods/requested storage per day	R48	R50	R52
Road closures			
Road closure (per day)	R3 394	R3 546	R3 706
Deposit (Forfeited if there are damages)	R7 918	R8 275	R8 647
Fine	R11 312	R11 821	R12 353
Pound			
Rate of compensation			
For all animals delivered to the pound, whether on or more, per kilometer or portion of a kilometer	R26	R27	R29
<i>(If land enclosed with sufficient fence)</i>	R63	R66	R69
<i>(If land not so enclosed)</i>	R26	R27	R29
Goats and sheep per head	R0	R0	R0
<i>(If land enclosed with sufficient fence)</i>	R48	R50	R52
<i>(If land not so enclosed)</i>	R20	R21	R22
<i>(If land enclosed with sufficient fence)</i>	R25	R26	R27
<i>(If land not so enclosed)</i>	R21	R22	R23
Goats and sheep per head	R0	R0	R0
<i>(If land enclosed with sufficient fence)</i>	R21	R22	R23
<i>(If land not so enclosed)</i>	R17	R17	R18
Pound Fees	R0	R0	R0
Horses, donkeys, cattle and pigs per head	R78	R82	R85
Goats and sheep per head	R40	R42	R44
Sustenance Fees	R0	R0	R0
Ostriches per head per day	R26	R27	R29
Horses, donkeys, cattle and pigs per head per day	R38	R40	R42
Goats and sheep per head per day	R26	R27	R29
Fees for animals to be separately herded	R0	R0	R0
For every stallion per day	R63	R65	R68
For every bull per day	R62	R65	R68
For every boar per day	R63	R65	R68
For every sheep ram, goat ram or other separated animal per day	R63	R65	R68

MTREF

TRAFFIC SERVICES			
Towing charges	R486	R508	R531
Storage fees per day	R63	R65	R68
Removal of scrap vehicle	R292	R306	R319
EQUIPMENT RENTAL	R0	R0	R0
Grader per hour	R915	R956	R999
Excavator per hour	R837	R875	R914
TLB per hour	R633	R662	R692
Load bed call out	R5 769	R6 029	R6 300
Rate per km	R48	R51	R53
Tipper truck (10m3) per hour	R792	R827	R865
Tipper truck (6m3) per hour	R588	R615	R642
Roller (smooth drum)	R622	R650	R679
Roll bed truck /tow truck call out	R1 796	R1 877	R1 961
Impounding of goods/ Containers	R755	R789	R825
Storage fees per day - impounded goods	R63	R65	R68
Cemeteries	R0	R0	R0
Excavated Grave Plot:	R1 435	R1 499	R1 567
Unexcavated Grave Plot:	R767	R802	R838
Town / Community Halls	R0	R0	R0
Town Halls: Churches: Deposit	R1 346	R1 407	R1 470
Rent : Day	R808	R844	R882
Night	R1 018	R1 063	R1 111
Non-profitable Organizations: Deposit	R1 346	R1 407	R1 470
Rent Day	R0	R0	R0
Night	R787	R823	R860
All other: Deposit	R1 022	R1 068	R1 116
Rent Day	R4 038	R4 220	R4 409
Night	R0	R0	R0
Rent Day	R1 346	R1 406	R1 470
Night	R1 615	R1 688	R1 764
Chair hire	R6	R7	R7
Toilet Fees	R3	R3	R3
BILLBOARDS	R0	R0	R0
1.8m X 1.2m(Super six)	R0	R0	R0
2m X 3m (16 sheet)	R201	R210	R220
3m X 1.5m (Consumer Ad)	R362	R379	R396
3m X 6m (48 sheet)	R443	R463	R484
3m X 12m (96 sheet)	R685	R715	R748
6m X 4m	R906	R947	R989
	R0	R0	R0
HAWKERS	R131	R137	R144
	R0	R0	R0
Business Licences	R0	R0	R0
Agricultural supply	R814	R851	R889
B n B	R1 590	R1 661	R1 736
Banks	R1 590	R1 661	R1 736
Barber Shops	R871	R911	R952
Cellphone shops	R868	R907	R948
Clothing Shops	R868	R907	R948
Cosmetic shops	R871	R911	R952
Crafters	R600	R628	R656
Driving Schools	R133	R139	R145
Fabric Shops	R871	R911	R952
Fast Foods	R1 446	R1 511	R1 579
Filling Stations	R1 446	R1 511	R1 579
Food Vendors	R1 590	R1 661	R1 736

Fruit & Vegetable shops	R814	R851	R889
Fruit and vegetable stands	R1 590	R1 661	R1 736
Funeral Parlours	R868	R907	R948
Furniture Shops	R1 590	R1 661	R1 736
Guest Houses	R1 590	R1 661	R1 736
Hardware	R1 590	R1 661	R1 736
Hawkers	R133	R139	R145
Herbal Shops	R600	R628	R656
Internet Café	R871	R911	R952
Liquor Store	R1 590	R1 661	R1 736
Motor Spares	R871	R911	R952
Panel Beaters	R871	R911	R952
Pharmacy	R871	R911	R952
Public Phones	R871	R911	R952
Restaurants	R871	R911	R952
Sale of sheep	R1 590	R1 661	R1 736
Saloons	R871	R911	R952
Soft Goods	R133	R139	R145
Spaza shops	R596	R623	R651
Supermarkets	R1 590	R1 661	R1 736
Traditional Healers	R600	R627	R656
Car Wash	R868	R907	R948
TV Repairs	R600	R628	R656
TRADING PERMITS	R0	R0	R0
Salon /Restaurant/ Café	R868	R907	R948
Garage	R1 446	R1 511	R1 579
Retail	R868	R907	R948
Other : Livestock	R1 446	R1 511	R1 579
Catering Services Operating in Caravan	R1 446	R1 511	R1 579
Cellphone Shops	R868	R907	R948
BUDGET & TREASURY SERVICE	R0	R0	R0
	R0	R0	R0
Valuation Certificate	R77	R80	R84
Full Map	R383	R400	R418
Portion of Map	R192	R200	R209
Clearance Certificate	R77	R80	R84
TENDERS	R0	R0	R0
R200 001 – R500000	R255	R267	R279
R500001 – R1 000 000	R511	R534	R558
R 1 000 001 – and above	R638	R667	R697

1.4.4 Waste Removal and Impact of Tariff Increases

An average tariff increase of 4.9 per cent for refuse removal services from 1 July 2024 is proposed. This increase was required to ensure that the tariff charged is more cost reflective due to the increase in fuel and other costs involved to provide these services. There are also significant rehabilitation provisions included in the budget that needs to be funded.

Table 10 Waste Management Surplus/(Deficit)

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

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

Vote Description R thousand	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote									
Waste Management	1 259 409	1 316 361	1 379 875	4 263 056	4 263 056	4 263 056	3 692 557	1 869 570	2 168 910
Total Revenue by Vote	1 259 409	1 316 361	1 379 875	4 263 056	4 263 056	4 263 056	3 692 557	1 869 570	2 168 910
Expenditure by Vote to be appropriated									
Waste Management	4 907 599	7 285 528	7 147 465	19 099 323	19 099 323	19 099 323	17 242 891	18 036 062	18 873 389
Total Expenditure by Vote	4 907 599	7 285 528	7 147 465	19 099 323	19 099 323	19 099 323	17 242 891	18 036 062	18 873 389
Surplus/(Deficit) for the year	-3 648 190	-5 969 167	-5 767 590	-14 836 267	-14 836 267	-14 836 267	-13 550 334	-16 166 492	-16 704 479

1.5 Operating Expenditure Framework

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

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

Table 13 Summary of operating expenditure by standard classification item

Description R thousand	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Expenditure										
Employee related costs	130 630	132 590	136 624	140 416	140 416	140 416	94 488	147 296	154 072	161 159
Remuneration of councillors	17 354	17 515	17 821	20 330	20 330	20 330	13 038	21 326	22 307	23 333
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	1 339	2 443	2 803	1 920	2 620	2 620	742	4 500	4 779	4 999
Debt impairment	7 379	9 661	10 588	5 051	5 051	5 051	-	5 000	5 000	5 000
Depreciation and amortisation	32 895	51 146	31 161	45 000	33 757	33 757	-	30 087	31 287	32 542
Interest	-	235	7	-	5	5	4	4	5	5
Contracted services	15 817	16 114	20 225	27 388	31 584	31 584	18 640	27 834	29 046	30 368
Transfers and subsidies	5 931	2 648	4 163	4 700	4 700	4 700	2 308	4 348	4 548	4 766
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-	-
Operational costs	29 547	32 766	43 190	36 972	40 410	40 410	33 241	33 235	34 900	36 718
Losses on disposal of Assets	9 056	3 052	14 636	-	-	-	-	-	-	-
Other Losses	-	72	-	-	-	-	-	-	-	-
Total Expenditure	249 950	268 243	281 217	281 777	278 873	278 873	162 459	273 630	285 943	298 890

The budgeted allocation for employee related costs for the 2024/25 financial year totals R168 million, which equals 62 per cent of the total operating expenditure. This percentage is very or rather above the regulated norm by Treasury and it's a significant

amount of expenditure which is a disadvantage to the Municipality. A detailed analysis regarding employee related costs as set out in MBRR Tables SA22 - 24 in this document.

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

The expenditure on Employee Cost and Remuneration of Councillors is way above the upper limits of the industry norms (between 25% and 40%) as depicted in the following graph. However, before the municipality reaches any conclusions with regards to levels of employee related costs of the municipality, the municipality should assess the impact of any items that could distort these figures.

The provision of debt impairment was determined based on an annual collection rate of 60 per cent and the Debt Write-off Policy of the Municipality. While this expenditure is a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

The Municipality's Asset Management Policy has informed provision for depreciation and asset impairment. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard totals R30 million for the 2024/25 financial year and equates to 12 per cent of the total operating expenditure.

The Municipality does not have the borrowing costs as its financial affordability is very limited therefore cannot afford to take loans. Contracted services consists of the delivery of primary services and the classification was largely influenced by the mSCOA chart of accounts. An amount of R5,9 million over the MTREF for Repairs and Maintenance is classified under Contracted Services.

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

1.5.1 Priority given to repairs and maintenance

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

- 1) 80 per cent of its Capital Budget should be allocated to the renewal/upgrading of existing assets it.

- 2) Operational repairs and maintenance should not be less than 8 per cent of the asset value (write down value) of the municipality's Property Plant and Equipment (PPE)

Currently the municipality is not achieving these targets as indicated below:

Table 14 Repairs and maintenance per asset class

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-Infrastructure	2 384	372	1 236	2 300	1 400	1 400	1 043	1 091	1 144
Roads Infrastructure	2 321	103	968	1 300	800	800	-	-	-
Roads	2 321	103	-	-	-	-	-	-	-
Road Structures	0	-	968	1 300	800	800	-	-	-
Electrical Infrastructure	37	161	209	500	200	200	435	455	477
LV Networks	37	161	209	500	200	200	435	455	477
Solid Waste Infrastructure	26	108	59	500	400	400	609	637	667
Landfill Sites	26	108	59	500	400	400	609	637	667
Community Assets	-	193	317	400	900	900	435	455	477
Community Facilities	-	193	317	400	900	900	435	455	477
Centres	-	193	313	400	900	900	435	455	477
Other assets	1 181	281	418	800	800	800	696	728	763
Operational Buildings	1 181	281	418	800	800	800	696	728	763
Municipal Offices	1 181	281	418	800	800	800	696	728	763
Machinery and Equipment	3 150	3 990	3 315	2 900	3 400	3 400	3 739	3 911	4 099
Machinery and Equipment	3 150	3 990	3 315	2 900	3 400	3 400	3 739	3 911	4 099
Total Repairs and Maintenance Expenditure	6 715	4 836	5 286	6 400	6 500	6 500	5 913	6 185	6 482

The expenditure on repairs and maintenance is way low below acceptable levels. It should however be noted that the municipality is currently not allocating items such as employee related cost utilized in repairs and maintenance projects to the repairs and maintenance line items. This is mainly due to a lack of a costing system to provide for such allocations. It is anticipated that the full implementation of mSCOA will correct this deficiency.

1.5.2 Free Basic Services: Basic Social Services Package

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

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

Tariffs for indigent households are set out below:

- Rates free of charge to the value based on the market value of the property to the maximum of R15 000
- 50 kWh free electricity per month
- Free refuse x 3 removals per month

The cost associated with indigent subsidies amounts to R5 million in 2024/25 and increases to R5,5 million and R6, 0 million in the 2 outer years respectively. These figures are disclosed under operating expenditure projects and include items such as Bulk purchases, Contracted services, other materials and other expenditure in table A4 of the budget schedules. This do not include the Property rates rebates provided to indigents. These amounts are disclosed in table A10 of the budget schedules.

1.6 Capital expenditure

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

Table 15 2024/25 Medium-term capital budget per vote

Vote Description R thousand	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure - Vote							
Single-year expenditure to be appropriated							
Vote 1 - Executive and Council	-	-	-	-	130 435	136 435	142 984
Vote 2 - Finance and Administration	1 991 307	13 023 048	13 023 048	13 023 048	1 800 002	1 882 802	1 973 172
Vote 5 - Planning and Development	869 565	4 624 783	4 624 783	4 624 783	1 739 130	1 819 130	1 906 449
Vote 6 - Public Safety	434 783	434 783	434 783	434 783	-	-	-
Vote 7 - Road Transport	72 776 441	72 152 016	72 152 016	72 152 016	88 863 741	87 272 688	59 988 248
Vote 8 - Energy Sources	26 626 187	26 369 531	26 369 531	26 369 531	7 523 479	7 244 688	7 592 430
Vote 14 - Waste Water Management	-	165 217	165 217	165 217	173 913	181 913	190 645
Capital single-year expenditure sub-total	102 698 283	116 769 378	116 769 378	116 769 378	100 230 700	98 537 656	71 793 928
Total Capital Expenditure - Vote	102 698 283	116 769 378	116 769 378	116 769 378	100 230 700	98 537 656	71 793 928
Capital Expenditure - Functional							
Governance and administration	1 991 307	13 023 048	13 023 048	- 1 409 879	1 930 437	2 019 237	2 116 156
Executive and council	-	-	-	-	130 435	136 435	142 984
Finance and administration	1 991 307	13 023 048	13 023 048	- 1 409 879	1 800 002	1 882 802	1 973 172
Community and public safety	434 783	434 783	434 783	158 621	-	-	-
Sport and recreation	-	-	-	- 382 096	-	-	-
Public safety	434 783	434 783	434 783	540 717	-	-	-
Economic and environmental services	73 646 006	76 776 799	76 776 799	38 827 254	76 883 217	51 435 099	51 167 158
Planning and development	869 565	4 624 783	4 624 783	6 902 665	1 739 130	1 819 130	1 906 449
Road transport	72 776 441	72 152 016	72 152 016	31 924 589	88 863 741	87 272 688	59 988 248
Trading services	26 626 187	26 534 748	26 534 748	23 739 530	7 697 392	7 426 601	7 783 075
Energy sources	26 626 187	26 369 531	26 369 531	22 656 412	7 523 479	7 244 688	7 592 430
Waste water management	-	165 217	165 217	644 388	173 913	181 913	190 645
Waste management	-	-	-	438 730	-	-	-
Total Capital Expenditure - Functional	102 698 283	116 769 378	116 769 378	61 315 526	100 230 700	98 537 656	71 793 928
Funded by:							
National Government	86 902 628	102 711 547	102 711 547	53 120 986	95 067 701	93 914 334	66 948 691
Transfers recognised - capital	86 902 628	102 711 547	102 711 547	53 120 986	95 067 701	93 914 334	66 948 691
Internally generated funds	15 795 655	14 057 831	14 057 831	8 194 540	5 162 999	4 623 322	4 845 238
Total Capital Funding	102 698 283	116 769 378	116 769 378	61 315 526	100 230 700	98 537 656	71 793 928

With roads being one of the main economic drivers within the region, an amount of R52 million were budgeted for 2024/25 for road- and bridge projects and R50 million over the MTREF period. A total of R30 million over the MTREF is allocated to electrical

MTREF

infrastructure projects. A significant portion of the MIG funding is allocated to Roads and Bridges within the Intsika Yethu Area. An amount of R88 million has been provided for Roads and Bridges Infrastructure projects for the 2024/25 budget year.

Table 16 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
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	63 284	(10 891)	15 470	72 920	93 723	93 723	36 809	13 876	11 806
Roads Infrastructure		40 361	17	198	42 998	53 296	53 296	25 442	2 611	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		0	(2 607)	6 097	26 626	26 370	26 370	7 523	7 245	7 592
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		247	-	-	-	165	165	174	182	191
Infrastructure		40 608	(2 590)	6 294	69 624	79 830	79 830	33 139	10 038	7 783
Community Facilities		22 307	(14 866)	4 427	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		22 307	(14 866)	4 427	-	-	-	-	-	-
Licences and Rights		-	-	-	435	435	435	-	-	-
Intangible Assets		-	-	-	435	435	435	-	-	-
Computer Equipment		210	1 152	1 433	470	8 135	8 135	417	437	458
Furniture and Office Equipment		29	132	658	652	1 329	1 329	643	673	705
Machinery and Equipment		131	5 282	2 658	870	435	435	1 739	1 819	1 906
Transport Assets		-	-	-	870	3 560	3 560	870	910	953
Total Renewal of Existing Assets	2	(11 733)	14 883	487	-	-	-	-	-	-
Roads Infrastructure		(12 278)	12 278	-	-	-	-	-	-	-
Electrical Infrastructure		544	2 605	487	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		(11 733)	14 883	487	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	404	33 059	(7 729)	29 778	23 046	23 046	49 702	47 004	49 261
Roads Infrastructure		3 772	37 061	(3 727)	29 778	23 046	23 046	49 702	47 004	49 261
Solid Waste Infrastructure		790	-	-	-	-	-	-	-	-
Infrastructure		4 562	37 061	(3 727)	29 778	23 046	23 046	49 702	47 004	49 261
Community Facilities		247	404	404	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		247	404	404	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		(4 405)	(4 405)	(4 405)	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		(4 405)	(4 405)	(4 405)	-	-	-	-	-	-
Total Capital Expenditure	4	51 955	37 051	8 228	102 698	116 769	116 769	86 511	60 881	61 066
Roads Infrastructure		31 855	49 355	(3 529)	72 776	76 342	76 342	75 144	49 616	49 261
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		544	(2)	6 584	26 626	26 370	26 370	7 523	7 245	7 592
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		247	-	-	-	165	165	174	182	191
Infrastructure		33 436	49 353	3 055	99 403	102 877	102 877	82 841	57 043	57 044
Community Facilities		22 554	(14 462)	4 830	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		22 554	(14 462)	4 830	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		(4 405)	(4 405)	(4 405)	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		(4 405)	(4 405)	(4 405)	-	-	-	-	-	-
Licences and Rights		-	-	-	435	435	435	-	-	-
Intangible Assets		-	-	-	435	435	435	-	-	-
Computer Equipment		210	1 152	1 433	470	8 135	8 135	417	437	458
Furniture and Office Equipment		29	132	658	652	1 329	1 329	643	673	705

MTREF

Machinery and Equipment		131	5 282	2 658	870	435	435	1 739	1 819	1 906
Transport Assets		-	-	-	870	3 560	3 560	870	910	953
TOTAL CAPITAL EXPENDITURE - Asset class		51 955	37 051	8 228	102 698	116 769	116 769	86 511	60 881	61 066
ASSET REGISTER SUMMARY - PPE (WDV)	5	587 708	537 121	547 927	627 025	652 339	652 339	654 487	627 157	626 087
<i>Roads Infrastructure</i>		316 795	310 128	339 828	351 798	366 607	366 607	430 222	404 094	403 111
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		13 106	7 352	(1 388)	26 626	26 370	26 370	7 523	7 245	7 592
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		247	(149)	(149)	-	165	165	174	182	191
<i>Solid Waste Infrastructure</i>		2 155	1 365	1 365	(1 838)	(1 838)	(1 838)	(435)	(455)	(476)
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		332 303	318 696	339 657	376 587	391 304	391 304	437 484	411 065	410 418
Community Assets		73 124	55 240	67 108	74 107	74 107	74 107	66 683	66 683	66 683
Investment properties		106 144	82 042	81 410	97 745	97 745	97 745	96 398	96 278	96 152
Other Assets		49 382	48 185	26 689	46 617	46 617	46 617	(2 174)	(2 274)	(2 379)
Intangible Assets		-	-	-	435	8 035	8 035	-	-	-
Computer Equipment		2 589	3 062	2 875	2 535	3 307	3 307	1 780	1 729	1 679
Furniture and Office Equipment		1 144	1 046	434	1 088	1 058	1 058	47	6	(37)
Machinery and Equipment		288	6 498	10 171	7 612	7 177	7 177	9 301	8 761	8 723
Transport Assets		22 734	22 352	19 583	20 299	22 989	22 989	18 279	18 219	18 158
Land		-	-	-	-	-	-	26 689	26 689	26 689
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	587 708	537 121	547 927	627 025	652 339	652 339	654 487	627 157	626 087
EXPENDITURE OTHER ITEMS		39 610	37 322	36 447	36 400	35 257	35 257	32 000	33 472	35 024
Depreciation	7	32 895	32 486	31 161	30 000	28 757	28 757	26 087	27 287	28 542
Repairs and Maintenance by Asset Class	3	6 715	4 836	5 286	6 400	6 500	6 500	5 913	6 185	6 482
<i>Roads Infrastructure</i>		2 321	103	968	1 300	800	800	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		37	161	209	500	200	200	435	455	477
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		26	108	59	500	400	400	609	637	667
Infrastructure		2 384	372	1 236	2 300	1 400	1 400	1 043	1 091	1 144
Community Facilities		-	193	317	400	900	900	435	455	477
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	193	317	400	900	900	435	455	477
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1 181	281	418	800	800	800	696	728	763
Housing		-	-	-	-	-	-	-	-	-
Other Assets		1 181	281	418	800	800	800	696	728	763
Machinery and Equipment		3 150	3 990	3 315	2 900	3 400	3 400	3 739	3 911	4 099
TOTAL EXPENDITURE OTHER ITEMS		39 610	37 322	36 447	36 400	35 257	35 257	32 000	33 472	35 024

MTREF

1.7 Annual Budget Tables

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

Table 17 MBRR Table A1 - Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousands										
Financial Performance										
Property rates	10 524	10 946	13 596	13 263	13 263	13 263	12 148	16 762	17 635	18 587
Service charges	1 259	1 316	1 380	2 514	2 214	2 214	969	1 429	1 513	1 804
Investment revenue	1 874	2 229	5 336	4 222	5 022	5 022	4 133	5 000	5 230	5 481
Transfer and subsidies - Operational	204 393	182 327	196 905	206 096	205 539	205 539	209 293	216 565	212 562	204 964
Other own revenue	8 205	9 831	10 850	26 196	29 574	29 574	7 754	32 361	30 184	27 486
Total Revenue (excluding capital transfers and contributions)	226 256	206 649	228 067	252 290	255 611	255 611	234 298	272 117	267 123	258 322
Employee costs	130 630	132 590	136 624	140 416	140 416	140 416	94 488	147 296	154 072	161 159
Remuneration of councillors	17 354	17 515	17 821	20 330	20 330	20 330	13 038	21 326	22 307	23 333
Depreciation and amortisation	32 895	51 146	31 161	45 000	33 757	33 757	-	30 087	31 287	32 542
Interest	-	235	7	-	5	5	4	4	5	5
Inventory consumed and bulk purchases	1 339	2 443	2 803	1 920	2 620	2 620	742	4 500	4 779	4 999
Transfers and subsidies	5 931	2 648	4 163	4 700	4 700	4 700	2 308	4 348	4 548	4 766
Other expenditure	61 800	61 665	88 639	69 412	77 046	77 046	51 880	66 069	68 946	72 086
Total Expenditure	249 950	268 243	281 217	281 777	278 873	278 873	162 459	273 630	285 943	298 890
Surplus/(Deficit)	(23 694)	(61 594)	(53 151)	(29 487)	(23 262)	(23 262)	71 839	(1 513)	(18 820)	(40 568)
Transfers and subsidies - capital (monetary allocations)	71 738	39 739	60 040	78 616	110 455	110 455	29 485	95 068	89 414	64 627
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	48 044	(21 854)	6 889	49 128	87 193	87 193	101 324	93 555	70 595	24 060
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	48 044	(21 854)	6 889	49 128	87 193	87 193	101 324	93 555	70 595	24 060
Capital expenditure & funds sources										
Capital expenditure	9 318	(14 903)	(28 823)	102 698	116 769	116 769	61 316	86 511	60 881	61 066
Transfers recognised - capital	11 030	(21 391)	(25 070)	86 903	102 712	102 712	53 121	82 668	56 861	56 853
Internally generated funds	(1 713)	6 487	(3 753)	15 796	14 058	14 058	8 195	3 843	4 020	4 213
Total sources of capital funds	9 318	(14 903)	(28 823)	102 698	116 769	116 769	61 316	86 511	60 881	61 066
Financial position										
Total current assets	90 920	134 428	164 877	172 503	192 675	192 675	293 385	171 080	175 450	130 284
Total non current assets	664 182	607 718	579 967	627 025	652 339	652 339	633 054	686 527	659 196	658 127
Total current liabilities	34 526	55 019	59 821	59 700	67 121	67 121	140 092	40 975	40 974	41 274
Total non current liabilities	8 223	9 219	11 029	13 041	13 041	13 041	11 029	18 032	18 032	18 032
Community wealth/Equity	696 411	660 890	639 538	710 952	749 017	749 017	740 862	808 792	785 832	739 297
Cash flows										
Net cash from (used) operating	(7 352)	2 160	6 294	(32 379)	(13 292)	(13 292)	82 039	116 068	101 892	56 204
Net cash from (used) investing	-	-	-	119 426	126 016	126 016	-	(107 128)	(76 647)	(76 795)
Net cash from (used) financing	-	-	-	-	-	-	-	34	-	-
Cash/cash equivalents at the year end	(7 352)	2 160	6 294	87 046	112 723	112 723	82 039	69 969	95 213	74 622
Cash backing/surplus reconciliation										
Cash and investments available	62 218	61 083	61 022	29 965	49 052	49 052	167 756	69 985	86 290	40 454
Application of cash and investments	32 815	41 450	34 530	(32 162)	(27 529)	(27 529)	100 425	(53 134)	(65 026)	(60 285)
Balance - surplus (shortfall)	29 402	19 633	26 492	62 127	76 581	76 581	67 331	123 119	151 316	100 739
Asset management										
Asset register summary (WDV)	587 708	537 121	547 927	627 025	652 339	652 339	654 487	654 487	627 157	626 087
Depreciation	32 895	32 486	31 161	30 000	28 757	28 757	26 087	26 087	27 287	28 542
Renewal and Upgrading of Existing Assets	(11 330)	47 942	(7 242)	29 778	23 046	23 046	49 702	47 004	47 004	49 261
Repairs and Maintenance	6 715	4 836	5 286	6 400	6 500	6 500	5 913	5 913	6 185	6 482

Explanatory notes to MBRR Table A1 - Budget Summary

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

Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard 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
Revenue - Functional	1									
Governance and administration		295 202	240 414	282 262	321 295	319 923	319 923	329 436	319 612	315 511
Executive and council		-	-	-	14 000	14 000	14 000	-	-	-
Finance and administration		295 202	240 414	282 262	307 295	305 923	305 923	329 436	319 612	315 511
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		238	815	1 029	1 526	1 508	1 508	1 000	1 055	1 115
Community and social services		149	773	1 008	526	508	508	500	532	567
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		35	42	21	1 000	1 000	1 000	500	523	548
Housing		-	-	-	-	-	-	-	-	-
Health		54	-	-	-	-	-	-	-	-
Economic and environmental services		1 195	3 843	3 436	3 822	40 373	40 373	33 056	34 000	4 154
Planning and development		1 195	1 146	687	1 274	37 716	37 716	29 898	30 697	692
Road transport		-	2 697	2 749	2 548	2 657	2 657	3 158	3 304	3 462
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1 360	1 316	1 380	4 263	4 263	4 263	3 693	1 870	2 169
Energy sources		100	-	-	-	-	-	-	-	-

MTREF

Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 259	1 316	1 380	4 263	4 263	4 263	3 693	1 870	2 169
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	297 994	246 388	288 107	330 906	366 067	366 067	367 185	356 537	322 950
Expenditure - Functional	-									
Governance and administration		158 391	164 138	151 784	176 247	172 132	172 132	160 932	167 911	175 299
Executive and council		42 916	42 275	46 962	32 253	33 003	33 003	32 648	34 150	35 738
Finance and administration		115 475	121 863	104 822	143 254	138 389	138 389	127 507	132 949	138 711
Internal audit		-	-	-	740	740	740	777	812	850
Community and public safety		37 079	40 834	44 225	21 801	21 972	21 972	24 177	25 288	26 457
Community and social services		35 818	40 683	44 110	8 348	8 518	8 518	9 511	9 948	10 411
Sport and recreation		913	-	-	50	35	35	43	45	48
Public safety		38	52	46	13 268	13 298	13 298	14 444	15 108	15 803
Housing		-	-	-	-	-	-	-	-	-
Health		310	99	69	135	121	121	178	186	195
Economic and environmental services		49 258	52 025	75 231	63 680	65 170	65 170	70 409	73 798	77 308
Planning and development		12 769	11 976	13 404	22 137	22 597	22 597	20 270	21 142	22 067
Road transport		36 489	40 050	61 827	41 543	42 573	42 573	50 139	52 656	55 240
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		4 944	7 447	7 357	19 599	19 299	19 299	17 678	18 491	19 350
Energy sources		37	161	209	500	200	200	435	455	477
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 908	7 286	7 147	19 099	19 099	19 099	17 243	18 036	18 873
Other	4	277	3 871	2 620	450	300	300	435	455	477
Total Expenditure - Functional	3	249 950	268 314	281 217	281 777	278 873	278 873	273 630	285 943	298 890
Surplus/(Deficit) for the year		48 044	(21 926)	6 889	49 128	87 193	87 193	93 555	70 595	24 060

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

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

Table 19 MBRR 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
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	-	14 000	14 000	14 000	-	-	-
Vote 2 - Finance and Administration		295 202	240 414	282 262	307 295	305 923	305 923	329 436	319 612	315 511
Vote 3 - Community and Social Services		149	773	1 008	526	508	508	500	532	567
Vote 4 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Development		1 195	1 146	687	1 274	37 716	37 716	29 898	30 697	692
Vote 6 - Public Safety		35	42	21	1 000	1 000	1 000	500	523	548
Vote 7 - Road Transport		-	2 697	2 749	2 548	2 657	2 657	3 158	3 304	3 462
Vote 8 - Energy Sources		100	-	-	-	-	-	-	-	-
Vote 9 - Waste Management		1 259	1 316	1 380	4 263	4 263	4 263	3 693	1 870	2 169
Total Revenue by Vote	2	297 994	246 388	288 107	330 906	366 067	366 067	367 185	356 537	322 950
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		43 094	42 468	46 962	32 253	33 003	33 003	34 388	35 969	37 645
Vote 2 - Finance and Administration		115 298	121 670	104 822	143 254	138 389	138 389	125 768	131 130	136 804
Vote 3 - Community and Social Services		35 818	40 683	44 110	8 348	8 518	8 518	9 511	9 948	10 411
Vote 4 - Internal Audit		-	-	-	740	740	740	777	812	850
Vote 5 - Planning and Development		12 769	11 976	13 404	22 137	22 597	22 597	20 270	21 142	22 067
Vote 6 - Public Safety		38	52	46	13 268	13 298	13 298	14 444	15 108	15 803
Vote 7 - Road Transport		36 489	40 050	61 827	41 543	42 573	42 573	50 139	52 656	55 240
Vote 8 - Energy Sources		37	161	209	500	200	200	435	455	477
Vote 9 - Waste Management		4 908	7 286	7 147	19 099	19 099	19 099	17 243	18 036	18 873
Vote 10 - Sport and Recreation		913	-	-	50	35	35	43	45	48
Vote 11 - Housing		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		310	99	69	135	121	121	178	186	195
Vote 15 - Other		277	3 871	2 620	450	300	300	435	455	477
Total Expenditure by Vote	2	249 950	268 314	281 217	281 777	278 873	278 873	273 630	285 943	298 890
Surplus/(Deficit) for the year	2	48 044	(21 926)	6 889	49 128	87 193	87 193	93 555	70 595	24 060

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

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

MTREF**Table 20 MBRR 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	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Waste Management	2	1 259	1 316	1 380	2 514	2 214	2 214	969	1 429	1 513	1 804
Sale of Goods and Rendering of Services		182	389	648	1 903	1 323	1 323	172	15	61	112
Agency services		1 040	1 034	890	1 204	1 204	1 204	445	1 200	1 255	1 315
Interest earned from Receivables		880	1 087	1 297	1 035	1 435	1 435	1	1 500	1 569	1 644
Interest earned from Current and Non Current Assets		1 874	2 229	5 336	4 222	5 022	5 022	4 133	5 000	5 230	5 481
Rental from Fixed Assets		1 023	1 305	1 335	931	931	931	849	602	627	655
Licence and permits		2 762	1 839	1 793	3 200	3 200	3 200	1 784	2 500	2 615	2 735
Operational Revenue		-	855	478	14 500	17 500	17 500	157	19 300	20 013	16 791
Non-Exchange Revenue											
Property rates	2	10 524	10 946	13 596	13 263	13 263	13 263	12 148	16 762	17 635	18 587
Fines, penalties and forfeits		173	189	541	1 120	820	820	87	570	596	625
Licences or permits		132	50	174	173	231	231	140	300	309	319
Transfer and subsidies - Operational		204 393	182 327	196 905	206 096	205 539	205 539	209 293	216 565	212 562	204 964
Interest		2 013	2 296	3 693	2 130	2 930	2 930	4 119	3 000	3 138	3 289
Gains on disposal of Assets		-	786	-	-	-	-	-	3 375	-	-
Total Revenue (excluding capital transfers and contributions)		226 256	206 649	228 067	252 290	255 611	255 611	234 298	272 117	267 123	258 322
Expenditure											
Employee related costs	2	130 630	132 590	136 624	140 416	140 416	140 416	94 488	147 296	154 072	161 159
Remuneration of councillors		17 354	17 515	17 821	20 330	20 330	20 330	13 038	21 326	22 307	23 333
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	1 339	2 443	2 803	1 920	2 620	2 620	742	4 500	4 779	4 999
Debt impairment	3	7 379	9 661	10 588	5 051	5 051	5 051	-	5 000	5 000	5 000
Depreciation and amortisation		32 895	51 146	31 161	45 000	33 757	33 757	-	30 087	31 287	32 542
Interest		-	235	7	-	5	5	4	4	5	5
Contracted services		15 817	16 114	20 225	27 388	31 584	31 584	18 640	27 834	29 046	30 368
Transfers and subsidies		5 931	2 648	4 163	4 700	4 700	4 700	2 308	4 348	4 548	4 766
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		29 547	32 766	43 190	36 972	40 410	40 410	33 241	33 235	34 900	36 718
Losses on disposal of Assets		9 056	3 052	14 636	-	-	-	-	-	-	-
Other Losses		-	72	-	-	-	-	-	-	-	-
Total Expenditure		249 950	268 243	281 217	281 777	278 873	278 873	162 459	273 630	285 943	298 890
Surplus/(Deficit)		(23 694)	(61 594)	(53 151)	(29 487)	(23 262)	(23 262)	71 839	(1 513)	(18 820)	(40 568)
Transfers and subsidies - capital (monetary allocations)	6	71 738	39 739	60 040	78 616	110 455	110 455	29 485	95 068	89 414	64 627
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	48 044	(21 854)	6 889	49 128	87 193	87 193	101 324	93 555	70 595	24 060

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

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

Table 21 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description R thousand	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure - Vote							
Single-year expenditure to be appropriated							
Vote 1 - Executive and Council	-	-	-	-	130 435	136 435	142 984
Vote 2 - Finance and Administration	1 991 307	13 023 048	13 023 048	13 023 048	1 800 002	1 882 802	1 973 172
Vote 5 - Planning and Development	869 565	4 624 783	4 624 783	4 624 783	1 739 130	1 819 130	1 906 449
Vote 6 - Public Safety	434 783	434 783	434 783	434 783	-	-	-
Vote 7 - Road Transport	72 776 441	72 152 016	72 152 016	72 152 016	88 863 741	87 272 688	59 988 248
Vote 8 - Energy Sources	26 626 187	26 369 531	26 369 531	26 369 531	7 523 479	7 244 688	7 592 430
Vote 14 - Waste Water Management	-	165 217	165 217	165 217	173 913	181 913	190 645
Capital single-year expenditure sub-total	102 698 283	116 769 378	116 769 378	116 769 378	100 230 700	98 537 656	71 793 928
Total Capital Expenditure - Vote	102 698 283	116 769 378	116 769 378	116 769 378	100 230 700	98 537 656	71 793 928
Capital Expenditure - Functional							
Governance and administration	1 991 307	13 023 048	13 023 048	- 1 409 879	1 930 437	2 019 237	2 116 156
Executive and council	-	-	-	-	130 435	136 435	142 984
Finance and administration	1 991 307	13 023 048	13 023 048	- 1 409 879	1 800 002	1 882 802	1 973 172
Community and public safety	434 783	434 783	434 783	158 621	-	-	-
Sport and recreation	-	-	-	- 382 096	-	-	-
Public safety	434 783	434 783	434 783	540 717	-	-	-
Economic and environmental services	73 646 006	76 776 799	76 776 799	38 827 254	76 883 217	51 435 099	51 167 158
Planning and development	869 565	4 624 783	4 624 783	6 902 665	1 739 130	1 819 130	1 906 449
Road transport	72 776 441	72 152 016	72 152 016	31 924 589	88 863 741	87 272 688	59 988 248
Trading services	26 626 187	26 534 748	26 534 748	23 739 530	7 697 392	7 426 601	7 783 075
Energy sources	26 626 187	26 369 531	26 369 531	22 656 412	7 523 479	7 244 688	7 592 430
Waste water management	-	165 217	165 217	644 388	173 913	181 913	190 645
Waste management	-	-	-	438 730	-	-	-
Total Capital Expenditure - Functional	102 698 283	116 769 378	116 769 378	61 315 526	100 230 700	98 537 656	71 793 928
Funded by:							
National Government	86 902 628	102 711 547	102 711 547	53 120 986	95 067 701	93 914 334	66 948 691
Transfers recognised - capital	86 902 628	102 711 547	102 711 547	53 120 986	95 067 701	93 914 334	66 948 691
Internally generated funds	15 795 655	14 057 831	14 057 831	8 194 540	5 162 999	4 623 322	4 845 238
Total Capital Funding	102 698 283	116 769 378	116 769 378	61 315 526	100 230 700	98 537 656	71 793 928

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

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but

no commitments will be incurred against single-year appropriations for the two outer-years.

- The capital program is funded from National, Provincial and Other grants and transfers and internally generated funds from current and prior year surpluses.

Table 22 MBRR 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	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
ASSETS											
Current assets											
Cash and cash equivalents		62 218	61 083	61 022	29 965	49 052	49 052	167 756	69 985	86 290	40 454
Trade and other receivables from exchange transactions	1	9 490	9 889	27 731	8 537	8 634	8 634	28 815	15 596	14 942	15 007
Receivables from non-exchange transactions	1	6 597	4 523	4 961	56 219	57 019	57 019	14 398	6 609	2 954	3 105
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	14 792	53 211	53 138	53 420	52 720	52 720	53 138	48 667	48 388	48 168
VAT		(2 539)	5 223	17 561	24 300	25 153	25 153	28 813	30 177	22 829	23 503
Other current assets		363	500	464	63	96	96	464	47	47	47
Total current assets		90 920	134 428	164 877	172 503	192 675	192 675	293 385	171 080	175 450	130 284
Non current assets											
Investment property		106 144	82 042	81 410	97 745	97 745	97 745	81 410	96 398	96 278	96 152
Property, plant and equipment	3	558 038	525 676	498 557	528 845	546 559	546 559	550 791	590 129	562 919	561 974
Intangible assets		-	-	-	435	8 035	8 035	853	-	-	-
Total non current assets		664 182	607 718	579 967	627 025	652 339	652 339	633 054	686 527	659 196	658 127
TOTAL ASSETS		755 102	742 147	744 844	799 528	845 014	845 014	926 439	857 607	834 646	788 411
LIABILITIES											
Current liabilities											
Consumer deposits	-	3 307	3 701	3 734	3 701	3 701	3 701	4 968	3 734	3 734	3 734
Trade and other payables from exchange transactions	4	28 536	30 732	30 553	24 509	32 009	32 009	30 350	29 936	29 935	29 933
Trade and other payables from non-exchange transactions	5	4 279	10 718	4 227	10 744	10 744	10 744	72 692	4 227	4 227	4 227
Provision		2 629	2 365	2 345	15 281	15 281	15 281	2 345	2 376	2 377	2 379
VAT		(4 225)	7 504	18 962	3 184	3 105	3 105	29 737	701	701	1 000
Other current liabilities		-	-	-	2 281	2 281	2 281	-	-	-	-
Total current liabilities		34 526	55 019	59 821	59 700	67 121	67 121	140 092	40 975	40 974	41 274
Non current liabilities											
Financial liabilities	6	-	-	-	2 281	2 281	2 281	-	-	-	-
Provision	7	890	1 492	2 628	2 941	2 941	2 941	2 628	2 628	2 628	2 628
Other non-current liabilities		7 333	7 727	8 401	7 819	7 819	7 819	8 401	15 404	15 404	15 404
Total non current liabilities		8 223	9 219	11 029	13 041	13 041	13 041	11 029	18 032	18 032	18 032
TOTAL LIABILITIES		42 749	64 238	70 850	72 740	80 161	80 161	151 121	59 007	59 006	59 306
NET ASSETS		712 352	677 908	673 994	726 788	764 853	764 853	775 318	798 600	775 640	729 105
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	696 411	660 890	639 538	710 952	749 017	749 017	740 862	808 792	785 832	739 297
TOTAL COMMUNITY WEALTH/EQUITY	10	696 411	660 890	639 538	710 952	749 017	749 017	740 862	808 792	785 832	739 297

Explanatory notes to Table A6 - Budgeted Financial Position

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

Table 23 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	-	-	-	10 611	10 611	10 611	-	15 178	19 845	20 798
Service charges	-	-	-	2 313	2 313	2 313	-	1 067	1 870	2 169
Other revenue	(0)	(0)	213	24 488	26 872	26 872	1 857	9 699	9 956	6 232
Transfers and Subsidies - Operational	78	8 972	2 966	206 096	205 224	205 224	47 819	231 630	228 320	221 478
Transfers and Subsidies - Capital	-	-	-	78 616	110 455	110 455	-	95 973	90 361	65 619
Interest	-	-	10 000	4 222	5 022	5 022	10 000	5 000	5 230	5 481
Payments										
Suppliers and employees	(7 430)	(6 813)	(6 885)	(354 024)	(369 084)	(369 084)	22 364	(238 126)	(249 137)	(260 803)
Interest	-	-	-	-	(5)	(5)	-	(4)	(5)	(5)
Transfers and Subsidies	-	-	-	(4 700)	(4 700)	(4 700)	-	(4 348)	(4 548)	(4 766)
NET CASH FROM/(USED) OPERATING ACTIVITIES	(7 352)	2 160	6 294	(32 379)	(13 292)	(13 292)	82 039	116 068	101 892	56 204
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	-	-	-	1 323	1 323	1 323	-	1 125	(1 750)	(1 450)
Payments										
Capital assets	-	-	-	118 103	124 693	124 693	-	(108 253)	(74 897)	(75 345)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	-	-	119 426	126 016	126 016	-	(107 128)	(76 647)	(76 795)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Increase (decrease) in consumer deposits								34	-	-
Payments										
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	34	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	(7 352)	2 160	6 294	87 046	112 723	112 723	82 039	8 973	25 245	(20 591)
Cash/cash equivalents at the year begin:	-	-	-	-	-	-	-	60 995	69 969	95 213
Cash/cash equivalents at the year end:	(7 352)	2 160	6 294	87 046	112 723	112 723	82 039	69 969	95 213	74 622

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

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

Table 24 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash and investments available										
Cash/cash equivalents at the year end	(7 352)	2 160	6 294	87 046	112 723	112 723	82 039	69 969	95 213	74 622
Other current investments > 90 days	69 570	58 923	54 728	(57 081)	(63 671)	(63 671)	85 716	16	(8 923)	(34 168)
Non current Investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	62 218	61 083	61 022	29 965	49 052	49 052	167 756	69 985	86 290	40 454
Application of cash and investments										
Unspent conditional transfers	4 279	10 718	4 227	10 744	10 744	10 744	72 692	4 227	4 227	4 227
Unspent borrowing										
Statutory requirements										
Other working capital requirements	28 536	30 732	30 303	(42 907)	(38 273)	(38 273)	27 732	(57 361)	(69 253)	(64 512)
Other provisions										
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	32 815	41 450	34 530	(32 162)	(27 529)	(27 529)	100 425	(53 134)	(65 026)	(60 285)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	29 402	19 633	26 492	62 127	76 581	76 581	67 331	123 119	151 316	100 739

Description	MFMA section	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(7 352)	2 160	6 294	87 046	112 723	112 723	82 039	69 969	95 213	74 622
Cash + investments at the yr end less applications - R'000	18(1)b	2	29 402	19 633	26 492	62 127	76 581	76 581	67 331	123 119	151 316	100 739
Cash year end/monthly employee/supplier payments	18(1)b	3	(0,5)	0,1	0,4	4,9	6,2	6,2	6,9	3,8	4,9	3,7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	48 044	(21 854)	6 889	49 128	87 193	87 193	101 324	93 555	70 595	24 060
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(1,9%)	16,1%	(0,7%)	(7,9%)	(6,0%)	(21,2%)	11,5%	(0,7%)	0,5%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	(0,0%)	(0,0%)	0,2%	33,6%	35,0%	35,0%	1,8%	57,6%	67,2%	64,1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7		78,8%	70,7%	32,0%	32,6%	32,6%	0,0%	27,5%	26,1%	24,5%
Capital payments % of capital expenditure	18(1)c;19	8	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(10,4%)	126,8%	98,1%	1,4%	0,0%	(34,2%)	(48,6%)	(19,4%)	1,2%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1,1%	0,9%	1,0%	1,0%	1,0%	1,0%	0,9%	1,0%	1,0%	0,0%
Asset renewal % of capital budget	20(1)(vi)	14	(125,9%)	(99,9%)	(1,7%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a			4,1%	22,1%	5,3%	(1,9%)	0,0%	(15,2%)	17,5%	5,3%	6,5%
% incr Property Tax	18(1)a			4,0%	24,2%	(2,5%)	0,0%	0,0%	(8,4%)	26,4%	5,2%	5,4%
% incr Service charges - Electricity	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - Water	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - Waste Water Management	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - Waste Management	18(1)a			4,5%	4,8%	82,2%	(11,9%)	0,0%	(56,2%)	(35,5%)	5,9%	19,3%

Intsika Yethu Municipality

2024/25 Draft Annual Budget and

MTREF

% incr in Sale of Goods and Rendering of Services	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total billable revenue	18(1)a	11 783	12 262	14 976	15 777	15 477	15 477	13 117	18 191	19 147	20 391	
Service charges		11 783	12 262	14 976	15 777	15 477	15 477	13 117	18 191	19 147	20 391	
Property rates		10 524	10 946	13 596	13 263	13 263	13 263	12 148	16 762	17 635	18 587	
Service charges - refuse removal		1 259	1 316	1 380	2 514	2 214	2 214	969	1 429	1 513	1 804	
Agency services		1 040	1 034	890	1 204	1 204	1 204	445	1 200	1 255	1 315	
Capital expenditure excluding capital grant funding		(1 713)	6 487	(3 753)	15 796	14 058	14 058	8 195	3 843	4 020	4 213	
Cash receipts from ratepayers	18(1)a	(0)	(0)	213	37 412	39 795	39 795	1 857	25 944	31 671	29 199	
Ratepayer & Other revenue	18(1)a	85 671	91 455	118 952	111 319	113 789	113 789	105 647	45 076	47 135	45 578	
Change in consumer debtors (current and non-current)		N/A	(1 675)	18 280	32 064	897	-	(22 440)	009	(4 308)	216	
Operating and Capital Grant Revenue	18(1)a	276 132	222 066	256 944	284 712	315 995	315 995	238 779	311 633	301 976	269 592	
Capital expenditure - total	20(1)(vi)	9 318	(14 903)	(28 823)	102 698	116 769	116 769	61 316	86 511	60 881	61 066	
Capital expenditure - renewal	20(1)(vi)	(11 733)	14 883	487	-	-	-	-	-	-	-	
Supporting benchmarks												
Growth guideline maximum		6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
CPI guideline		4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%	
Total Operating Revenue		226 256	206 649	228 067	252 290	255 611	255 611	234 298	272 117	267 123	258 322	
Total Operating Expenditure		249 950	268 243	281 217	281 777	278 873	278 873	162 459	273 630	285 943	298 890	
Operating Performance Surplus/(Deficit)		(23 694)	(61 594)	(53 151)	(29 487)	(23 262)	(23 262)	71 839	(1 513)	820	(568)	
Cash and Cash Equivalents (30 June 2012)									69 969			
Revenue												
% Increase in Total Operating Revenue			(8,7%)	10,4%	10,6%	1,3%	0,0%	(8,3%)	6,5%	(1,8%)	(3,3%)	
% Increase in Property Rates Revenue			4,0%	24,2%	(2,5%)	0,0%	0,0%	(8,4%)	38,0%	5,2%	5,4%	
% Increase in Electricity Revenue			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
% Increase in Property Rates & Services Charges			4,1%	22,1%	5,3%	(1,9%)	0,0%	(15,2%)	17,5%	5,3%	6,5%	
Expenditure												
% Increase in Total Operating Expenditure			7,3%	4,8%	0,2%	(1,0%)	0,0%	(41,7%)	(1,9%)	4,5%	4,5%	
% Increase in Employee Costs			1,5%	3,0%	2,8%	0,0%	0,0%	(32,7%)	4,9%	4,6%	4,6%	
% Increase in Electricity Bulk Purchases			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
R&M % of PPE		1,1%	0,9%	1,0%	1,0%	1,0%	1,0%	1,0%	0,9%	1,0%	1,0%	
Asset Renewal and R&M as a % of PPE		(0,8%)	9,8%	(0,4%)	5,8%	4,6%	4,6%	8,5%	8,5%	8,9%	8,9%	
Debt Impairment % of Total Billable Revenue		0,0%	78,8%	70,7%	32,0%	32,6%	32,6%	0,0%	27,5%	26,1%	24,5%	
Capital Revenue												
Internally Funded & Other (R'000)		(1 713)	6 487	(3 753)	15 796	14 058	14 058	8 195	3 843	4 020	4 213	
Grant Funding and Other (R'000)		11 030	(21 391)	(25 070)	86 903	102 712	102 712	53 121	82 668	56 861	56 853	
Internally Generated funds % of Non Grant		100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	
Borrowing % of Non Grant Funding		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Grant Funding % of Total Funding		118,4%	143,5%	87,0%	84,6%	88,0%	88,0%	86,6%	95,6%	93,4%	93,1%	
Capital Expenditure												
Total Capital Programme (R'000)		9 318	(14 903)	(28 823)	102 698	116 769	116 769	61 316	86 511	60 881	61 066	
Asset Renewal		(11 330)	47 942	(7 242)	29 778	23 046	23 046	49 702	47 004	47 004	49 261	
Asset Renewal % of Total Capital Expenditure		(121,6%)	(321,7%)	25,1%	29,0%	19,7%	19,7%	81,1%	54,3%	77,2%	80,7%	
Cash												
Cash Receipts % of Rate Payer & Other		(0,0%)	(0,0%)	0,2%	33,6%	35,0%	35,0%	1,8%	57,6%	67,2%	64,1%	
Borrowing												
Capital Charges to Operating		0,0%	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Borrowing Receipts % of Capital Expenditure		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Reserves												
Uncommitted reserves after application of cash and investments		29 402	19 633	26 492	62 127	76 581	76 581	67 331	123 119	151 316	100 739	
Free Services												
Free Basic Services as a % of Equitable Share		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	

Free Services as a % of Operating Revenue (excl operational transfers)		0,0%	0,0%	0,0%	0,0%	(0,6%)	(0,6%)		(4,6%)	(4,7%)	(4,8%)
High Level Outcome of Funding Compliance											
Total Operating Revenue		226 256	206 649	228 067	252 290	255 611	255 611	234 298	272 117	267 123	258 322
Total Operating Expenditure		249 950	268 243	281 217	281 777	278 873	278 873	162 459	273 630	285 943	298 890
Surplus/(Deficit) Budgeted Operating Statement		(23 694)	(61 594)	(53 151)	(29 487)	(23 262)	(23 262)	71 839	(1 513)	(18 820)	(40 568)
Surplus/(Deficit) Considering Reserves and Cash Backing		29 402	19 633	26 492	62 127	76 581	76 581	67 331	123 119	151 316	100 739
MTREF Funded (1) / Unfunded (0)	15	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality’s budget must be “funded”. The municipality’s budget is cash-funded and thus in compliance with the requirements of the MFMA.
4. As part of the budgeting and planning guidelines that informed the compilation of the 2024/25 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

MTREF

Table 25 MBRR 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
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	63 284	(10 891)	15 470	72 920	93 723	93 723	36 809	13 876	11 806
<i>Roads Infrastructure</i>		40 361	17	198	42 998	53 296	53 296	25 442	2 611	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		0	(2 607)	6 097	26 626	26 370	26 370	7 523	7 245	7 592
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		247	-	-	-	165	165	174	182	191
Infrastructure		40 608	(2 590)	6 294	69 624	79 830	79 830	33 139	10 038	7 783
Community Facilities		22 307	(14 866)	4 427	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		22 307	(14 866)	4 427	-	-	-	-	-	-
Licences and Rights		-	-	-	435	435	435	-	-	-
Intangible Assets		-	-	-	435	435	435	-	-	-
Computer Equipment		210	1 152	1 433	470	8 135	8 135	417	437	458
Furniture and Office Equipment		29	132	658	652	1 329	1 329	643	673	705
Machinery and Equipment		131	5 282	2 658	870	435	435	1 739	1 819	1 906
Transport Assets		-	-	-	870	3 560	3 560	870	910	953
Total Renewal of Existing Assets	2	(11 733)	14 883	487	-	-	-	-	-	-
<i>Roads Infrastructure</i>		(12 278)	12 278	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		544	2 605	487	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		(11 733)	14 883	487	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	404	33 059	(7 729)	29 778	23 046	23 046	49 702	47 004	49 261
<i>Roads Infrastructure</i>		3 772	37 061	(3 727)	29 778	23 046	23 046	49 702	47 004	49 261
<i>Solid Waste Infrastructure</i>		790	-	-	-	-	-	-	-	-
Infrastructure		4 562	37 061	(3 727)	29 778	23 046	23 046	49 702	47 004	49 261
Community Facilities		247	404	404	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		247	404	404	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		(4 405)	(4 405)	(4 405)	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		(4 405)	(4 405)	(4 405)	-	-	-	-	-	-
Total Capital Expenditure	4	51 955	37 051	8 228	102 698	116 769	116 769	86 511	60 881	61 066
<i>Roads Infrastructure</i>		31 855	49 355	(3 529)	72 776	76 342	76 342	75 144	49 616	49 261
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		544	(2)	6 584	26 626	26 370	26 370	7 523	7 245	7 592
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		247	-	-	-	165	165	174	182	191
Infrastructure		33 436	49 353	3 055	99 403	102 877	102 877	82 841	57 043	57 044
Community Facilities		22 554	(14 462)	4 830	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		22 554	(14 462)	4 830	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		(4 405)	(4 405)	(4 405)	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		(4 405)	(4 405)	(4 405)	-	-	-	-	-	-
Licences and Rights		-	-	-	435	435	435	-	-	-
Intangible Assets		-	-	-	435	435	435	-	-	-
Computer Equipment		210	1 152	1 433	470	8 135	8 135	417	437	458
Furniture and Office Equipment		29	132	658	652	1 329	1 329	643	673	705
Machinery and Equipment		131	5 282	2 658	870	435	435	1 739	1 819	1 906
Transport Assets		-	-	-	870	3 560	3 560	870	910	953
TOTAL CAPITAL EXPENDITURE - Asset class		51 955	37 051	8 228	102 698	116 769	116 769	86 511	60 881	61 066
ASSET REGISTER SUMMARY - PPE (WDV)	5	587 708	537 121	547 927	627 025	652 339	652 339	654 487	627 157	626 087
<i>Roads Infrastructure</i>		316 795	310 128	339 828	351 798	366 607	366 607	430 222	404 094	403 111
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-

MTREF

Electrical Infrastructure		13 106	7 352	(1 388)	26 626	26 370	26 370	7 523	7 245	7 592
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		247	(149)	(149)	-	165	165	174	182	191
Solid Waste Infrastructure		2 155	1 365	1 365	(1 838)	(1 838)	(1 838)	(435)	(455)	(476)
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		332 303	318 696	339 657	376 587	391 304	391 304	437 484	411 065	410 418
Community Assets		73 124	55 240	67 108	74 107	74 107	74 107	66 683	66 683	66 683
Investment properties		106 144	82 042	81 410	97 745	97 745	97 745	96 398	96 278	96 152
Other Assets		49 382	48 185	26 689	46 617	46 617	46 617	(2 174)	(2 274)	(2 379)
Intangible Assets		-	-	-	435	8 035	8 035	-	-	-
Computer Equipment		2 589	3 062	2 875	2 535	3 307	3 307	1 780	1 729	1 679
Furniture and Office Equipment		1 144	1 046	434	1 088	1 058	1 058	47	6	(37)
Machinery and Equipment		288	6 498	10 171	7 612	7 177	7 177	9 301	8 761	8 723
Transport Assets		22 734	22 352	19 583	20 299	22 989	22 989	18 279	18 219	18 158
Land		-	-	-	-	-	-	26 689	26 689	26 689
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	587 708	537 121	547 927	627 025	652 339	652 339	654 487	627 157	626 087
EXPENDITURE OTHER ITEMS		39 610	37 322	36 447	36 400	35 257	35 257	32 000	33 472	35 024
Depreciation	7	32 895	32 486	31 161	30 000	28 757	28 757	26 087	27 287	28 542
Repairs and Maintenance by Asset Class	3	6 715	4 836	5 286	6 400	6 500	6 500	5 913	6 185	6 482
<i>Roads Infrastructure</i>		2 321	103	968	1 300	800	800	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		37	161	209	500	200	200	435	455	477
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		26	108	59	500	400	400	609	637	667
Infrastructure		2 384	372	1 236	2 300	1 400	1 400	1 043	1 091	1 144
<i>Community Facilities</i>		-	193	317	400	900	900	435	455	477
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
Community Assets		-	193	317	400	900	900	435	455	477
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		1 181	281	418	800	800	800	696	728	763
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		1 181	281	418	800	800	800	696	728	763
Machinery and Equipment		3 150	3 990	3 315	2 900	3 400	3 400	3 739	3 911	4 099
TOTAL EXPENDITURE OTHER ITEMS		39 610	37 322	36 447	36 400	35 257	35 257	32 000	33 472	35 024

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal and upgrade of existing assets, as well as spending on repairs and maintenance by asset class in line with the mSCOA classifications.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations for the 2024/25 budget year.

Part 2 – Supporting Documentation

1.8 Overview of the annual budget process

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Budget & Treasury Portfolio Head.

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

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

1.8.1 IDP and Service Delivery and Budget Implementation Plan

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2022) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on August 2023.

Table 27 IDP and Service Delivery and Budget Implementation Plan

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

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

1.8.2 Community Consultation

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

1.9 Overview of alignment of annual budget with IDP

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

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

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

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

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

MTREF

Table 28 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	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												
IDP001_To improve road and transport infrastructure networks within IYM	A comprehensive, responsive and sustainable social protection system	13	-	-	-	-	-	(300)	(300)	(1 550)	(1 557)	(1 564)
IDP001_To improve road and transport infrastructure networks within IYM	Responsive, accountable, effective and efficient local government	9	-	95	933	824	23	112 659	112 659	92 679	95 043	992
IDP002_Improvement of municipal infrastructure and amenities	Responsive, accountable, effective and efficient local government	9	-	28	34	37	43	26	26	-	-	-
IDP003_To achieve integrated land use planning for sustainable human settlements within IYM	Responsive, accountable, effective and efficient local government	9	-	1 040	1 057	500	1 057	-	-	500	523	548
IDP004_To improve access to electricity to citizens of IYM	Responsive, accountable, effective and efficient local government	9	-	1	1	-	0	0	0	10	10	11
IDP006_To provide support to indigent households within IYM	Responsive, accountable, effective and efficient local government	9	-	174	749	983	500	500	500	500	532	567
IDP007_To ensure compliance to traffic regulations and enhance revenue within IYM	Responsive, accountable, effective and efficient local government	9	-	38	44	22	1 000	1 000	1 000	500	523	548
IDP014_To have functional community safety forum at IYM	Responsive, accountable, effective and efficient local government	9	-	-	0	1	2	2	2	-	-	-
IDP019_To facilitate creation of job opportunities within IYM	Responsive, accountable, effective and efficient local government	9	-	168	238	247	200	200	200	200	209	219
IDP021_To improve revenue collection	A comprehensive, responsive and sustainable social protection system	13	-	-	-	-	-	-	-	(1 250)	(1 252)	(1 255)
IDP021_To improve revenue collection	Responsive, accountable, effective and efficient local government	9	-	227 520	200 017	231 270	259 804	261 809	261 809	266 627	267 918	263 733
IDP025_To improve compliance to financial prescripts and internal controls	An efficient, effective and development-oriented public service	12	-	-	-	-	-	-	-	375	-	-
IDP025_To improve compliance to financial prescripts and internal controls	Responsive, accountable, effective and efficient local government	9	-	-	-	-	-	-	-	3 000	-	-
IDP030_Mayoral Fund	Responsive, accountable, effective and efficient local government	9	-	-	-	-	14 000	14 000	14 000	-	-	-
IYM0001_To strengthen the functioning of ward committees	Responsive, accountable, effective and efficient local government	9	-	67 930	38 719	50 060	48 420	45 011	45 011	57 158	49 382	53 627
IYM0088_to manage control and maintain all assets of the municipality	Responsive, accountable, effective and efficient local government	9	-	-	786	-	-	-	-	-	-	-
IYM0095_to ensure accountability and effective and financial reporting	Responsive, accountable, effective and efficient local government	9	-	-	-	117	500	500	500	500	523	548
IYM0130_To improve municipal infrastructure and amenities	Responsive, accountable, effective and efficient local government	9	-	100	-	-	-	-	-	-	-	-
IYM0136_To render project management services for municipal infrastructure projects	Responsive, accountable, effective and efficient local government	9	-	-	2 697	2 749	2 548	2 548	2 548	3 008	3 147	3 298

MTREF

IYM0164_To ensure provision of waste management service to residents within IYM	Responsive, accountable, effective and efficient local government	9	-	-	-	1 749	1 749	1 749	1 914	-	-	
IYM0172_To ensure secured Public amenities and recreational facilities within IYM	Responsive, accountable, effective and efficient local government	9	-	880	1 087	1 297	1 035	1 435	1 435	1 500	1 569	1 644
IYM0173_To provide security to municipal assets	Responsive, accountable, effective and efficient local government	9	-	20	25	-	24	24	24	30	31	33
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	297 994	246 388	288 107	330 906	441 164	441 164	425 701	416 601	322 950

Table 29 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Go al Co de	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Audited Outcom e	Audited Outcom e	Audited Outcom e	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand												
IDP001_To improve road and transport infrastructure networks within IYM	A skilled and capable workforce to support an inclusive growth path	5	-	-	-	-	-	-	-	126	132	138
IDP001_To improve road and transport infrastructure networks within IYM	An efficient, competitive and responsive economic infrastructure network	6	-	0	-	968	1 300	800	800	-	-	-
IDP001_To improve road and transport infrastructure networks within IYM	Responsive, accountable, effective and efficient local government	9	-	4 873	-	9 044	-	-	-	-	-	-
IDP001_To improve road and transport infrastructure networks within IYM	Sustainable human settlements and improved quality of household life	8	-	5 208	3 679	15 368	4 922	5 722	5 722	7 022	7 345	7 694
IDP002_Improvement of municipal infrastructure and amenities	Sustainable human settlements and improved quality of household life	8	-	2	3 626	2 230	1 800	1 800	1 800	43	183	336
IDP003_To achieve integrated land use planning for sustainable human settlements within IYM	An efficient, effective and development-oriented public service	12	-	2 942	2 252	3 173	6 700	8 500	8 500	2 417	2 469	2 524
IDP003_To achieve integrated land use planning for sustainable human settlements within IYM	Sustainable human settlements and improved quality of household life	8	-	0	3 405	26 037	2 923	2 923	2 923	7 657	8 010	8 378
IDP004_To improve access to electricity to citizens of IYM	An efficient, competitive and responsive economic infrastructure network	6	-	37	161	209	500	200	200	435	455	477
IDP006_To provide support to indigent households within IYM	A comprehensive, responsive and sustainable social protection system	13	-	124	293	740	900	900	900	1 043	1 091	1 144
IDP006_To provide support to indigent households within IYM	A long and healthy life for all South Africans	2	-	224	99	-	15	1	1	4	5	5
IDP006_To provide support to indigent households within IYM	Quality basic education	1	-	-	-	4	-	-	-	-	-	-
IDP006_To provide support to indigent households within IYM	Sustainable human settlements and improved quality of household life	8	-	3 257	2 579	4 225	3 455	3 455	3 455	3 152	3 297	3 455

MTREF

IDP008_To ensure provision of waste management services to residences wit	Protect and enhance our environmental assets and natural resources	10	-	3 127	5 426	5 967	3 000	3 000	3 000	1 664	1 741	1 824
IDP008_To ensure provision of waste management services to residences wit	Sustainable human settlements and improved quality of household life	8	-	157	512	349	750	850	850	-	-	-
IDP009_To ensure environmental sustainability in IYM	A skilled and capable workforce to support an inclusive growth path	5	-	31	687	776	880	900	900	100	105	110
IDP009_To ensure environmental sustainability in IYM	Sustainable human settlements and improved quality of household life	8	-	-	6	4	-	10	10	9	9	10
IDP011_To improve security and care of all impounded animals within IYM	Sustainable human settlements and improved quality of household life	8	-	36	-	-	1 525	1 525	1 525	1 600	1 674	1 751
IDP013_To provide security for all municipal assets	An efficient, effective and development-oriented public service	12	-	178	193	-	-	-	-	1 739	1 819	1 906
IDP013_To provide security for all municipal assets	Sustainable human settlements and improved quality of household life	8	-	-	65	1 022	1 800	1 800	1 800	-	-	-
IDP014_To have functional community safety forum at IYM	A long and healthy life for all South Africans	2	-	-	-	126	500	800	800	435	455	477
IDP014_To have functional community safety forum at IYM	Responsive, accountable, effective and efficient local government	9	-	-	397	409	500	500	500	522	546	572
IDP016_To assist formal and informal businesses involved in job creation activities and value - addition within IYM	An efficient, effective and development-oriented public service	12	-	548	214	203	300	380	380	-	-	-

MTREF

IDP016_To assist formal and informal businesses involved in job creation activities and value - addition within IYM	Responsive, accountable, effective and efficient local government	9	-	7 326	9 623	10 360	-	-	-	5 000	5 000	5 000
IDP016_To assist formal and informal businesses involved in job creation activities and value - addition within IYM	Sustainable human settlements and improved quality of household life	8	-	79	603	561	577	577	577	605	633	662
IDP018_To market culture, heritage and develop tourism at IYM	A comprehensive, responsive and sustainable social protection system	13	-	513	(37)	3	150	150	150	130	136	143
IDP018_To market culture, heritage and develop tourism at IYM	A skilled and capable workforce to support an inclusive growth path	5	-	102	113	-	-	-	-	-	-	-
IDP018_To market culture, heritage and develop tourism at IYM	An efficient, effective and development-oriented public service	12	-	-	-	-	-	400	400	-	-	-
IDP018_To market culture, heritage and develop tourism at IYM	Sustainable human settlements and improved quality of household life	8	-	93	53	239	800	800	800	435	455	477
IDP020_To develop a credible IDP and SDBIP in IYM	A skilled and capable workforce to support an inclusive growth path	5	-	7	68	138	186	327	327	235	246	257
IDP020_To develop a credible IDP and SDBIP in IYM	Sustainable human settlements and improved quality of household life	8	-	-	2	10	10	10	10	9	9	10
IDP021_To improve revenue collection	Responsive, accountable, effective and efficient local government	9	-	-	119	32	200	200	200	87	91	95

MTREF

IDP021_To improve revenue collection	Sustainable human settlements and improved quality of household life	8	-	236	1 001	604	2 925	3 125	3 125	2 804	2 933	3 074
IDP022_To ensure that expenditure incurred is aligned to approved budget	Sustainable human settlements and improved quality of household life	8	-	4 666	1 919	2 689	6 251	6 251	6 251	1 087	1 137	1 192
IDP023_To have an effective and efficient SCM and asset management processes	Sustainable human settlements and improved quality of household life	8	-	1 215	2 286	605	2 303	2 303	2 303	2 087	2 183	2 288
IDP025_To improve compliance to financial prescripts and internal controls	A skilled and capable workforce to support an inclusive growth path	5	-	-	-	-	-	-	-	217	227	238
IDP025_To improve compliance to financial prescripts and internal controls	An efficient, effective and development-oriented public service	12	-	1 649	1 509	1 268	2 100	2 100	2 100	1 826	1 910	2 002
IDP025_To improve compliance to financial prescripts and internal controls	Responsive, accountable, effective and efficient local government	9	-	4 237	3 090	5 821	-	-	-	-	-	-
IDP025_To improve compliance to financial prescripts and internal controls	Sustainable human settlements and improved quality of household life	8	-	77	129	(856)	15 000	5 000	5 000	6 174	6 274	6 383
IDP026_To obtain an Unqualified Audit Opinion for FY ending 30 June 2017	Responsive, accountable, effective and efficient local government	9	-	3 765	5 306	4 964	5 500	5 500	5 500	4 783	5 003	5 243
IDP028_To improve the skills development for councillors and staff of IYM	Sustainable human settlements and improved quality of household life	8	-	-	(30)	-	-	-	-	-	-	-
IDP030_Mayoral Fund	Responsive, accountable, effective and efficient local government	9	-	209	613	835	600	600	600	696	728	763

IDP030_ Mayoral Fund	Sustainable human settlements and improved quality of household life	8	-	-	-	-	-	-	-	9	9	9
IDP031_To provide effective administration service for council	Sustainable human settlements and improved quality of household life	8	-	-	-	-	5 760	13 260	13 260	-	-	-
IDP032_to improve institutional performance	A skilled and capable workforce to support an inclusive growth path	5	-	138	-	-	-	-	-	-	-	-
IDP032_to improve institutional performance	An efficient, effective and development-oriented public service	12	-	-	-	-	-	-	-	609	637	667
IDP034_Ensure employment equity in the municipality	A skilled and capable workforce to support an inclusive growth path	5	-	46	17	(92)	220	320	320	17	18	19
IDP034_Ensure employment equity in the municipality	Responsive, accountable, effective and efficient local government	9	-	55	817	532	80	180	180	130	136	143
IDP034_Ensure employment equity in the municipality	Sustainable human settlements and improved quality of household life	8	-	-	41	21	30	30	30	104	109	114
IDP037_ Ensure organisational development and administration systems	Sustainable human settlements and improved quality of household life	8	-	12 554	11 343	12 562	10 229	10 229	10 229	10 904	11 398	11 914
IDP038_Employee Relations	A skilled and capable workforce to support an inclusive growth path	5	-	2 315	-	-	30	15	15	13	14	14
IDP038_Employee Relations	An efficient, effective and development-oriented public service	12	-	153	308	405	140	140	140	96	99	103

IDP038_Employee Relations	Sustainable human settlements and improved quality of household life	8	-	133 601	139 439	142 086	135 957	135 957	135 957	142 619	149 179	156 042
IDP041_Audit Committee	Sustainable human settlements and improved quality of household life	8	-	279	364	454	300	300	300	349	365	382
IDP045_To enhance community satisfaction	An efficient, competitive and responsive economic infrastructure network	6	-	26	108	59	500	400	400	609	637	667
IDP045_To enhance community satisfaction	An efficient, effective and development-oriented public service	12	-	1 247	1 132	949	1 200	1 300	1 300	1 304	1 364	1 430
IDP047_Organisational Development	Responsive, accountable, effective and efficient local government	9	-	113	14	51	100	200	200	87	91	95
IDP048_SALGA fees	Sustainable human settlements and improved quality of household life	8	-	1 336	1 581	3 434	2 000	1 800	1 800	1 739	1 819	1 906
IYM0009_To have well informed communities that participate in the affairs of IYM	Sustainable human settlements and improved quality of household life	8	-	525	378	605	450	450	450	391	409	429
IYM0012_To strengthen council support and oversight within IYM	Responsive, accountable, effective and efficient local government	9	-	50	-	6	-	-	-	-	-	-
IYM0029_To establish well secured, functioning and compliant information, communication technology systems	Sustainable human settlements and improved quality of household life	8	-	5	1 537	1 224	2 200	2 200	2 200	1 743	1 824	1 911
IYM0034_To contribute towards improving quality life through integrated services	Sustainable human settlements and improved quality of household life	8	-	12	71	65	200	190	190	165	173	181

MTREF

IYM0048_To ensure proper creation, maintenance, use, access and disposal of records at IYM	Sustainable human settlements and improved quality of household life	8	-	0	(34)	167	284	284	284	298	312	326
IYM0049_To prevent fraud and corruption	Responsive, accountable, effective and efficient local government	9	-	419	458	2 007	800	950	950	826	864	906
IYM0053_To provide effective administration service and support to council of IYM	A skilled and capable workforce to support an inclusive growth path	5	-	13	90	87	163	263	263	-	-	-
IYM006_63 To motivate and retain employees of IYM	An efficient, effective and development-oriented public service	12	-	933	59	80	95	80	80	43	45	48
IYM0060_To ensure proper monitoring and management of all IYM fleet	Sustainable human settlements and improved quality of household life	8	-	511	539	290	550	(950)	(950)	4 478	4 756	4 976
IYM0061_To ensure compliance, equitable representation of municipal staff in line with organisation's transformation agenda	A skilled and capable workforce to support an inclusive growth path	5	-	5	283	391	153	453	453	603	631	661
IYM0061_To ensure compliance, equitable representation of municipal staff in line with organisation's transformation agenda	Sustainable human settlements and improved quality of household life	8	-	-	46	66	35	35	35	74	77	81
IYM0070_To build capacity of the organisation through population of the organogram	Sustainable human settlements and improved quality of household life	8	-	100	381	76	-	(100)	(100)	-	-	-

MTREF

IYM0075_To maintain good relations with labour	Responsive, accountable, effective and efficient local government	9	-	999	493	400	500	300	300	261	273	286
IYM0083_Ensure cashflow management	Sustainable human settlements and improved quality of household life	8	-	-	-	-	-	5	5	4	5	5
IYM0084_To ensure that expenditure incurred is aligned to approved budget and IDP	A comprehensive, responsive and sustainable social protection system	13	-	46	-	-	-	-	-	-	-	-
IYM0084_To ensure that expenditure incurred is aligned to approved budget and IDP	A long and healthy life for all South Africans	2	-	-	77	27	80	50	50	70	73	76
IYM0084_To ensure that expenditure incurred is aligned to approved budget and IDP	A skilled and capable workforce to support an inclusive growth path	5	-	266	379	378	250	350	350	391	409	429
IYM0084_To ensure that expenditure incurred is aligned to approved budget and IDP	An efficient, effective and development-oriented public service	12	-	1 181	281	418	800	800	800	696	728	763
IYM0084_To ensure that expenditure incurred is aligned to approved budget and IDP	Responsive, accountable, effective and efficient local government	9	-	-	-	-	-	-	-	348	364	381
IYM0084_To ensure that expenditure incurred is aligned to approved budget and IDP	Sustainable human settlements and improved quality of household life	8	-	73	638	657	1 367	2 114	2 114	896	937	982
IYM0088_to manage control and maintain all assets of the municipality	An efficient, effective and development-oriented public service	12	-	7 167	6 083	5 854	2 100	2 600	2 600	2 870	3 002	3 146
IYM0088_to manage control and maintain all assets of the municipality	Responsive, accountable, effective and efficient local government	9	-	-	30	-	-	-	-	-	-	-

MTREF

IYM0088_to manage control and maintain all assets of the municipality	Sustainable human settlements and improved quality of household life	8	-	30 263	27 847	2 679	25 561	24 318	24 318	17 617	18 428	19 276
IYM0095_to ensure accountability and effective and financial reporting	Sustainable human settlements and improved quality of household life	8	-	-	18 660	-	-	-	-	-	-	-
IYM0096_to ensure effective budget planning and reporting mechanism	Responsive, accountable, effective and efficient local government	9	-	190	-	-	-	-	-	26	27	29
IYM0096_to ensure effective budget planning and reporting mechanism	Sustainable human settlements and improved quality of household life	8	-	-	7	-	50	50	50	52	55	57
IYM0117_To implement community works programme	An efficient, effective and development-oriented public service	12	-	277	518	370	450	300	300	435	455	477
IYM0119_To lobby other institutions to enter into and sign partnerships agreements in LED areas of common interest	Sustainable human settlements and improved quality of household life	8	-	-	-	55	1 255	1 255	1 255	1 316	1 377	1 440
IYM0119_To lobby other institutions to enter into and sign partnerships agreements in LED areas of common interest	Vibrant, equitable, sustainable rural communities contributing towards food security for all	7	-	572	251	-	-	-	-	-	-	-
IYM0120_To enhance knowledge of communities surrounding forest on conservation and economic opportunities in forestry	Responsive, accountable, effective and efficient local government	9	-	-	190	13	-	-	-	-	-	-
IYM0130_To improve municipal infrastructure and amenities	Sustainable human settlements and improved quality of household life	8	-	-	-	8	10 868	10 868	10 868	11 401	11 925	12 474

MTREF

IYM0136_To render project management services for municipal infrastructure projects	A skilled and capable workforce to support an inclusive growth path	5	-	-	-	-	30	30	30	696	728	763
IYM0136_To render project management services for municipal infrastructure projects	Responsive, accountable, effective and efficient local government	9	-	2 050	1 100	1 755	2 548	2 548	2 548	2 616	2 736	2 868
IYM0137_Coordinate expanded public work programme on infrastructure, social sector and environmental sector	An efficient, competitive and responsive economic infrastructure network	6	-	2 321	103	-	-	-	-	-	-	-
IYM0140_To create a safe and working environment	A skilled and capable workforce to support an inclusive growth path	5	-	15	37	97	119	259	259	84	88	92
IYM0140_To create a safe and working environment	All people in South Africa are and feel safe	3	-	42	69	84	200	100	100	217	227	238
IYM0140_To create a safe and working environment	Responsive, accountable, effective and efficient local government	9	-	436	300	185	950	1 000	1 000	574	600	627
IYM0140_To create a safe and working environment	Sustainable human settlements and improved quality of household life	8	-	0	5	7	25	25	25	87	91	95
IYM0149_To maintain municipal properties	Sustainable human settlements and improved quality of household life	8	-	613	1 017	1 174	800	800	800	1 043	1 091	1 144
IYM0161_To provide support to indigent households within IYM	A comprehensive, responsive and sustainable social protection system	13	-	5 931	2 648	4 265	4 820	5 120	5 120	4 696	4 912	5 147
IYM0164_To ensure provision of waste management service to residents within IYM	Protect and enhance our environmental assets and natural resources	10	-	-	-	-	150	150	150	870	910	953

MTREF

IYM0164_To ensure provision of waste management service to residents within IYM	Sustainable human settlements and improved quality of household life	8	-	-	-	75	-	-	-	174	182	191
IYM0167_To minimise the risk of fire and disaster incidents in all communities of IYM	Sustainable human settlements and improved quality of household life	8	-	-	-	15	70	100	100	174	182	191
IYM0172_To ensure secured Public amenities and recreational facilities within IYM	A comprehensive, responsive and sustainable social protection system	13	-	361	(6)	246	474	474	474	348	364	381
To guide and inform the municipal planning, budget, management and development actions	An efficient, competitive and responsive economic infrastructure network	6	-	-	-	354	2 300	4 300	4 300	4 348	4 548	4 766
To promote the involvement of stakeholders in council affairs			-	-	-	-	-	400	400	-	-	-
To promote the involvement of stakeholders in council affairs	An efficient, effective and development-oriented public service	12	-	425	169	40	-	-	-	-	-	-
Allocations to other priorities												
Total Expenditure			1	252 581	269 831	282 805	285 617	287 713	287 713	273 665	285 979	298 928

Table 30 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure.

Strategic Objective	Goal	Goal Code	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
-	An efficient, competitive and responsive economic infrastructure network	6	-	-	-	-	10 870	-	-	-	-	-
IDP001_To improve road and transport infrastructure networks within IYM	An efficient, competitive and responsive economic infrastructure network	6	-	17 418	(1 344)	(1 344)	31 984	180 014	180 014	248 720	171 332	171 346
IDP001_To improve road and transport infrastructure networks within IYM	An efficient, effective and development-oriented public service	12	-	(4 398)	(4 405)	(5 689)	1 304	3 994	3 994	1 261	1 319	1 382
IDP002_Improvement of municipal infrastructure and amenities	An efficient, competitive and responsive economic infrastructure network	6	-	731	17	198	110 351	57 612	57 612	174	182	191

MTREF

IDP002_Improvement of municipal infrastructure and amenities	An efficient, effective and development-oriented public service	12	-	124	5 282	3 941	870	435	435	1 739	1 819	1 906
IDP004_To improve access to electricity to citizens of IYM	An efficient, competitive and responsive economic infrastructure network	6	-	0	887	12 790	2 977	3 787	3 787	-	-	-
IDP005_To Reduce Road Traffic accidents through intensified law enforcement.ment.	An efficient, effective and development-oriented public service	12	-	210	1 152	1 433	470	635	635	417	437	458
IDP012_To ensure functional and secured public amenities and recreation facilities within IYM	An efficient, competitive and responsive economic infrastructure network	6	-	21 532	1 344	1 344	-	-	-	-	-	-
IDP013_To provide security for all municipal assets	An efficient, effective and development-oriented public service	12	-	29	132	658	652	1 229	1 229	513	537	562
IDP025_To improve compliance to financial prescripts and internal controls	A long and healthy life for all South Africans	2	-	13 781	(17 545)	1 748	-	-	-	-	-	-
IDP025_To improve compliance to financial prescripts and internal controls	An efficient, competitive and responsive economic infrastructure network	6	-	(12 278)	12 278	-	-	-	-	-	-	-
IDP032_to improve institutional performance	An efficient, effective and development-oriented public service	12	-	-	-	-	-	7 500	7 500	-	-	-
IDP046_Information Communication Technology	An efficient, effective and development-oriented public service	12	-	-	-	-	-	100	100	-	-	-
IYM0001_To strengthen the functioning of ward committees	An efficient, competitive and responsive economic infrastructure network	6	-	-	31 759	(9 028)	15 329	11 312	11 312	-	-	-
IYM0088_to manage control and maintain all assets of the municipality	An efficient, competitive and responsive economic infrastructure network	6	-	544	2 605	487	-	-	-	-	-	-
IYM0128_To provide road and transport infrastructure networks within IYM for greater mobility of people, goods and services	An efficient, competitive and responsive economic infrastructure network	6	-	927	-	-	-	-	-	-	-	-
IYM0136_To render project management services for municipal infrastructure projects	An efficient, competitive and responsive economic infrastructure network	6	-	3 772	5 302	5 302	-	-	-	-	-	-
IYM0136_To render project management services for municipal infrastructure projects	An efficient, effective and development-oriented public service	12	-	8 773	3 083	3 083	-	-	-	-	-	-
IYM0166_To ensure environmental Sustainability in IYM	An efficient, competitive and responsive economic infrastructure network	6	-	790	-	-	-	-	-	-	-	-
IYM0167_To minimise the risk of fire and disaster incidents in all communities of IYM	-	-	-	-	-	-	-	915	915	-	-	-
To guide and inform the municipal planning, budget, management and development actions	An efficient, competitive and responsive economic infrastructure network	6	-	-	(3 494)	(6 694)	14 450	7 545	7 545	-	-	-
Allocations to other priorities		3										
Total Capital Expenditure		1		51 955	37 051	8 228	189 255	275 077	275 077	252 824	175 626	175 845

MTREF**Measurable performance objectives and indicators**

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

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

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

Table 32 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,0%	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,0%	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	2,6	2,4	2,8	2,9	2,9	2,9	2,1	4,2	4,3	3,2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2,6	2,4	2,8	2,9	2,9	2,9	2,1	4,2	4,3	3,2
Liquidity Ratio	Monetary Assets/Current Liabilities	2,1	1,3	1,5	0,6	0,9	0,9	1,4	2,1	2,5	1,3
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0,0%	0,0%	0,0%	292,6%	365,4%	365,4%	0,0%	1125,7%	1379,7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0,0%	0,0%	0,0%	292,6%	365,4%	365,4%	0,0%	1125,7%	1379,7%	1198,3%

MTREF

Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	55,2%	70,2%	68,9%	91,8%	91,0%	91,0%	75,9%	66,8%	63,8%	66,2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		-388,1%	1423,0%	485,4%	28,2%	28,4%	28,4%	37,0%	42,8%	31,4%	40,1%
Employee costs	Employee costs/(Total Revenue - capital revenue)	57,7%	64,2%	59,9%	55,7%	54,9%	54,9%	40,3%	54,1%	57,7%	62,4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	57,7%	64,1%	68,1%	63,7%	62,9%	62,9%		62,0%	70,4%	76,1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3,0%	2,3%	2,3%	2,5%	2,5%	2,5%		2,2%	2,3%	2,5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	14,5%	24,9%	13,7%	17,8%	13,2%	13,2%	0,0%	11,1%	11,7%	12,6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	-	20,6	54,0	50,2	50,2	50,2	46,9	51,4	48,7	47,1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	759,6%	2298,1%	2593,3%	2382,8%	2845,4%	2845,4%	6074,2%	3233,1%	2621,8%	2313,6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0,5)	0,1	0,4	4,9	6,2	6,2	6,9	3,8	4,9	3,7

Performance indicators and benchmarks

1.9.1.1 Borrowing Management

Capital grants, own-source revenue and long-term borrowing can fund capital expenditure in local government. The ability of a municipality to raise long-term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Intsika Yethu Municipality is borrowing strategy is primarily informed by the affordability of debt repayments. Currently the municipality has no loans.

1.9.1.2 Safety of Capital

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

1.9.1.3 Liquidity

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

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2024/25 financial year the ratio is 2.4 and this ratio is projected to decline to 2 in 2024/25. Although these ratios are still considered to be healthy, the municipality should put in place measures to stem the downward trend in the liquidity ratio.

1.9.1.4 Revenue Management

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

1.9.1.5 Creditors Management

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

1.9.1.6 Other Indicators

- Employee costs as a percentage of operating revenue increase slightly over the MTREF from 47.2 per cent to 56.4 per cent. As discussed previously in this report, the employee related costs at the municipality is significantly above the industry norms and the room for any upward adjustments are very restricted.
- Repairs and maintenance as percentage of operating revenue is increasing slightly over the MTREF. The expenditure on repairs and maintenance is well below acceptable levels, but the actual cost will only be determined when a costing system is implemented.

1.10 Overview of budget related-policies and municipal by-laws

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies as well as by-laws. As per section 21 of the

MTREF

MFMA, all budget related policies were reviewed and in certain cases amended. Municipal by-laws were also reviewed during the year, but no amendments were made.

1.10.1 Challenges

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

1.10.2 Financial Implications

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

1.10.3 Legal Implications

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

1.10.4 Recommendations

That the Council Members take note of the Review of all the Budget Related Policies and that the amendments be adopted with the approval of the 2024/25 MTREF.

1.11 Overview of budget assumptions**1.11.1 External factors**

The global impact of the coronavirus (Covid-19) has quashed the chances of a recovery in South Africa's economy this year, as Chinese demand for the country's exports weakens, the supply of key imports is disrupted, and both leisure and business travel take a severe knock worldwide. SA is particularly exposed as China has been its main trade partner for a decade, with the country taking most mineral exports and supplying most of its main imports, particularly consumer electronics.

1.11.2 General inflation outlook and its impact on the municipal activities

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

1.11.3 Credit rating outlook**Interest rates for borrowing and investment of funds**

The Reserve Bank has cut the repo rate by 100 basis points, or one percentage point, from 6,25% to 5,25% to help arrest the economy's downward spiral. South Africa is already in recession, and the fall-out from business disruption due to the coronavirus crisis will be significant.

1.11.4 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (60 per cent) of annual billings. Cash flow is assumed to be 65 per cent of billings. Consider the performance of any increased collections or arrear collections will however only a source of additional cash in-flow once the performance has been carefully monitored.

1.11.5 Growth or decline in tax base of the municipality

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

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

1.11.6 Salary increases

The South African Local Government Association entered into a three-year Salary and Wage Collective Agreement for the period 1 July 2022 to 30 June 2025. The preparation of the 2024/25 MTREF has used 5% average increment since there is no agreement in place yet.

1.11.7 Impact of national, provincial and local policies

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

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

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

1.11.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 85 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2024/25 MTREF of which performance has been factored into the cash flow budget.

1.12 Overview of budget funding

1.12.1 Medium-term outlook: operating revenue

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

Table 34 Operating revenue over medium-term

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

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

1.12.2 Cash Flow Management

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

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

1.12.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

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

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

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

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

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

1.12.4 Funding compliance measurement

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

1.12.4.1 Cash/cash equivalent position

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

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable. This could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

1.12.4.2 Cash plus investments less application of funds

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

1.12.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. The ratio is at 14.2, well above the benchmark indicators.

MTREF*1.12.4.4 Surplus/deficit excluding depreciation offsets*

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

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

1.12.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

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

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 5 per cent). The result is intended to be an approximation of the real increase in revenue.

1.12.4.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 90 per cent performance target, the cash flow statement has been conservatively determined. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

1.12.4.7 Debt impairment expense as a percentage of billable revenue

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

1.12.4.8 Capital payments percentage of capital expenditure

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

1.12.4.9 Transfers/grants revenue as a percentage of Government transfers/grants available

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

1.12.4.10 Consumer debtors change (Current and Non-current)

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

1.12.4.11 Repairs and maintenance expenditure level

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

1.12.4.12 Asset renewal/rehabilitation expenditure level

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

Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years) however when a need arise, compliance with Sec 33 of MFMA is adhered. In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Future financial implications of the capital budget

No future implications identified on the capital budget beyond the MTREF period.

Detailed capital budget per municipal vote

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

1.19 Legislation compliance status

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

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

7. MFMA Training

The MFMA training module in electronic format is presented at the Municipality’s internal centre and training is ongoing.

8. Policies

Budget related policies will be reviewed and updated if so required for final submission with the approval of the 2024/25 MTREF.

1.20 Other supporting documents

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

1.21 Service Delivery Standards

Below is the Schedule of Service Delivery Standards for Intsika Yethu Municipality.

Standard	Description	Service Level
Solid Waste Removal		
	Premise based removal (Residential Frequency)	Weekly
	Premise based removal (Business Frequency)	Daily
	Bulk Removal (Frequency)	Weekly
	Removal Bags provided(Yes/No)	Yes
	Garden refuse removal Included (Yes/No)	No
	Street Cleaning Frequency in CBD	Daily
	Street Cleaning Frequency in areas excluding CBD	Weekly
	How soon are public areas cleaned after events (24hours/48hours/longer)	within 24hrs
	Clearing of illegal dumping (24hours/48hours/longer)	within 24hrs
	Recycling or environmentally friendly practices(Yes/No)	Yes
	Licensed landfill site(Yes/No)	Yes
Water Service		
	Water Quality rating (Blue/Green/Brown/N0 drop)	N/A
	Is free water available to all? (All/only to the indigent consumers)	N/A
	Frequency of meter reading? (per month, per year)	N/A
	Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	N/A
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
	Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
	One service connection affected (number of hours)	N/A
	Up to 5 service connection affected (number of hours)	N/A
	Up to 20 service connection affected (number of hours)	N/A
	Feeder pipe larger than 800mm (number of hours)	N/A
	What is the average minimum water flow in your municipality?	N/A
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	N/A
	How long does it take to replace faulty water meters? (days)	N/A
	Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	N/A
Electricity Service		
	What is your electricity availability percentage on average per month?	N/A
	Do your municipality have a ripple control in place that is operational? (Yes/No)	N/A
	How much do you estimate is the cost saving in utilizing the ripple control system?	N/A
	What is the frequency of meters being read? (per month, per year)	N/A
	Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	N/A
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
	Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	N/A
	Are accounts normally calculated on actual readings? (Yes/no)	N/A
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	N/A

MTREF

How long does it take to replace faulty meters? (days)	N/A
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	N/A
How effective is the action plan in curbing line losses? (Good/Bad)	N/A
How soon does the municipality provide a quotation to a customer upon a written request? (days)	N/A
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	N/A
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	N/A
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	N/A
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	N/A
To what extent do you subsidize your indigent consumers?	N/A
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	N/A
Sewer blocked pipes: Large pipes? (Hours)	N/A
Sewer blocked pipes: Small pipes? (Hours)	N/A
Spillage clean-up? (hours)	N/A
Replacement of manhole covers? (Hours)	N/A
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	
Time taken to repair a single pothole on a minor road? (Hours)	
Time taken to repair a road following an open trench service crossing? (Hours)	
Time taken to repair walkways? (Hours)	
Property valuations	
	Three months
	SV, 6 months
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	GV
Do you have any special rating properties? (Yes/No)	NO
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsourced? (Yes/No)	No
Are there Council adopted business process restructuring the flow and management of documentation feeding to Trial Balance?	Yes
How long does it take for an Tax/Invoice to be paid from the date it has been received?	>30
Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	Yes
Administration	
Reaction time on enquiries and requests?	30 DAYS
Time to respond to a verbal customer enquiry or request? (working days)	SAME DAY
Time to respond to a written customer enquiry or request? (working days)	30 DAYS
Time to resolve a customer enquiry or request? (working days)	30 DAYS
What percentage of calls are not answered? (5%,10% or more)	2
How long does it take to respond to voice mails? (hours)	SAME DAY
Does the municipality have control over locked enquiries? (Yes/No)	YES
Is there a reduction in the number of complaints or not? (Yes/No)	YES
How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 DAY
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	DAILY
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	5 min
How long does it take to renew a vehicle license? (minutes)	5 min
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	5 min
How long does it take to de-register a vehicle? (minutes)	5 min
How long does it take to renew a drivers license? (minutes)	5 min
What is the average reaction time of the fire service to an incident? (minutes)	10 min
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	N/A
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	N/A
Economic development	
How many economic development projects does the municipality drive?	31
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	31
What percentage of the projects have created sustainable job security?	32%

MTREF

Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	Yes
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	Yes
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

Part 3 – Appendices

3.1 Appendix A – A-schedules

Attached

3.2 Appendix B – Annual Procurement Plan

Attached

1.22 Municipal Manager's quality certificate