



NDLAMBE
Local Municipality

**ANNUAL
MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK
2023/24 TO 2025/26**

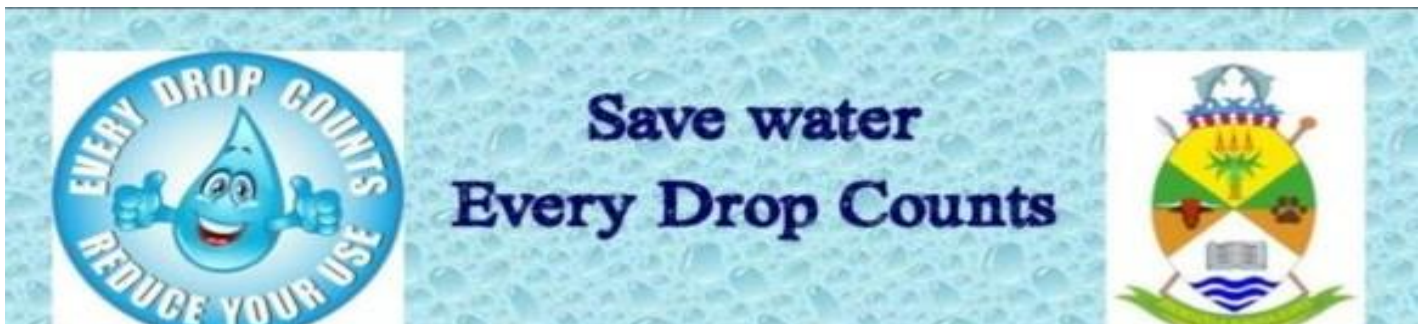




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Abbreviations and Acronyms

MM	Municipal Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DoRA	Division of Revenue Act
FBS	Free Basic Services
RM	Repairs and Maintenance
GDP	Gross Domestic Product
IDP	Integrated Development Plan
AFS	Annual Financial Statements
RO	Reverse Osmosis Plant
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
PPE	Property Plant and Equipment
SDBIP	Service Delivery Budget Implementation Plan
ES	Equitable Share
FMG	Financial Management Grant
WSIG	Water Services Infrastructure Grant
MBRR	Municipal Budget & Reporting Regulations
SLA	Service Level Agreements
EPWP	Expanded Public Works Programme
ERP	Enterprise Resource Planning financial system
INEP	Integrated National Electrification Programme

**PART 1 – ANNUAL BUDGET****1.1 MAYOR'S REPORT****1.2 COUNCIL RESOLUTIONS**

The following resolutions are listed here as required by the MBRR and it is recommended that the Council approves and adopts the following resolutions for the budget, in accordance with section 24 of the Municipal Finance Management Act)

THAT the capital budget of R79 930 000, (2025 R69 722 000) and (2026 R71 797 000) funded by external funding outlined in Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source be APPROVED.

THAT the capital budget of R16 285 000, (2025 R9 640 000) AND (2026 R9 640 000) funded by internal generated funds outlined in Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source be APPROVED.

THAT the operating budget for the 2023/2024 financial year as presented in Table A4 - Budgeted Financial Performance (revenue and expenditure) reflecting the operating deficit of R10 918 000, (2025 R4 503 000) and a surplus of (2026 R5 081 000) be APPROVED.

- I. The annual and monthly tariff increase be 5.3% for rates levied at 0.01390 cents.
- II. 15.10% on electricity as approved by NERSA guideline, 5.3% on refuse removal,
- III. 5.3% on sewerage and sanitation and 5.3% on all other annual and monthly charges.
- IV. Water tariffs increase of 5.3% be NOTED.

THAT the financial position for the 2023/2024 financial year as presented in Table A6- Budgeted Financial Position reflecting the community wealth/equity of R1 370 107 000 for 2023/2024, (2025 R 1 425 879 000) and (2026 R1 520 000) be APPROVED.

THAT the cash flow for the 2023/2024 financial year as presented in Table A7- Budgeted Cash Flow reflecting a positive cash and cash equivalent at the end of 2023/2024 financial year R22 679 000, (2025 R19 537 000) and (2026 R41 446 000) be APPROVED.

THAT budget related policies be APPROVED.

THAT the organogram be ADOPTED

THAT the procurement plans for 2023/24 budget be ADOPTED

THAT the Integrated Development Plan be ADOPTED

THAT the draft Service Delivery Budget implementation Plan be NOTED



1.3 EXECUTIVE SUMMARY

National Treasury's main objective when introducing budget circulars 122 and 123 was to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda by focusing on key "**game changers**". These game changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, mSCOA is implemented correctly and that audit findings are addressed.

1. *The South African economy and inflation targets*

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

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

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

Ndlambe Municipality's budget was a difficult budget to compile given the current economic pressures and natural disasters that are impacting on us. It has remained critical that everything possible should be done to collect outstanding debt due to the municipality but at the same time ensure good quality of services we deliver at an affordable price and critical to ensure that fixed assets are managed efficiently.

The 2023/2024 budget continues to focus on ensuring financial sustainability but also considering delivering on the programmes outlined in the Integrated Development Plan.

Considering economic pressures and working towards financial sustainability, the system controls and improved guidelines were put in place to effectively and economically managed the finances and to promote prioritisation. Directorates were provided with funding/revenue envelopes to limit their expenditure and to eliminate budget cutting processes and to avoid inflating the budget with wish lists.

Depreciation was made the funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates in 2023 MTREF. The intention is to accumulate sufficient surpluses that must be transferred to cash backed reserves.

The reduction of the cumulative irregular expenditure remains one of the municipality's focus areas as a result Supply Chain Management Unit's capacitation is considered in the 2023 MTREF and procurement plans are ed during the budget process and be enclosed in the budget documents.



The main challenges of the 2023/2024 budget can be summarised as follows:

It must be noted that the budget for 2023/2024 as presented reflects an overall deficit of R10 918 000 from the imposed tariffs of 5.3% across and 15.10% on electricity however the projected revenue does not fund the projected expenditure to deliver services and the execution of the municipality's core functions. The following strategies are in place to avoid the budget having a deficit in the years to follow.

The Budget steering committee has adopted that an action plan be in place and the committee convenes monthly to discuss and attend to the following matters.

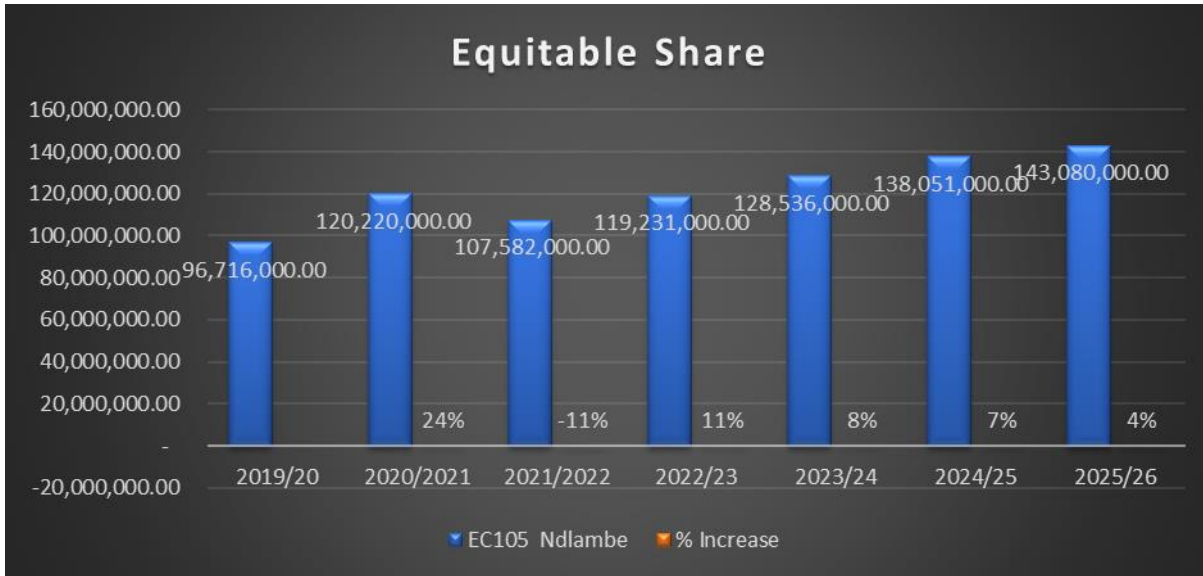
- a. Cost of Supply Study to be produced for submission to NERSA as required for application of increased electricity tariffs;
- b. Attend to the review of the by-laws relevant to service charges to ensure optimization of revenue.
- c. Monitoring the implementation of the Procurement Plan across all departments.
- d. Implementation of the tariff tool to assist with the determination of cost reflect tariffs for trading service.
- e. Informing service departments on any new Circulars from National Treasury and to discuss and agree on the way forward to ensure implementation thereof.
- f. Drafting of the Solar Energy Policy and studying the Solar environment to determine the efficient implementation thereof.

Local government conditional and unconditional grants allocations

The local government equitable share and related allocations increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.5 per cent over the 2023 MTEF period.

The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 MTEF period. It also includes allocations for the operational and maintenance costs associated with the provision of free basic services.

The equitable share allocation for Ndlambe Municipality is reflecting a slight increase as compared to the previous year 2022/23. Throughout the 2023 MTEF the average increase is 6%



The conditional capital transfers allocated to Ndlambe Municipality decreases by -8% over 2023 MTEF. However, outlining the trends for 2023/2024 budget year the allocation decreases by 44%. In 2022/23 budget year the allocation was R132 957 000 whereas in 2023/24 budget year the allocation is R63 442 000. The municipality is not allocated grant funding for Integrated National Electrification Programme for 2023/24 budget year and the grant funding allocated for Water Service Infrastructure grant has decreased to R30 000 000 from R85 000 000 allocated in 2022/23 budget year. In 2025 and 2026 budget years the allocations are reflecting an improvement. Capital Transfers comprise of WSIG, MIG, EPWP and INEP.

Municipal Standard Chart of Accounts (mSCOA)

The mSCOA chart for the 2023/24 budget year will be on version 6.7 moving from version 6.6 for 2022/23 budget year. Ndlambe municipality has extended the contract for the ERP financial system-Munsoft, the extension is for the period of 3 years started January 2023.

Capital Expenditure Overview 2023/2024 MTREF (‘000)

The capital expenditure budget of R79 930 000 is projected for 2023/24 budget, R69 722 000 for 2024/25 and R71 797 000 for 2025/26. The capital budget is mainly funded by grant funding that makes up 80% of the total expenditure. Internal generated funds are funding the projects and movable assets at an amount totaling R 16 285 000 that is 20% of the total capital expenditure.

Asset Management

Ndlambe municipality is confronted with aging of infrastructure assets and other valuable movable assets. The level of capital expenditure to the total expenditure is 12% for 2023/24 financial year, forecasts (2024/25 8%) and (2025/26 10%). The ratio for the 2023/24 financial year is within the norm of 10%-20%. The table below shows top 10 capital projects projected for 2023/24 budget year.



Project Name	Funding	Region	2024 Draft Budget
Upgrading of Mamityi Gidana Sportsfield	Municipal Infrastructure Grant	Ward 8	10,959,937.00
Contract 3: Pumping Main and Gravity line from Mbabela and Mswela Pumpstation	Water Services Infrastructure Grant	Ward 6	10,563,257.00
Pump Station:Gravity sewer line from Wharf Street pump station to ultimate pump station	Water Services Infrastructure Grant	Ward 6	10,425,775.00
Pump Station:Upgrading of Port Alfred Sewage Pump Stations	Water Services Infrastructure Grant	Ward 10	9,010,968.00
Thornhill Link Sanitation Services - Portion 1: Pump station and pumping mains	Municipal Infrastructure Grant	Ward 6	8,057,125.00
Upgrading: Xhanti Street Bathurst	Municipal Infrastructure Grant	Ward 5	4,891,244.00
Upgrading of Solomon Mahlangu Road: Phase 2	Municipal Infrastructure Grant	Ward:Ward 7	2,831,602.00
Transport Assets:Vehicle Acquisition	Public Safety	Whole of the Municipality	1,800,000.00
Roads:Upgrading of Zola Street in Bathurst	Municipal Infrastructure Grant	Ward 5	1,506,499.00
Transport Assets:Vehicle Acquisition	Transfer from Operational Revenue	Whole of the Municipality	1,500,000.00
TOTAL			61,546,407.00

The repairs and maintenance remain an issue in 2023/24 budget year MTREF, the budget allocated to maintain and repair total assets worth R1 355 026 000 billion as per the latest audited outcome reflects at R38 691 000 million for 2023/24, forecasts (2024/25 R40 629 000) and (2025/26 R42 941 000). The ratio is far below the norm of 8% reflects as below. The municipality requires the provision of R106 835 000 to achieve the norm of 8%, it will therefore take time to achieve the norm given the current financial constraints.

RM Ratio	2023/24 Budget year	2024/25 Budget year	2025/26 Budget year
Vs Norm 8%	3%	3%	3%

All Fixed assets are safeguarded, and the insurance portfolio is reviewed annually. The projected monthly premiums are reflecting at R1 631 000 million for 2023/24 financial year, forecasts reflects (2024/25 R1 718 000) and (2025/26 R1 804 000).

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

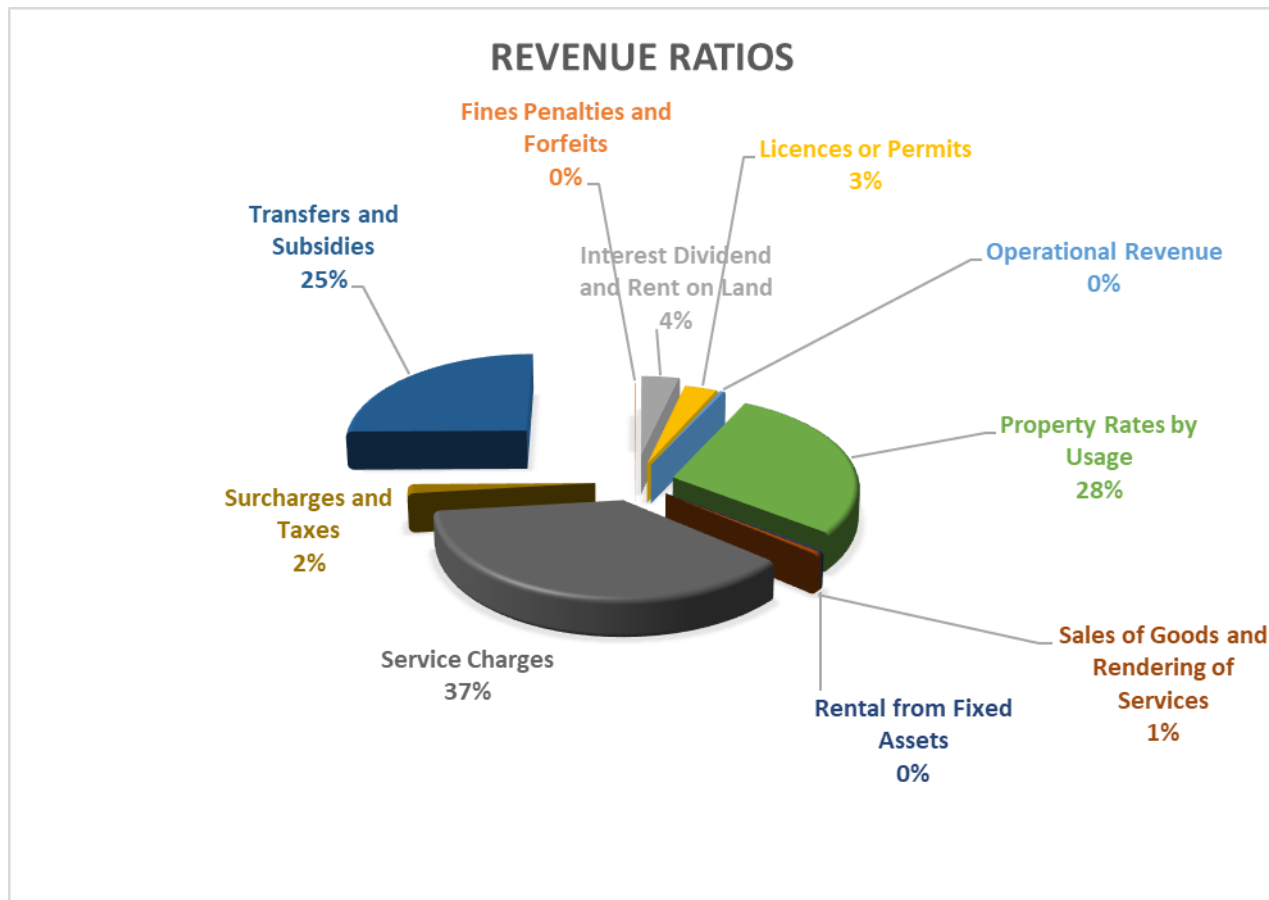
In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with high rate of unemployment that promotes poverty, poor state of



infrastructure, price instability and natural disasters. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenue. The collection rate was therefore revised to be 88%.

The Operating revenue is informed by the new proposed tariff increases for trading services and property rates at 0.01390 cents in a rand compared to 0.01320 cents of 2022/2023 budget year. Projected revenue from the tariff increases including operating transfers and subsidies is R549 852 000 for 2023/2024, R591 890 000 (2025) and R635 580 000(2026), revenue increased by 4% compared to 2022/203 budget.

The pie chart below outlines how the total operating revenue is attributed by each source of revenue.



Revenue generated from rates and services charges forms an important percentage of the revenue basket for the Municipality both own revenue sources are higher than the transfers and subsidies. The ratios for property rates and service charges together reflect that the municipality funds most of the operating expenditure. Transfers and subsidies reflect at 25% of the operating revenue the bigger portion is equitable share allocation.

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. In line with Section 32(b)(ii) of the Municipal Property Rates Act a general valuation roll is valid for a period between one to five financial years as may be decided by the municipality but not longer than five financial years. The current general valuation roll was implemented on the 1 July 2019 and will expire on the 30 June 2024. Therefore, Ndlambe is currently in the



procurement stage of a private property valuator. Valuation services will take place during the 2023/24 financial year to enable the completion and submission of the certified valuation roll by 31 Jan 2024. Thereafter inspection, objection and appeal period are to take place in line with section 50 and 54 of the MPRA. Implementation will take place on the 1 July 2024.

The municipality's revenue forgone to rebate the consumer's is stipulated as follows:

Pensioner Rebates: as per Rates Policy
45% on business rate - up to R4500
35% on business rate - between R4501 and R6000
25% on business rate - between R6001 and R7400
Other Rebates: as per Rates Policy
10% Residential Rates Rebate
75% Agricultural Farm Rebate
30% Eco Tourism/Eco Village/ Private Village

100% Private roads / Private open spaces fully accessible to the public on individual erven

Rebate percentages has remained the same as the two prior years 2021/22 and 2022/23 and the forthcoming budget year.

The comparison of the projected property rates to be levied for 2023/24 financial year is stated below:

Table 5 Comparison of proposed rates to be levied for the 2023/24 financial year.

	Tariff 2023/24	Tariff 2022/23
Land	0.01390 cents	0.0132 cents
Improvement	0.01390 cents	0.0132 cents

1.4.2 Sale of Water

Sarah Baartman District municipalities were declared drought and water scarcity areas since the issue of circular 8 of 2021 for the classification of national disaster in terms 23 of the disaster management act and since the status has not changed.

The municipality will remain charging the drought block tariffs for water consumption.



Table 6 Comparison of water tariff on consumption to be charged for the 2023/24 financial year.

	EFFECTIVE FROM 1/7/2023			EFFECTIVE FROM 1/7/2022		
WATER						
SPECIAL READING (FEES)						
Special Reading	R 420.27	R 365.45	5.30%	R 399.12	R 347.06	6.00%
SALE CONVENTIONAL (FEES)						
Consumption:						
Per KL: 0-6 KL	R 17.85	R 15.52	5.30%	R 16.95	R 14.74	6.00%
7-11 KL	R 18.69	R 16.26	5.30%	R 17.75	R 15.44	6.00%
12-16 KL	R 22.24	R 19.34	5.30%	R 21.12	R 18.36	6.00%
16+	R 27.78	R 24.16	5.30%	R 26.38	R 22.94	6.00%
Drought Consumption:						
Per KL: 0-6 KL	R 17.85	R 15.52	5.30%	R 16.95	R 14.74	6.00%
7-10KL	R 31.81	R 27.66	5.30%	R 30.20	R 26.27	8.00%
11-15 KL	R 36.26	R 31.53	5.30%	R 34.43	R 29.94	8.00%
16+	R 51.35	R 44.65	5.30%	R 48.76	R 42.40	27.48%
Sporting Bodies/Agreements per KL	R 13.39	R 11.64	5.30%	R 12.71	R 11.05	6.00%
Bulk Supply (Chicory)	R 17.85	R 15.52	5.30%	R 16.95	R 14.74	6.00%
SALE PREPAID (FEES)						
included with disconnection fees)	R 6,717.44	R 5,841.25	5.30%	R 6,379.33	R 5,547.24	6.00%
included with disconnection fees)	R 1,851.29	R 1,609.81	5.30%	R 1,758.11	R 1,528.79	6.00%
Test Meter: (Refund if faulty)	R -	R -	5.30%	R -	R -	6.00%
Water	R 1,033.98	R 899.12	5.30%	R 981.94	R 853.86	6.00%

1.4.3 Wastewater Revenue

The tariff for sewerage and sanitation pump outs were based on the actual billing for the current year 2022/2023 applied 5.3% escalation that is within the band of recommended increases by National Treasury.

Table 7 Comparison of sewerage and sanitation tariff to be charged for the 2023/24 financial year

	EFFECTIVE FROM 1/7/2023			EFFECTIVE FROM 1/7/2022		
SEWERAGE:						
following:						
Household	R 346.80	R 301.57	5.30%	R 329.35	R 286.39	6.00%
Business	R 346.80	R 301.57	5.30%	R 329.35	R 286.39	6.00%
Per point p/a:	R 1,856.79	R 1,614.60	5.30%	R 1,763.33	R 1,533.33	6.00%
Housing Scheme - per dwelling	R 4,161.62	R 3,618.80	5.30%	R 3,952.16	R 3,436.66	6.00%
establishments	R 4,161.62	R 3,618.80	5.30%	R 3,952.16	R 3,436.66	6.00%
Per point p/a:	R 1,856.79	R 1,614.60	5.30%	R 1,763.33	R 1,533.33	6.00%
Hospitals	R 4,161.62	R 3,618.80	5.30%	R 3,952.16	R 3,436.66	6.00%
Per point p/a:	R 1,856.79	R 1,614.60	5.30%	R 1,763.33	R 1,533.33	6.00%
Schools	R 4,161.62	R 3,618.80	5.30%	R 3,952.16	R 3,436.66	6.00%
Per point p/a:	R 1,856.79	R 1,614.60	5.30%	R 1,763.33	R 1,533.33	6.00%
Availability Charge	R 4,161.61	R 3,618.79	5.30%	R 3,952.15	R 3,436.65	6.00%



SANITATION	EFFECTIVE FROM 1/7/2023			EFFECTIVE FROM 1/7/2022		
Per point means the following:						
a) a toilet						
b) a urinal of 1.5 m or part						
Connection fee:						
Connection Fees (reinstate	R 7,036.10	R 6,118.35	5.30%	R 6,681.96	R 5,810.40	6.00%
Connection Fees(No Tarred	R 5,178.44	R 4,502.99	5.30%	R 4,917.80	R 4,276.35	6.00%
SANITATION						
Removal by truck per load	R 617.81	R 537.22	5.30%	R 586.71	R 510.18	6.00%
Pit inspection (Health)	R 544.97	R 473.89	5.30%	R 517.54	R 450.03	6.00%
Removal - after hours:						
Out Of Town:						
Removal by trunk per load:	R 617.81	R 537.23	5.30%	R 586.72	R 510.19	6.00%
Removal by trunk per load:	R 13.65	R 11.87	5.30%	R 12.96	R 11.27	6.00%

1.4.4 Refuse Removal Revenue

The tariff for refuse removal were based on the actual billing for the current year 2023/2024 applied 5.3 % escalation that is within the band of recommended increases by National Treasury

Table 8 Comparison of refuse removal tariff to be charged for the 2023/24 financial year.

REFUSE REMOVALS	EFFECTIVE FROM 1/7/2023			EFFECTIVE FROM 1/7/2022		
RESIDENTIAL						
Removal Charges monthly residents (incl vacant	R 136.26	R 118.49	5.30%	R 129.40	R 112.52	6.00%
Special removals (household refuse) per load	R 419.49	R 364.77	5.30%	R 398.38	R 346.41	6.00%
BUSINESSES	R -	R -	5.30%			
Removal charges monthly (Businesses)	R 632.95	R 550.39	5.30%	R 601.09	R 522.69	6.00%
Additional removals per load	R 856.98	R 745.20	5.30%	R 813.84	R 707.69	6.00%
Hire of chemical toilets - 7 days or part thereof	R 1,759.07	R 1,529.63	5.30%	R 1,670.54	R 1,452.64	6.00%
incl disposal costs) per load	R 1,756.39	R 1,527.30	5.30%	R 1,667.99	R 1,450.43	6.00%
Hire of D6 Bulldozer (Rate per hour wet rate)	R 947.60	R948.75/hr	5.30%	R 1,036.15	R901.00/hr	6.00%
Hire of D4 Bulldozer (Rate per hour wet rate)	R 744.49	R647.38/hr	5.30%	R 707.02	R614.80/hr	6.00%
Availability of and or/ hiring of skip bin 6m³ per bin	R 1,756.39	R 1,527.30	5.30%	R 1,667.99	R 1,450.43	6.00%
operations	R 3,048.98	R 2,651.28	5.30%	R 2,895.51	R 2,517.84	6.00%
INSTITUTIONS			5.30%			
SAPS, Home Affairs, Magistrate etc) monthly	R 985.20	R 856.70	5.30%	R 935.61	R 813.58	6.00%
Disposal at Santa refuse site	R -	R -	5.30%			
Garden refuse per month	R 183.89	R 159.91	5.30%	R 174.64	R 151.86	6.00%
Building rubble per month	R 476.40	R 414.26	5.30%	R 452.42	R 393.41	6.00%
load	R -	R -	5.30%	R -	R -	6.00%
Environmental levy	R 35.45	R 30.83	5.30%	R 33.67	R 29.28	6.00%

1.4.5 Electricity Revenue

The tariff for electricity tariff were based on the actual billing for the current year 2022/2023 applied 15.10 % escalation that is based on the approve NERSA increases. NERSA has approved Eskom bulk increase of 18.4% the costs of delivering electricity services has become expensive to the municipality considering other factors.



Table 9 Comparison of electricity tariff to be charged for the 2023/24 financial year.

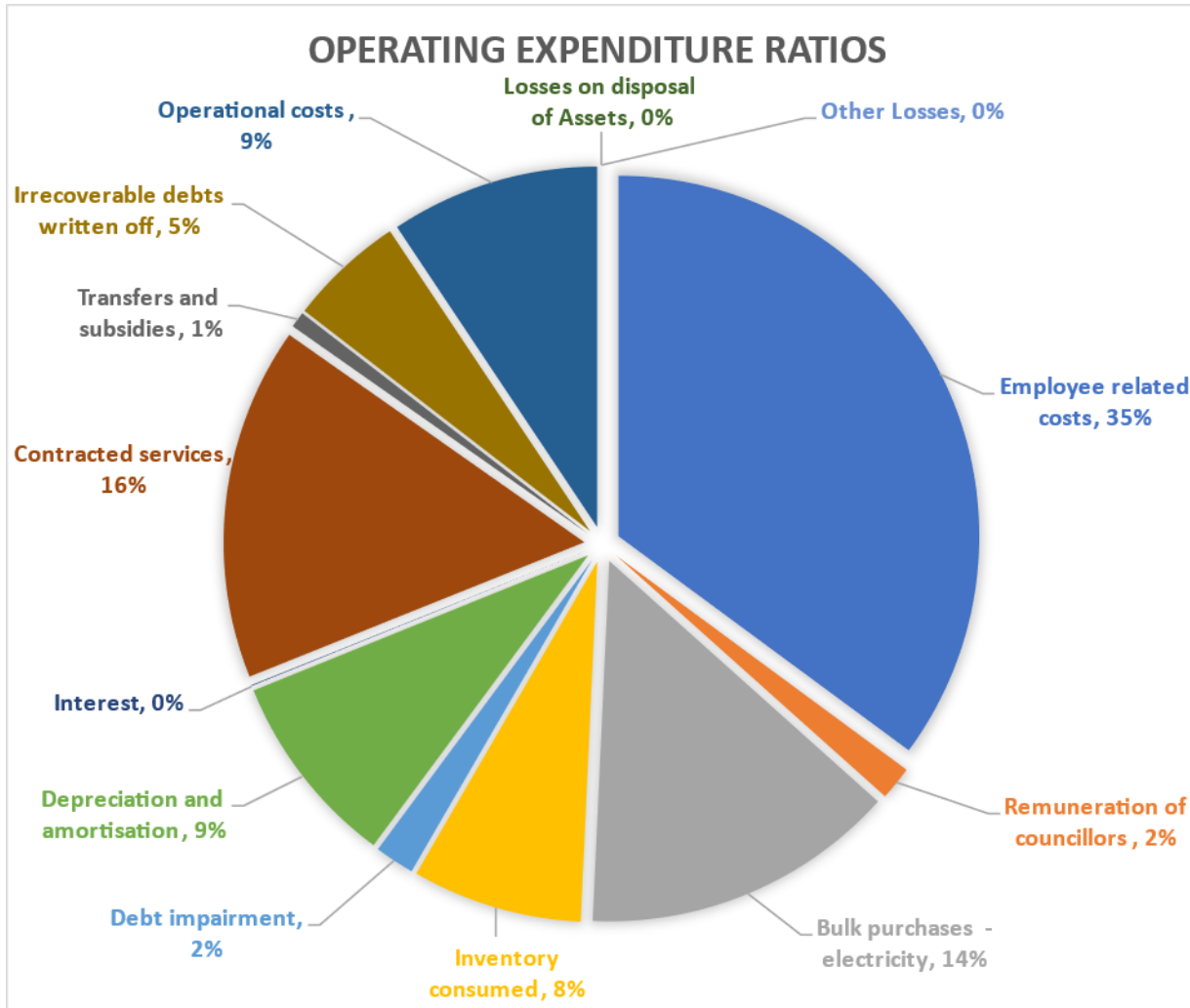
DESCRIPTION	VAT @ 15%	2022/2023							VAT @ 15%			
		2023/2024			2022/2023							
		APPROVED			APPROVED							
		VAT INCL	VAT EXCL	% INCREASE	VAT INCL	VAT EXCL	% INCREASE					
		EFFECTIVE FROM 1/7/2022										
ELECTRICITY NDLAMBE												
1. Scale 1: Domestic Credit												
Applicable to all bona fide domestic Consumers												
Basic Charge:	Y	R	398.95	R	346.91	15.10%	R	346.61	R	301.40	7.47%	Y
Energy Consumption:												
Block 1 (0 - 50 kWh)	Y	R	1.79	R	1.56	15.10%	R	1.5551	R	1.3523	7.47%	Y
Block 2 (51 - 350 kWh)	Y	R	2.30	R	2.00	15.10%	R	1.9994	R	1.7386	7.47%	Y
Block 3 (351 - 600 kWh)	Y	R	3.24	R	2.82	15.10%	R	2.8141	R	2.4470	7.47%	Y
Block 4 (>600 kWh)	Y	R	3.80	R	3.30	15.10%	R	3.2998	R	2.8694	7.47%	Y
2. Scale 2: Domestic Pre-payment												
Applicable to all bona fide domestic consumers in areas where vending is available												
Basic Charge	Y	R	398.95	R	346.91	15.10%	R	346.61	R	301.40	7.47%	Y
Energy Consumption:												
Block 1 (0 - 50 kWh)	Y	R	1.79	R	1.56	15.10%	R	1.5551	R	1.3523	7.47%	Y
Block 2 (51 - 350 kWh)	Y	R	2.30	R	2.00	15.10%	R	1.9994	R	1.7386	7.47%	Y
Block 3 (351 - 600 kWh)	Y	R	3.24	R	2.82	15.10%	R	2.8141	R	2.4470	7.47%	Y
Block 4 (>600 kWh)	Y	R	3.80	R	3.30	15.10%	R	3.2998	R	2.8694	7.47%	Y
3. Scale 3: Commercial												
Applicable to non-domestic consumers with a demand not exceeding 55kVA.												
Basic Charge	Y	R	715.39	R	622.08	15.10%	R	621.54	R	540.47	7.47%	Y
Energy Consumption:	Y	R	3.17	R	2.76	15.10%	R	2.7554	R	2.3960	7.47%	Y
5. Scale 7: Time of Use												
Applicable to consumers with a demand normally exceeding 50kVA												
Basic Monthly charge	Y	R	1,311.23	R	1,140.20	15.10%	R	1,139.21	R	990.62	7.47%	Y
DESCRIPTION	VAT @ 15%	2023/2024			2022/2023			VAT @ 15%				
		APPROVED			APPROVED							
		VAT INCL	VAT EXCL	% INCREASE	VAT INCL	VAT EXCL	% INCREASE					
		EFFECTIVE FROM 1/7/2023			EFFECTIVE FROM 1/7/2022							
Energy Charges (low season)												
Peak	Y	R	2.09	R	1.82	15.10%	R	1.8199	R	1.5825	7.47%	Y
Standard	Y	R	1.29	R	1.12	15.10%	R	1.1226	R	0.9762	7.47%	Y
Off-Peak	Y	R	0.92	R	0.80	15.10%	R	0.7996	R	0.6953	7.47%	Y
Energy Charges (High season - June to August)												
Peak	Y	R	7.34	R	6.38	15.10%	R	6.3785	R	5.5465	7.47%	Y
Standard	Y	R	1.94	R	1.69	15.10%	R	1.6839	R	1.4643	7.47%	Y
Off-Peak	Y	R	1.55	R	1.34	15.10%	R	1.3438	R	1.1685	7.47%	Y
Demand Charges KVA (Peak & Standard only)	Y	R	155.44	R	135.16	15.10%	R	135.0445	R	117.4300	7.47%	Y
Voltage surcharge (calculated as a percentage of demand energy charge)												
Low voltage (400/231v)	N				15.10%				24%	N		
Medium voltage (11kv)	N				15.10%				12%	N		

National Treasury is encouraging municipalities to consider setting cost reflective tariffs as required by Section 74(2) of the Municipal Systems Act 2000, this will ensure that municipalities set tariffs that enable them to recover the full cost of rendering the services. There are still grey areas with regards to the tool such as the tariff structure from the tool does not align to the Ndlambe Municipality’s current structures, extensive understanding of the tool by both Provincial treasury and municipalities and that the tool requires municipality to fully implement costing method. Ndlambe municipality have attempted to complete the tool with challenges.



1.5 OPERATING EXPENDITURE FRAMEWORK

The total projected operating expenditure submitted for the 2023 is broken down into mSCOA version 6.7-line items. The line items are outlined in the pie chart below to reflect the ratio of each line item to the total projected operating expenditure.



It should be noted that the submitted operating expenditure budget reflects R560 770 000 for 2023/2024, R596 392 000(2025) and R630 499 000 (2026), operating expenditure reflects an increase of 8% compared to 2022/2023 budget.



1.6 BUDGET SUPPORTING TABLES

Budget supporting tables 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 2023/2024 budget and MTREF to be approved by the Council. The tables will be presented as the appendix of this document and the *explanatory note* for each table is provided below. The narrations of these tables are outlined in the overview and executive summary.

1.6.1 Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands										
Financial Performance										
Property rates	119 177	124 996	134 278	142 587	142 587	142 587	142 587	154 154	161 861	169 954
Service charges	137 690	154 494	166 316	209 432	206 630	206 630	206 630	206 426	228 423	255 960
Investment revenue	3 919	2 942	4 279	6 787	6 787	6 787	6 787	6 893	7 238	7 600
Transfer and subsidies - Operational	106 572	128 964	116 128	127 902	129 541	129 541	129 541	137 300	146 969	152 297
Other own revenue	21 997	23 754	27 426	28 991	36 364	36 364	36 364	45 079	47 399	49 769
Total Revenue (excluding capital transfers and contributions)	389 356	435 151	448 427	515 698	521 908	521 908	521 908	549 852	591 890	635 580
Employee costs	144 395	163 349	164 361	178 808	167 940	167 940	167 940	196 957	214 563	228 906
Remuneration of councillors	7 474	7 548	7 813	8 286	8 006	8 006	8 006	8 464	8 925	9 408
Depreciation and amortisation	46 101	45 677	55 140	47 076	47 076	47 076	47 076	49 076	51 530	54 107
Interest	5 152	4 567	6 697	375	375	375	375	196	89	-
Inventory consumed and bulk purchases	75 849	82 415	106 655	85 341	106 560	106 560	106 560	121 829	128 546	135 580
Transfers and subsidies	2 978	3 310	3 350	3 511	4 257	4 257	4 257	3 980	4 172	4 374
Other expenditure	153 928	171 485	178 203	190 826	183 796	183 796	183 796	180 269	188 567	198 125
Total Expenditure	435 878	478 350	522 218	514 223	518 010	518 010	518 010	560 770	596 392	630 499
Surplus/(Deficit)	(46 522)	(43 199)	(73 792)	1 475	3 898	3 898	3 898	(10 918)	(4 503)	5 081
Transfers and subsidies - capital (monetary allocations)	31 023	150 852	93 862	132 921	147 252	147 252	147 252	63 644	60 275	62 157
Transfers and subsidies - capital (in-kind)	-	167	5 024	-	7 709	7 709	7 709	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(15 500)	107 820	25 094	134 396	158 858	158 858	158 858	52 726	55 772	67 237
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(15 500)	107 820	25 094	134 396	158 858	158 858	158 858	52 726	55 772	67 237
Capital expenditure & funds sources										
Capital expenditure	679 527	89 393	109 371	149 569	186 368	186 368	186 368	79 930	69 722	71 797
Transfers recognised - capital	163 021	124 827	86 690	131 421	155 920	155 920	155 920	63 644	60 082	62 157
Borrowing	(5 248)	(408)	-	-	-	-	-	-	-	-
Internally generated funds	92 479	5 462	26 543	18 148	30 448	30 448	30 448	16 285	9 640	9 640
Total sources of capital funds	250 252	129 881	113 233	149 569	186 368	186 368	186 368	79 930	69 722	71 797
Financial position										
Total current assets	145 454	231 478	247 529	177 022	156 531	156 531	156 531	(70 896)	562 638	455 692
Total non current assets	1 214 468	1 301 033	1 355 086	1 226 683	1 271 191	1 271 191	1 271 191	1 418 909	1 437 101	25 449
Total current liabilities	141 506	171 880	220 173	100 644	100 211	100 211	100 211	(132 767)	463 187	400 295
Total non current liabilities	99 842	115 586	113 170	108 059	108 059	108 059	108 059	110 673	110 673	-
Community wealth/Equity	1 134 073	1 255 602	1 279 476	1 195 003	1 219 453	1 219 453	1 219 453	1 370 107	1 425 879	80 846
Cash flows										
Net cash from (used) operating	637 529	456 424	44 837	180 815	185 369	185 369	185 369	116 882	139 934	154 969
Net cash from (used) investing	(58 048)	(137 964)	(123 898)	(142 921)	(186 322)	(186 322)	(186 322)	(120 714)	(10 870)	(25 140)
Net cash from (used) financing	(2 169)	(1 312)	-	(1 870)	(1 861)	(1 861)	(1 861)	(1 419)	(914)	59
Cash/cash equivalents at the year end	622 571	317 148	(2 530)	111 388	89 227	89 227	89 227	23 496	151 646	281 534
Cash backing/surplus reconciliation										
Cash and investments available	30 788	77 126	77 828	113 464	89 342	89 342	89 342	23 386	225 540	145 866
Application of cash and investments	(286 578)	(210 167)	(238 240)	(148 063)	(146 548)	(146 548)	(146 548)	(555 063)	(45 775)	314 227
Balance - surplus (shortfall)	317 365	287 293	316 069	261 526	235 889	235 889	235 889	578 449	271 316	(168 361)
Asset management										
Asset register summary (WDV)	1 170 852	1 128 538	1 240 377	921 343	943 315	943 315		1 176 859	1 136 199	(21 208)
Depreciation	46 101	45 531	47 495	47 076	47 076	47 076		49 076	51 530	54 107
Renewal and Upgrading of Existing Assets	676 657	39 555	41 429	59 800	73 063	73 063		54 177	51 552	53 207
Repairs and Maintenance	13 660	19 818	31 029	34 498	26 750	26 750		38 691	40 629	42 941
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-		-	-	-
Revenue cost of free services provided	70 958	74 571	77 658	85 059	87 621	87 621		75 166	78 930	82 808



Households below minimum service level	-	-	0	0	0	0	0	0	0
Water:	-	-	2	2	2	2	2	2	2
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	4	4	4	4	4	4	4
Refuse:	-	-	-	-	-	-	-	-	-

Table A1 is a budget summary and provides a concise overview of the Municipality’s budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

1.6.2 Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

1.6.2.1 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.

1.6.2.2 Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

1.6.2.3 Other functions that show a deficit between revenue and expenditure are being financed from property rates revenues and other revenue sources.

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional										
Governance and administration		183 681	212 745	204 097	259 728	260 391	260 391	231 585	246 114	256 621
Executive and council		3 690	4 567	5 133	4 450	4 950	4 950	4 100	4 348	4 518
Finance and administration		179 991	208 178	198 964	255 278	255 441	255 441	227 485	241 766	252 102
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		14 568	20 311	10 278	6 814	8 942	8 942	20 545	8 737	8 301
Community and social services		5 046	2 972	2 831	2 962	4 101	4 101	3 578	3 619	3 663
Sport and recreation		3 649	11 377	1 822	302	532	532	11 225	979	293
Public safety		53	562	62	1 520	2 279	2 279	1 900	105	111
Housing		4 264	3 771	4 281	296	296	296	1 948	2 045	2 147
Health		1 556	1 629	1 282	1 734	1 734	1 734	1 894	1 989	2 088
Economic and environmental services		14 779	8 993	18 301	13 422	22 888	22 888	20 784	9 833	24 243
Planning and development		3 332	4 919	11 515	5 655	5 655	5 655	5 214	5 460	5 718
Road transport		10 347	3 158	5 641	7 765	17 231	17 231	13 752	2 463	16 520
Environmental protection		1 099	915	1 145	1	1	1	1 818	1 909	2 005
Trading services		205 406	341 140	311 369	356 387	372 380	372 380	325 816	371 977	392 293
Energy sources		71 467	73 142	108 156	111 792	112 253	112 253	98 117	121 291	140 867
Water management		75 924	187 215	112 741	90 155	103 110	103 110	107 238	113 426	138 244
Waste water management		26 089	46 642	55 682	129 721	125 087	125 087	75 967	90 220	63 110
Waste management		31 927	34 141	34 790	24 719	31 929	31 929	44 494	47 040	50 073
Other	4	1 944	2 982	3 267	12 267	12 267	12 267	14 765	15 504	16 279
Total Revenue - Functional	2	420 379	586 170	547 313	648 619	676 868	676 868	613 496	652 165	697 737
Expenditure - Functional										
Governance and administration		127 561	165 376	128 364	166 384	166 997	166 997	153 490	167 243	176 527
Executive and council		29 457	31 101	36 766	44 985	45 771	45 771	46 363	48 795	51 218
Finance and administration		92 302	127 888	84 583	113 582	113 409	113 409	98 904	109 777	116 170
Internal audit		5 802	6 387	7 015	7 817	7 817	7 817	8 223	8 670	9 140
Community and public safety		36 257	33 354	39 687	40 636	43 607	43 607	45 879	48 815	51 947
Community and social services		9 622	9 429	10 466	11 428	12 748	12 748	12 170	12 967	13 843
Sport and recreation		11 867	10 354	14 800	13 437	14 123	14 123	15 969	16 989	18 084
Public safety		8 128	7 651	8 361	9 091	9 187	9 187	11 607	12 391	13 181
Housing		4 284	3 400	2 975	3 348	3 946	3 946	3 546	3 771	4 007
Health		2 356	2 519	3 085	3 332	3 603	3 603	2 586	2 697	2 832
Economic and environmental services		76 214	78 314	84 555	80 282	79 674	79 674	87 873	92 900	98 209
Planning and development		23 727	24 360	26 354	25 961	24 374	24 374	26 545	27 947	30 447
Road transport		49 430	51 675	55 263	51 624	52 502	52 502	58 371	61 810	64 423
Environmental protection		3 058	2 279	2 937	2 697	2 798	2 798	2 956	3 143	3 340
Trading services		193 759	199 174	267 079	224 039	224 938	224 938	270 512	284 204	300 304
Energy sources		81 881	90 599	115 234	91 703	91 249	91 249	108 986	115 550	121 771



Water management		49 951	46 589	83 907	78 676	76 905	76 905	101 507	106 478	112 144
Waste water management		21 441	24 473	30 579	23 625	24 090	24 090	24 749	25 176	26 909
Waste management		40 486	37 513	37 359	30 035	32 695	32 695	35 270	37 000	39 480
Other	4	2 087	2 132	2 533	2 882	2 794	2 794	3 016	3 231	3 512
Total Expenditure - Functional	3	435 878	478 350	522 218	514 223	518 010	518 010	560 770	596 392	630 499
Surplus/(Deficit) for the year		(15 500)	107 820	25 094	134 396	158 858	158 858	52 726	55 772	67 237

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

Table A3 is a view of the budgeted financial performance in relation to revenue and expenditure per municipal vote. Ndlambe Municipality has 5 municipal votes which are:

1. Executive and Council
2. Office of the Municipal Manager
3. Corporate Services
4. Community Protection Services
5. Infrastructure Development

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		3 564	4 267	4 443	4 443	4 443	4 443	4 093	4 340	4 510
Vote 2 - MUNICIPAL MANAGER		126	304	690	7	507	507	7	8	8
Vote 3 - CORPORATE SERVICES		4 319	4 073	3 148	3 232	4 533	4 533	3 872	3 928	3 987
Vote 4 - COMMUNITY AND PROTECTION SERVICES		33 973	36 313	36 822	27 534	34 745	34 745	46 930	49 598	52 759
Vote 5 - COMMUNITY AND PROTECTION SERVICES		7 475	16 058	6 064	13 787	14 776	14 776	29 442	18 216	18 392
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		43 856	58 232	76 602	142 660	147 492	147 492	96 606	99 900	87 192
Vote 7 - ELECTRICITY SERVICES		71 467	73 142	108 156	111 792	112 253	112 253	98 117	121 291	140 867
Vote 8 - WATER WORKS		75 924	187 215	112 741	90 155	103 110	103 110	107 238	113 426	138 244
Vote 9 - FINANCIAL SERVICES		179 671	206 567	198 647	255 008	255 008	255 008	227 191	241 457	251 778
Vote 10 - FINANCIAL SERVICES		4	(0)	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	420 379	586 170	547 313	648 619	676 868	676 868	613 496	652 165	697 737
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		11 700	11 949	12 429	15 264	15 342	15 342	14 652	15 458	16 213
Vote 2 - MUNICIPAL MANAGER		24 478	26 446	32 347	38 736	39 516	39 516	41 674	43 863	46 099
Vote 3 - CORPORATE SERVICES		19 502	35 780	27 692	30 481	31 746	31 746	32 839	34 771	36 903
Vote 4 - COMMUNITY AND PROTECTION SERVICES		67 819	64 428	68 839	59 989	63 052	63 052	68 814	77 156	82 421
Vote 5 - COMMUNITY AND PROTECTION SERVICES		24 050	20 960	23 682	21 475	21 884	21 884	26 188	27 745	29 439
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		101 636	105 584	113 017	105 494	106 011	106 011	111 018	117 193	124 119
Vote 7 - ELECTRICITY SERVICES		81 881	90 599	115 234	91 703	91 249	91 249	108 986	115 550	121 771
Vote 8 - WATER WORKS		49 951	46 589	83 907	78 676	76 905	76 905	101 507	106 478	112 144
Vote 9 - FINANCIAL SERVICES		54 861	75 899	45 071	72 454	72 354	72 354	55 091	58 178	61 390
Vote 10 - FINANCIAL SERVICES		-	116	-	(48)	(48)	(48)	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	435 878	478 350	522 218	514 223	518 010	518 010	560 770	596 392	630 499
Surplus/(Deficit) for the year	2	(15 500)	107 820	25 094	134 396	158 858	158 858	52 726	55 772	67 237



1.6.4 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.

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	67 854	69 914	84 723	92 353	92 815	92 815	92 815	92 700	107 530	125 810
Service charges - Water	2	42 191	52 115	49 073	82 353	79 751	79 751	79 751	66 182	70 318	75 586
Service charges - Waste Water Management	2	12 265	14 746	14 750	15 754	15 092	15 092	15 092	18 102	19 339	21 086
Service charges - Waste Management	2	15 380	17 719	17 770	18 971	18 971	18 971	18 971	29 442	31 236	33 478
Sale of Goods and Rendering of Services		2 137	3 335	3 601	3 668	3 668	3 668	3 668	3 076	3 230	3 392
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		5 449	4 739	5 657	5 446	5 446	5 446	5 446	8 389	8 875	9 318
Interest earned from Current and Non Current Assets		3 919	2 942	4 279	6 787	6 787	6 787	6 787	6 893	7 238	7 600
Dividends		4	-	-	-	-	-	-	-	-	-
Rent on Land		6	1	3	-	-	-	-	-	-	-
Rental from Fixed Assets		29	666	794	961	961	961	961	1 092	1 147	1 204
Licence and permits		1 944	2 982	3 267	12 267	12 267	12 267	12 267	14 765	15 504	16 279
Operational Revenue		892	2 090	1 640	1 664	1 827	1 827	1 827	2 136	2 243	2 355
Non-Exchange Revenue											
Property rates	2	119 177	124 996	134 278	142 587	142 587	142 587	142 587	154 154	161 861	169 954
Surcharges and Taxes		6 745	6 858	6 464	4 215	11 426	11 426	11 426	9 110	9 565	10 043
Fines, penalties and forfeits		246	372	675	769	769	769	769	328	345	362
Licences or permits		1 172	984	1 212	-	-	-	-	1 927	2 023	2 125
Transfer and subsidies - Operational		106 572	128 964	116 128	127 902	129 541	129 541	129 541	137 300	146 969	152 297
Interest		3 139	1 726	2 976	-	-	-	-	4 254	4 467	4 690
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		226	-	1 137	-	-	-	-	-	-	-
Other Gains		8	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		389 356	435 151	448 427	515 698	521 908	521 908	521 908	549 852	591 890	635 580
Expenditure											
Employee related costs	2	144 395	163 349	164 361	178 808	167 940	167 940	167 940	196 957	214 563	228 906
Remuneration of councillors		7 474	7 548	7 813	8 286	8 006	8 006	8 006	8 464	8 925	9 408
Bulk purchases - electricity	2	50 731	53 072	69 670	54 723	56 133	56 133	56 133	79 082	83 661	88 506
Inventory consumed	8	25 118	29 343	36 985	30 618	50 427	50 427	50 427	42 747	44 885	47 073
Debt impairment	3	-	-	47 654	55 848	55 848	55 848	55 848	9 961	10 460	10 982
Depreciation and amortisation		46 101	45 677	55 140	47 076	47 076	47 076	47 076	49 076	51 530	54 107
Interest		5 152	4 567	6 697	375	375	375	375	196	89	-
Contracted services		58 623	74 269	77 353	78 670	73 311	73 311	73 311	88 806	92 924	97 724
Transfers and subsidies		2 978	3 310	3 350	3 511	4 257	4 257	4 257	3 980	4 172	4 374
Irrecoverable debts written off		37 311	42 420	(331)	-	-	-	-	29 039	30 490	32 015
Operational costs		57 972	54 514	48 699	56 309	54 636	54 636	54 636	52 463	54 693	57 403
Losses on disposal of Assets		-	165	4 821	-	-	-	-	-	-	-
Other Losses		22	118	6	-	-	-	-	-	-	-
Total Expenditure		435 878	478 350	522 218	514 223	518 010	518 010	518 010	560 770	596 392	630 499
Surplus/(Deficit)		(46 522)	(43 199)	(73 792)	1 475	3 898	3 898	3 898	(10 918)	(4 503)	5 081
Transfers and subsidies - capital (monetary)	6	31 023	150 852	93 862	132 921	147 252	147 252	147 252	63 644	60 275	62 157
Transfers and subsidies - capital (in-kind)	6	-	167	5 024	-	7 709	7 709	7 709	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(15 500)	107 820	25 094	134 396	158 858	158 858	158 858	52 726	55 772	67 237
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(15 500)	107 820	25 094	134 396	158 858	158 858	158 858	52 726	55 772	67 237
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(15 500)	107 820	25 094	134 396	158 858	158 858	158 858	52 726	55 772	67 237
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	(15 500)	107 820	25 094	134 396	158 858	158 858	158 858	52 726	55 772	67 237



1.6.5 TABLE A5. BUDGETED CAPITAL EXPENDITURE BY VOTE, FUNCTIONAL CLASSIFICATION, AND FUNDING

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY AND PROTECTION SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND PROTECTION SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		-	-	1 886	1 730	-	-	-	-	-	-
Vote 7 - ELECTRICITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - WATER WORKS		-	-	-	-	-	-	-	-	-	-
Vote 9 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 10 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	1 886	1 730	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		1 447	(103)	205	1 080	1 010	1 010	1 010	603	-	-
Vote 2 - MUNICIPAL MANAGER		(55)	(822)	(113)	1 339	1 639	1 639	1 639	709	-	-
Vote 3 - CORPORATE SERVICES		532	288	197	102	14 156	14 156	14 156	117	-	-
Vote 4 - COMMUNITY AND PROTECTION SERVICES		3 644	(2 331)	5 183	6 100	5 550	5 550	5 550	2 468	2 020	1 840
Vote 5 - COMMUNITY AND PROTECTION SERVICES		19 426	10 067	1 383	3 490	4 999	4 999	4 999	17 655	3 020	-
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		544 016	(2 454)	38 027	117 393	124 459	124 459	124 459	55 044	55 082	41 062
Vote 7 - ELECTRICITY SERVICES		(4 015)	(4 425)	15 170	15 500	15 520	15 520	15 520	500	8 500	9 500
Vote 8 - WATER WORKS		113 937	88 375	47 081	1 926	18 126	18 126	18 126	1 340	1 100	19 395
Vote 9 - FINANCIAL SERVICES		489	800	351	909	909	909	909	1 493	-	-
Vote 10 - FINANCIAL SERVICES		106	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		679 527	89 393	107 484	147 839	186 368	186 368	186 368	79 930	69 722	71 797
Total Capital Expenditure - Vote		679 527	89 393	109 371	149 569	186 368	186 368	186 368	79 930	69 722	71 797
Capital Expenditure - Functional											
Governance and administration		(273)	(3 116)	990	4 607	4 372	4 372	4 372	4 315	200	90
Executive and council		1 327	(959)	92	2 419	2 649	2 649	2 649	1 262	-	-
Finance and administration		(1 656)	(2 175)	898	2 189	1 724	1 724	1 724	3 003	200	90
Internal audit		56	18	-	-	-	-	-	51	-	-
Community and public safety		20 063	5 726	3 790	3 217	19 245	19 245	19 245	17 245	3 070	250
Community and social services		434	216	165	22	14 141	14 141	14 141	37	-	-
Sport and recreation		5 174	5 083	3 603	1 075	1 305	1 305	1 305	13 215	1 870	250
Public safety		14 169	410	-	2 105	3 784	3 784	3 784	3 958	1 200	-
Housing		97	7	-	-	-	-	-	-	-	-
Health		188	10	22	15	15	15	15	35	-	-
Economic and environmental services		538 798	(15 341)	11 061	9 204	18 780	18 780	18 780	15 752	2 500	18 000
Planning and development		73 847	(1 034)	5 066	153	353	353	353	860	-	-
Road transport		464 674	(14 368)	5 990	8 186	17 862	17 862	17 862	14 892	2 500	18 000
Environmental protection		277	61	6	865	565	565	565	-	-	-
Trading services		120 926	102 124	93 530	132 540	143 971	143 971	143 971	42 617	63 952	53 457
Energy sources		(4 015)	(4 425)	15 170	15 500	15 520	15 520	15 520	500	8 500	9 500
Water management		113 937	88 375	47 081	1 926	18 126	18 126	18 126	1 340	1 100	19 395
Waste water management		8 309	16 227	28 464	111 395	107 054	107 054	107 054	39 257	52 582	23 062
Waste management		2 694	1 947	2 815	3 720	3 270	3 270	3 270	1 520	1 770	1 500
Other		13	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	679 527	89 393	109 371	149 569	186 368	186 368	186 368	79 930	69 722	71 797
Funded by:											
National Government		135 350	89 341	50 778	129 691	135 414	135 414	135 414	60 358	60 082	62 157
Provincial Government		17 070	34 329	34 777	-	16 517	16 517	16 517	-	-	-
District Municipality		11 955	(2)	-	-	2 259	2 259	2 259	1 800	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons,											



Higher Educ Institutions)		(1 354)	1 159	1 136	1 730	1 730	1 730	1 730	1 486	-	-
Transfers recognised - capital	4	163 021	124 827	86 690	131 421	155 920	155 920	155 920	63 644	60 082	62 157
Borrowing	6	(5 248)	(408)	-	-	-	-	-	-	-	-
Internally generated funds		92 479	5 462	26 543	18 148	30 448	30 448	30 448	16 285	9 640	9 640
Total Capital Funding	7	250 252	129 881	113 233	149 569	186 368	186 368	186 368	79 930	69 722	71 797

1.6.6 TABLE A6 BUDGETED FINANCIAL POSITION I

- 1.6.6.1 Table A6 is consistent with international standards of good financial management practice and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- 1.6.6.2 This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents.
- 1.6.6.3 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.

1.6.7 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:

1. Consumer debtors.
2. Property, plant, and equipment.
3. Trade and other payables.
4. Provisions non-current.
5. Changes in net assets; and
6. Reserves

- 1.6.7.1 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.
- 1.6.7.2 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. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.



Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		30 721	77 059	77 768	113 397	89 275	89 275	89 275	22 679	19 537	41 446
Trade and other receivables from exchange transactions	1	23 194	22 899	29 126	33 621	38 030	38 030	38 030	49 331	52 154	82 522
Receivables from non-exchange transactions	1	17 696	17 733	20 161	14 675	14 675	14 675	14 675	55 521	90 149	144 238
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	1 298	1 095	1 146	1 095	317	317	317	4 395	7 209	10 201
VAT		72 119	102 149	118 892	13 895	13 895	13 895	13 895	164 152	192 094	235 764
Other current assets		428	10 543	436	339	339	339	339	263	263	263
Total current assets		145 454	231 478	247 529	177 022	156 531	156 531	156 531	296 342	361 406	514 434
Non current assets											
Investments		67	67	61	67	67	67	67	49	49	49
Investment property		272 931	260 120	261 357	258 944	258 944	258 944	258 944	260 082	257 988	255 789
Property, plant and equipment	3	941 886	1 041 406	1 094 348	968 276	1 012 776	1 012 776	1 012 776	1 159 375	1 179 722	1 199 671
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		0	0	0	0	0	0	0	0	0	0
Intangible assets		(417)	(560)	(679)	(605)	(596)	(596)	(596)	(598)	(658)	(718)
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		1 214 468	1 301 033	1 355 086	1 226 683	1 271 191	1 271 191	1 271 191	1 418 909	1 437 101	1 454 791
TOTAL ASSETS		1 359 922	1 532 511	1 602 615	1 403 705	1 427 722	1 427 722	1 427 722	1 715 250	1 798 507	1 969 226
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		1 995	1 738	1 920	1 464	1 464	1 464	1 464	973	(0)	(0)
Consumer deposits		2 213	2 383	2 538	2 433	2 442	2 442	2 442	2 817	2 875	2 934
Trade and other payables from exchange transactions	4	50 706	55 457	56 888	70 079	69 711	69 711	69 711	7 379	6 230	6 604
Trade and other payables from non-exchange transactions	5	1 093	1 764	16 783	1 764	1 690	1 690	1 690	16 751	7 274	11 999
Provision		13 761	12 329	13 188	14 896	14 896	14 896	14 896	13 188	13 188	13 188
VAT		67 232	88 201	111 715	-	-	-	-	176 221	215 246	286 331
Other current liabilities		4 507	10 008	17 142	10 008	10 008	10 008	10 008	17 142	17 142	17 142
Total current liabilities		141 506	171 880	220 173	100 644	100 211	100 211	100 211	234 470	261 955	338 199
Non current liabilities											
Financial liabilities	6	6 207	4 428	2 497	1 044	1 044	1 044	1 044	(0)	(0)	(0)
Provision	7	45 642	61 193	68 184	57 050	57 050	57 050	57 050	68 184	68 184	68 184
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		47 993	49 965	42 489	49 965	49 965	49 965	49 965	42 489	42 489	42 489
Total non current liabilities		99 842	115 586	113 170	108 059	108 059	108 059	108 059	110 673	110 673	110 673
TOTAL LIABILITIES		241 348	287 466	333 343	208 702	208 269	208 269	208 269	345 143	372 628	448 871
NET ASSETS		1 118 574	1 245 045	1 269 272	1 195 003	1 219 453	1 219 453	1 219 453	1 370 107	1 425 879	1 520 354
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	1 134 073	1 255 602	1 279 476	1 195 003	1 219 453	1 219 453	1 219 453	1 370 107	1 425 879	1 520 354
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	1 134 073	1 255 602	1 279 476	1 195 003	1 219 453	1 219 453	1 219 453	1 370 107	1 425 879	1 520 354



1.6.8 Table A7 Budgeted Cash Flows

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		105 212	120 862	128 564	121 070	121 070	121 070	121 070	135 655	142 560	149 688
Service charges		128 115	139 845	145 890	174 696	176 632	176 632	176 632	208 903	231 164	259 032
Other revenue		72 823	20 311	106 886	19 770	19 957	19 957	19 957	39 850	41 010	42 229
Transfers and Subsidies - Operational	1	142 008	141 451	135 587	127 902	170 169	170 169	170 169	137 300	146 969	152 297
Transfers and Subsidies - Capital	1	3 360	139 780	105 514	132 921	139 415	139 415	139 415	63 644	46 867	62 762
Interest		9 517	2 683	2 958	6 787	6 787	6 787	6 787	6 893	7 238	7 600
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		176 495	(108 508)	(563 353)	(398 396)	(402 147)	(402 147)	(402 147)	(504 780)	(537 767)	(569 191)
Interest		-	-	(638)	(422)	(422)	(422)	(422)	(196)	(89)	-
Transfers and Subsidies	1	-	-	(16 571)	(3 511)	(46 090)	(46 090)	(46 090)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		637 529	456 424	44 837	180 815	185 369	185 369	185 369	87 270	77 953	104 416
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		(11)	-	(6)	-	-	-	-	-	-	-
Payments											
Capital assets		(58 037)	(137 964)	(123 891)	(142 921)	(186 322)	(186 322)	(186 322)	(91 919)	(80 181)	(82 566)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(58 048)	(137 964)	(123 898)	(142 921)	(186 322)	(186 322)	(186 322)	(91 919)	(80 181)	(82 566)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	50	59	59	59	59	59	59
Payments											
Repayment of borrowing		(2 169)	(1 312)	-	(1 920)	(1 920)	(1 920)	(1 920)	(1 477)	(973)	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2 169)	(1 312)	-	(1 870)	(1 861)	(1 861)	(1 861)	(1 419)	(914)	59
NET INCREASE/ (DECREASE) IN CASH HELD		577 312	317 148	(79 061)	36 024	(2 814)	(2 814)	(2 814)	(6 068)	(3 142)	21 908
Cash/cash equivalents at the year begin:	2	45 259	-	76 531	75 364	92 041	92 041	92 041	28 747	22 679	19 537
Cash/cash equivalents at the year end:	2	622 571	317 148	(2 530)	111 388	89 227	89 227	89 227	22 679	19 537	41 446

1.6.9 Table A8 Cash backed reserves/accumulated surplus reconciliation.

- 1.6.9.1 The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- 1.6.9.2 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.
- 1.6.9.3 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.



1.6.9.4 As part of the budgeting and planning guidelines that informed the compilation of the 2022/23 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFM

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available											
Cash/cash equivalents at the year end	1	622 571	317 148	(2 530)	111 388	89 227	89 227	89 227	22 679	19 537	41 446
Other current investments > 90 days		(591 850)	(240 089)	80 297	2 008	48	48	48	(0)	(0)	0
Non current Investments	1	67	67	61	67	67	67	67	49	49	49
Cash and investments available:		30 788	77 126	77 828	113 464	89 342	89 342	89 342	22 728	19 586	41 494
Application of cash and investments											
Trade payables from Non-exchange transactions: Other		1 649	1 656	17 284	1 656	1 648	1 648	1 648	13 410	422	1 468
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(30 034)	(27 010)	(7 177)	(13 895)	(13 895)	(13 895)	(13 895)	12 069	23 152	50 567
Other working capital requirements	3	(276 460)	(207 150)	(278 677)	(160 727)	(159 204)	(159 204)	(159 204)	(302 260)	(337 453)	(390 062)
Other provisions		18 268	22 337	30 329	24 904	24 904	24 904	24 904	30 329	30 329	30 329
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(286 578)	(210 167)	(238 240)	(148 063)	(146 548)	(146 548)	(146 548)	(246 452)	(283 549)	(307 697)
Surplus(shortfall)		317 365	287 293	316 069	261 526	235 889	235 889	235 889	269 180	303 135	349 191

1.6.10 Table A9 Asset Management

1.6.10.1 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.

1.6.10.2 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 2022/23 budget year.

EC105 Ndlambe - Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CAPITAL EXPENDITURE										
Total New Assets	1	2 870	49 838	67 942	89 768	113 305	113 305	25 752	18 170	18 590
Roads Infrastructure		65	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		255	(4 425)	15 170	15 500	15 500	15 500	300	8 100	9 000
Water Supply Infrastructure		(9 117)	71 440	28 760	676	2 817	2 817	840	500	-
Sanitation Infrastructure		4 554	-	12 627	58 276	64 887	64 887	8 057	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	61	54	100	65	65	100	-	-
Infrastructure		(4 243)	67 076	56 611	74 552	83 269	83 269	9 297	8 600	9 000
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		(828)	-	-	-	14 000	14 000	350	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		(828)	-	-	-	14 000	14 000	350	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		73	(16)	-	-	-	-	-	-	-
Intangible Assets		73	(16)	-	-	-	-	-	-	-
Computer Equipment		869	152	319	1 846	1 647	1 647	973	-	-
Furniture and Office Equipment		1 020	(173)	336	661	870	870	1 044	-	40



Machinery and Equipment		(312)	(16 584)	(3 153)	3 880	2 946	2 946	4 100	1 350	1 500
Transport Assets		6 292	(617)	8 915	8 830	10 573	10 573	9 988	8 220	8 050
Land		-	-	4 914	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources										
		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	43 740	(418)	3 354	55	79	79	40		
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		(903)	(466)	347	-	30	30	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		44 696	-	2 992	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		43 793	(466)	3 339		30	30			
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets										
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties										
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets										
Licences and Rights		(162)	-	-	-	-	-	-	-	-
Intangible Assets		(162)								
Computer Equipment		109	48	15	55	49	49	40	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources										
		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	632 917	39 973	38 075	59 745	72 984	72 984	54 137	51 552	53 207
Roads Infrastructure		465 442	(128)	5 609	6 326	15 872	15 872	11 427	-	15 500
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		(4 270)	-	-	-	-	-	-	-	-
Water Supply Infrastructure		78 000	13 737	15 971	-	14 227	14 227	-	-	17 395
Sanitation Infrastructure		1 234	18 919	13 689	51 319	40 735	40 735	30 000	50 082	20 262
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		540 406	32 528	35 268	57 645	70 834	70 834	41 427	50 082	53 157
Community Facilities		-	(3 918)	110	-	200	200	-	-	-
Sport and Recreation Facilities		5 539	9 606	1 383	-	230	230	11 060	920	-
Community Assets		5 539	5 688	1 493		430	430	11 060	920	
Heritage Assets										
Revenue Generating		77 217	(1 176)	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		77 217	(1 176)							
Operational Buildings		7 922	727	1 313	2 065	1 685	1 685	1 300	550	50
Housing		-	-	-	-	-	-	-	-	-
Other Assets		7 922	727	1 313	2 065	1 685	1 685	1 300	550	50
Biological or Cultivated Assets										
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		58	-	-	-	-	-	-	-	-
Intangible Assets		58								
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		1 775	2 207	-	35	35	35	350	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Living Resources										
		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	679 527	89 393	109 371	149 569	186 368	186 368	79 930	69 722	71 797
Roads Infrastructure		465 507	(128)	5 609	6 326	15 872	15 872	11 427	-	15 500
Storm water Infrastructure		(903)	(466)	347	-	30	30	-	-	-
Electrical Infrastructure		(4 015)	(4 425)	15 170	15 500	15 500	15 500	300	8 100	9 000
Water Supply Infrastructure		113 579	85 177	47 722	676	17 044	17 044	840	500	17 395
Sanitation Infrastructure		5 788	18 919	26 316	109 595	105 622	105 622	38 057	50 082	20 262
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	61	54	100	65	65	100	-	-
Infrastructure		579 956	99 139	95 218	132 197	154 133	154 133	50 724	58 682	62 157
Community Facilities		-	(3 918)	110	-	200	200	-	-	-
Sport and Recreation Facilities		5 539	9 606	1 383	-	230	230	11 060	920	-
Community Assets		5 539	5 688	1 493		430	430	11 060	920	
Heritage Assets										
Revenue Generating		77 217	(1 176)	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		77 217	(1 176)							
Operational Buildings		7 093	727	1 313	2 065	15 685	15 685	1 650	550	50
Housing		-	-	-	-	-	-	-	-	-



Other Assets		7 093	727	1 313	2 065	15 685	15 685	1 650	550	50
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		(32)	(16)	-	-	-	-	-	-	-
Intangible Assets		(32)	(16)	-	-	-	-	-	-	-
Computer Equipment		978	200	335	1 901	1 696	1 696	1 013	-	-
Furniture and Office Equipment		1 020	(173)	336	661	870	870	1 044	-	40
Machinery and Equipment		1 463	(14 378)	(3 153)	3 915	2 981	2 981	4 450	1 350	1 500
Transport Assets		6 292	(617)	8 915	8 830	10 573	10 573	9 988	8 220	8 050
Land		-	-	4 914	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		679 527	89 393	109 371	149 569	186 368	186 368	79 930	69 722	71 797
ASSET REGISTER SUMMARY - PPE (WDV)	5	1 170 852	1 128 538	1 240 377	921 343	943 315	943 315	1 176 859	1 136 199	1 107 232
Roads Infrastructure		872 566	332 202	325 387	298 048	298 001	298 001	297 035	282 348	283 671
Storm water Infrastructure		(9 930)	-	56	-	-	-	56	56	56
Electrical Infrastructure		263 746	94 570	105 906	85 766	86 239	86 239	99 177	94 506	89 557
Water Supply Infrastructure		(542 936)	109 002	203 698	79 300	86 579	86 579	177 180	163 005	147 369
Sanitation Infrastructure		142 002	138 194	136 511	16 285	16 340	16 340	125 466	120 650	115 313
Solid Waste Infrastructure		65	65	65	65	65	65	65	65	65
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		2 603	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		728 116	674 033	771 622	479 465	487 224	487 224	698 979	660 630	636 031
Community Assets		94 128	99 204	111 156	99 196	98 775	98 775	121 284	121 567	121 151
Heritage Assets		0	0	0	0	0	0	0	0	0
Investment properties		272 931	260 120	261 357	258 944	258 944	258 944	260 082	257 988	255 789
Other Assets		(6 308)	323	(3 082)	(11 334)	2 150	2 150	(10 986)	(14 165)	(18 556)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		(417)	(560)	(679)	(605)	(596)	(596)	(598)	(658)	(718)
Computer Equipment		2 524	2 261	2 419	2 583	2 319	2 319	3 391	2 848	2 306
Furniture and Office Equipment		3 555	3 375	2 991	2 016	2 161	2 161	2 867	2 177	1 528
Machinery and Equipment		(20 922)	(7 808)	(8 083)	(6 141)	(7 060)	(7 060)	(5 053)	(4 382)	(3 412)
Transport Assets		15 039	15 394	20 479	15 023	17 203	17 203	24 697	27 998	30 918
Land		82 206	82 195	82 195	82 195	82 195	82 195	82 195	82 195	82 195
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 170 852	1 128 538	1 240 377	921 343	943 315	943 315	1 176 859	1 136 199	1 107 232
EXPENDITURE OTHER ITEMS		59 761	65 349	78 523	81 574	73 826	73 826	87 767	92 159	97 048
Depreciation	7	46 101	45 531	47 495	47 076	47 076	47 076	49 076	51 530	54 107
Repairs and Maintenance by Asset Class	3	13 660	19 818	31 029	34 498	26 750	26 750	38 691	40 629	42 941
Roads Infrastructure		85	151	216	150	300	300	80	84	88
Storm water Infrastructure		340	582	514	300	824	824	350	368	386
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		1 446	972	14 856	19 902	10 394	10 394	18 408	19 329	20 295
Sanitation Infrastructure		1 278	3 274	1 877	1 490	1 440	1 440	813	854	897
Solid Waste Infrastructure		2 673	4 803	1 059	4 148	4 218	4 218	6 750	7 088	7 442
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		5 822	9 782	18 522	25 990	17 176	17 176	26 401	27 722	29 108
Community Facilities		-	-	169	-	-	-	-	-	-
Sport and Recreation Facilities		158	-	24	-	-	-	150	158	165
Community Assets		158	-	193	-	-	-	150	158	165
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	40	47	40	150	150	39	40	42
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	40	47	40	150	150	39	40	42
Operational Buildings		2 815	3 373	5 470	3 695	3 713	3 713	2 792	2 932	3 079
Housing		-	-	42	-	-	-	-	-	-
Other Assets		2 815	3 373	5 512	3 695	3 713	3 713	2 792	2 932	3 079
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		1	1	57	159	113	113	62	66	69
Furniture and Office Equipment		63	65	96	442	156	156	177	187	250
Machinery and Equipment		2 776	3 530	2 165	1 845	2 590	2 590	4 104	4 310	4 753
Transport Assets		2 024	3 027	4 436	2 327	2 854	2 854	4 966	5 214	5 475
Land		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		59 761	65 349	78 523	81 574	73 826	73 826	87 767	92 159	97 048
Renewal and upgrading of Existing Assets as % of total capex		99.6%	44.2%	37.9%	40.0%	39.2%	39.2%	67.8%	73.9%	74.1%
Renewal and upgrading of Existing Assets as % of deprec		1467.8%	86.9%	87.2%	127.0%	155.2%	155.2%	110.4%	100.0%	98.3%
R&M as a % of PPE		1.2%	1.8%	2.5%	3.7%	2.8%	2.8%	3.3%	3.6%	3.9%
Renewal and upgrading and R&M as a % of PPE		58.9%	5.3%	5.8%	10.2%	10.6%	10.6%	7.9%	8.1%	8.7%

**PART 2 SUPPORTING DOCUMENTATION****2.1 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 Chief Financial officer and senior officials of the municipality meeting under the chairpersonship of the Portfolio Councilor.

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, considering 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.

The table below is the extract of budget timetable for 2023/24 budget process approved by Ndlambe council on the 31 August 2022.

BUDGET TIMETABLE FOR THE 2022/2023 FINANCIAL YEAR

COMPLETION DATE	ACTIVITY	RESPONSIBILITY	EVIDENCE
July 2022			
30 July 2022	Review Process Plan and develop IDP//Budget/PMS time schedule for 2023/2024 (MFMA S35(1)).	(Legal requirement) Cacadu DM and Local Municipality.	Aligned IDP and Budget time schedule / Process Plan with CDM Framework.
29 July 2022	Develop Performance Agreements (2022/23) of Municipal Manager and Managers reporting to the Municipal Manager and submit to MEC and publicize.	Municipal Manager	Check legal requirement
August 2022			
August 2022	IDP/Budget timetable, budget guidelines, budget instructions, IDP/budget schedule to be presented to the Budget Steering Committee.	IDP/Budget Office	Budget Steering committee minutes and attendance register
31 August 2022	Submit reviewed IDP/Budget timetable, budget guidelines, budget instructions, and budget schedules for 2023/2024 to be presented to Council for adoption.	IDP/Budget Steering Committee	Council Resolution and IDP/Budget process plan



31 August 2022	Upload the IDP/Budget time schedule, process plan on the municipal website, place on notice boards and advertise in a local newspaper	IDP/Budget Office	Newspaper advert and notice
31 August 2022	Submit adopted process plans and council resolution to EC-CoGTA, National and Provincial Treasury	IDP/Budget Office	E-mail, formal letter or Courier receipt
31 August 2022	Submit adopted schedule of key dates to external stakeholders (Sector Departments)	MM and IDP Manager	E-mail or formal letter
September 2022			
10 September 2022	Attend District IDP Rep Forum Meetings	IDP Co-Ordinator's and Mayors	Attendance Register
COMPLETION DATE	ACTIVITY	RESPONSIBILITY	EVIDENCE
15 September 2022	<p>IDP/Budget Steering Committee to set parameters for the next 3 years based on marked trends and other information available.</p> <ul style="list-style-type: none"> ➤ Tariff increases ➤ Salary increases ➤ General expenses ➤ Repairs and maintenance ➤ Key changes to be reflected considering all strategies and studies (including institutional study) ➤ Develop priority areas <p>Reflect on all factors that could potentially impact on future budgets.</p>	Chairperson IDP/Budget Steering Committee	Budget Steering Committee minutes
15 September 2022	Confirm Councils existing and new policy priorities for next three years. Review potential price increases of bulk resources with function and department officials.	Chairperson IDP/Budget Steering Committee	Budget Steering Committee minutes
29 September 2022	IDP/Budget Steering Committee to determine the funding / revenue covering potentially available funding for next three years.	Chairperson IDP/Budget Steering Committee	Budget Steering Committee minutes
29 September 2022	Submit 2020/21 annual performance report	Municipal Manager, CFO, Sec 56 Managers	Letter of Acknowledgement by Office of the AG.
30 September 2022	IDP/Budget Steering Committee to determine the most likely financial outlook and identify need for changes to fiscal strategies.	Chairperson IDP/Budget Steering Committee	Budget Steering Committee minutes



30 September 2022	Managers / directors to have held a staff meeting with staff in their directorate responsible for compiling the budgets where the budget timetable, policies, guidelines, instruction, and minutes of the budget steering committee are to have been discussed.	All Managers / Directors	Minutes of the meeting
COMPLETION DATE	ACTIVITY	RESPONSIBILITY	EVIDENCE
03 October 2022	Chairperson of the IDP/Budget Steering Committee to have held a meeting with all ward councillors to discuss the budget timetable, policies, guidelines, instructions, and minutes of the budget steering committee.	Chairperson IDP/Budget Steering Committee	
05 October 2022	Convene first IDP/Budget Representative Forum meeting. Present adopted process plan and project status. Sector departments to report on 2022/23 FY project implementation progress.	Municipal Manager, Mayor and IDP Official	Presentations, minutes and attendance register
05 October 2022	Ward councillors to have completed meetings with their ward committees to explain the budget process and documentation and to gather information and submit to the Chairperson of the IDP/Budget Steering Committee that is to be considered when offices and directorates do their capital / operational budgets and tariffs.	All Ward Councillors	
For the month of October 2022	Conduct gap analysis to determine level of existing development consider changes in the current environment; IDP Assessment (2022/23) and Annual Performance Report and develop corrective action plans.	Municipal Manager, Directors and IDP Official	Corrective Action Plans
10 October 2022	Q1 Performance Reporting. Evaluation Sec 56 managers, lower levels if applicable and institution PMS - Legal Compliance.	MM and PMS Officer	Score sheet
15 October 2022	Chairperson of the IDP/Budget Steering Committee to provide all offices and directorates with the input from Ward Councillors to consider when preparing their budgets and tariffs.	Chairperson IDP/Budget Steering Committee	Budget Steering Committee minutes
October 2022	Q1 review by Internal Audit. Preparation of Annual Performance Report for MPAC.	MM, PMS Manager, and Internal Audit Unit	Reviewed Reports
15 October 2022	Municipalities receive inputs from National and Provincial Government and other bodies on factors influencing the budget – reference to legislation.	All Managers / Directors	



COMPLETION DATE	ACTIVITY	RESPONSIBILITY	EVIDENCE
17 October 2022	Offices and Directorates to start to prepare capital and operational plans with cost and revenue estimates.	All Managers / Directors	
30 October 2022	Convene IDP/Budget Steering Committee meeting. Report on refined objectives and strategies, planned strategic interventions and proposed amendment to the organogram (if any) in response to overcome challenges. Present consolidated proposed directorate projects and budget needs.	Municipal Manager, CFO and IDP Manager	Reports, presentations, minutes, and attendance register
01 NOVEMBER 2022	Managers and directors to assess the Human Resources component of their operating budget for the next year and for the two following years and make submissions to the finance department. Submissions would include full motivations for each post and assessments must take into consideration all known studies, establishment plan (organogram) and any other future developments over the next three years that would require a provision for costing.	All Managers / Directors	Submission Email
14 November 2022	The submission on all offices and directorates human resources requirements to be considered by the Municipal Manager in consultation with each manager and director and to be facilitated by the chairperson of the IDP/Budget Steering Committee.	Chairperson IDP/Budget Steering Committee, Municipal Manager and Directors	
28 November 2022	The submission of the salary and allowance component of the budget to be provided to the Human Resources Department by all managers and directors. The Human Resources Department is responsible for determining the costs associated with the submissions. Once Human Resources Department has budgeted all salary and allowance budgets for all offices and directorates, this information is then to be submitted to the relevant office or directorate.	All Managers / Directors	Salary budget per directorate
28 November 2022	Human Resources Department to calculate required budget amount for the leave provision.	Dir. Corporate Services	Leave provision calculation



28 November 2022	The finance department will assist offices and directorates where required in determining budget figures for: <ul style="list-style-type: none"> ➤ Insurance ➤ Depreciation ➤ Provision for bad debts 	All Managers / Directors	
30 November 2022	Offices and directorates are to complete the relevant capital request forms as provided by the finance directorate with all required information and to provide a summary of capital requirements for the next three financial years.	All Managers / Directors	
30 November 2022	Income, expenditure, and capital budgets together with all forms and supporting documents are to be consolidated to be submitted to the finance department in the mSCOA format for inclusion budget designed for three years.	All Managers / Directors	Income and expenditure budget
30 November 2022	Offices and directorates to finalise their SDBIP's for each cost / functional centre on what is contained in the operating budget that indicate what the key objectives / measurable outputs are. The SDBIP format provided by the Office of the Municipal Manager is to have been used.	All Managers / Directors	
DECEMBER 2022			
12 December 2022	Chairperson of the IDP/Budget Steering Committee to confirm in writing to the Mayor that all required documentation (SDBIP's, capital budget, operating budget, Tariffs) has been submitted to the finance directorate for consolidation.	Chairperson IDP/Budget Steering Committee	Letter or email
12 December 2022	Chairperson of the Budget Steering Committee to advise the Mayor and Municipal Manager, in writing, of any office or directorate that has not submitted all budget related documentation to the finance directorate by the stipulated date.	Chairperson IDP/Budget Steering Committee	Letter or email
JANUARY 2023			
05 January 2023	Close the financial system for the month-end of December 2022. Circulate December actual report to directorates for the preparation of midyear adjustment budget.	Finance Department	
05 January 2023	Budget office meet with directorates advising them of the major segments that required to be included on the midyear adjustment budget.	Budget office	
06 January 2023	Request the directorates for their inputs for the preparation of Sec 72 report.	Budget office	



09 January 2023	Q2 Performance Reporting. Evaluation Sec 56 managers, lower levels if applicable and institution PMS – Legal Compliance.	MM and PMS Officer	
23 January 2023	All the submissions from offices and directorates are to be consolidated by the finance department with all working papers that would have been submitted in support of the proposed operating and capital budget.	Budget office	
23 January 2023	The finance directorate is to keep a central file on all budget related documents.	Budget office	
23 January 2023	The finance directorate to review all budget related policies with internal stakeholders and request written submissions on any proposed amendments from internal stakeholders.	All Managers / Directors	
23 January 2023	Chairperson of the IDP/Budget Steering Committee to confirm in writing to the Mayor that all SDBIP's, capital budgets and operating budgets have been consolidated.	Chairperson IDP/Budget Steering Committee	
23 January 2023	Finance directorate to incorporate any changes from National and Provincial Governments on three-year allocations in the budget.	Budget office	
23 January 2023	Finance directorate to review tariffs and charges and ensure that all costs of trading and economic services are covered by the tariff submitted by offices and directorates.	Budget office	
23 January 2023	Finance directorate to document all material changes in budgets from the previous financial year budget and report such changes to the Chairperson of the Budget Steering Committee.	Budget office	
25 January 2023	Submission of the Mid-year budget and performance assessment report to the Mayor.	Budget office	
25 January 2023	IDP/Budget Steering Committee to have met to discuss capital / operational budget to be tabled to Council, tariffs, SDBIP's and any material changes to the budget based on the previous year's budget. Also, to ensure that anticipated expenditure meets parameters set out by National / Provincial Government.	Chairperson IDP/Budget Steering Committee	
FEBRUARY 2023			



06 February 2023	IDP/Budget Steering Committee Chairperson to have met with the ward councillors to discuss any anticipated changes to the operational / capital budget, tariffs and SDBIP's that are to be tabled to Council.	Chairperson IDP/Budget Steering Committee All ward councillors	
20 February 2023	Mid-year Budget Performance engagements	MM, CFO, All Directors, Internal Audit, IDP/PMS, BTO Managers.	Assessment Report (Sec72)
By mid-February 2023	IGR Session to facilitate alignment	Municipal Manager and IGR secretariat	Attendance Register
27 February 2023	Finance directorate to finalise detailed budget to be tabled in the formats issued by National Treasury.	Budget office	A Schedule Report
28 February 2023	Mayor table the mid-year adjustment budget for 2022/2023 financial year.	Mayor	B Schedule Adjustment budget document
28 February 2023	Finance directorate consolidates all comments on budget related policies and inserts budget policies with internal comments into the budget pack to be tabled to Council.	Budget office	Policies
COMPLETION DATE	ACTIVITY	RESPONSIBILITY	EVIDENCE
MARCH 2022			
06 March 2023	Convene IDP/Budget Steering Committee. Finalize internal alignment and project register. Ensure budget alignment between the IDP and SDBIP with agreed upon targets and performance indicators per project.	Municipal Manager, Mayor and IDP Official	Reports, presentations, minutes, and attendance register
6 March 2023	The capital/operating budget and SDBIP's and budget related policies presented to the IDP/Budget Steering Committee by the finance directorate and to include a high-level summary and is supported by the budget forecasting model and reflects over a period of three years.	Budget office	
13 March 2023	Chairperson of IDP/Budget Steering Committee presents budget pack to Mayor with recommendations.	Chairperson IDP/Budget Steering Committee	



15 March 2023	Convene the third IDP/Budget Representatives Forum meeting. Present the final IDP and SDBIP. Sector Dept. report on project implementation for 2021/22 and confirm project and budget allocations for 2022/23. (Finalize external project alignment)	Municipal Manager, Mayor and IDP Official	Presentations, minutes, and attendance register
30 March 2023	Mayor to have tabled IDP, operating/capital budget, tariff list and budget related policies and SDBIP's to Council.	Executive Mayor / IDP/Budget Office	Tabled budget document and Council resolution
APRIL 2023			
10 April 2023	Forward copy of tabled budget to National and Provincial Governments and Cacadu District Municipality for review, both electronically and in printed format.	Budget office	Email and courier receipt
10 April 2023	IDP Unit to advertise the IDP and tabled budget approved by Council, inviting comments from all stakeholders.	Budget office	Advert and notice
10 April 2023	In collaboration with Council develop and publicize the IDP and tabled budget 2022/23 Community Engagement Programme. Make citizens aware of outreaches, prior to the adoption of the final IDP and Budget. Secure venues and arrange logistics for scheduled meetings.	All Ward Councillors	Public notices. Mayoral Imbizo programme
10 April 2023	Q3 Performance Reporting. Evaluation Sec 56 managers, lower levels if applicable and institution PMS - Legal compliance	MM and PMS Officer	Score sheets and attendance registers
19 April 2023	Budget/Benchmark Engagement	MM, CFO, All Directors, Internal Audit, IDP/PMS, BTO Managers	Budget Engagement Report
17 April 2023	Convene 4th IDP and Budget Steering Committee. Interrogate community comments and finalize SDBIP/IDP alignment and any necessary amendments to the IDP/ budget.	Municipal Manager and IDP Official and CFO	Reports, presentations, minutes, and attendance register
24 April 2023	Convene IDP Representatives Forum meeting to present final IDP for consideration. Present the REVISED IDP . Report on public engagement and outcome of the 21-days public inspection and invite any last changes or additions to sector project register.	Municipal Manager, Mayor and IDP Official	Presentations, minutes, and attendance register
28 April 2023	IDP/Budget Steering Committee to discuss and analyse additional inputs from community, ward committees, National/Provincial Governments and Cacadu District Municipality.	Chairperson Budget Steering Committee	



28 April 2023	Managers and directors to incorporate feedback from community, ward committees, National / Provincial Governments, and if required, revise the budget previously tabled to Council in consultation with the Chairperson of the IDP/Budget Steering Committee.	All Managers / Directors	
MAY 2023			
Mid May 2023	Submit 2023/24 IDP/Budget to the MPAC for oversight before adoption.	Municipal Manager, CFO and Mayor	Oversight report and recommendations by MPAC
31 May 2023	Mayor to have presented final budget to council for adoption and to have included operating / capital budget, resolutions, tariffs, capital implementation plans, operational objectives, changes to IDP/budget plans.	Executive Mayor / IDP/Budget Office	Adopted Final IDP/Budget and related budget policies and Council resolution.
Within 10 days after adoption	Submit adopted Reviewed IDP to the MEC for local government.	MM and IDP Manager	Letter of acknowledgement
COMPLETION DATE	ACTIVITY	RESPONSIBILITY	EVIDENCE
JUNE 2023			
09 June 2023	Capital / operating budget to have been presented to National Treasury and DPLG (Budget Engagements)	Executive Mayor/ CFO /Budget Office	
09 June 2023	Upload the Council approved Reviewed IDP/Budget (2023/24) on the municipal website and place a notice in local newspapers for public inspection (21days).	Budget office and IDP Manager	Notice and local newspaper
09 June 2023	Complete all the budget annexures required by National Treasury and submit to the National Data Base and submit hard copies to National and Provincial Treasury.	Budget office	
29 June 2023	IDP/PMS manager to provide the Mayor with the consolidated SDBIP for consideration.	IDP/PMS Manager	Acknowledgement of receipt from Mayor
29 June 2023	Publish the rates tariff in the Provincial Government Gazette.	Dep Dir Revenue	
Date to be communicated by COGTA	Final IDP Provincial Assessment.	DM, LM, KPA leaders, CoGTA, Sector Departments	Signed MEC comments and individual assessment reports



2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE INTEGRATED DEVELOPMENT PLAN

Directorates aligned all operating and capital expenditure to the goals and actions as set out in the Integrated Development Plan. On the capital budget, the operating budget and the service delivery budget implementation plan directors have provided IDP numbers where possible to highlight the linkages. The budget is linked to the following main strategic goals and objectives as per the Integrated Development Plan.

- Basic Services Delivery
- Municipal Institutional Development and Transformation
- Local Economic Development
- Municipal Financial Viability and Management
- Good Governance and Public participation
- Cost effective and sustainable service delivery.

Through the process of ing the budget the key responsibilities of the Ndlambe Municipality were considered.

- Provide democratic and accountable government for all local communities of Ndlambe
- Ensure the provision of services to all the Ndlambe community in a sustainable manner.

Promote social and economic development.

- Promote a safe and healthy environment.
- Encourage the involvement of all communities and community-based organizations in the matters of local government.
- Maximizing of infrastructural development through the utilization of all available resources
- Implementation of effective management systems, internal controls, and procedures
- Ensure we have a skilled, committed, and motivated workforce.

Comply with the Batho Pele principles.

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

The measurable performance objectives used to the budget for 2023/24 MTREF are extracted from the IDP.

Ndlambe Local Municipality Strategic goals and Objectives

Strategic Goal 1	1. A premier place to work and do business
<i>Strategic Objectives</i>	1.1. Improve the governance of the Municipality
	1.2. Improve financial viability of the municipality
	1.3. Develop state-of-the-art innovative physical and technological infrastructure
	1.4. Create a comfortable remote working environment and develop new economy skills
	1.5. Develop a vibrant rapidly growing employment generating economy based on tourism, agriculture, ocean resources and new digital technologies



	1.6. Develop Port Alfred as a logistics hub
	1.7. Develop ICT as a Strategic Enabler
Strategic Goal 2	2. Destination of choice for laid-back living for families
<i>Strategic Objectives</i>	2.1. Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens
	2.2. Provide efficient and effective public & private health services
	2.3. Create a pleasant, safe and secure living environment for all our citizens
	2.4. Mainstreaming of vulnerable groups into our growing society
Strategic Goal 3	3. Tourist destination of choice for people who love natural and cultural heritage, adventure, and water sports
<i>Strategic Objectives</i>	3.1. Preserve the natural beautiful environment, cultural heritage, and biodiversity
	3.2. Develop a cultural heritage, and biodiversity economy
	3.3. Develop and support adventure and extreme water sports
	3.4. Enable more events which attract visitors to NLM



2.4 MUNICIPAL TARIFFS ON SERVICE CHARGES AND PROPERTY RATES

Ndlambe Municipality has initiated cost reflective tariff as required by Section 74(2) of the MSA which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service.

CHALLENGES WITH THE COST REFLECTIVE TOOL:

- The Municipality has not yet implemented the costing segment and the tool relies on the detailed costing figures per the Governance and administrative departments.
- The cost reflective tool for electricity does not cater for the Ndlambe NERSA approved Structure.
- The cost reflective tool for sanitation makes use of format that is not in line with the Ndlambe Sanitation billing structure ie. Linked to water usage.
- The water and electricity costing for consumption is calculated after taking into consideration the revenue from the fixed charge for availability therefor meaning it does not calculate the availability tariff.

The proposed tariffs for 2023/2024 are detailed in the **Appendix C**.

2.5 BUDGET RELATED POLICIES

The Municipal Finance Management Act and Reporting Regulations require that all budget and budget related policies be reviewed, and where applicable, be updated on an annual basis.

The table below outlines the budget related policies that are amended for implementation in 2023/24 financial year.

Policy	Policy Amended			Amendment Date
	Yes	No	New	
Rates Policy	Yes			Mar-23
Indigent Policy	Yes			Mar-23
Budget Policy		No		Mar-23
Creditors, Staff and Councilors Payment Policy		No		
Credit Control and Debt Collection Policy	Yes			Mar-23
Funding and Reserve Policy	Yes			Mar-23
Virement Policy	Yes			Mar-23
Subsistence and Travel Policy		No		
Policy and Procedures for Irregular and Fruitless Expenditure		No		
Fixed Asset Policy		No		
Supply Chain Management Policy	Yes			Mar-23
Write-off of Irrecoverable Debt Policy		No		
Loans Policy		No		
Tariff Policy	Yes			Mar-23
Management of Accumulated Surplus and Bad Debt Policy		No		
Loss Control Policy	Yes			Mar-23
Fuel Card Policy		No		
Internship Programme Policy		No		Mar-23
Costs Containment Policy	Yes			Mar-23



Overtime Policy		No		
Banking and Investment Policy		No		
Imprest / Petty Cash Policy		No		
Entertainment Policy		No		
Unforeseen and Unavoidable Expenditure Policy		No		

All the above policies can be viewed on the Ndlambe Municipality website www.ndlambe.gov.za

2.6 OVERVIEW OF BUDGET ASSUMPTIONS

2.6.1 Collection Rates

The municipality projected the average collection rate of 88% on property rates and service charges billed and all other income is project at 100% across outer years.

2.6.2 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 2023/24 MTREF.

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Forecast		
CPI Inflation	4.9%	6.9%	5.3%	4.9%	4.7%

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2.6.3 Revenue Services

The projected operating revenue for property rates and all service except electricity has increased by 5.3% and electricity increased by 15.10%. The projected revenue was calculated based on the 2022/2023 financial year billing.

2.6.4 Operating Costs

- I. The current year depreciation rates as per the fixed asset register, using cost model assuming the depreciation charge is increased where useful lives are less than previously estimated useful lives. as per Ndlambe Municipality accounting policies.
- II. Bulk water purchase was projected at 11% considering the historical trend average increases for Amatola Water.
- III. Bulk electricity was projected at 18.7% for 2023/24, 6% for 2024/25 and 6% for 2025/26 budget years.
- IV. Salaries and wages were based on the current notching applying 5.3% increase to the projected CPI in 2024. The forecasts 4.9% 2024/25 and 4.7% for 2025/26.
- V. Long service expense is based on the actuarial valuation of 2021/22 financial year projected expense.
- VI. The budgeted expenditure includes the Value Added Tax throughout the MTREF excluding exempted and zero-rated items.
- VII. The retention percentage for the projects that are under construction is projected at 5% of the total cost.
- VIII. Supplies of goods and services are charged at a standard rate of 15% for VAT, excluding zero-rated and exempted supplies reference to VAT guide 419 and other legislations.

2.6.5 Financial Position and other

- I. Opening balance budget were based on 2022 opening balance plus 2023 extrapolated movements as the base to budget 2024 opening balances and followed the same principle for the two outer years.

**2.7 OVERVIEW OF BUDGET FUNDING**

It must be noted that the unlimited wants from Ndlambe Community were prioritized considering the availability of resources and they were allocated over the 2023 MTEF, this simply means others will be addressed in 2025 and 2026 budget years.

The 2023/2024 MTREF is funded by various funding sources such as property rates, service charges and the equitable share. Conditional grants are approved by National government and other spheres of government to fund the authorized expenditure to achieve a specific objective outlined in DORA or in an approved business plan.

Revenue Collections by Service

The below outlines the receipts from Trading services and property rates that are mainly funding the budget:

Opening cash and cash equivalent of R28 747 000

Description	2023/24 Medium Term Revenue & Expenditure Framework		
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand			
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates	135 655	142 560	149 688
Service charges	208 903	231 164	259 032
Other revenue	39 850	41 010	42 229
Transfers and Subsidies - Operational	137 300	146 969	152 297
Transfers and Subsidies - Capital	63 644	46 867	62 762
Interest	6 893	7 238	7 600
Dividends	–	–	–



2.8 EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMS

EC105 Ndlambe - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		89 803	123 031	111 665	123 417	123 417	123 417	132 784	142 364	147 599
Local Government Equitable Share		96 716	120 231	107 582	119 231	119 231	119 231	128 536	138 051	143 080
Local Government Financial Management Grant		2 435	2 800	2 650	2 650	2 650	2 650	2 650	2 650	2 788
Municipal Infrastructure Grant		(9 348)	-	1 433	1 536	1 536	1 536	1 598	1 663	1 731
Provincial Government:		2 750	2 750	2 640	2 750	2 750	2 400	2 750	2 750	2 750
Specify (Add grant description)		2 750	2 750	2 640	2 750	2 750	2 400	2 750	2 750	2 750
District Municipality:		1 465	1 550	1 636	1 636	2 136	1 636	1 821	1 912	2 008
Health subsidy		1 465	1 550	1 636	1 636	1 636	1 636	1 821	1 912	2 008
Specify (Add grant description)		-	-	-	-	500	-	-	-	-
Other grant providers:		39	5	-	-	-	-	-	-	-
Unspecified		39	5	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	94 057	127 336	115 941	127 803	128 303	127 453	137 355	147 026	152 357
Capital Transfers and Grants										
National Government:		20 332	29 531	80 951	129 191	129 191	139 549	30 358	10 192	24 500
Municipal Infrastructure Grant		20 332	14 531	27 230	29 191	29 191	29 191	30 358	2 192	15 500
Integrated National Electrification Programme Grant		-	-	15 000	15 000	15 000	15 000	-	8 000	9 000
Regional Bulk Infrastructure Grant		-	-	18 721	-	-	-	-	-	-
Water Services Infrastructure Grant		-	15 000	20 000	85 000	85 000	95 359	-	-	-
Provincial Government:		-	-	15 339	-	-	6 484	-	-	-
Specify (Add grant description)		-	-	-	-	-	6 134	-	-	-
Specify (Add grant description)		-	-	110	-	-	350	-	-	-
Specify (Add grant description)		-	-	15 229	-	-	-	-	-	-
District Municipality:		-	-	-	-	285	-	31 800	20 675	20 262
Specify (Add grant description)		-	-	-	-	285	-	-	-	-
Public Safety		-	-	-	-	-	-	31 800	20 675	20 262
Other grant providers:		-	-	1 144	1 730	1 730	1 730	1 486	-	-
Human Settlement Re-development Programme		-	-	1 144	1 730	1 730	1 730	1 486	-	-
Total Capital Transfers and Grants	5	20 332	29 531	97 433	130 921	131 206	147 764	63 644	30 867	44 762
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	114 389	156 867	213 375	258 724	259 509	275 217	200 999	177 894	197 119



2.9 ALLOCATIONS AND GRANTS MADE BY NDLAMBE MUNICIPALITY

Description	Ref	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
Non-Cash Grants to Organisations								
Child Programmes : Donations	4	100	50	50	50	100	105	110
Community Development Initiatives: Donations		400	300	300	300	290	305	320
Disability: Casual Day		-	-	-	-	10	10	11
Entrepreneurial Support System: SMME Support		771	721	721	721	750	788	827
Feeding/Nutritional Scheme: Support for Soup Kitchen		200	250	250	250	240	252	265
Gender Development: Gender Based Violence		100	100	100	100	100	105	110
Gender Development: Men's Forum		-	-	-	-	10	10	11
Bursaries for non-employees		300	350	650	650	500	525	551
Municipal Games: Mayoral Cup		-	-	-	-	60	63	66
LED Project Implementation		620	620	620	620	400	420	441
Protecting the Poor: Mayoral Assistance		140	140	140	140	140	140	140
Public Security in Ndlambe Area (Anti-Crime)		350	350	350	350	230	242	254
Sport Development and Sponsorships (Internal)		200	200	200	200	200	210	221
Tourism Development		320	900	900	900	900	945	992
Youth Development		10	10	10	10	50	53	55
Total Non-Cash Grants To Organisations		3 511	3 991	4 291	4 291	3 980	4 172	4 374

The below are the only allocations and grants budgeted for by the municipality. During the financial year, Council may resolve to make further allocations or grants based on the merits of the applicant. The grants/ donations are eligible to the non-profit organizations, SMME's and Matriculants who obtained grade 12 certificates, that resides within the jurisdiction of Ndlambe municipality. The applications to be considered for the donations / grants are made through the office of the Local Economic development, Special Programme Unit and Human Resources. Each individual application will be evaluated and assessed based on its merits and authorized by the Municipal Manager.



2.10 COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

Summary of Employee and Councillor remuneration R thousand	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue Framework	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
		A	B	C	D	E	F	G	H
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	1	4 909	4 934	5 140	5 573	5 307	5 307	5 623	6 039
Pension and UIF Contributions		329	347	280	458	358	358	393	422
Medical Aid Contributions		60	69	91	57	143	143	152	168
Motor Vehicle Allowance		1 368	1 382	1 367	1 382	1 382	1 382	1 438	1 438
Cellphone Allowance		807	816	829	816	816	816	857	857
Housing Allowances		-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	106	-	-	-	-	-
Sub Total - Councillors		7 474	7 548	7 813	8 286	8 006	8 006	8 464	8 925
% increase	4		1.0%	3.5%	6.1%	(3.4%)	-	5.7%	5.4%
Senior Managers of the Municipality									
Basic Salaries and Wages	2	7 598	5 224	5 073	5 652	5 542	5 542	5 791	7 493
Pension and UIF Contributions		826	911	755	721	749	749	783	1 060
Medical Aid Contributions		210	218	210	223	223	223	307	406
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		635	417	838	340	626	626	450	531
Motor Vehicle Allowance	3	884	907	902	953	953	953	972	1 170
Cellphone Allowance	3	112	114	112	120	120	120	96	96
Housing Allowances	3	120	123	114	130	130	130	138	159
Other benefits and allowances	3	1	1	26	15	26	26	91	137
Payments in lieu of leave		565	406	319	-	270	270	-	-
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		194	70	100	-	210	210	-	-
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		11 145	8 391	8 449	8 155	8 849	8 849	8 628	11 053
% increase	4		(24.7%)	0.7%	(3.5%)	8.5%	-	(2.5%)	28.1%
Other Municipal Staff									
Basic Salaries and Wages		82 977	89 103	90 529	108 341	98 679	98 679	120 847	131 224
Pension and UIF Contributions		14 854	16 107	16 590	21 030	19 537	19 537	22 595	24 550
Medical Aid Contributions		10 759	11 869	12 142	15 738	14 823	14 823	17 647	19 663
Overtime		12 197	9 987	10 871	6 015	7 220	7 220	5 460	5 736
Performance Bonus		6 926	7 511	7 453	9 059	8 545	8 545	9 400	9 515
Motor Vehicle Allowance	3	2 856	3 687	4 108	4 946	4 314	4 314	4 659	4 764
Cellphone Allowance	3	208	222	232	275	276	276	271	280
Housing Allowances	3	843	607	597	823	728	728	614	655
Other benefits and allowances	3	1 816	2 243	7 053	2 318	2 456	2 456	3 665	3 866
Payments in lieu of leave		403	574	784	-	34	34	-	-
Long service awards		317	1 175	(5 266)	26	108	108	1 027	1 008
Post-retirement benefit obligations	6	(1 672)	10 754	9 348	-	-	-	2 101	2 206
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		1 048	1 119	1 473	80	369	369	40	42
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		133 531	154 958	155 913	168 652	157 090	157 090	188 329	203 510
% increase	4		16.0%	0.6%	8.2%	(6.9%)	-	19.9%	8.1%
Total Parent Municipality		152 150	170 896	172 174	185 093	173 946	173 946	205 420	223 488



2.11 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

The monthly targets for the cash flow for the budget year 2023/24 MTREF.

From the information provided it is clear to note that expenditure can only be incurred if the revenue is available in our bank account. The municipality has always been prudent in Cash flow management.

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
R thousand																
Cash Receipts By Source													1			
Property rates	11 305	11 305	11 305	11 305	11 305	11 305	11 305	11 305	11 305	11 305	11 305	11 305	11 305	135 655	142 560	149 688
Service charges - electricity revenue	7 818	7 818	7 818	7 818	7 818	7 818	7 818	7 818	7 818	7 818	7 818	7 818	7 818	93 812	108 821	127 320
Service charges - water revenue	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	66 977	71 162	76 493
Service charges - sanitation revenue	1 527	1 527	1 527	1 527	1 527	1 527	1 527	1 527	1 527	1 527	1 527	1 527	1 527	18 319	19 571	21 339
Service charges - refuse revenue	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	29 796	31 611	33 880
Rental of facilities and equipment	91	91	91	91	91	91	91	91	91	91	91	91	91	1 092	1 147	1 204
Interest earned - external investments	574	574	574	574	574	574	574	574	574	574	574	574	574	6 893	7 238	7 600
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	17	17	17	17	17	17	17	17	17	17	17	17	17	199	209	220
Licences and permits	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	16 692	17 527	18 403
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	55 480	3 601	362	362	951	43 204	362	362	31 527	362	362	362	362	137 300	146 969	152 297
Other revenue	1 822	1 822	1 822	1 822	1 822	1 822	1 822	1 822	1 822	1 822	1 822	1 822	1 822	21 866	22 127	22 401
Cash Receipts by Source	88 089	36 210	32 971	32 971	33 560	75 813	32 971	32 971	64 136	32 971	32 971	32 971	528 602	568 941	610 844	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	31 800	30 358	-	-	-	-	-	-	-	-	-	-	62 158	46 867	62 762	
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	124	124	124	124	124	124	124	124	124	124	124	124	1 486	-	-	
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits	5	5	5	5	5	5	5	5	5	5	5	5	59	59	59	
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source	120 017	66 697	33 100	33 100	33 688	75 942	33 100	33 100	64 264	33 100	33 100	33 100	592 305	615 867	673 665	
Cash Payments by Type																



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Employee related costs	16 413	16 413	16 413	16 413	16 413	16 413	16 413	16 413	16 413	16 413	16 413	16 413	196 957	214 563	228 907
Remuneration of councillors	705	705	705	705	705	705	705	705	705	705	705	705	8 464	8 925	9 408
Interest	16	16	16	16	16	16	16	16	16	16	16	16	196	89	-
Bulk purchases - electricity	7 579	7 579	7 579	7 579	7 579	7 579	7 579	7 579	7 579	7 579	7 579	16	90 945	96 210	101 782
Acquisitions - water & other inventory	4 154	4 154	4 154	4 154	4 154	4 154	4 154	4 154	4 154	4 154	4 154	7 579	49 846	52 340	54 934
Contracted services	8 511	8 511	8 511	8 511	8 511	8 511	8 511	8 511	8 511	8 511	8 511	8 511	102 126	106 863	112 383
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	4 704	4 704	4 704	4 704	4 704	4 704	4 704	4 704	4 704	4 704	4 704	4 704	56 443	58 865	61 777
Cash Payments by Type	42 081	42 081	42 081	42 081	42 081	42 081	42 081	42 081	42 081	42 081	42 081	42 081	504 976	537 855	569 191
Other Cash Flows/Payments by Type															
Capital assets	7 660	7 660	7 660	7 660	7 660	7 660	7 660	7 660	7 660	7 660	7 660	7 660	91 919	80 181	82 566
Repayment of borrowing	-	-	1 021	-	-	-	-	-	456	-	-	-	1 477	973	-
Other Cash Flows/Payments															
Total Cash Payments by Type	49 741	49 741	50 762	49 741	49 741	49 741	49 741	49 741	50 197	49 741	49 741	49 741	598 372	619 009	651 757
NET INCREASE/(DECREASE) IN CASH HELD	70 276	16 955	(17 663)	(16 642)	(16 053)	26 200	(16 642)	(16 642)	14 067	(16 642)	(16 642)	(16 642)	(6 068)	(3 142)	21 908
Cash/cash equivalents at the month/year begin:	28 747	99 023	115 978	98 315	81 674	65 621	91 821	75 179	58 538	72 605	55 963	39 321	28 747	22 679	19 537
Cash/cash equivalents at the month/year end:	99 023	115 978	98 315	81 674	65 621	91 821	75 179	58 538	72 605	55 963	39 321	22 679	22 679	19 537	41 446



2.12 ANNUAL BUDGETS AND SERVICES DELIVERY AND BUDGET IMPLEMENTATION PLANS PER DIRECTORATE

The service delivery budget implementation plan for 2023/2024 is tabled as the at the Council meeting adopting the IDP and the Budget.



2.13 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

The contracts that are outlined in the table below are the current contracts that the municipality has entered for more than a year.

External mechanism Name of organisation	Yrs/ Mth s	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
Nu Water	Yrs	5	Bulk Water Supply	04-Oct-26	13 251 732.96
Umhlaba Consulting	Yrs	3	Software License and Support	30-Jun-24	822 518.45
CDR (Monthly Fixed)	Yrs	10	Equipment	30-May-30	15 205 062.18
Netcoveision	Yrs	3	Security Services	30-Oct-24	1 379 503.20
Multi Security	Yrs	3	Security Services	30-Oct-24	300 240.00
NJH Group	Yrs	3	Security Services	31-Oct-24	3 230 342.52
Revenue Consulting	Yrs	4	Debt Collection	31-Mar-25	3 564 304.56
Mphele Engineers and Project Man.	Yrs	3	Operation, Maintenance & Management of Landfill Sites	30-Jun-24	5 338 668.00
RUMAS	Yrs	4	Consulting	31-Oct-25	785 778.52



2.14 CAPITAL EXPENDITURE DETAILS

See table SA34a, SA34b, SA34c, SA34d and sa34e in Appendix A of this document. The tables are long, and they paste outside the margins.

2.15 LEGISLATION COMPLIANCE STATUS

The Ndlambe Municipal Councilors and staff are committed to comply fully with all legislation impacting on local government. Section 195(1) of the Constitution sets the basic values and principles that local government must adhere to. To comply fully with all legislation, the municipality must also adhere to circulars issued in line with the legislation and all regulations promulgated to give effect to certain legislation.

The main pieces of legislation that Ndlambe Municipality needs to comply with are.

- The Constitution of the Republic of South Africa
- Local Government: Municipal Structures Act, Act 117 of 1998 with all amendments to date
- Local Government: Municipal Systems Act, Act 32 of 2000 with all amendments to date
- Local Government: Municipal Finance Management Act, Act 56 of 2004 with all amendments to date
- Local Government: Property Rates Act, Act 6 of 2004 with all amendments to date
- Electricity Act of 1987
- Labour Relations Act of 1995
- Financial and Fiscal Commission Act of 1997
- Intergovernmental Fiscal Relations Act of 1997
- Water Services Act of 1997
- Municipal Demarcation Act of 1998
- National Environmental Management Act of 1998
- Remuneration of Political Office Bearers Act of 1998
- Skills Development Act
- Preferential Procurement Policy Framework Act of 2000
- Intergovernmental Relations Framework Act of 2005
- Division of Revenue Act
- Fuel Card User Policy

Circulars and regulations are published from time to time to give effect to the stipulations of the legislation and these also need to be complied with. Certain circulars are however only to be complied with if adopted by Council.

At present the Ndlambe Municipality does not comply with all the existing legislation and the aim is to ensure that by the end of the 2023/24 financial year all legislation is complied with. This matter has been pointed out in the report of the Auditor-General for the prior years and is in the process of been addressed.



2.16 SERVICE DELIVERY STANDARDS

The reporting on service delivery standards is a new initiative by the Ndlambe Municipality to make a commitment to the community and advise the community on the service delivery that they can expect from the municipality from the budget that is available. By documenting service delivery standards, the community will have realistic expectations about the nature of the services being delivered. The community will know how often a service will be provided, how long it will take to receive a service, what level of service can be expected, how much the service will cost and be able to monitor performance against the set standards. It must be mentioned that the service delivery standards represent an ideal service to be provided, the aging infrastructure and fleet are key mechanisms to deliver the promised standards. In the event of being failed by these mechanisms, Ndlambe municipality will communicate with the community while finding alternatives to minimize service interruption.

EC105 (Ndlambe Local Municipality) Schedule of Service Delivery Standards 2023/2024	
Description	
Standard	2023/2024 Service Level
Solid Waste Removal	
Premise based removal (Residential Frequency)	Once a week
Premise based removal (Business Frequency)	Twice a week
Bulk Removal (Frequency)	Once a week
Removal Bags provided (Yes/No)	No
Garden refuse removal Included (Yes/No)	Yes (limit to 2 bags)
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)	24 hrs
Clearing of illegal dumping (24hours/48hours/longer)	Longer
Recycling or environmentally friendly practices (Yes/No)	Yes (privately run; Blue Flag beaches - polytimber)
Licenced landfill site (Yes/No)	Yes
Water Service	
Water Quality rating (Blue/Green/Brown/N0 drop)	Blue Drop
Is free water available to all? (All/only to the indigent consumers)	Only indigents
Frequency of meter reading? (per month, per year)	Monthly
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	Averages based on past 6 months
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	Average only if access to meter is restricted



Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
One service connection affected (number of hours)	(25mm HDPE) 45 minutes
Up to 5 service connection affected (number of hours)	(50mm PVC) at least 2 hours
Up to 20 service connection affected (number of hours)	(75mm PVC) 2 and half up to 2 hours
Feeder pipe larger than 800mm (number of hours)	(350mm) on the PVC pipe it takes at least 8 hours
What is the average minimum water flow in your municipality?	Residential 2 bars
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No
How long does it take to replace faulty water meters? (days)	Bulk meters 10 days Residential 4 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No
Electricity Service	
What is your electricity availability percentage on average per month?	1
Do your municipality have a ripple control in place that is operational? (Yes/No)	Yes
How much do you estimate the cost saving in utilizing the ripple control system?	1 MEGA WATT
What is the frequency of meters being read? (per month, per year)	Monthly
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	Averages based on past 6 months
On average for how long does the municipality use estimates before reverting to actual readings? (months)	Average only if access to meter is restricted
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	Immediately
Are accounts normally calculated on actual readings? (Yes/no)	Yes
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No
How long does it take to replace faulty meters? (days)	2 hrs
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes



How effective is the action plan in curbing line losses? (Good/Bad)	Finance needed urgently
How soon does the municipality provide a quotation to a customer upon a written request? (days)	6 hrs
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (Working days)	7 Days
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (Working days)	2 Weeks
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (Working days)	No high voltage consumers
Sewerage Service	
Are your purification system effective enough to put water back into the system after purification?	
To what extend do you subsidize your indigent consumers?	100% on Rates and availabilities. Water 6kl and Electricity 50 kwh
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	Within 24 hours
Sewer blocked pipes: large pipes? (Hours)	Less than 6 hours
Sewer blocked pipes: small pipes? (Hours)	Within 1 hour
Spillage clean-up? (hours)	Within 30 minutes
Replacement of manhole covers? (Hours)	Average 1 month due to procurement procedures
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	1 and half hour
Time taken to repair a single pothole on a minor road? (Hours)	2 and half hour
Time taken to repair a road following an open trench service crossing? (Hours)	16 Hours
Time taken to repair walkways? (Hours)	8 hours but depends on damage
Property valuations	
How long does it take on average from completion to the first account being issued? (One month/three months or longer)	one month
Do you have any special rating properties? (Yes/No)	Yes



Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease by 50%
Is the financial statement outsourced? (Yes/No)	No
Are there Council adopted business process structuring the flow and management of documentation feeding to Trial Balance?	Process to be developed
How long does it take for a Tax/Invoice to be paid from the date it has been received?	30 Days from date received by finance
Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	Supply Chain decentralised
Administration	
Reaction time on enquiries and requests?	This varies from day to day also depending on the medium used.
Time to respond to a verbal customer enquiry or request? (working days)	Same day but not longer than 3 days
Time to respond to a written customer enquiry or request? (working days)	Same day but not longer than 3 days
Time to resolve a customer enquiry or request? (working days)	Same day but not longer than 3 days
What percentage of calls are not answered? (5%,10% or more)	Not recorded
How long does it take to respond to voice mails? (hours)	We do not use voice mails
Does the municipality have control over locked enquiries? (Yes/No)	Yes there is a system used by the Customer Relations Officer
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)	Same day but not longer than 3 days or as soon as the deeds office reflect the registration
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?	As and when required
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	15 minutes
How long does it take to renew a vehicle license? (minutes)	10 min
How long does it take to issue a duplicate registration	10 min submit the application; DoT take 31 days



certificate vehicle? (minutes)	maximum to return to Ndlambe Traffic department
How long does it take to de-register a vehicle? (minutes)	15 minutes
How long does it take to renew a driver's license? (minutes)	30 min
What is the average reaction time of the fire service to an incident? (minutes)	5 min (urban and residential subject to the distance the incident is in relation to where the fire station is situated ie 5min in Port Alfred as the Fire department otherwise longer pending the town)
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	Ndlambe does not have an ambulance service on its books, its either private companies or Department of Health
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	Ndlambe does not have an ambulance service on its books, its either private companies or Department of Health
Economic Development	
Did your municipality participate in the Sub-National Doing Business Survey, and have the results been analysed to design interventions to promote the ease of doing business in your municipality? (Yes/No)	No
Does the municipality have a consolidated spatial view of its key business districts and the interventions required to unlock or promote economic growth in these areas, and is this information considered in the City's infrastructure planning – including the Built Environment Performance Plan? (Yes/No)	Yes
How many job opportunities have been created through the municipality's EPWP and/or Community Work Programme in the last financial year?	1705through EPWP and 30 through CWP
How many projects does the municipality drive to support small business growth and entrepreneurship?	190 Informal traders
How many economic development projects does the municipality drive?	13 SMME's
Does the municipality have an active partnership with academic institutions in the region to grow the local skills base? (Yes/No)	No
Does the municipality have an internship and/or apprenticeship programme to support skills development? (Yes/No)	Yes, Nelson Mandela Metro, Dept of Tourism
Does the municipality have active programmes to promote its business sectors and attract investments? (Yes/No)	Yes



Does the municipality have any incentive plans in place to create a conducive environment for economic development? (Yes/No)	No, municipality is heavily reliant on donor funding
Other service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	No
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes, through indigent registration and Mayoral Imbizo
Are customers treated in a professional and humanly manner? (Yes/No)	Yes



2.17 MUNICIPAL MANAGERS' QUALITY CERTIFICATION



QUALITY CERTIFICATE

I **Rolly Dumezweni**, Municipal Manager of **Ndlambe Municipality**, hereby certify that the budget and the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and the annual budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Rolly Dumezweni

Municipal Manager of Ndlambe Municipality (EC105)

R DUMEZWENI

20/06/2023

DATE