



**MEDIUM TERM REVENUE
AND EXPENDITURE
FRAMEWORK
2024/25 TO 2026/27**

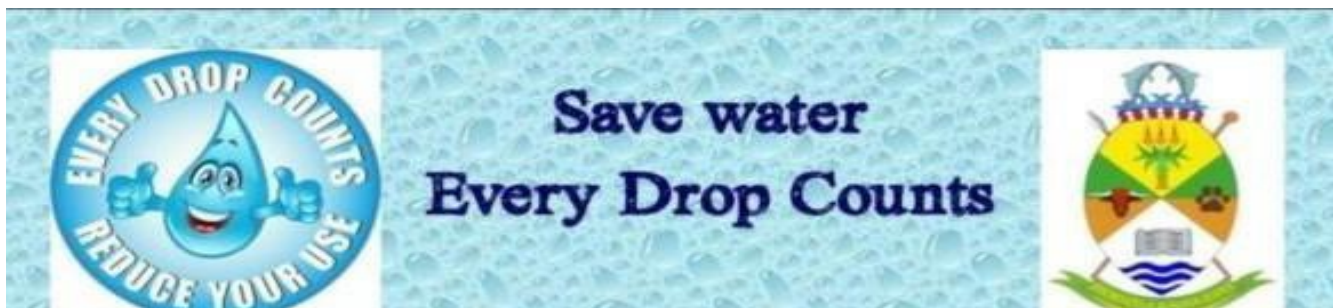




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Abbreviations and Acronyms

| | |
|-------|---|
| 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**

It must be stressed that this is a 2024/25 budget for approval is based on the following important factors:

1. The General Valuation Roll for 2024 has risen to R18.491 billion from R14.154 billion, marking a 30.64% increase, due to the current market value of properties. Considering this substantial increase in property values, a reduction in the property rates tariff is proposed. The MPRA (Municipal Property Rates Act) tariff categories were also considered in determining the new tariff:

| Category | Cent amount in the Rand rate determined for the relevant property category 2023/2024 | Cent amount in the Rand rate determined for the relevant property category 2024/2025 | Ratio tariff in relation to residential tariff 2024/2025 | Percentage decrease or increase in tariff from 2023/2024 to 2024/2025 |
|--|--|--|--|---|
| Residential | 0.0125 | 0.0110 | 1:1 | -14% |
| Vacant Land Vacant Residential | 0.0125 | 0.0119 | 1:1.08 | -5% |
| Business & Commercial | 0.0139 | 0.0122 | 1:1:11 | -14% |
| Vacant Land Vacant Business & Commercial | 0.0139 | 0.0131 | 1:1.19 | -6% |
| Industrial | 0.0139 | 0.0122 | 1:1.11 | -14% |
| Vacant Land Vacant Industrial | 0.0139 | 0.0131 | 1:1.19 | -6% |
| Agricultural Properties | 0.0031 | 0.0028 | 1:0.25 | -11% |
| Mining | 0.0139 | 0.0122 | 1:1.11 | -14% |
| Public Service Purposes | 0.0139 | 0.0139 | 1:1.26 | 0% |

2. The cost reflective tariff and the change in tariff structure were developed and commented on through public participation. The study outlined the under recovery from tariffs due to past inefficiencies. The adjustment to the tariff structure will be gradually implemented over a minimum of three and a maximum of five years. The cost of supply study derived the following proposals on tariffs:
3. Water tariffs:
 - 3.1 Water basic fee (old availability fee) 11% (6% inflationary and 5% tariff structure change over 5 years).
 - 3.2 Water usage 11% (6% inflationary and 5% tariff structure change over 1 year).
4. Sewerage basic fee 11% (6% inflationary and 5% tariff structure over 2 years).
5. Sanitation/Pump-outs 11% (6% inflationary and 5% tariff structure over 5 years).
6. Refuse removal per collection point 12% (6% inflationary and 6% tariff structure over 1 year).
7. Environmental fee 9% (6% inflationary and 0% tariff structure).
8. Electricity: 13% inflationary increase and the various tariff structure changes can be seen from the attached tariff structure NERSA opposed the proposed tariff increase of 15.7% and requested Council to consider 13% due to the unstable economy.



Engagements were done with Provincial Treasury, other sector departments and Rate Payers Associations, the top 10 common comments that were strongly raised relating to the budget are outlined below. The municipality has considered the comments and other economic indicators to conclude on the budget recommendations.

The top 10 common comments were:

1. The issue of inadequate maintenance budget especially for road maintenance was strongly raised by KORSA. i.e. R 6 million allocated to roads for the whole of Ndlambe which is inclusive of inadequate R3 million for quarry material for road patching.
2. Very low collection rate (82%) and an increase in outstanding debtors.
3. Cost containment measures not taken into consideration when preparing the budget i.e. (increase in cash donations, music festival, use of consultants etc.)
4. An increase on owner's income brackets for the pensioners property rates rebates.
5. Proposed tariffs increases are high which will harshly impact on medium income households. A robust concern is that they are being charged the municipality's inefficiencies.
6. Provincial Treasury strongly raised concerns on the municipality budgeting a deficit for the 2024/2025 financial year.
7. Further engagements are requested by KORSA on the final document before it is tabled to Council on the 7th of June 2024.

1.2 COUNCIL RESOLUTIONS

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

THAT the tariffs be APPROVED as follows:

1. The annual and monthly tariff of property rates:

| Category | Cent amount in the Rand rate determined for the relevant property category 2023/2024 | Cent amount in the Rand rate determined for the relevant property category 2024/2025 | Ratio tariff in relation to residential tariff 2024/2025 | Percentage decrease or increase in tariff from 2023/2024 to 2024/2025 |
|--|--|--|--|---|
| Residential | 0.0125 | 0.0110 | 1:1 | -14% |
| Vacant Land Vacant Residential | 0.0125 | 0.0119 | 1:1.08 | -5% |
| Business & Commercial | 0.0139 | 0.0122 | 1:1.11 | -14% |
| Vacant Land Vacant Business & Commercial | 0.0139 | 0.0131 | 1:1.19 | -6% |
| Industrial | 0.0139 | 0.0122 | 1:1.11 | -14% |
| Vacant Land Vacant Industrial | 0.0139 | 0.0131 | 1:1.19 | -6% |
| Agricultural Properties | 0.0031 | 0.0028 | 1:0.25 | -11% |
| Mining | 0.0139 | 0.0122 | 1:1.11 | -14% |
| Public Service Purposes | 0.0139 | 0.0139 | 1:1.26 | 0% |

**2. The pensioners rebate criteria be approved:**

| RETIRED AND DISABLED OWNERS ON RESIDENTIAL PROPERTY WITH RATEABLE VALUE OF LESS THAN R2 500 000 | | |
|--|------------------------|------------------|
| Category/Description | Proposed rebate | Based on: |
| Owner with income up to R 10 000 per month | 45.0% | Residential rate |
| Owner with income between R 10 001 and R14 000 | 35.0% | Residential rate |
| Owner with income between R14 001 and R18 000 | 25.0% | Residential rate |

3. Water tariffs:

3.3 Water infrastructure fee (old availability fee) 11% (6% inflationary and 5% tariff structure change over 5 year).

3.4 Water usage 11% (6% inflationary and 5% tariff structure change over 1 year).

4. Sewerage 11% (6% inflationary and 5% tariff structure over 2 years).

5. Sanitation/Pump -outs 11% (6% inflationary and 5% tariff structure over 5 years).

6. Refuse removal per collection point 12% (6% inflationary and 6% tariff structure over 1 year). See tariff structure.

7. Environmental fee 9% (6% inflationary and 0% tariff structure).

8. Electricity 13% inflationary increase and the various tariff structure changes can be seen from the attached tariff structure.

THAT the capital budget of R140,461,000 for 2025, (2026 R57,133,000) and (2027 R64,426,000) funded by mix funding as outlined in Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source be APPROVED.

THAT the operating budget for the 2024/2025 financial year as presented in Table A4 - Budgeted Financial Performance (revenue and expenditure) reflecting the operating deficit of R10,758,000, surpluses of (2026 R664,000) and (2027 R1,493,000) be APPROVED.

THAT the financial position for the 2024/2025 financial year as presented in Table A6- Budgeted Financial Position reflecting the community wealth/equity of R1,473,337,000 for 2024/2025, (2026 R1,529,635,000) and (2027 R1,594,864,000) be APPROVED.

THAT the cash flow for the 2024/2025 financial year as presented in Table A7- Budgeted Cash Flow reflecting a positive cash and cash equivalent at the end of 2024/2024 financial year R125,152,000, (2026 R133,888,000) and (2027 R143,361,000) be APPROVED.

THAT budget related policies reviewed with and no amendments for 2024/25 MTREF be APPROVED.



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

THAT the procurement plans for 2024/25 budget be APPROVED.

THAT the institutional organogram for 2024/25 which forms the annexure of the IDP be APPROVED.

THAT the draft SDBIP for 2024/25 be NOTED.



1.3 EXECUTIVE SUMMARY

National Treasury's main objective when introducing budget circulars 126 and 128 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 optimized, 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*

The National Treasury forecasts real GDP growth of 0.8 per cent in 2023, compared with 0.9 per cent projected in the 2023 Budget Review. Growth is projected to average 1.4 per cent from 2024 to 2026. Relative to the 2023 Budget, the weaker projection for 2023 mainly reflects lower household consumption expenditure due to higher inflation and interest rates, and lower net exports. Power cuts are expected to continue for the remainder of this year and to gradually ease in 2024. Faster, determined implementation of energy and logistics reforms remains critical to boosting economic growth.

In the context of weaker global growth and risks to the domestic outlook, government is working to position the economy for sustained growth and resilience to shocks. A combination of a stable macroeconomic framework, the rapid implementation of economic and structural reforms, and improvements in state capability remains central to achieving higher growth, employment, and competitiveness.

Employment growth continues to lag South Africa's post-COVID-19 economic recovery, with 74 000 fewer people in employment in the second quarter of 2023 than in the fourth quarter of 2019. Improving employment growth sustainably over the long term requires faster GDP growth and improved education and skills development.

Ndlambe Municipality's budget was a difficult budget to compile given the current economic pressures, the issue of load shedding that is influencing Eskom account for bulk electricity and the fuel consumption on generators that are utilized as the backup plan to sustain uninterrupted running of water and wastewater pumpstations. It has remained critical that everything possible should be done to collect outstanding debt that is due to the municipality simultaneously ensuring good quality of services that are rendered at an affordable price and critically ensure that fixed assets are managed efficiently.

More customers should be moved on to the Time of use tariff to force behaviour changes and assist in managing bulk purchase costs

SSEG and Wheeling should be supported as initiatives to lower bulk purchase cost and managing the maximum demand

The proposed structural tariff changes aim to ensure revenue neutrality for the municipality, but it also tries to ensure sustainability of the electricity revenue in that it introduces fixed and variable charges for all tariff categories to ensure the municipality recovers at least its costs (bulk purchases and operational expenses) even when the electricity sales drop due to the implementation of load shedding and more customers installing solar panels to meet their energy needs.

The impact on individual customers and customer groupings are however not neutral. Some customers will see higher tariffs and others will see lower tariffs. Based on consumption patterns not all customers in the same tariff category will experience the same increase or decrease.



The introduction of time of use tariffs to more customers should also assist in managing the bulk purchases account from Eskom since it will send a pricing signal to the customers to use their energy at different time periods (Time of Use). The introduction of Capacity charges and Demand charges (previously only demand charges) will also promote the managing of maximum demand by the customers while ensure income to the municipality to maintain the infrastructure.

Based on the analysis of the existing tariffs when compared to the cost of supplying the specific customers the indication is that some customers are being over charged while others are undercharged. This is particularly true for the indigent customers which is to be expected based on the subsidy that they receive.

This imbalance cannot be corrected within one financial year and there will always be cross subsidisation of some sort from the larger customers to the individual customers and thus it is proposed to phase the structural changes in over a period to smooth the impact.

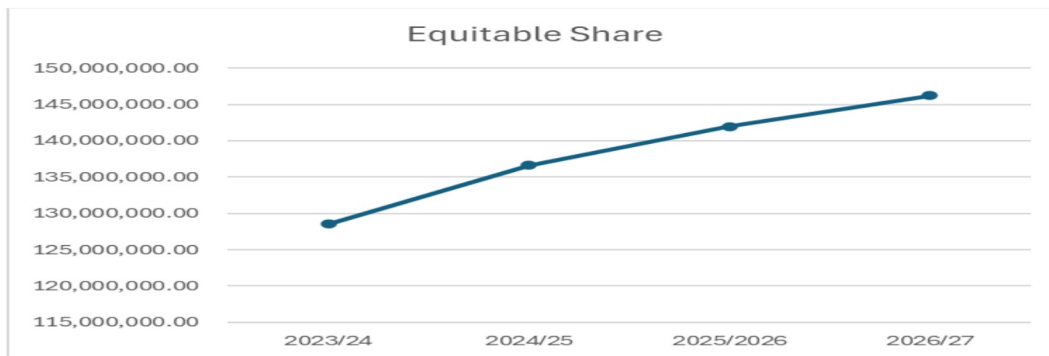
The main challenges of the 2024/2025 budget can be summarized as follows:

It must be noted that the operating budget for 2024/2025 MTREF as presented reflects an operating deficit of R10,758,000, surpluses for (2026 R664,000) and (2027 R1,493,000) from the cost reflective imposed tariffs of across all services with new structure tariffs from the cost of supply and property rates from the new general valuation roll which the rate in a rand is per category.

Local government conditional and unconditional grants allocations

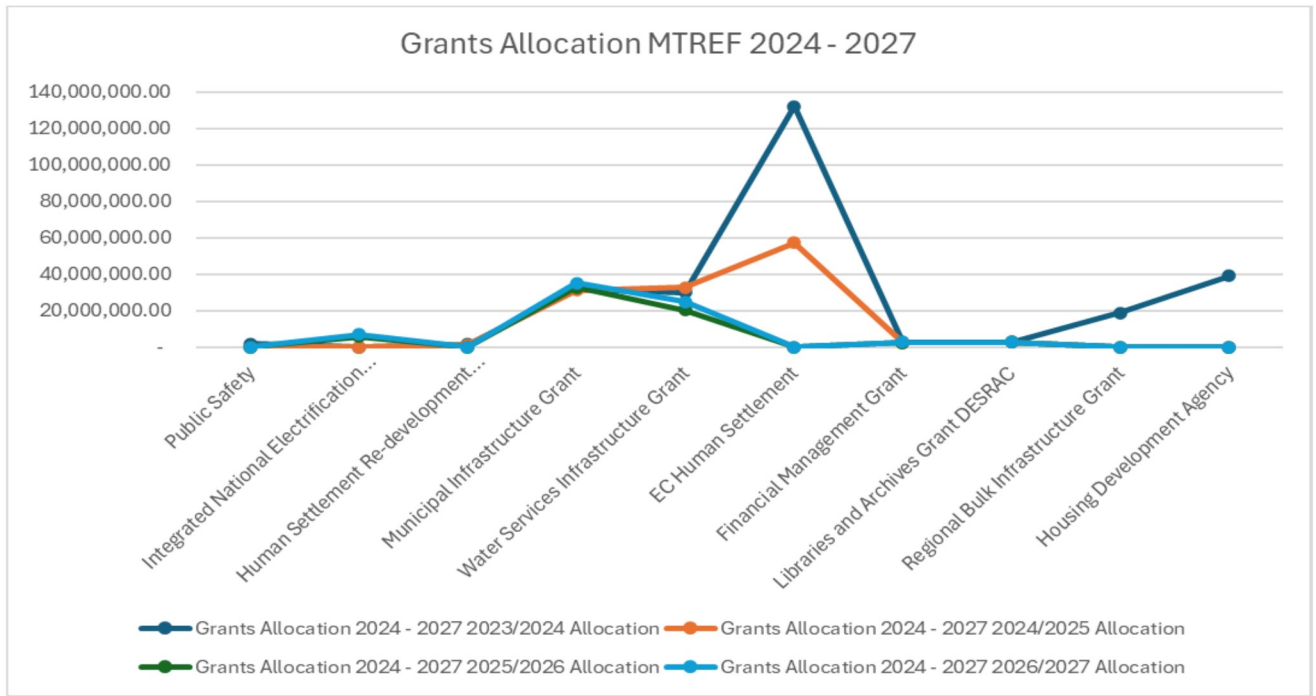
Over the 2024 MTEF, the local government equitable share and conditional grants will be reduced by a total of R12.8 billion, made up of R9.6 billion in the local government equitable share and R3.2 billion in direct conditional grants. The general fuel levy sharing with municipalities will be reduced by R5.1 billion. These reductions form part of the government’s efforts to drive fiscal consolidation. The implications of these changes will be outlined in more detail in the 2024 Budget Review.

The equitable share allocation for Ndlambe Municipality is reflecting an increase of 6% as compared to the previous year 2022/23, (2026 increase 4%) and (2027 increase by 3%)





The municipality did not experience a major decrease in allocations from the national government compared to 2023/2024 financial year.



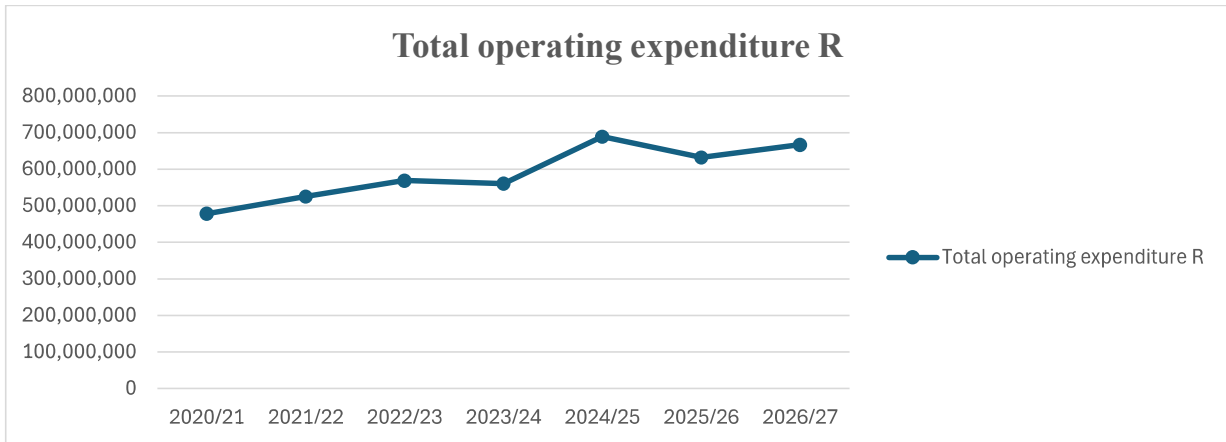
Municipal Standard Chart of Accounts (mSCOA)

The mSCOA chart for the 2024/25 budget year will be on version 6.8 moving from version 6.7 in 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.

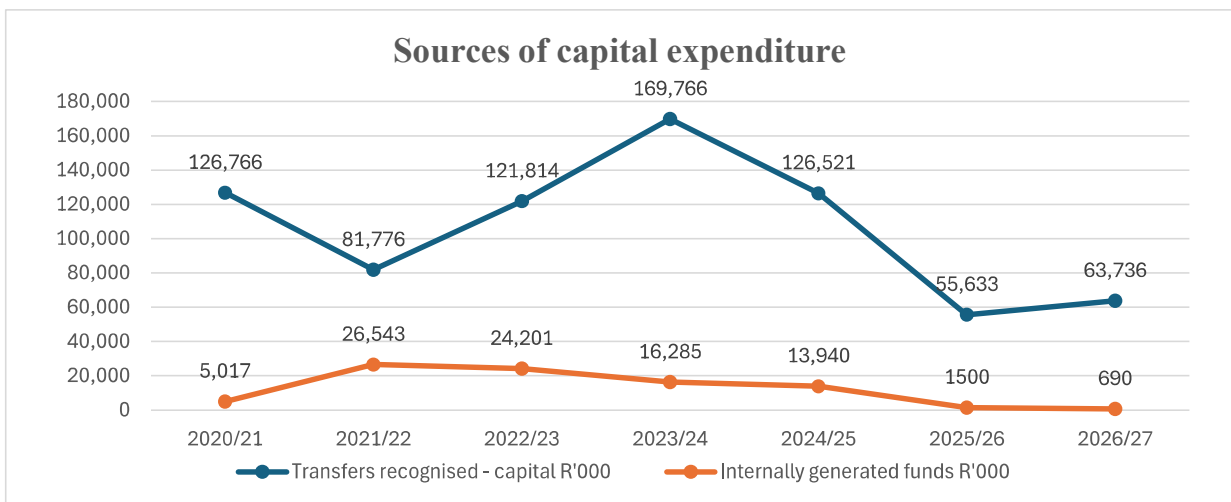


Table A1 Budget Summary

| Description | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Financial Performance | | | | | | | | | | |
| Property rates | 124,996 | 134,278 | 143,573 | 154,154 | 154,154 | 154,154 | 154,154 | 177,996 | 188,676 | 199,997 |
| Service charges | 154,494 | 166,316 | 181,743 | 206,426 | 206,426 | 206,426 | 206,426 | 226,197 | 240,948 | 256,526 |
| Investment revenue | 2,942 | 4,279 | 7,977 | 6,893 | 6,893 | 6,893 | 6,893 | 10,858 | 11,520 | 12,269 |
| Transfer and subsidies - Operational | 128,964 | 116,128 | 128,498 | 137,300 | 224,552 | 224,552 | 224,552 | 226,609 | 152,925 | 157,838 |
| Other own revenue | 23,754 | 27,718 | 42,093 | 45,079 | 45,093 | 45,093 | 45,093 | 37,020 | 38,857 | 41,622 |
| Total Revenue (excluding capital transfers and contributions) | 435,151 | 448,719 | 503,884 | 549,852 | 637,118 | 637,118 | 637,118 | 678,680 | 632,926 | 668,252 |
| Employee costs | 163,349 | 164,670 | 184,822 | 196,957 | 196,578 | 196,578 | 196,578 | 204,080 | 215,721 | 227,615 |
| Remuneration of councillors | 7,548 | 7,813 | 7,671 | 8,464 | 9,084 | 9,084 | 9,084 | 8,573 | 9,117 | 9,696 |
| Depreciation and amortisation | 45,677 | 58,132 | 51,754 | 49,076 | 49,076 | 49,076 | 49,076 | 51,434 | 51,919 | 52,320 |
| Interest | 4,567 | 6,697 | 7,967 | 196 | 196 | 196 | 196 | 9,501 | 11,483 | 14,010 |
| Inventory consumed and bulk purchases | 82,415 | 106,655 | 136,643 | 121,829 | 120,694 | 120,694 | 120,694 | 137,669 | 145,755 | 155,183 |
| Transfers and subsidies | 3,310 | 3,350 | 4,529 | 3,980 | 4,497 | 4,497 | 4,497 | 5,368 | 4,010 | 4,220 |
| Other expenditure | 171,485 | 178,203 | 175,697 | 180,269 | 268,120 | 268,120 | 268,120 | 272,812 | 194,257 | 203,716 |
| Total Expenditure | 478,350 | 525,519 | 569,082 | 560,770 | 648,245 | 648,245 | 648,245 | 689,438 | 632,262 | 666,759 |
| Surplus/(Deficit) | (43,199) | (76,800) | (65,198) | (10,918) | (11,126) | (11,126) | (11,126) | (10,758) | 664 | 1,493 |
| Transfers and subsidies - capital (monetary allocations) | 150,852 | 93,862 | 141,420 | 63,644 | 167,629 | 167,629 | 167,629 | 126,491 | 55,633 | 63,736 |
| Transfers and subsidies - capital (in-kind) | 167 | 5,024 | 113 | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 107,820 | 22,086 | 76,335 | 52,726 | 156,503 | 156,503 | 156,503 | 115,733 | 56,298 | 65,230 |
| Share of Surplus/Deficit attributable to Associate | 107,820 | 22,086 | 76,335 | 52,726 | 156,503 | 156,503 | 156,503 | 115,733 | 56,298 | 65,230 |
| Surplus/(Deficit) for the year | | | | | | | | | | |
| Capital expenditure & funds sources | | | | | | | | | | |
| Capital expenditure | 131,626 | 104,861 | 146,016 | 79,930 | 186,052 | 186,052 | 186,052 | 140,494 | 57,133 | 64,426 |
| Transfers recognised - capital | 126,766 | 81,776 | 121,814 | 63,644 | 169,766 | 169,766 | 169,766 | 126,521 | 55,633 | 63,736 |
| Borrowing | (408) | - | (2) | - | - | - | - | - | - | - |
| Internally generated funds | 5,425 | 26,543 | 24,203 | 16,285 | 16,285 | 16,285 | 16,285 | 13,973 | 1,500 | 690 |
| Total sources of capital funds | 131,783 | 108,319 | 146,016 | 79,930 | 186,052 | 186,052 | 186,052 | 140,494 | 57,133 | 64,426 |
| Financial position | | | | | | | | | | |
| Investments | 67 | 61 | 45 | 49 | 26 | 26 | 26 | 45 | 45 | 45 |
| LIABILITIES | 4,428 | 2,497 | 986 | (0) | 13 | 13 | 13 | - | - | - |
| Financial liabilities | 1,245,045 | 1,266,264 | 1,342,132 | 1,370,107 | 1,498,635 | 1,498,635 | 1,503,471 | 1,418,116 | 1,474,414 | 1,539,643 |
| NET ASSETS | - | - | - | - | - | - | - | - | - | - |
| Community wealth/Equity | - | - | - | - | - | - | - | - | - | - |
| Cash flows | | | | | | | | | | |
| Net cash from (used) operating | 457,385 | 55,403 | 5,599 | 87,270 | 218,342 | 218,342 | 218,342 | 133,952 | 72,136 | 79,392 |
| (used) investing | (137,964) | (123,898) | (159,062) | (91,919) | (189,423) | (189,423) | (189,423) | (148,425) | (63,473) | (70,158) |
| from (used) financing | (1,312) | - | (2,072) | (1,419) | (1,419) | (1,419) | (1,419) | 215 | 73 | 239 |
| | 318,108 | 8,036 | (77,749) | 22,679 | 94,736 | 94,736 | 94,736 | 125,152 | 133,888 | 143,361 |
| Cash/cash equivalents at the year end | | | | | | | | | | |
| Cash backing/surplus reconciliation | | | | | | | | | | |
| Non current Investments | 1,656 | 17,284 | 15,175 | 13,410 | 57,335 | 57,335 | 57,335 | 79,963 | 79,963 | 79,963 |
| Statutory requirements | 63,247 | 39,693 | 32,691 | 62,383 | 37,381 | 37,381 | 37,381 | 71,174 | 127,290 | 190,734 |
| Balance - surplus (shortfall) | (61,592) | (22,409) | (17,516) | (48,973) | 19,955 | 19,955 | 19,955 | 8,789 | (47,327) | (110,771) |
| Asset management | | | | | | | | | | |
| Asset register summary (WDV) | 1,128,538 | 1,240,377 | 1,273,668 | 1,176,859 | 1,241,161 | 1,241,161 | 1,241,161 | 1,232,303 | 1,187,824 | 1,143,194 |
| Depreciation | 45,531 | 47,495 | 48,965 | 49,076 | 49,076 | 49,076 | 49,076 | 51,434 | 51,919 | 52,320 |
| Renewal and Upgrading of Existing Assets | 46,590 | 41,429 | 67,143 | 54,177 | 134,220 | 134,220 | 134,220 | 17,420 | 48,849 | 46,495 |
| Repairs and Maintenance | 19,818 | 31,029 | 25,376 | 38,691 | 35,668 | 35,668 | 35,668 | 48,519 | 48,944 | 51,318 |
| Free services | | | | | | | | | | |
| Cost of Free Basic Services provided | - | - | - | - | - | - | - | - | - | - |
| Revenue cost of free services provided Households below minimum service level | 74,571 | 77,658 | 75,641 | 75,166 | 75,166 | 75,166 | 75,166 | 52,129 | 56,712 | 60,492 |
| Water: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sanitation/sewerage: | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Energy: | - | - | - | - | - | - | - | - | - | - |
| Refuse: | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |



- In terms of Section 30 and 32 (1) (b) ii the municipality has affected its latest General Valuation roll for the 2024 to 2029 financial period. The total value of the 2024 General Valuation roll reflects a 30% increase from the total value of the 2019-2024 Valuation roll. The overall value of the 2019-2024 roll amounts to R14, 154m and the 2024 GV roll total amounts to R18,491. The table above reflects the various property categories which comes from the valuation roll and the draft cent in the rand rates tariff per category. These tariffs will be effective for the billing of rates from 1 July 2024. It is evident from the above rates cent in the rand tariff structure that the municipality has a new rates tariff structure and has moved away from the rebate tariff structure. Further it can be noted that the Business tariff decreased from 0.0139 to 0.0122 reflecting a 14% decrease and the Residential tariff has decreased from 0.0125 to 0.0110 which is a 14% decrease.
- The municipality is mainly funding its capital expenditure by grant funding. In most cases the municipality is appointed as an implementing agent for by funder/ implementor for capital and Human Settlement projects and that results to the municipality being in the receiving end of grant monies. The line graph below outlines the trends on capital expenditure starting from 2020/21 covering the 2024/25 forecasts and the two outer years.



The table below outlines the top 10 capital projects for the three years:



| Project Description | Budget 2024/25 |
|--|-----------------------|
| Upgrading of Internal Bulk Sewer Reticulation in Marselle (500 houses): Internal services | 34,013,325.00 |
| Upgrading of Sewer System Port Alfred: Phase 1 | 32,600,000.00 |
| Reticulation: Construction of Civil Engineering Services for Thornhill | 23,380,854.00 |
| Reservoirs: Construction of Reservoirs in Thornhill | 10,891,439.00 |
| Transport Assets: Vehicle Acquisition | 6,900,000.00 |
| Waste Water Treatment Works: Waste Water Treatment Works and Bulk Sewer Reticulation in Bathurst | 6,777,445.00 |
| Thornhill Link Sanitation Services - Portion 1: Pump station and pumping mains | 5,342,217.00 |
| Roads: Upgrading of Atherstone Road | 4,924,604.00 |
| Roads: Upgrading of Protea Crescent in Station Hill | 4,825,546.00 |
| Upgrading of Gladiola Road: Alexandria | 4,137,483.00 |

| Project Description | Budget 2025/2026 |
|---|-------------------------|
| Pump Station: Upgrading of Port Alfred Sewage Pump Stations | 20,262,000.00 |
| Roads: Upgrading of Tana Square | 8,810,263.00 |
| Waste Water Treatment Works: Wastewater Treatment Works and Bulk Sewer Reticulation in Bathurst | 6,784,323.00 |
| Roads: Upgrading of Atherstone Road | 6,526,374.00 |
| MV Networks: Bulk Supply to Thorn Hill Residential Area in Port Alfred | 5,940,000.00 |
| Roads: Upgrading of KwaNonkqubela Main Road | 3,125,468.00 |
| Roads: Upgrading of Mbundwini Road | 2,185,000.00 |
| Upgrading of Mswela Road: Nemato | 2,000,000.00 |
| Transport Assets: Vehicle Acquisition | 636,674.00 |

| Project Description | 2026/2027 Budget |
|---|-------------------------|
| Waste Water Treatment Works: Wastewater Treatment Works and Bulk Sewer Reticulation in Bathurst | 17,241,354.00 |
| Pump Station: Upgrading of Port Alfred Sewage Pump Stations | 12,685,802.00 |
| Reticulation: Port Alfred Sewerage Industrial Area Reticulation and Bulk Link | 12,314,198.00 |
| MV Networks: Bulk Supply to Thorn Hill Residential Area in Port Alfred | 7,000,000.00 |
| Roads: Upgrading of Park Road | 5,810,263.00 |
| Roads: Upgrading of KwaNonkqubela Main Road | 5,684,795.00 |
| Roads: Upgrading of Koti Street | 3,000,000.00 |
| Transport Assets: Vehicle Acquisition | 470,004.00 |
| Computer Equipment: Computer Equipment | 220,000.00 |



1.4 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 2024/2025 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 A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

1.6.1.1 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.

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

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

1.6.1.4 It must be noted that the total revenue in the table below includes the revenue from capital transfers.

| Functional Classification Description | ### | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Revenue - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 212,745 | 204,390 | 249,255 | 231,585 | 231,600 | 231,600 | 290,813 | 303,840 | 317,411 |
| Executive and council | | 4,567 | 5,133 | 4,943 | 4,100 | 4,100 | 4,100 | 4,576 | 4,763 | 4,954 |
| Finance and administration | | 208,178 | 199,257 | 244,312 | 227,485 | 227,499 | 227,499 | 286,237 | 299,077 | 312,457 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | 20,311 | 10,278 | 10,729 | 20,545 | 109,858 | 109,858 | 84,998 | 5,911 | 6,162 |
| Community and social services | | 2,972 | 2,831 | 3,291 | 3,578 | 4,745 | 4,745 | 3,445 | 3,451 | 3,571 |
| Sport and recreation | | 11,377 | 1,822 | 487 | 11,225 | 11,225 | 11,225 | 249 | 264 | 281 |
| Public safety | | 562 | 62 | 3,137 | 1,900 | 3,010 | 3,010 | 77 | 82 | 87 |
| Housing | | 3,771 | 4,281 | 1,860 | 1,948 | 88,984 | 88,984 | 79,215 | - | - |
| Health | | 1,629 | 1,282 | 1,956 | 1,894 | 1,894 | 1,894 | 2,013 | 2,115 | 2,223 |
| <i>Economic and environmental services</i> | | 8,993 | 18,301 | 23,826 | 20,784 | 18,647 | 18,647 | 26,750 | 32,527 | 25,059 |
| Planning and development | | 4,919 | 11,515 | 5,174 | 5,214 | 5,214 | 5,214 | 7,694 | 7,694 | 8,236 |
| Road transport | | 3,158 | 5,641 | 17,463 | 13,752 | 11,615 | 11,615 | 17,602 | 22,872 | 14,735 |
| Environmental protection | | 915 | 1,145 | 1,189 | 1,818 | 1,818 | 1,818 | 1,849 | 1,961 | 2,089 |
| <i>Trading services</i> | | 341,140 | 311,369 | 357,922 | 325,816 | 429,877 | 429,877 | 398,286 | 341,694 | 378,471 |
| Energy sources | | 73,142 | 108,156 | 86,268 | 98,117 | 97,916 | 97,916 | 114,288 | 127,198 | 136,132 |
| Water management | | 187,215 | 112,741 | 100,534 | 107,238 | 167,366 | 167,366 | 89,661 | 89,416 | 96,773 |
| Waste water management | | 46,642 | 55,682 | 142,601 | 75,967 | 124,065 | 124,065 | 140,320 | 69,321 | 87,152 |
| Waste management | | 34,141 | 34,790 | 28,520 | 44,494 | 40,531 | 40,531 | 54,017 | 55,759 | 58,414 |
| <i>Other</i> | | 2,982 | 3,267 | 3,686 | 14,765 | 14,765 | 14,765 | 4,323 | 4,587 | 4,885 |
| | 4 | | | | | | | | | |
| Total Revenue - Functional | 2 | 586,170 | 547,605 | 645,418 | 613,496 | 804,748 | 804,748 | 805,171 | 688,560 | 731,988 |
| Expenditure - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 165,376 | 128,673 | 152,269 | 153,490 | 155,686 | 155,686 | 168,182 | 170,107 | 178,604 |
| Executive and council | | 31,101 | 36,782 | 41,821 | 46,363 | 46,616 | 46,616 | 51,983 | 50,739 | 53,487 |
| Finance and administration | | 127,888 | 84,876 | 102,350 | 98,904 | 100,722 | 100,722 | 107,145 | 109,788 | 115,014 |
| Internal audit | | 6,387 | 7,015 | 8,098 | 8,223 | 8,347 | 8,347 | 9,054 | 9,580 | 10,103 |
| <i>Community and public safety</i> | | 33,354 | 39,687 | 44,172 | 45,879 | 133,749 | 133,749 | 133,864 | 56,061 | 58,167 |
| Community and social services | | 9,429 | 10,466 | 11,648 | 12,170 | 13,320 | 13,320 | 17,233 | 17,433 | 17,939 |
| Sport and recreation | | 10,354 | 14,800 | 14,681 | 15,969 | 15,381 | 15,381 | 18,197 | 19,113 | 19,641 |
| Public safety | | 7,651 | 8,361 | 11,531 | 11,607 | 12,529 | 12,529 | 12,727 | 12,928 | 13,607 |
| Housing | | 3,400 | 2,975 | 4,178 | 3,546 | 89,981 | 89,981 | 82,967 | 3,809 | 4,039 |
| Health | | 2,519 | 3,085 | 2,133 | 2,586 | 2,539 | 2,539 | 2,739 | 2,777 | 2,941 |
| <i>Economic and environmental services</i> | | 78,314 | 84,555 | 87,321 | 87,873 | 88,348 | 88,348 | 95,398 | 97,640 | 102,084 |
| Planning and development | | 24,360 | 26,354 | 25,754 | 26,545 | 26,279 | 26,279 | 29,834 | 29,833 | 31,248 |
| Road transport | | 51,675 | 55,263 | 58,604 | 58,371 | 59,525 | 59,525 | 65,197 | 65,197 | 68,107 |
| Environmental protection | | 2,279 | 2,937 | 2,963 | 2,956 | 2,544 | 2,544 | 2,726 | 2,609 | 2,729 |
| <i>Trading services</i> | | 199,174 | 270,071 | 282,536 | 270,512 | 267,189 | 267,189 | 288,644 | 304,905 | 324,139 |
| Energy sources | | 90,599 | 115,234 | 110,010 | 108,986 | 107,349 | 107,349 | 118,450 | 125,298 | 133,197 |
| Water management | | 46,589 | 86,899 | 106,294 | 101,507 | 96,877 | 96,877 | 91,881 | 96,273 | 101,501 |
| Waste water management | | 24,473 | 30,579 | 29,376 | 24,749 | 27,650 | 27,650 | 31,136 | 32,555 | 34,137 |
| Waste management | | 37,513 | 37,359 | 36,855 | 35,270 | 35,312 | 35,312 | 47,177 | 50,778 | 55,303 |
| <i>Other</i> | | 2,132 | 2,533 | 2,785 | 3,016 | 3,273 | 3,273 | 3,350 | 3,550 | 3,764 |
| | 4 | | | | | | | | | |
| Total Expenditure - Functional | 3 | 478,350 | 525,519 | 569,082 | 560,770 | 648,245 | 648,245 | 689,438 | 632,262 | 666,759 |
| Surplus/(Deficit) for the year | | 107,820 | 22,086 | 76,335 | 52,726 | 156,503 | 156,503 | 115,733 | 56,298 | 65,230 |



1.6.2 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 6 municipal votes which are:

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

| Vote Description | ### | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | 4,267 | 4,443 | 4,443 | 4,093 | 4,093 | 4,093 | 4,576 | 4,763 | 4,954 |
| Vote 2 - MUNICIPAL MANAGER | | 304 | 690 | 504 | 7 | 7 | 7 | - | - | - |
| Vote 3 - CORPORATE SERVICES | | 4,073 | 3,441 | 14,793 | 3,872 | 5,063 | 5,063 | 3,733 | 3,756 | 3,896 |
| Vote 4 - COMMUNITY AND PROTECTION SERVICES | | 36,313 | 36,822 | 31,006 | 46,930 | 42,967 | 42,967 | 56,491 | 58,364 | 61,159 |
| Vote 5 - COMMUNITY AND PROTECTION SERVICES | | 16,058 | 6,064 | 8,240 | 29,442 | 30,552 | 30,552 | 6,247 | 6,628 | 7,059 |
| Vote 6 - INFRASTRUCTURAL DEVELOPMENT | | 58,232 | 76,602 | 166,821 | 96,606 | 229,603 | 229,603 | 244,224 | 99,662 | 109,883 |
| Vote 7 - ELECTRICITY SERVICES | | 73,142 | 108,156 | 86,268 | 98,117 | 97,916 | 97,916 | 114,288 | 127,198 | 136,132 |
| Vote 8 - WATER WORKS | | 187,215 | 112,741 | 100,534 | 107,238 | 167,366 | 167,366 | 89,661 | 89,416 | 96,773 |
| Vote 9 - FINANCIAL SERVICES | | 206,567 | 198,647 | 232,810 | 227,191 | 227,181 | 227,181 | 285,949 | 298,772 | 312,132 |
| Vote 10 - | | (0) | - | - | - | - | - | - | - | - |
| Vote 11 - INFRASTRUCTURAL DEVELOPMENT | | - | - | - | - | - | - | - | - | - |
| Vote 12 - | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 586,170 | 547,605 | 645,418 | 613,496 | 804,748 | 804,748 | 805,171 | 688,560 | 731,988 |
| Expenditure by Vote to be appropriated | 1 | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | 11,949 | 12,429 | 12,922 | 14,652 | 14,689 | 14,689 | 14,510 | 14,657 | 15,500 |
| Vote 2 - MUNICIPAL MANAGER | | 26,446 | 32,363 | 38,363 | 41,674 | 41,891 | 41,891 | 48,891 | 47,408 | 49,932 |
| Vote 3 - CORPORATE SERVICES | | 35,780 | 27,985 | 40,876 | 32,839 | 35,146 | 35,146 | 38,939 | 39,328 | 41,485 |
| Vote 4 - COMMUNITY AND PROTECTION SERVICES | | 64,428 | 68,839 | 68,612 | 68,814 | 67,887 | 67,887 | 81,536 | 86,343 | 92,455 |
| Vote 5 - COMMUNITY AND PROTECTION SERVICES | | 20,960 | 23,682 | 25,095 | 26,188 | 27,101 | 27,101 | 28,913 | 29,354 | 30,233 |
| Vote 6 - INFRASTRUCTURAL DEVELOPMENT | | 105,584 | 113,017 | 116,673 | 111,018 | 201,201 | 201,201 | 203,717 | 128,873 | 134,701 |
| Vote 7 - ELECTRICITY SERVICES | | 85,601 | 111,309 | 107,962 | 105,486 | 104,062 | 104,062 | 117,750 | 124,558 | 132,409 |
| Vote 8 - WATER WORKS | | 46,589 | 86,899 | 106,294 | 101,507 | 96,877 | 96,877 | 90,761 | 95,085 | 99,856 |
| Vote 9 - FINANCIAL SERVICES | | 75,899 | 45,071 | 50,210 | 55,091 | 56,103 | 56,103 | 60,922 | 62,945 | 66,235 |
| Vote 10 - | | 116 | - | 26 | - | - | - | - | - | - |
| Vote 11 - INFRASTRUCTURAL DEVELOPMENT | | 4,998 | 3,925 | 2,048 | 3,500 | 3,288 | 3,288 | 3,500 | 3,711 | 3,953 |
| Vote 12 - | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 478,350 | 525,519 | 569,082 | 560,770 | 648,245 | 648,245 | 689,438 | 632,262 | 666,759 |
| Surplus/(Deficit) for the year | 2 | 107,820 | 22,086 | 76,335 | 52,726 | 156,503 | 156,503 | 115,733 | 56,298 | 65,230 |



1.6.3 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 | ### | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Revenue | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | |
| Service charges - Electricity | 2 | 69,914 | 84,723 | 80,662 | 92,700 | 92,499 | 92,499 | 92,499 | 112,636 | 119,507 | 127,274 |
| Service charges - Water | 2 | 52,115 | 49,073 | 64,111 | 66,182 | 69,474 | 69,474 | 69,474 | 65,125 | 70,087 | 75,464 |
| Service charges - Waste Water Management | 2 | 14,746 | 14,750 | 16,705 | 18,102 | 18,974 | 18,974 | 18,974 | 19,782 | 21,924 | 23,431 |
| Service charges - Waste Management | 2 | 17,719 | 17,770 | 20,266 | 29,442 | 25,479 | 25,479 | 25,479 | 28,654 | 29,429 | 30,358 |
| Sale of Goods and Rendering of Services | | 3,335 | 3,601 | 3,130 | 3,076 | 3,076 | 3,076 | 3,076 | 3,743 | 3,972 | 4,230 |
| Agency services | | - | - | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 4,739 | 5,657 | 8,096 | 8,389 | 8,389 | 8,389 | 8,389 | 9,222 | 9,784 | 10,413 |
| Interest earned from Current and Non Current Assets | | 2,942 | 4,279 | 7,977 | 6,893 | 6,893 | 6,893 | 6,893 | 10,858 | 11,520 | 12,269 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Rent on Land | 1 | | 3 | - | - | - | - | - | - | - | - |
| Rental from Fixed Assets | | 666 | 794 | 1,047 | 1,092 | 1,092 | 1,092 | 1,092 | 1,150 | 1,220 | 1,300 |
| Licence and permits | | 2,982 | 3,267 | 3,686 | 14,765 | 14,765 | 14,765 | 14,765 | 4,323 | 4,587 | 4,885 |
| Operational Revenue | | 2,090 | 1,640 | 1,935 | 2,136 | 2,161 | 2,161 | 2,161 | 1,448 | 1,536 | 1,636 |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | 2 | 124,996 | 134,278 | 143,573 | 154,154 | 154,154 | 154,154 | 154,154 | 177,996 | 188,676 | 199,997 |
| Surcharges and Taxes | | 6,858 | 6,464 | 7,540 | 9,110 | 9,110 | 9,110 | 9,110 | 7,287 | 7,312 | 8,034 |
| Fines, penalties and forfeits | | 372 | 675 | 343 | 328 | 328 | 328 | 328 | 418 | 443 | 472 |
| Licences or permits | | 984 | 1,212 | 1,266 | 1,927 | 1,927 | 1,927 | 1,927 | 1,991 | 2,113 | 2,250 |
| Transfer and subsidies - Operational | | 128,964 | 116,128 | 128,498 | 137,300 | 224,552 | 224,552 | 224,552 | 226,609 | 152,925 | 157,838 |
| Interest | | 1,726 | 2,976 | 3,846 | 4,254 | 4,254 | 4,254 | 4,254 | 7,437 | 7,891 | 8,404 |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | - | 1,137 | 0 | - | - | - | - | - | - | - |
| Other Gains | | - | 293 | 11,206 | - | (10) | (10) | (10) | - | - | - |
| Discontinued Operations | | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contrib | | 435,151 | 448,719 | 503,884 | 549,852 | 637,118 | 637,118 | 637,118 | 678,680 | 632,926 | 668,252 |
| Expenditure | | | | | | | | | | | |
| Employee related costs | 2 | 163,349 | 164,670 | 184,822 | 196,957 | 196,578 | 196,578 | 196,578 | 204,080 | 215,721 | 227,615 |
| Remuneration of councillors | | 7,548 | 7,813 | 7,671 | 8,464 | 9,084 | 9,084 | 9,084 | 8,573 | 9,117 | 9,696 |
| Bulk purchases - electricity | 2 | 53,072 | 69,670 | 84,363 | 79,082 | 77,772 | 77,772 | 77,772 | 88,969 | 94,314 | 100,532 |
| Inventory consumed | 8 | 29,343 | 36,985 | 52,280 | 42,747 | 42,922 | 42,922 | 42,922 | 48,701 | 51,441 | 54,651 |
| Debt impairment | 3 | - | 47,654 | 59,636 | 9,961 | 9,961 | 9,961 | 9,961 | 7,972 | 8,451 | 8,952 |
| Depreciation and amortisation | | 45,677 | 58,132 | 51,754 | 49,076 | 49,076 | 49,076 | 49,076 | 51,434 | 51,919 | 52,320 |
| Interest | | 4,567 | 6,697 | 7,967 | 196 | 196 | 196 | 196 | 9,501 | 11,483 | 14,010 |
| Contracted services | | 74,269 | 77,353 | 72,787 | 88,806 | 175,621 | 175,621 | 175,621 | 174,514 | 93,529 | 97,281 |
| Transfers and subsidies | | 3,310 | 3,350 | 4,529 | 3,980 | 4,497 | 4,497 | 4,497 | 5,368 | 4,010 | 4,220 |
| Irrecoverable debts written off | | 42,420 | (331) | 191 | 29,039 | 29,039 | 29,039 | 29,039 | 24,591 | 25,820 | 27,179 |
| Operational costs | | 54,514 | 48,699 | 41,237 | 52,463 | 53,490 | 53,490 | 53,490 | 65,735 | 66,457 | 70,303 |
| Losses on disposal of Assets | | 165 | 4,821 | 1,834 | - | - | - | - | - | - | - |
| Other Losses | | 118 | 6 | 12 | - | 8 | 8 | 8 | - | - | - |
| Total Expenditure | | 478,350 | 525,519 | 569,082 | 560,770 | 648,245 | 648,245 | 648,245 | 689,438 | 632,262 | 666,759 |
| Surplus/(Deficit) | | (43,199) | (76,800) | (65,198) | (10,918) | (11,126) | (11,126) | (11,126) | (10,758) | 664 | 1,493 |
| Transfers and subsidies - capital (monetary) | 6 | 150,852 | 93,862 | 141,420 | 63,644 | 167,629 | 167,629 | 167,629 | 126,491 | 55,633 | 63,736 |
| Transfers and subsidies - capital (in-kind) | 6 | 167 | 5,024 | 113 | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 107,820 | 22,086 | 76,335 | 52,726 | 156,503 | 156,503 | 156,503 | 115,733 | 56,298 | 65,230 |
| Income Tax | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after income tax | | 107,820 | 22,086 | 76,335 | 52,726 | 156,503 | 156,503 | 156,503 | 115,733 | 56,298 | 65,230 |
| Share of Surplus/Deficit attributable to Joint Venture | | - | - | - | - | - | - | - | - | - | - |
| Share of Surplus/Deficit attributable to Minorities | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | 107,820 | 22,086 | 76,335 | 52,726 | 156,503 | 156,503 | 156,503 | 115,733 | 56,298 | 65,230 |
| Share of Surplus/Deficit attributable to Associate | 7 | - | - | - | - | - | - | - | - | - | - |
| Intercompany/Parent subsidiary transactions | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 1 | 107,820 | 22,086 | 76,335 | 52,726 | 156,503 | 156,503 | 156,503 | 115,733 | 56,298 | 65,230 |



The Municipality's operating revenue (excluding capital transfers and contributions) is projected to decrease from R637,118 million in the 2023/24 to R678,680 million or 7% in 2024/25, decreasing to R632,926 million or -7% in the 2025/26 and to R668,252 million or 6% in the 2026/27 financial year.

The municipality's operating expenditure increased from R648,245 million in 2023/24 financial year to R689,438 million or 6% in 2024/25 financial year, decreasing to R632,262 million and R666,759 million relating to -8% and 5% for the outer years.

Employee related costs are the biggest cost driver at R204,080 million or 30% of total operating expenditure for the 2024/25 financial year, which increases by R7.5 million or 4%. Employee costs are within the Treasury norm (25-40%).

Contracted services costs are one of the biggest cost drivers at R174,514 million or 25% of total operating expenditure for the 2024/25 financial year, which decreased by R1.1million or -0.01%. Contracted services costs are exceeding the Treasury norm (2-5%). The municipality is the implementing agent for the upgrading of informal settlement on behalf of Dept. Human Settlement, contracted are appointed by the Municipality to do the work.

Operational costs are one of the biggest cost drivers at R65,735 million or 23% of total operating expenditure for the 2024/25 financial year, which increases by R12,245 million or 23%. The municipality was in the past under providing for the costs of electricity consumed by municipal offices and pumpstation in the Eskom areas.



1.6.4 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 | ### | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| 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 | – | – | – | – | – | – | – | – |
| Vote 7 - ELECTRICITY SERVICES | | – | – | – | – | – | – | – | – | – | – |
| Vote 8 - WATER WORKS | | – | – | – | – | – | – | – | – | – | – |
| Vote 9 - FINANCIAL SERVICES | | – | – | – | – | – | – | – | – | – | – |
| Vote 10 - | | – | – | – | – | – | – | – | – | – | – |
| Vote 11 - INFRASTRUCTURAL DEVELOPMENT | | – | – | – | – | – | – | – | – | – | – |
| Vote 12 - | | – | – | – | – | – | – | – | – | – | – |
| Capital multi-year expenditure sub-total | 7 | – | 1,886 | – | – | – | – | – | – | – | – |
| Single-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | (103) | 205 | 829 | 603 | 603 | 603 | 603 | – | – | – |
| Vote 2 - MUNICIPAL MANAGER | | 466 | 291 | 1,211 | 709 | 559 | 559 | 559 | 254 | – | – |
| Vote 3 - CORPORATE SERVICES | | 287 | 197 | 13,675 | 117 | 422 | 422 | 422 | 3,700 | – | – |
| Vote 4 - COMMUNITY AND PROTECTION SERVICES | | 2,430 | 5,183 | 3,091 | 2,468 | 2,338 | 2,338 | 2,338 | 2,700 | 293 | 20 |
| Vote 5 - COMMUNITY AND PROTECTION SERVICES | | 10,067 | 1,383 | 2,908 | 17,655 | 18,771 | 18,771 | 18,771 | – | – | – |
| Vote 6 - INFRASTRUCTURAL DEVELOPMENT | | 18,800 | 33,113 | 98,191 | 55,044 | 102,952 | 102,952 | 102,952 | 121,064 | 49,760 | 57,103 |
| Vote 7 - ELECTRICITY SERVICES | | – | 15,170 | 1,852 | 500 | 511 | 511 | 511 | 1,169 | 6,510 | 7,103 |
| Vote 8 - WATER WORKS | | 98,880 | 47,081 | 23,316 | 1,340 | 58,402 | 58,402 | 58,402 | 10,891 | – | – |
| Vote 9 - FINANCIAL SERVICES | | 800 | 351 | 941 | 1,493 | 1,493 | 1,493 | 1,493 | 715 | 570 | 200 |
| Vote 10 - | | – | – | – | – | – | – | – | – | – | – |
| Vote 11 - INFRASTRUCTURAL DEVELOPMENT | | – | – | – | – | – | – | – | – | – | – |
| Vote 12 - | | – | – | – | – | – | – | – | – | – | – |
| Capital single-year expenditure sub-total | | 131,626 | 102,975 | 146,016 | 79,930 | 186,052 | 186,052 | 186,052 | 140,494 | 57,133 | 64,426 |
| Total Capital Expenditure - Vote | | 131,626 | 104,861 | 146,016 | 79,930 | 186,052 | 186,052 | 186,052 | 140,494 | 57,133 | 64,426 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| Governance and administration | | 1,740 | 1,394 | 3,078 | 4,315 | 3,914 | 3,914 | 3,914 | 3,225 | 740 | 267 |
| Executive and council | | 329 | 496 | 2,040 | 1,262 | 1,112 | 1,112 | 1,112 | 254 | – | – |
| Finance and administration | | 1,394 | 898 | 1,038 | 3,003 | 2,751 | 2,751 | 2,751 | 2,971 | 740 | 267 |
| Internal audit | | 18 | – | – | 51 | 51 | 51 | 51 | – | – | – |
| Community and public safety | | 10,480 | 3,790 | 17,091 | 17,245 | 19,367 | 19,367 | 19,367 | 2,500 | 190 | – |
| Community and social services | | 215 | 165 | 13,660 | 37 | 342 | 342 | 342 | 2,500 | – | – |
| Sport and recreation | | 9,845 | 3,603 | 765 | 13,215 | 13,105 | 13,105 | 13,105 | – | 190 | – |
| Public safety | | 410 | – | 2,659 | 3,958 | 5,034 | 5,034 | 5,034 | – | – | – |
| Housing | | – | – | – | – | 851 | 851 | 851 | – | – | – |
| Health | | 10 | 22 | 7 | 35 | 35 | 35 | 35 | – | – | – |
| Economic and environmental services | | 2,359 | 6,147 | 16,952 | 15,752 | 20,136 | 20,136 | 20,136 | 17,895 | 22,647 | 14,815 |
| Planning and development | | 142 | 152 | 391 | 860 | 571 | 571 | 571 | 475 | – | 300 |
| Road transport | | 2,157 | 5,990 | 16,561 | 14,892 | 19,565 | 19,565 | 19,565 | 17,420 | 22,647 | 14,495 |
| Environmental protection | | 60 | 6 | – | – | – | – | – | – | – | 20 |
| Trading services | | 117,047 | 93,530 | 108,894 | 42,617 | 142,455 | 142,455 | 142,455 | 116,875 | 33,556 | 49,345 |
| Energy sources | | – | 15,170 | 1,852 | 500 | 511 | 511 | 511 | 1,169 | 6,510 | 7,103 |
| Water management | | 98,880 | 47,081 | 23,316 | 1,340 | 58,402 | 58,402 | 58,402 | 10,891 | – | – |
| Waste water management | | 16,220 | 28,464 | 81,528 | 39,257 | 82,022 | 82,022 | 82,022 | 102,114 | 27,046 | 42,241 |
| Waste management | | 1,947 | 2,815 | 2,198 | 1,520 | 1,520 | 1,520 | 1,520 | 2,700 | – | – |
| Other | | – | – | – | – | 180 | 180 | 180 | – | – | – |
| Total Capital Expenditure - Functional | 3 | 131,626 | 104,861 | 146,016 | 79,930 | 186,052 | 186,052 | 186,052 | 140,494 | 57,133 | 64,426 |
| Funded by: | | | | | | | | | | | |
| National Government | | 88,755 | 50,778 | 95,442 | 60,358 | 86,295 | 86,295 | 86,295 | 60,792 | 55,633 | 63,736 |
| Provincial Government | | 36,854 | 29,863 | 22,086 | – | 79,075 | 79,075 | 79,075 | 64,382 | – | – |
| District Municipality | | (2) | – | 2,556 | 1,800 | 2,910 | 2,910 | 2,910 | – | – | – |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) | | 1,159 | 1,136 | 1,730 | 1,486 | 1,486 | 1,486 | 1,486 | 1,347 | – | – |



Ndlambe Municipality

Original Budget 2024/25

| | | | | | | | | | | | |
|--------------------------------|---|----------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|---------------|---------------|
| Transfers recognised - capital | 4 | 126,766 | 81,776 | 121,814 | 63,644 | 169,766 | 169,766 | 169,766 | 126,521 | 55,633 | 63,736 |
| Borrowing | 6 | (408) | – | (2) | – | – | – | – | – | – | – |
| Internally generated funds | | 5,425 | 26,543 | 24,203 | 16,285 | 16,285 | 16,285 | 16,285 | 13,973 | 1,500 | 690 |
| Total Capital Funding | 7 | 131,783 | 108,319 | 146,016 | 79,930 | 186,052 | 186,052 | 186,052 | 140,494 | 57,133 | 64,426 |

Funding Mix: Capital budget will be funded by Government grants at R126,521 million or 90% and internally generated funds at R13,940 million or 10% of the total budget.

Although the municipality budgeted for the operating deficit for 2024/25 financial year, it has been an effective practice that the capital expenditure funded by internal generated is funded by operational cash on hand through strict management of the cash flow. The depreciation cost is also partially funding the capital expenditure.

**1.6.5 TABLE A6 BUDGETED FINANCIAL POSITION I**

- 1.6.5.1 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).
- 1.6.5.2 This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents.
- 1.6.5.3 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.

1.6.6 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
- 1.6.6.1 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.
- 1.6.6.2 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 | ### | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash and cash equivalents | | 77,059 | 77,768 | 67,235 | 22,679 | 94,755 | 94,755 | 94,755 | 132,403 | 149,937 | 168,767 |
| Trade and other receivables from exchange transactions | 1 | 22,899 | 29,126 | 29,097 | 49,331 | 30,753 | 30,753 | 30,753 | 54,095 | 80,338 | 108,746 |
| Receivables from non-exchange transactions | 1 | 17,733 | 20,161 | 20,129 | 55,521 | 52,070 | 52,070 | 52,070 | 45,084 | 72,213 | 101,267 |
| Current portion of non-current receivables | | - | - | - | - | - | - | - | - | - | - |
| Inventory | 2 | 1,095 | 1,146 | 1,185 | 4,395 | 3,757 | 3,757 | 3,757 | 1,537 | 1,910 | 2,312 |
| VAT | | 102,149 | 118,892 | 149,579 | 164,152 | 176,107 | 176,107 | 176,107 | 149,579 | 149,579 | 149,579 |
| Other current assets | | 10,543 | 436 | 865 | 263 | 865 | 865 | 865 | 865 | 865 | 865 |
| Total current assets | | 231,478 | 247,529 | 268,090 | 296,342 | 358,307 | 358,307 | 358,307 | 383,562 | 454,842 | 531,536 |
| Non current assets | | | | | | | | | | | |
| Investments | | 67 | 61 | 45 | 49 | 26 | 26 | 26 | 45 | 45 | 45 |
| Investment property | | 260,120 | 261,357 | 259,721 | 260,082 | 258,533 | 258,533 | 258,533 | 258,541 | 257,361 | 256,181 |
| Property, plant and equipment | 3 | 1,041,406 | 1,091,356 | 1,185,205 | 1,159,375 | 1,323,383 | 1,323,383 | 1,323,383 | 1,275,464 | 1,281,877 | 1,295,181 |
| Biological assets | | - | - | - | - | - | - | - | - | - | - |
| Living and non-living resources | | - | - | - | - | - | - | - | - | - | - |
| Heritage assets | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intangible assets | | (560) | (679) | 110 | (598) | 95 | 95 | 95 | 91 | 72 | 53 |
| Trade and other receivables from exchange transactions | | - | - | - | - | - | - | - | - | - | - |
| Non-current receivables from non-exchange transactions | | - | - | - | - | - | - | - | - | - | - |
| Other non-current assets | | - | - | - | - | - | - | - | - | - | - |
| Total non current assets | | 1,301,033 | 1,352,095 | 1,445,081 | 1,418,909 | 1,582,038 | 1,582,038 | 1,582,038 | 1,534,141 | 1,539,355 | 1,551,461 |
| TOTAL ASSETS | | 1,532,511 | 1,599,624 | 1,713,170 | 1,715,250 | 1,940,344 | 1,940,344 | 1,940,344 | 1,917,702 | 1,994,197 | 2,082,997 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Bank overdraft | | - | - | - | - | - | - | - | - | - | - |
| Financial liabilities | | 1,738 | 1,920 | 1,464 | 973 | 960 | 960 | 960 | 0 | 0 | 0 |
| Consumer deposits | | 2,383 | 2,538 | 2,662 | 2,817 | 2,721 | 2,721 | 2,721 | 2,877 | 2,950 | 3,188 |
| Trade and other payables from exchange transactions | 4 | 55,457 | 56,905 | 68,598 | 7,379 | 70,340 | 70,340 | 70,340 | 67,212 | 65,744 | 64,294 |
| Trade and other payables from non-exchange transactions | 5 | 1,764 | 16,783 | 21,909 | 16,751 | 57,335 | 57,335 | 57,335 | 79,963 | 79,963 | 79,963 |
| Provision | | 12,329 | 13,188 | 13,728 | 13,188 | 13,728 | 13,728 | 13,728 | 16,146 | 16,146 | 16,146 |
| VAT | | 88,201 | 111,715 | 136,000 | 176,221 | 170,921 | 170,921 | 170,921 | 145,481 | 155,590 | 166,362 |
| Other current liabilities | | 10,008 | 17,142 | 2,418 | 17,142 | 2,418 | 2,418 | (2,418) | - | - | - |
| Total current liabilities | | 171,880 | 220,190 | 246,779 | 234,470 | 318,423 | 318,423 | 313,587 | 311,680 | 320,393 | 329,954 |
| Non current liabilities | | | | | | | | | | | |
| Financial liabilities | 6 | 4,428 | 2,497 | 986 | (0) | 13 | 13 | 13 | - | - | - |
| Provision | 7 | 61,193 | 68,184 | 68,052 | 68,184 | 68,052 | 68,052 | 68,052 | 132,686 | 144,169 | 158,179 |
| Long term portion of trade payables | | - | - | - | - | - | - | - | - | - | - |
| Other non-current liabilities | | 49,965 | 42,489 | 55,221 | 42,489 | 55,221 | 55,221 | 55,221 | 55,221 | 55,221 | 55,221 |
| Total non current liabilities | | 115,586 | 113,170 | 124,259 | 110,673 | 123,286 | 123,286 | 123,286 | 187,907 | 199,390 | 213,400 |
| TOTAL LIABILITIES | | 287,466 | 333,360 | 371,038 | 345,143 | 441,709 | 441,709 | 436,873 | 499,586 | 519,783 | 543,354 |
| NET ASSETS | | 1,245,045 | 1,266,264 | 1,342,132 | 1,370,107 | 1,498,635 | 1,498,635 | 1,503,471 | 1,418,116 | 1,474,414 | 1,539,643 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated surplus/(deficit) | 8 | 1,246,059 | 1,266,264 | 1,342,101 | 1,370,107 | 1,498,635 | 1,498,635 | 1,498,635 | 1,473,337 | 1,529,635 | 1,594,864 |
| Reserves and funds | 9 | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 10 | 1,246,059 | 1,266,264 | 1,342,101 | 1,370,107 | 1,498,635 | 1,498,635 | 1,498,635 | 1,473,337 | 1,529,635 | 1,594,864 |



1.6.7 Table A7 Budgeted Cash Flows

- 1.6.7.1 The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- 1.6.7.2 It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- 1.6.7.3 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 | ### | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | | 120,862 | 128,564 | 140,967 | 135,655 | 135,655 | 135,655 | 135,655 | 152,712 | 161,875 | 171,587 |
| Service charges | | 139,845 | 145,890 | 158,470 | 208,903 | 208,903 | 208,903 | 208,903 | 216,639 | 230,763 | 245,684 |
| Other revenue | | 20,311 | 106,886 | 61,383 | 39,850 | 39,875 | 39,875 | 39,875 | 48,807 | 35,205 | 35,940 |
| Transfers and Subsidies - Operational | 1 | 141,451 | 135,587 | 170,841 | 137,300 | 223,486 | 223,486 | 223,486 | 226,609 | 152,925 | 157,838 |
| Transfers and Subsidies - Capital | 1 | 139,780 | 105,514 | 138,630 | 63,644 | 203,739 | 203,739 | 203,739 | 126,491 | 55,633 | 63,736 |
| Interest | | 2,683 | 2,958 | 7,567 | 6,893 | 6,893 | 6,893 | 6,893 | 10,858 | 11,520 | 12,269 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | (107,548) | (552,788) | (632,280) | (504,780) | (595,899) | (595,899) | (595,899) | (642,908) | (571,916) | (603,602) |
| Interest | | - | (638) | (417) | (196) | (196) | (196) | (196) | (89) | - | - |
| Transfers and Subsidies | 1 | - | (16,571) | (39,561) | - | (4,114) | (4,114) | (4,114) | (5,168) | (3,870) | (4,060) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 457,385 | 55,403 | 5,599 | 87,270 | 218,342 | 218,342 | 218,342 | 133,952 | 72,136 | 79,392 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | - | 95 | - | - | - | - | - | - | - |
| VAT Control (receipts) | | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current receivables | | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | | - | (6) | 2 | - | (18) | (18) | (18) | - | - | - |
| Payments | | | | | | | | | | | |
| Capital assets | | (137,964) | (123,891) | (159,159) | (91,919) | (189,405) | (189,405) | (189,405) | (148,425) | (63,473) | (70,158) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (137,964) | (123,898) | (159,062) | (91,919) | (189,423) | (189,423) | (189,423) | (148,425) | (63,473) | (70,158) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | - | - | 218 | 59 | 59 | 59 | 59 | 215 | 73 | 239 |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | (1,312) | - | (2,290) | (1,477) | (1,477) | (1,477) | (1,477) | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | (1,312) | - | (2,072) | (1,419) | (1,419) | (1,419) | (1,419) | 215 | 73 | 239 |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 318,108 | (68,495) | (155,534) | (6,068) | 27,501 | 27,501 | 27,501 | (14,258) | 8,736 | 9,473 |
| Cash/cash equivalents at the year begin: | 2 | - | 76,531 | 77,786 | 28,747 | 67,235 | 67,235 | 67,235 | 139,410 | 125,152 | 133,888 |
| Cash/cash equivalents at the year end: | 2 | 318,108 | 8,036 | (77,749) | 22,679 | 94,736 | 94,736 | 94,736 | 125,152 | 133,888 | 143,361 |

1.6.8 Table A8 Cash backed reserves/accumulated surplus reconciliation.

- 1.6.8.1 The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- 1.6.8.2 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.
- 1.6.8.3 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.



1.6.8.4 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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | | | | | | |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 318,108 | 8,036 | (77,749) | 22,679 | 94,736 | 94,736 | 94,736 | 125,152 | 133,888 | 143,361 |
| Other current investments > 90 days | | (241,049) | 69,732 | 144,984 | 0 | 18 | 18 | 18 | 7,251 | 16,049 | 25,406 |
| Non current Investments | 1 | 67 | 61 | 45 | 49 | 26 | 26 | 26 | 45 | 45 | 45 |
| Cash and investments available: | | 77,126 | 77,828 | 67,280 | 22,728 | 94,781 | 94,781 | 94,781 | 132,448 | 149,982 | 168,812 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | 1,656 | 17,284 | 15,175 | 13,410 | 57,335 | 57,335 | 57,335 | 79,963 | 79,963 | 79,963 |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | (27,010) | (7,177) | (13,579) | 12,069 | (5,186) | (5,186) | (5,186) | (4,097) | 6,011 | 16,784 |
| Other working capital requirements | 3 | 16,896 | (2,301) | 16,847 | (95,463) | (10,895) | (10,895) | (10,895) | (30,738) | (79,429) | (134,815) |
| Other provisions | | 22,337 | 30,329 | 16,146 | 30,329 | 16,146 | 16,146 | 16,146 | 16,146 | 16,146 | 16,146 |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | - | - | - | - | - | - | - | - | - | - |
| Total Application of cash and investments: | | 13,879 | 38,135 | 34,589 | (39,655) | 57,400 | 57,400 | 57,400 | 61,274 | 22,691 | (21,922) |
| Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits | | 63,247 | 39,693 | 32,691 | 62,383 | 37,381 | 37,381 | 37,381 | 71,174 | 127,290 | 190,734 |
| Creditors transferred to Debt Relief - Non-Current portion | | - | - | - | - | - | - | - | - | - | - |
| Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits | | 63,247 | 39,693 | 32,691 | 62,383 | 37,381 | 37,381 | 37,381 | 71,174 | 127,290 | 190,734 |

The surplus of R74,174 million, R127,290 million and R190,734 million as per Treasury calculations, indicate that the municipality’s budget is funded and sustainable over the 2024/25 MTREF.

1.6.9 Table A9 Asset Management

1.6.9.1 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.

1.6.9.2 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.

| Description | ### | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|--|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 | |
| R thousand | | | | | | | | | | | |
| CAPITAL EXPENDITURE | | | | | | | | | | | |
| Total New Assets | 1 | 85,036 | 63,432 | 78,872 | 25,752 | 51,832 | 51,832 | 123,042 | 8,284 | 17,931 | |
| Roads Infrastructure | | - | - | - | - | 252 | 252 | - | - | - | |
| Storm water Infrastructure | | - | - | - | - | - | - | - | - | - | |
| Electrical Infrastructure | | - | 15,170 | 1,852 | 300 | 1,151 | 1,151 | - | - | - | |
| Water Supply Infrastructure | | 82,531 | 28,760 | 9,041 | 840 | 19,882 | 19,882 | 10,891 | - | - | |
| Sanitation Infrastructure | | - | 12,627 | 43,985 | 8,057 | 15,217 | 15,217 | 102,114 | 6,784 | 17,241 | |
| Solid Waste Infrastructure | | - | - | - | - | - | - | - | - | - | |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - | |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - | |
| Information and Communication Infrastructure | | 61 | 54 | 10 | 100 | 100 | 100 | - | - | - | |
| Infrastructure | | 82,592 | 56,611 | 54,888 | 9,297 | 36,601 | 36,601 | 113,005 | 6,784 | 17,241 | |
| Community Facilities | | - | - | - | - | - | - | - | - | - | |
| Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - | |
| Community Assets | | - | - | - | - | - | - | - | - | - | |
| Heritage Assets | | - | - | - | - | - | - | - | - | - | |
| Revenue Generating | | - | - | - | - | - | - | - | - | - | |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - | |
| Investment properties | | - | - | - | - | - | - | - | - | - | |
| Operational Buildings | | - | - | 13,444 | 350 | 261 | 261 | 2,500 | - | - | |
| Housing | | - | - | - | - | - | - | - | - | - | |
| Other Assets | | - | - | 13,444 | 350 | 261 | 261 | 2,500 | - | - | |



| | | | | | | | | | | |
|---|---------|---------|--------|--------|--------|---------|---------|--------|--------|--------|
| Biological or Cultivated Assets | - | - | - | - | - | - | - | - | - | |
| Servitudes | - | - | - | - | - | - | - | - | - | |
| Licences and Rights | (16) | - | - | - | - | - | - | - | - | |
| Intangible Assets | (16) | - | - | - | - | - | - | - | - | |
| Computer Equipment | 844 | 724 | 1,653 | 973 | 861 | 861 | 306 | 280 | 220 | |
| Furniture and Office Equipment | 661 | 336 | 659 | 1,044 | 1,290 | 1,290 | 330 | 393 | - | |
| Machinery and Equipment | (1,857) | (3,153) | 1,142 | 4,100 | 2,595 | 2,595 | - | 190 | - | |
| Transport Assets | 2,812 | 8,915 | 7,086 | 9,988 | 10,224 | 10,224 | 6,900 | 637 | 470 | |
| Land | - | - | - | - | - | - | - | - | - | |
| Zoo's, Marine and Non-biological Animals | - | - | - | - | - | - | - | - | - | |
| Mature | - | - | - | - | - | - | - | - | - | |
| Immature | - | - | - | - | - | - | - | - | - | |
| Living Resources | - | - | - | - | - | - | - | - | - | |
| Total Renewal of Existing Assets | (418) | 3,354 | 65 | 40 | 107 | 107 | - | - | - | |
| <i>Roads Infrastructure</i> | - | - | - | - | - | - | - | - | - | |
| <i>Storm water Infrastructure</i> | (466) | 347 | 30 | - | - | - | - | - | - | |
| <i>Electrical Infrastructure</i> | - | - | - | - | - | - | - | - | - | |
| <i>Water Supply Infrastructure</i> | - | 2,992 | - | - | - | - | - | - | - | |
| <i>Sanitation Infrastructure</i> | - | - | - | - | - | - | - | - | - | |
| <i>Solid Waste Infrastructure</i> | - | - | - | - | - | - | - | - | - | |
| <i>Rail Infrastructure</i> | - | - | - | - | - | - | - | - | - | |
| <i>Coastal Infrastructure</i> | - | - | - | - | - | - | - | - | - | |
| <i>Information and Communication Infrastructure</i> | - | - | - | - | - | - | - | - | - | |
| Infrastructure | (466) | 3,339 | 30 | - | - | - | - | - | - | |
| Community Facilities | - | - | - | - | - | - | - | - | - | |
| Sport and Recreation Facilities | - | - | - | - | - | - | - | - | - | |
| Community Assets | - | - | - | - | - | - | - | - | - | |
| Heritage Assets | - | - | - | - | - | - | - | - | - | |
| Revenue Generating | - | - | - | - | - | - | - | - | - | |
| Non-revenue Generating | - | - | - | - | - | - | - | - | - | |
| Investment properties | - | - | - | - | - | - | - | - | - | |
| Operational Buildings | - | - | - | - | 67 | 67 | - | - | - | |
| Housing | - | - | - | - | - | - | - | - | - | |
| Other Assets | - | - | - | - | 67 | 67 | - | - | - | |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | - | - | |
| Servitudes | - | - | - | - | - | - | - | - | - | |
| Licences and Rights | - | - | - | - | - | - | - | - | - | |
| Intangible Assets | - | - | - | - | - | - | - | - | - | |
| Computer Equipment | 48 | 15 | 35 | 40 | 40 | 40 | - | - | - | |
| Furniture and Office Equipment | - | - | - | - | - | - | - | - | - | |
| Machinery and Equipment | - | - | - | - | - | - | - | - | - | |
| Transport Assets | - | - | - | - | - | - | - | - | - | |
| Land | - | - | - | - | - | - | - | - | - | |
| Zoo's, Marine and Non-biological Animals | - | - | - | - | - | - | - | - | - | |
| Mature | - | - | - | - | - | - | - | - | - | |
| Immature | - | - | - | - | - | - | - | - | - | |
| Living Resources | - | - | - | - | - | - | - | - | - | |
| Total Upgrading of Existing Assets | 6 | 47,008 | 38,075 | 67,078 | 54,137 | 134,113 | 134,113 | 17,420 | 48,849 | 46,495 |
| <i>Roads Infrastructure</i> | - | 2,398 | 5,609 | 15,832 | 11,427 | 17,838 | 17,838 | 17,420 | 22,647 | 14,495 |
| <i>Storm water Infrastructure</i> | - | - | - | - | - | - | - | - | - | - |
| <i>Electrical Infrastructure</i> | - | - | - | - | - | - | - | - | 5,940 | 7,000 |
| <i>Water Supply Infrastructure</i> | - | 13,151 | 15,971 | 14,073 | - | 38,014 | 38,014 | - | - | - |
| <i>Sanitation Infrastructure</i> | - | 18,919 | 13,689 | 36,402 | 30,000 | 65,305 | 65,305 | - | 20,262 | 25,000 |
| <i>Solid Waste Infrastructure</i> | - | - | - | - | - | - | - | - | - | - |
| <i>Rail Infrastructure</i> | - | - | - | - | - | - | - | - | - | - |
| <i>Coastal Infrastructure</i> | - | - | - | - | - | - | - | - | - | - |
| <i>Information and Communication Infrastructure</i> | - | - | - | - | - | - | - | - | - | - |
| Infrastructure | - | 34,469 | 35,268 | 66,307 | 41,427 | 121,157 | 121,157 | 17,420 | 48,849 | 46,495 |
| Community Facilities | - | - | 110 | 281 | - | - | - | - | - | - |
| Sport and Recreation Facilities | - | 9,606 | 1,383 | 204 | 11,060 | 11,035 | 11,035 | - | - | - |
| Community Assets | - | 9,606 | 1,493 | 485 | 11,060 | 11,035 | 11,035 | - | - | - |
| Heritage Assets | - | - | - | - | - | - | - | - | - | - |
| Revenue Generating | - | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | - | - | - | - | - | - | - | - | - | - |
| Investment properties | - | - | - | - | - | - | - | - | - | - |
| Operational Buildings | - | 727 | 1,313 | 286 | 1,300 | 1,570 | 1,570 | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - | - |
| Other Assets | - | 727 | 1,313 | 286 | 1,300 | 1,570 | 1,570 | - | - | - |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | - | - | - |
| Servitudes | - | - | - | - | - | - | - | - | - | - |
| Licences and Rights | - | - | - | - | - | - | - | - | - | - |
| Intangible Assets | - | - | - | - | - | - | - | - | - | - |
| Computer Equipment | - | - | - | - | - | - | - | - | - | - |
| Furniture and Office Equipment | - | - | - | - | - | - | - | - | - | - |
| Machinery and Equipment | - | 2,207 | - | - | 350 | 350 | 350 | - | - | - |
| Transport Assets | - | - | - | - | - | - | - | - | - | - |
| Land | - | - | - | - | - | - | - | - | - | - |



| | | | | | | | | | | |
|---|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| Mature | | - | - | - | - | - | - | - | - | - |
| Immature | | - | - | - | - | - | - | - | - | - |
| Living Resources | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure | 4 | 131,626 | 104,861 | 146,016 | 79,930 | 186,052 | 186,052 | 140,461 | 57,133 | 64,426 |
| Roads Infrastructure | | 2,398 | 5,609 | 15,832 | 11,427 | 18,090 | 18,090 | 17,420 | 22,647 | 14,495 |
| Storm water Infrastructure | | (466) | 347 | 30 | - | - | - | - | - | - |
| Electrical Infrastructure | | - | 15,170 | 1,852 | 300 | 1,151 | 1,151 | - | 5,940 | 7,000 |
| Water Supply Infrastructure | | 95,682 | 47,722 | 23,114 | 840 | 57,896 | 57,896 | 10,891 | - | - |
| Sanitation Infrastructure | | 18,919 | 26,316 | 80,387 | 38,057 | 80,522 | 80,522 | 102,114 | 27,046 | 42,241 |
| Solid Waste Infrastructure | | - | - | - | - | - | - | - | - | - |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | | 61 | 54 | 10 | 100 | 100 | 100 | - | - | - |
| Infrastructure | | 116,595 | 95,218 | 121,225 | 50,724 | 157,759 | 157,759 | 130,425 | 55,633 | 63,736 |
| Community Facilities | | - | 110 | 281 | - | - | - | - | - | - |
| Sport and Recreation Facilities | | 9,606 | 1,383 | 204 | 11,060 | 11,035 | 11,035 | - | - | - |
| Community Assets | | 9,606 | 1,493 | 485 | 11,060 | 11,035 | 11,035 | - | - | - |
| Heritage Assets | | - | - | - | - | - | - | - | - | - |
| Revenue Generating | | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Operational Buildings | | 727 | 1,313 | 13,730 | 1,650 | 1,899 | 1,899 | 2,500 | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Other Assets | | 727 | 1,313 | 13,730 | 1,650 | 1,899 | 1,899 | 2,500 | - | - |
| Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - |
| Servitudes | | - | - | - | - | - | - | - | - | - |
| Licences and Rights | | (16) | - | - | - | - | - | - | - | - |
| Intangible Assets | | (16) | - | - | - | - | - | - | - | - |
| Computer Equipment | | 892 | 739 | 1,689 | 1,013 | 901 | 901 | 306 | 280 | 220 |
| Furniture and Office Equipment | | 661 | 336 | 659 | 1,044 | 1,290 | 1,290 | 330 | 393 | - |
| Machinery and Equipment | | 349 | (3,153) | 1,142 | 4,450 | 2,945 | 2,945 | - | 190 | - |
| Transport Assets | | 2,812 | 8,915 | 7,086 | 9,988 | 10,224 | 10,224 | 6,900 | 637 | 470 |
| Land | | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| Mature | | - | - | - | - | - | - | - | - | - |
| Immature | | - | - | - | - | - | - | - | - | - |
| Living Resources | | - | - | - | - | - | - | - | - | - |
| TOTAL CAPITAL EXPENDITURE - Asset class | | 131,626 | 104,861 | 146,016 | 79,930 | 186,052 | 186,052 | 140,461 | 57,133 | 64,426 |
| ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 1,128,538 | 1,240,377 | 1,273,668 | 1,176,859 | 1,241,161 | 1,241,161 | 1,232,270 | 1,187,791 | 1,143,161 |
| Roads Infrastructure | | 332,202 | 325,387 | 320,802 | 297,035 | 305,977 | 305,977 | 305,621 | 289,990 | 273,958 |
| Storm water Infrastructure | | - | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 |
| Electrical Infrastructure | | 94,570 | 105,906 | 108,337 | 99,177 | 104,855 | 104,855 | 104,569 | 106,742 | 109,975 |
| Water Supply Infrastructure | | 109,002 | 203,698 | 218,782 | 177,180 | 206,682 | 206,682 | 204,153 | 189,523 | 174,893 |
| Sanitation Infrastructure | | 138,194 | 136,511 | 147,334 | 125,466 | 141,093 | 141,093 | 141,367 | 135,400 | 129,434 |
| Solid Waste Infrastructure | | 65 | 65 | - | 65 | - | - | - | - | - |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 674,033 | 771,622 | 795,310 | 698,979 | 758,663 | 758,663 | 755,766 | 721,712 | 688,315 |
| Community Assets | | 99,204 | 111,156 | 111,579 | 121,284 | 111,162 | 111,162 | 111,161 | 110,742 | 110,324 |
| Heritage Assets | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment properties | | 260,120 | 261,357 | 259,721 | 260,082 | 258,533 | 258,533 | 258,541 | 257,361 | 256,181 |
| Other Assets | | 323 | (3,082) | 4,516 | (10,986) | 504 | 504 | 2,637 | (1,742) | (6,121) |
| Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | (560) | (679) | 110 | (598) | 95 | 95 | 91 | 72 | 53 |
| Computer Equipment | | 2,261 | 2,419 | 3,484 | 3,391 | 4,240 | 4,240 | 3,071 | 2,632 | 2,133 |
| Furniture and Office Equipment | | 3,375 | 2,991 | 2,263 | 2,867 | 2,935 | 2,935 | 1,990 | 1,811 | 1,238 |
| Machinery and Equipment | | (7,808) | (8,083) | (10,915) | (5,053) | (9,086) | (9,086) | (11,431) | (11,757) | (12,273) |
| Transport Assets | | 15,394 | 20,479 | 23,841 | 24,697 | 30,355 | 30,355 | 26,683 | 23,199 | 19,548 |
| Land | | 82,195 | 82,195 | 83,761 | 82,195 | 83,761 | 83,761 | 83,761 | 83,761 | 83,761 |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| Living Resources | | - | - | - | - | - | - | - | - | - |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 1,128,538 | 1,240,377 | 1,273,668 | 1,176,859 | 1,241,161 | 1,241,161 | 1,232,270 | 1,187,791 | 1,143,161 |
| EXPENDITURE OTHER ITEMS | | 65,349 | 78,523 | 74,340 | 87,767 | 84,744 | 84,744 | 99,953 | 100,863 | 103,638 |
| Depreciation | 7 | 45,531 | 47,495 | 48,965 | 49,076 | 49,076 | 49,076 | 51,434 | 51,919 | 52,320 |
| Repairs and Maintenance by Asset Class | 3 | 19,818 | 31,029 | 25,376 | 38,691 | 35,668 | 35,668 | 48,519 | 48,944 | 51,318 |
| Roads Infrastructure | | 151 | 216 | 236 | 80 | 290 | 290 | 7,350 | 7,674 | 8,216 |
| Storm water Infrastructure | | 582 | 514 | 852 | 350 | 1,050 | 1,050 | 550 | 400 | 169 |
| Electrical Infrastructure | | - | - | - | - | - | - | - | - | - |
| Water Supply Infrastructure | | 972 | 14,856 | 7,548 | 18,408 | 12,752 | 12,752 | 18,815 | 19,962 | 21,260 |
| Sanitation Infrastructure | | 3,274 | 1,877 | 1,131 | 813 | 1,268 | 1,268 | 920 | 977 | 1,038 |
| Solid Waste Infrastructure | | 4,803 | 1,059 | 4,447 | 6,750 | 6,750 | 6,750 | 6,400 | 6,754 | 7,013 |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - |



Ndlambe Municipality

Original Budget 2024/25

| | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Infrastructure | 9,782 | 18,522 | 14,214 | 26,401 | 22,110 | 22,110 | 34,035 | 35,767 | 37,696 |
| Community Facilities | - | 169 | (114) | - | - | - | 50 | 53 | 56 |
| Sport and Recreation Facilities | - | 24 | - | 150 | 145 | 145 | 150 | 100 | 100 |
| Community Assets | - | 193 | (114) | 150 | 145 | 145 | 200 | 153 | 156 |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Revenue Generating | 40 | 47 | 148 | 39 | 52 | 52 | 55 | 58 | 62 |
| Non-revenue Generating | - | - | - | - | - | - | - | - | - |
| Investment properties | 40 | 47 | 148 | 39 | 52 | 52 | 55 | 58 | 62 |
| Operational Buildings | 3,373 | 5,470 | 4,840 | 2,792 | 4,459 | 4,459 | 4,593 | 3,657 | 3,712 |
| Housing | - | 42 | - | - | - | - | - | - | - |
| Other Assets | 3,373 | 5,512 | 4,840 | 2,792 | 4,459 | 4,459 | 4,593 | 3,657 | 3,712 |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | - | - |
| Servitudes | - | - | - | - | - | - | - | - | - |
| Licences and Rights | - | - | - | - | - | - | - | - | - |
| Intangible Assets | - | - | - | - | - | - | - | - | - |
| Computer Equipment | 1 | 57 | 14 | 62 | 82 | 82 | 57 | 58 | 64 |
| Furniture and Office Equipment | 65 | 96 | 44 | 177 | 212 | 212 | 346 | 353 | 374 |
| Machinery and Equipment | 3,530 | 2,165 | 2,692 | 4,104 | 3,941 | 3,941 | 4,937 | 5,055 | 5,259 |
| Transport Assets | 3,027 | 4,436 | 3,538 | 4,966 | 4,668 | 4,668 | 4,296 | 3,842 | 3,994 |
| Land | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | - | - | - | - | - | - | - | - | - |
| Mature | - | - | - | - | - | - | - | - | - |
| Immature | - | - | - | - | - | - | - | - | - |
| Living Resources | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURE OTHER ITEMS | 65,349 | 78,523 | 74,340 | 87,767 | 84,744 | 84,744 | 99,953 | 100,863 | 103,638 |
| <i>Renewal and upgrading of Existing Assets as % of total capex</i> | <i>35.4%</i> | <i>39.5%</i> | <i>46.0%</i> | <i>67.8%</i> | <i>72.1%</i> | <i>72.1%</i> | <i>12.4%</i> | <i>85.5%</i> | <i>72.2%</i> |
| <i>Renewal and upgrading of Existing Assets as % of deprec</i> | <i>102.3%</i> | <i>87.2%</i> | <i>137.1%</i> | <i>110.4%</i> | <i>273.5%</i> | <i>273.5%</i> | <i>33.9%</i> | <i>94.1%</i> | <i>88.9%</i> |
| <i>R&M as a % of PPE</i> | <i>1.8%</i> | <i>2.5%</i> | <i>2.0%</i> | <i>3.3%</i> | <i>2.9%</i> | <i>2.9%</i> | <i>3.9%</i> | <i>4.1%</i> | <i>4.5%</i> |
| <i>Renewal and upgrading and R&M as a % of PPE</i> | <i>5.9%</i> | <i>5.8%</i> | <i>7.3%</i> | <i>7.9%</i> | <i>13.7%</i> | <i>13.7%</i> | <i>5.4%</i> | <i>8.2%</i> | <i>8.6%</i> |

**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 Councillor.

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 2024/25 budget process approved by Ndlambe council on the 31 August 2023.

BUDGET TIMETABLE FOR THE 2024/2025 FINANCIAL YEAR

| COMPLETION DATE | ACTIVITY | RESPONSIBILITY | EVIDENCE |
|--------------------|---|---|---|
| JULY 2023 | | | |
| 28 July 2023 | Review Process Plan and develop IDP//Budget/PMS time schedule for 2024/2025 (MFMA S35(1). | (Legal requirement) Cacadu DM and Local Municipality. | Aligned Draft IDP and Budget time schedule / Process Plan with CDM Draft Framework. |
| 31 July 2023 | Develop Performance Agreements (2023/24) of Municipal Manager and Managers reporting to the Municipal Manager and submit to MEC and publicize. | Municipal Manager | Check legal requirement |
| AUGUST 2023 | | | |
| 4 August 2023 | IDP/Budget timetable, budget guidelines, budget instructions, IDP/budget schedule to be presented to the Budget Steering Committee chairperson. | IDP/Budget Office | Email to the Budget Steering committee chairperson |
| 29 August 2023 | A reviewed IDP/Budget timetable, budget guidelines, budget instructions, and budget schedules for 2024/2025 to be presented to | IDP/Budget Steering Committee | Council Resolution and IDP/Budget process plan |



| | | | |
|------------------------|--|---|--|
| | Council for adoption. | | |
| 30 August 2023 | 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 |
| 30 August 2023 | 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 2023 | Submit adopted schedule of key dates to external stakeholders (Sector Departments) | MM and IDP Manager | E-mail or formal letter |
| SEPTEMBER 2023 | | | |
| 08 September 2023 | Attend District IDP Rep Forum Meetings | IDP Co-Ordinator's and Mayors | Attendance Register |
| COMPLETION DATE | ACTIVITY | RESPONSIBILITY | EVIDENCE |
| 14 September 2023 | <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 |
| 14 September 2023 | 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 |
| 14 September 2023 | 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 |
| 14 September 2023 | 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 |



| COMPLETION DATE | ACTIVITY | RESPONSIBILITY | EVIDENCE |
|-------------------------------|--|---|--|
| OCTOBER 2023 | | | |
| 02 October 2023 | 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 |
| 03 October 2023 | 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 | Attendance Register and minutes |
| 05 October 2023 | Convene first IDP/Budget Representative Forum meeting. Present adopted process plan and project status. Sector departments to report on 2023/24 FY project implementation progress. | Municipal Manager, Mayor and IDP Official | Presentations, minutes and attendance register |
| 05 October 2023 | 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 2023 | Conduct gap analysis to determine level of existing development consider changes in the current environment; IDP Assessment (2023/24) and Annual Performance Report and develop corrective action plans. | Municipal Manager, Directors and IDP Official | Corrective Action Plans |
| 16 October 2023 | 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 2023 | Q1 review by Internal Audit. Preparation of Annual Performance Report for MPAC. | MM, PMS Manager, and Internal Audit Unit | Reviewed Reports |
| 16 October 2023 | Municipalities receive inputs from National and Provincial Government and other bodies on factors influencing the budget – reference to legislation. | All Managers / Directors | |
| 18 October 2023 | Offices and Directorates to start to prepare draft capital and operational plans with cost and revenue estimates. | All Managers / Directors | |



| | | | |
|------------------------|---|--|---|
| 30 October 2023 | Convene IDP/Budget Steering Committee meeting. Report on refined objectives and strategies, planned for service delivery and development for the next three-year budgets including strategic interventions by sector departments 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 |
| 31 October 2023 | Q1 Performance Reporting. Evaluation Sec 56 managers, lower levels if applicable and institution PMS - Legal Compliance. | MM and PMS Officer | Score sheet |
| COMPLETION DATE | ACTIVITY | RESPONSIBILITY | EVIDENCE |
| NOVEMBER 2023 | | | |
| 01 November 2023 | 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 human resources 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 2023 | The submission on all offices and chairperson of the IDP/Budget Steering Committee. | Chairperson IDP/Budget Steering Committee, Municipal Manager and Directors | |
| 28 November 2023 | 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 and Finance Departments are responsible for determining the costs associated with the submissions. Once Finance 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 2023 | Human Resources Department to calculate required budget amount for the leave provision. | Dir. Corporate Services | Leave provision calculation |
| COMPLETION DATE | ACTIVITY | RESPONSIBILITY | EVIDENCE |



| | | | |
|----------------------|--|---|--|
| 28 November 2023 | The budget and treasury office will assist directorates where required in determining budget figures for: <ul style="list-style-type: none"> ➤ Insurance ➤ Depreciation ➤ Provision for bad debts | All Managers / Directors | Schedule of depreciation Calculation of provision for bad debts |
| 30 November 2023 | Offices and directorates are to complete the relevant capital request forms as provided by the Budget and Treasury with all required information and to provide a summary of capital requirements for the next three financial years. | All Managers / Directors | Capital forms budget request |
| 30 November 2023 | Income, expenditure, and capital budgets together with all forms and supporting documents are to be consolidated to be submitted to the Budget and Treasury in the mSCOA format for inclusion budget designed for three years. | All Managers / Directors | Income and expenditure budget |
| 30 November 2023 | Offices and directorates to finalise their SDBIP's for each cost / functional center 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 2023 | | | |
| 8 December 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. | Tariff Review Team | Cost reflective tariff tool |
| 14 December 2023 | 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 |
| 15 December 2023 | 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 2024 | | | |
| 08 January 2024 | Close the financial system for the month-end of December 2023. Circulate December actual report to directorates for the preparation of midyear adjustment budget. | Finance Department | |



| | | | |
|-----------------|--|---|--|
| 08 January 2024 | Budget office meet with directorates advising them of the major segments that required to be included on the mid-year adjustment budget. | Budget office | |
| 08 January 2024 | Request the directorates for their inputs for the preparation of Sec 72 report. | Budget office | |
| 11 January 2024 | Q2 Performance Reporting. Evaluation Sec 56 managers, lower levels if applicable and institution PMS - Legal Compliance. | MM and PMS Officer | |
| 22 January 2024 | 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 | |
| 22 January 2024 | The finance directorate is to keep a central file on all budget related documents. | Budget office | |
| 23 January 2024 | 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 2024 | 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 2024 | Finance directorate to incorporate any changes from National and Provincial Governments on three-year allocations in the budget. | Budget office | |
| 23 January 2024 | 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 2024 | Submission of the Mid-year budget and performance assessment report to the Mayor. | Budget office | |
| 25 January 2024 | IDP/Budget Steering Committee to have met to discuss capital / operational budget to be tabled to Council, tariffs, draft 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 | Minutes of the budget steering committee meeting |



| | | | |
|------------------------|---|--|--|
| 31 January 2024 | Q2 Performance Reporting. Evaluation Sec 56 managers, lower levels if applicable and institution PMS - Legal Compliance. | MM and PMS Officer | |
| FEBRUARY 2024 | | | |
| 06 February 2024 | IDP/Budget Steering Committee Chairperson to have met with the ward councillors to discuss any anticipated changes to the operational / capital budget, tariffs and draft SDBIP's that are to be tabled to Council. | Chairperson IDP/Budget Steering Committee All ward councillors | |
| 16 February 2024 | IDP/Budget Steering Committee to have met to discuss any material changes to the operational / capital budget and the SDBIP's that are to be tabled to Council. | IDP/Budget Steering Committee | Minutes of budget steering committee meeting |
| 15 February 2024 | Mid-year Budget Performance engagements | MM, CFO, All Directors, Internal Audit, IDP/PMS, BTO Managers. | Assessment Report (Sec72) |
| By mid-February 2024 | IGR Session to facilitate alignment | Municipal Manager and IGR secretariat | Attendance Register |
| 27 February 2024 | Finance directorate to finalise detailed budget to be tabled in the formats issued by National Treasury. | Budget office | Draft A Schedule Report |
| 28 February 2024 | Mayor tabled the mid-year adjustment budget for 2023/2024 financial year. | Mayor | B schedule Adjustment budget documents |
| 28 February 2024 | 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 | Draft Policies |
| COMPLETION DATE | ACTIVITY | RESPONSIBILITY | EVIDENCE |
| MARCH 2024 | | | |
| 06 March 2024 | Convene IDP/Budget Steering Committee. Finalize internal alignment and project register. Ensure budget alignment between the draft IDP and draft SDBIP with agreed upon targets and performance indicators per project. | Municipal Manager, Mayor and IDP Official | Reports, presentations, minutes, and attendance register |



| | | | |
|-------------------|--|---|---|
| 15 March 2024 | The capital/operating budget and draft 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. | IDP/Budget Steering Committee | Minutes of the Meeting |
| 18 March 2024 | Chairperson of IDP/Budget Steering Committee presents budget pack to Mayor with recommendations. | Chairperson IDP/Budget Steering Committee | |
| 19 March 2024 | Convene the third IDP/Budget Representatives Forum meeting. Present the final draft IDP and Draft SDBIP. Sector Dept. report on project implementation for 2023/24 and confirm project and budget allocations for 2024/25. (Finalize external project align | Municipal Manager, Mayor and IDP Official | Presentations, minutes and attendance register |
| 28 March 2024 | Mayor to have tabled draft IDP, operating/capital budget, tariff list and budget related policies and draft SDBIP's to Council. | Executive Mayor / IDP/Budget Office | Tabled budget document and Council resolution |
| 30 March 2024 | Submit tabled budget data strings to Provincial Treasury and upload to GoMuni portal. | Budget Office | |
| APRIL 2024 | | | |
| 10 April 2024 | 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 2024 | IDP Unit to advertise the Draft IDP and tabled budget approved by Council, inviting comments from all stakeholders. | Budget office | Advert and notice |
| 10 April 2024 | In collaboration with Council develop and publicize the draft IDP and tabled budget 2024/25 Community Engagement Programme. Make citizens aware of outreaches, prior to the adoption of the final Draft IDP and Budget. Secure venues and arrange logistics for scheduled meetings. | All Ward Councillors | Public notices. Mayoral Imbizo programme |
| 19 April 2024 | Draft Budget/Benchmark Engagement | MM, CFO, All Directors, Internal Audit, IDP/PMS, BTO Managers | Budget Engagement attendance register Draft budget assessment report |
| 22 April 2024 | 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 2024 | Convene IDP Representatives Forum meeting to present final IDP for consideration. Present the REVISED DRAFT 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 |
| 29 April 2024 | 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 | |
| 29 April 2024 | 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 | |
| 30 April 2024 | 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 |
| MAY 2024 | | | |
| Mid-May 2024 | Submit 2023/24 IDP/Budget to the MPAC for oversight before adoption. | Municipal Manager, CFO and Mayor | Oversight report and recommendations by MPAC |
| 16 May 2024 | The final budget to have been presented to the Budget Steering committee for consideration | Budget Steering Committee | Minutes of the Budget steering committee |
| 31 May 2024 | 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 2024 | | | |
| 09 June 2024 | Upload the Council approved Reviewed IDP/Budget (2024/25) 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 2024 | 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 | |



Ndlambe Municipality

Original Budget 2024/25

| | | | |
|----------------------------------|--|--|---|
| 28 June 2024 | IDP/PMS manager to provide the Mayor with the consolidated SDBIP for Consideration | IDP/PMS Manager | Acknowledgement of receipt from Mayor |
| 28 June 2024 | 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 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 2024/25 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 however in this point it is done on electricity.

The proposed tariffs for 2024/2025 are detailed in the **Appendix C**.

The municipality has developed a new tariff structure for all trading services because of the cost of supply study as outlined in the executive summary.

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 2024/25 financial year.

| Policy | Policy Amended | | | Amendment Date |
|---|----------------|----|-----|----------------|
| | Yes | No | New | |
| Rates Policy | | | Yes | |
| Indigent Policy | | No | | |
| Budget Policy | | No | | |
| Creditors, Staff and Councilors Payment Policy | | No | | |
| Credit Control and Debt Collection Policy | | No | | |
| Funding and Reserve Policy | | No | | |
| Virement Policy | | No | | |
| Subsistence and Travel Policy | | No | | |
| Policy and Procedures for Irregular and Fruitless Expenditure | | No | | |
| Fixed Asset Policy | | No | | |
| Supply Chain Management Policy | Yes | | | |
| Write-off of Irrecoverable Debt Policy | | No | | |
| Loans Policy | | No | | |
| Tariff Policy | | No | | |
| Management of Accumulated Surplus and Bad Debt Policy | | No | | |
| Loss Control Policy | | No | | |
| Fuel Card Policy | | No | | |
| Internship Programme Policy | | No | | |
| Costs Containment Policy | | No | | |
| 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 83% on property rates and service charges billed and all direct income are projected at 100% across outer years.

2.6.2 Economic indicators

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

| Fiscal year | 2022/23 Actual | 2023/24 Estimate | 2024/25 | 2025/26 | 2026/27 |
|----------------------|-------------------|---------------------|---------|---------|---------|
| CPI Inflation | 6.9% | 6.0% | 4.9% | 4.6% | 4.6% |

Source: Medium Term Budget Policy Statement 2023.

| Description of economic indicator | Ref. | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|------------------------------------|------|---------|---------|---------|-------------------------|---|---------|---------|
| | | Outcome | Outcome | Outcome | Original Budget | Outcome | Outcome | Outcome |
| Economic | 6 | | | | | | | |
| Inflation/inflation outlook (CPIX) | | 6.0% | 6.0% | 6.0% | 6.0% | 4.9% | 4.6% | 4.6% |
| Interest rate - borrowing | | 12.3% | 12.3% | 12.3% | 12.3% | 12.3% | 12.3% | 12.3% |
| Interest rate - investment | | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% |
| Remuneration increases | | 5.3% | 5.3% | 5.3% | 5.3% | 6.3% | 6.3% | 6.3% |
| Consumption growth (electricity) | | 0.0% | 0.0% | 0.0% | 0.0% | 1.1% | 1.1% | 1.1% |
| Consumption growth (water) | | 0.0% | 0.0% | 0.0% | 0.0% | 1.0% | 1.0% | 1.0% |
| Collection rates | 7 | | | | | | | |
| Property tax/service charges | | 87.0% | 87.0% | 87.0% | 87.0% | 83.0% | 83.0% | 83.0% |
| Rental of facilities & equipment | | 87.0% | 87.0% | 87.0% | 87.0% | 83.0% | 83.0% | 83.0% |
| Interest - external investments | | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% |
| Interest - debtors | | 17.0% | 17.0% | 17.0% | 17.0% | 18.0% | 18.0% | 18.0% |
| Revenue from agency services | | 17.0% | 17.0% | 17.0% | 17.0% | 17.0% | 17.0% | 17.0% |

2.6.3 Revenue Services

The projected operating revenue for property rates is based on the new valuation roll.

All services except electricity have increased by 6%% and a new tariff structure for electricity tariff is developed and effected in the budget. The revenue is based on the current financial year billing.

2.6.4 Operating Costs

I. The depreciation is calculated based on the depreciation rates as per the fixed asset register and the accounting policies. The municipality has no intention of changing the estimates therefore the cost model will remain in use across all the MTREF. At the beginning of the financial year, it is the municipality’s norm to revise useful lives.

- Bulk water purchase was projected at 23.7% to recover the under provision made in 2023/2024 financial year comparing the cost paid to bulk water in 2022/23. The increase for the outer years is reduced to reflect 6.1% in 2025/2026 and 6.5% in 2026/2027
- The increase in Bulk electricity was projected at 14.2% for 2024/25, 6% for 2025/26 and 6.5% for 2026/27 budget years.



- Salaries and wages were based on the current notching applying 6.3% increase. Forecasting 6.3% for 2025/26 and 6.3% for 2026/27. The increase in 2024/25 accommodates the notching and the job evaluation outcomes.
- Long service expense is based on the actuarial valuation of 2022/23 financial year projected expense.
- The budgeted expenditure excludes Value Added Tax throughout the MTREF excluding exempted and zero- rated items. 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.
- The retention percentage for the projects that are under construction is projected at 5% of the total cost.

2.6.5 Financial Position and other

Opening balance budget were based on 2023 opening balances plus extrapolated movements of 2024 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 2024/2025 MTREF, this simply means others will be addressed in 2025/2026 and 2026/2027 budget years.

The 2024/2025 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 authorized expenditure to achieve a specific objective outlined in DORA or in an approved business plan.

Revenue Collections by Service

The table below outlines the receipts from Trading services and property rates that are mainly funding the budget: Opening cash and cash equivalent of R125,152,000, 2026-R133,888,000 and 2027-R143,361,000

| Description | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|---|------------------------|------------------------|
| | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts | | | |
| Property rates | 152,712 | 161,875 | 171,587 |
| Service charges | 216,639 | 230,763 | 245,684 |
| Other revenue | 39,875 | 35,205 | 35,940 |
| Transfers and Subsidies - Operational | 223,486 | 152,925 | 157,838 |
| Transfers and Subsidies - Capital | 203,739 | 55,633 | 63,736 |
| Interest | 6,893 | 11,520 | 12,269 |
| Dividends | – | – | – |



The collection rate is anticipated to be around 83% which is aligned to the current collection rate. Current strategies will remain in place.

Agricultural rates will be billed at 0.25 of the residential tariffs as aligned to the MPRA which will remove the process where farms had to apply for the rebate of 75% this will motivate farmers to pay their rates. This will further result in the monthly billing on Agricultural rates reducing by 0.75 the portion of the rates which in the past was not paid due to farmers having to apply for the rebate.

Revenue Optimization

The municipality is implementing the strategies stated below to ensure that the collection rate is improved:

- Debt collection is done through collecting from its creditors through the issuing of billing clearance certificates.
- Debt collection is also done through plan approvals and town planning applications.
- Electricity blocking and linking strategy is in place and disconnection of conventional electricity meters to ensure clients pay for rates and other service charges.
- The revenue completeness strategy is ensuring consumers are billed for all services.
- Credit control is making use of the Ekhaya system to obtain Debtors information and contacting all slow paying customers.
- Further returned accounts via post and email is followed up monthly to ensure consumers latest contact details are obtained and updated to the system.
- Government debts are closely monitored where regular follow-ups will be made, ensuring that their accounts are accurate by performing reconciliations and maintaining good relations.
- Installation of Prepaid water meter has started. These meters control that indigents only receive 6 kl free and purchases the rest of the water required, the meters detect leaks, and the meters allows for blocking water purchases which is a debt collection strategy.
- The Municipality is also issuing summonses in light of collecting from customers in the Eskom electricity areas where the municipality has no other control over debtors to enforce payment of municipal rates and services accounts.
- The municipality is also working on the water restriction strategy for implementation from 1 July 2024.



2.8 EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMS

| Description | ### | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| RECEIPTS: | 1, 2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 124,215 | 111,665 | 123,417 | 132,784 | 132,784 | 132,784 | 142,182 | 147,620 | 152,321 |
| Expanded Public Works Programme Integrated Gra | | 1,195 | - | - | - | - | - | - | - | - |
| Local Government Financial Management Grant | | 2,800 | 2,650 | 2,650 | 2,650 | 2,650 | 2,650 | 2,500 | 2,500 | 2,700 |
| Municipal Infrastructure Grant | | - | 1,433 | 1,536 | 1,598 | 1,598 | 1,598 | 3,046 | 3,180 | 3,429 |
| Equitable Share | | 120,220 | 107,582 | 119,231 | 128,536 | 128,536 | 128,536 | 136,636 | 141,940 | 146,192 |
| Provincial Government: | | 2,750 | 2,640 | 2,400 | 2,750 | 49,971 | 71,706 | 82,573 | 3,358 | 3,472 |
| Human Settlement | | - | - | - | - | 47,221 | 68,956 | 79,215 | - | - |
| Library Grant | | 2,750 | 2,640 | 2,400 | 2,750 | 2,750 | 2,750 | 3,358 | 3,358 | 3,472 |
| District Municipality: | | (487) | - | 994 | - | - | (1,800) | - | - | - |
| Public Safety | | (487) | - | 994 | - | - | (1,800) | - | - | - |
| Other grant providers: | | 5 | - | - | - | 38,964 | 4,809 | - | - | - |
| Unspecified | | 5 | - | - | - | - | - | - | - | - |
| Housing Development Agency | | - | - | - | - | 38,964 | 4,809 | - | - | - |
| Total Operating Transfers and Grants | 5 | 126,483 | 114,305 | 126,811 | 135,534 | 221,719 | 207,499 | 224,754 | 150,978 | 155,793 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 29,531 | 80,951 | 115,585 | 30,358 | 78,278 | 57,960 | 60,792 | 55,633 | 63,736 |
| Municipal Infrastructure Grant | | 14,531 | 27,230 | 29,191 | 30,358 | 32,495 | 28,221 | 28,192 | 29,431 | 31,736 |
| Integrated National Electrification Programme Grant | | - | 15,000 | 1,394 | - | - | - | - | 5,940 | 7,000 |
| Regional Bulk Infrastructure Grant | | - | 18,721 | - | - | 18,821 | 2,777 | - | - | - |
| Water Services Infrastructure Grant | | 15,000 | 20,000 | 85,000 | - | 26,962 | 26,962 | 32,600 | 20,262 | 25,000 |
| Provincial Government: | | - | 15,339 | 20,234 | - | 122,175 | 128,361 | 64,382 | - | - |
| Disaster Response Grant | | - | - | - | - | - | 11,250 | - | - | - |
| Office of the Premier | | - | - | 3,376 | - | - | 3,900 | 6,987 | - | - |
| Department of Water and Sanitation | | - | - | 16,508 | - | - | - | - | - | - |
| Human Settlement | | - | - | - | - | 122,175 | 113,211 | 57,394 | - | - |
| Library grant | | - | 110 | 350 | - | - | - | - | - | - |
| COGTA Disaster | | - | 15,229 | - | - | - | - | - | - | - |
| District Municipality: | | - | - | - | 31,800 | 1,800 | 2,882 | - | - | - |
| Public Safety | | - | - | - | - | 1,800 | 1,800 | - | - | - |
| Public Safety | | - | - | - | 31,800 | - | 1,082 | - | - | - |
| Other grant providers: | | - | 1,144 | 1,730 | 1,486 | 1,486 | 1,486 | 1,317 | - | - |
| Human Settlement Re-development Programme | | - | 1,144 | 1,730 | 1,486 | 1,486 | 1,486 | 1,317 | - | - |
| Total Capital Transfers and Grants | 5 | 29,531 | 97,433 | 137,548 | 63,644 | 203,739 | 190,689 | 126,491 | 55,633 | 63,736 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 5 | 156,014 | 211,739 | 264,360 | 199,178 | 425,458 | 398,188 | 351,245 | 206,611 | 219,529 |



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 | 4 | | | | | | | |
| Public Protection and Safety: Public Security in Ndlambe Area | | 230 | – | 230 | 230 | 250 | 242 | 254 |
| Human Resource Management: Bursaries for non-employees | | 500 | – | 500 | 500 | 528 | 200 | 200 |
| Library Programs: Grade 12 Intervention Program | | 240 | – | 240 | 240 | 300 | 310 | 300 |
| Community Development Initiatives: Donations | | 100 | 150 | 250 | 250 | 350 | 371 | 320 |
| Protecting the Poor: Mayoral Assistance | | 140 | – | 140 | 140 | 150 | 100 | 100 |
| Community Development Initiatives: Donations | | 40 | – | 40 | 40 | 70 | 74 | 79 |
| Feeding/Nutritional Scheme: Support for Soup Kitchen | | 240 | – | 240 | 240 | 180 | 160 | 160 |
| Community Development Initiatives: Donations | | 40 | – | 40 | 40 | 180 | 160 | 160 |
| Sport Development and Sponsorships (Internal): Sport Donations | | 240 | – | 240 | 240 | 200 | 140 | 200 |
| Disability: Casual Day (052565) | | 10 | – | 10 | 10 | 20 | 20 | 20 |
| Youth Development: Youth Empowerment | | 50 | – | 50 | 50 | 100 | 100 | 80 |
| Child Programs: Donations | | 100 | – | 100 | 100 | 100 | 90 | 113 |
| Gender Development: Woman’s Month | | 20 | 30 | 50 | 50 | 200 | 160 | 160 |
| Gender Development: Gender Based Violence | | 100 | – | 100 | 100 | 140 | 100 | 100 |
| Gender Development: Men’s Forum | | 10 | 15 | 25 | 25 | 100 | 100 | 100 |
| Municipal Games: Mayoral Cup (052565) | | 60 | (30) | 30 | 30 | 40 | 42 | 45 |
| Youth Development: Youth Empowerment | | 50 | – | 50 | 50 | 200 | 140 | 160 |
| Entrepreneurial Support System’s Support | | 625 | 50 | 675 | 675 | 170 | 100 | 100 |
| Tourism Development: Tourism Development | | 900 | – | 900 | 900 | 990 | 1,050 | 1,119 |
| Project Implementation: LED Project Implementation | | 400 | (17) | 383 | 383 | 500 | 200 | 200 |
| Entrepreneurial Support System: SMME Support | | 125 | 50 | 175 | 175 | 600 | 150 | 250 |
| Community Development Initiatives: Alexandria Victim Support Center | | – | 29 | 29 | 29 | – | – | – |
| Total Non-Cash Grants To Organisations | | 4,220 | 277 | 4,497 | 4,497 | 5,368 | 4,009 | 4,220 |

The table above 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

| Choose name from list - Supporting Table SA22 Summary councillor and staff benefits | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Summary of Employee and Councillor remuneration | ### | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| | | A | B | C | D | E | F | G | H | I |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | 1 | 4,934 | 5,140 | 4,993 | 5,623 | 6,142 | 6,142 | 5,663 | 6,020 | 6,399 |
| Pension and UIF Contributions | | 347 | 280 | 345 | 393 | 411 | 411 | 395 | 419 | 446 |
| Medical Aid Contributions | | 69 | 91 | 157 | 152 | 152 | 152 | 151 | 164 | 179 |
| Motor Vehicle Allowance | | 1,382 | 1,367 | 1,360 | 1,438 | 1,486 | 1,486 | 1,446 | 1,537 | 1,634 |
| Cellphone Allowance | | 816 | 829 | 816 | 857 | 893 | 893 | 918 | 976 | 1,038 |
| Housing Allowances | | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | | - | 106 | - | - | - | - | - | - | - |
| Sub Total - Councillors | | 7,548 | 7,813 | 7,671 | 8,464 | 9,084 | 9,084 | 8,573 | 9,117 | 9,696 |
| % increase | 4 | | 3.5% | (1.8%) | 10.3% | 7.3% | - | (5.6%) | 6.3% | 6.3% |
| Senior Managers of the Municipality | | | | | | | | | | |
| Basic Salaries and Wages | 2 | 5,224 | 5,073 | 5,197 | 5,791 | 5,791 | 5,791 | 6,960 | 7,349 | 7,763 |
| Pension and UIF Contributions | | 911 | 755 | 779 | 783 | 933 | 933 | 1,157 | 1,230 | 1,307 |
| Medical Aid Contributions | | 218 | 210 | 249 | 307 | 307 | 307 | 312 | 326 | 340 |
| Overtime | | - | - | - | - | - | - | - | - | - |
| Performance Bonus | | 417 | 838 | 831 | 450 | 472 | 472 | 1,091 | 1,124 | 1,158 |
| Motor Vehicle Allowance | 3 | 907 | 902 | 942 | 972 | 988 | 988 | 972 | 972 | 972 |
| Cellphone Allowance | 3 | 114 | 112 | 117 | 96 | 123 | 123 | 130 | 139 | 147 |
| Housing Allowances | 3 | 123 | 114 | 130 | 138 | 138 | 138 | 140 | 149 | 159 |
| Other benefits and allowances | 3 | 1 | 26 | 58 | 91 | 91 | 91 | 64 | 68 | 72 |
| Payments in lieu of leave | | 406 | 319 | 425 | - | 25 | 25 | 515 | 547 | 582 |
| Long service awards | | - | - | - | - | - | - | - | - | - |
| Post-retirement benefit obligations | 6 | - | - | - | - | - | - | - | - | - |
| Entertainment | | - | - | - | - | - | - | - | - | - |
| Scarcity | | - | - | - | - | - | - | - | - | - |
| Acting and post related allowance | | 70 | 100 | 102 | - | - | - | 85 | 91 | 96 |
| In kind benefits | | - | - | - | - | - | - | - | - | - |
| Sub Total - Senior Managers of Municipality | | 8,391 | 8,449 | 8,830 | 8,628 | 8,867 | 8,867 | 11,426 | 11,994 | 12,597 |
| % increase | 4 | | 0.7% | 4.5% | (2.3%) | 2.8% | - | 28.9% | 5.0% | 5.0% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 89,103 | 90,529 | 96,547 | 120,847 | 117,360 | 117,360 | 123,454 | 130,819 | 138,921 |
| Pension and UIF Contributions | | 16,107 | 16,590 | 17,949 | 22,595 | 22,416 | 22,416 | 22,944 | 24,523 | 26,132 |
| Medical Aid Contributions | | 11,869 | 12,142 | 13,376 | 17,647 | 17,324 | 17,324 | 17,673 | 18,462 | 19,306 |
| Overtime | | 9,987 | 10,871 | 14,596 | 5,460 | 7,691 | 7,691 | 7,843 | 8,042 | 8,162 |
| Performance Bonus | | 7,511 | 7,469 | 8,080 | 9,400 | 9,008 | 9,008 | 10,453 | 11,126 | 11,855 |
| Motor Vehicle Allowance | 3 | 3,687 | 4,108 | 4,579 | 4,659 | 5,000 | 5,000 | 5,106 | 5,207 | 5,226 |
| Cellphone Allowance | 3 | 222 | 232 | 248 | 271 | 280 | 280 | 325 | 597 | 364 |
| Housing Allowances | 3 | 607 | 597 | 504 | 614 | 628 | 628 | 507 | 529 | 552 |
| Other benefits and allowances | 3 | 2,243 | 7,053 | 4,388 | 3,665 | 3,825 | 3,825 | 3,191 | 3,191 | 3,191 |
| Payments in lieu of leave | | 574 | 784 | 404 | - | 562 | 562 | 245 | 260 | 277 |
| Long service awards | | 1,175 | (4,974) | 1,794 | 1,027 | 1,060 | 1,060 | 18 | 18 | 18 |
| Post-retirement benefit obligations | 6 | 10,754 | 9,348 | 9,969 | 2,101 | 2,101 | 2,101 | - | - | - |
| Entertainment | | - | - | - | - | - | - | - | - | - |
| Scarcity | | - | - | - | - | - | - | - | - | - |
| Acting and post related allowance | | 1,119 | 1,473 | 1,101 | 40 | 455 | 455 | 897 | 953 | 1,013 |
| In kind benefits | | - | - | - | - | - | - | - | - | - |
| Sub Total - Other Municipal Staff | | 154,958 | 156,222 | 173,534 | 188,329 | 187,711 | 187,711 | 192,654 | 203,727 | 215,018 |
| % increase | 4 | | 0.8% | 11.1% | 8.5% | (0.3%) | - | 2.6% | 5.7% | 5.5% |
| Total Parent Municipality | | 170,896 | 172,483 | 190,036 | 205,420 | 205,662 | 205,662 | 212,653 | 224,838 | 237,311 |
| | | | 0.9% | 10.2% | 8.1% | 0.1% | - | 3.4% | 5.7% | 5.5% |



2.11 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

The monthly targets for the cash flow for the budget year 2024/25 MTREF.

From the information provided it is clear 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 2024/25 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|------------------------|------------------------|
| | Budget Year 2024/25 | | | | | | | | | | | | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Cash Receipts by Source | | | | | | | | | | | | | | | |
| Property rates | 12,726 | 12,726 | 12,726 | 12,726 | 12,726 | 12,726 | 12,726 | 12,726 | 12,726 | 12,726 | 12,726 | 12,726 | 152,712 | 161,875 | 171,587 |
| Service charges - electricity revenue | 9,224 | 8,994 | 8,994 | 8,994 | 8,994 | 8,994 | 8,994 | 8,994 | 8,994 | 8,994 | 8,994 | 8,994 | 108,158 | 114,755 | 122,213 |
| Service charges - water revenue | 5,187 | 5,187 | 5,187 | 5,187 | 5,187 | 5,187 | 5,187 | 5,187 | 5,187 | 5,187 | 5,187 | 5,187 | 62,248 | 66,990 | 72,128 |
| Service charges - sanitation revenue | 1,881 | 1,573 | 1,573 | 1,573 | 1,573 | 1,573 | 1,573 | 1,573 | 1,573 | 1,573 | 1,573 | 1,573 | 18,683 | 20,927 | 22,365 |
| Service charges - refuse revenue | 2,279 | 2,279 | 2,279 | 2,279 | 2,279 | 2,279 | 2,279 | 2,279 | 2,279 | 2,279 | 2,279 | 2,279 | 27,350 | 28,090 | 28,976 |
| Rental of facilities and equipment | 1,260 | - | - | - | - | - | - | - | - | - | - | - | 1,260 | 1,337 | 1,424 |
| Interest earned - external investments | 10,858 | - | - | - | - | - | - | - | - | - | - | - | 10,858 | 11,520 | 12,269 |
| Interest earned - outstanding debtors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividends received | 286 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 389 | 423 | 451 |
| Fines, penalties and forfeits | 6,613 | - | - | - | - | - | - | - | - | - | - | - | 6,613 | 7,016 | 7,472 |
| Licences and permits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Agency services | 144,689 | 14,372 | 14,322 | 15,679 | 9,301 | 4,049 | 4,049 | 4,049 | 4,049 | 4,049 | 4,049 | 4,049 | 226,609 | 152,925 | 157,838 |
| Transfers and Subsidiaries - Operational | 9,852 | 3,597 | 5,233 | 4,041 | 3,406 | 2,402 | 2,237 | 2,184 | 2,017 | 1,691 | 1,786 | 2,088 | 40,535 | 26,428 | 26,593 |
| Other revenue | 204,456 | 48,738 | 50,325 | 50,490 | 43,477 | 37,221 | 37,056 | 37,003 | 36,836 | 36,510 | 36,605 | 36,907 | 655,625 | 592,288 | 623,318 |
| Cash Receipts by Source | | | | | | | | | | | | | | | |
| Other Cash Flows by Source | | | | | | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 50,938 | 11,623 | 8,300 | 8,123 | 7,295 | 5,958 | 5,699 | 5,247 | 5,247 | 5,247 | 5,247 | 5,247 | 125,174 | 55,633 | 63,736 |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov) | | | | | | | | | | | | | | | |
| Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions | 250 | 216 | 126 | 426 | 299 | - | - | - | - | - | - | - | 1,317 | - | - |
| Proceeds on Disposal of Fixed and Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Short term loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/financing | 323 | (10) | (10) | (10) | (10) | (10) | (10) | (10) | (10) | (10) | (10) | (10) | 215 | 73 | 239 |
| Increase (decrease) in consumer deposits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VAT Control (receipts) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current receivables | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Receipts by Source | 255,967 | 60,567 | 56,742 | 60,029 | 51,062 | 43,170 | 42,746 | 42,241 | 42,074 | 41,748 | 41,842 | 42,145 | 782,331 | 647,995 | 687,293 |
| Cash Payments by Type | | | | | | | | | | | | | | | |
| related costs Remuneration of councillors Interest | 18,570 | 17,132 | 17,110 | 17,145 | 17,192 | 17,664 | 17,008 | 17,136 | 17,711 | 17,125 | 17,129 | 17,116 | 208,137 | 219,764 | 231,807 |
| Bulk purchases - electricity | 777 | 763 | 714 | 777 | 714 | 714 | 777 | 714 | 714 | 777 | 714 | 777 | 8,933 | 9,499 | 10,103 |
| Acquisitions - water & other inventory | 8,526 | 8,526 | 8,526 | 8,526 | 8,526 | 8,526 | 8,526 | 8,526 | 8,526 | 8,526 | 8,526 | 8,526 | 89 | - | - |
| | 4,961 | 4,156 | 4,156 | 4,156 | 5,076 | 4,156 | 4,156 | 4,156 | 4,961 | 4,156 | 4,156 | 4,156 | 102,314 | 108,461 | 115,611 |
| | | | | | | | | | | | | | 52,397 | 55,352 | 58,877 |



Ndlambe Municipality

Draft Budget 2024/25 MTREF

| | | | | | | | | | | | | | | | |
|--|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|
| Contracted services | 61,679 | 17,282 | 22,175 | 21,319 | 15,160 | 8,808 | 9,637 | 11,084 | 8,796 | 7,182 | 6,966 | 10,643 | 200,670 | 107,538 | 111,851 |
| Transfers and subsidies - other municipalities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - other | 446 | 439 | 391 | 421 | 522 | 411 | 844 | 339 | 326 | 309 | 377 | 343 | 5,168 | 3,870 | 4,060 |
| Other expenditure | 10,544 | 4,358 | 5,243 | 5,919 | 6,979 | 7,788 | 5,759 | 4,422 | 4,763 | 4,548 | 5,514 | 4,621 | 70,459 | 71,302 | 75,413 |
| Cash Payments by Type | 105,502 | 52,656 | 58,373 | 58,263 | 54,170 | 48,067 | 46,805 | 46,377 | 45,767 | 42,622 | 43,382 | 46,181 | 648,164 | 575,786 | 607,662 |
| Other Cash Flows/Payments by Type | 45,568 | 15,885 | 19,956 | 12,015 | 10,030 | 7,789 | 7,366 | 5,963 | 5,963 | 5,963 | 5,963 | 5,963 | 148,425 | 63,473 | 70,158 |
| Capital assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Repayment of borrowing | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Cash Flows/Payments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Payments by Type | 151,070 | 68,541 | 78,329 | 70,278 | 64,200 | 55,856 | 54,171 | 52,340 | 51,730 | 48,585 | 49,345 | 52,144 | 796,589 | 639,258 | 677,820 |
| NET INCREASE/(DECREASE) IN CASH HELD | 104,897 | (7,974) | (19,587) | (10,249) | (13,138) | (12,686) | (11,426) | (10,100) | (9,656) | (6,837) | (7,503) | (9,999) | (14,259) | 8,736 | 9,473 |
| Cash/cash equivalents at the month/year begin: | 139,410 | 244,306 | 236,333 | 216,745 | 206,496 | 193,358 | 180,672 | 169,246 | 158,146 | 149,490 | 142,653 | 135,150 | 139,410 | 125,152 | 133,888 |
| Cash/cash equivalents at the month/year end: | 244,306 | 238,333 | 216,745 | 206,496 | 193,358 | 180,672 | 169,246 | 158,146 | 149,490 | 142,653 | 135,150 | 125,152 | 125,152 | 133,888 | 143,361 |



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



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/ Mths | 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 |
| Netcovision | 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 |
| Munsoft (Pty)Ltd | Yrs | 2.5 | | Financial System | 30-Jun-25 | 9,930 | 134.43 |



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 the 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 being addressed.



2.16 SERVICE DELIVERY STANDARDS

The reporting on service delivery standards is an initiative by 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.

Schedule of Service Delivery Standards 2024/2025

| Description | |
|--|---|
| Standard | 2024/2025 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) |
| Licensed 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 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 |



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| 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? | 98% excluding loadshedding |
| 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 prevent electricity theft? (Yes/No) | Yes |
| How effective is the action plan in curbing line losses? (Good/Bad) | Good, below the norm |
| How soon does the municipality provide a quotation to a customer upon a written request? (days) | 6 hrs |
| How long does the municipality take to provide electricity service where existing infrastructure can be used? (working days) | 7 Days |
| How long does the municipality take to provide electricity service for low voltage users where network extension is not required? (working days) | 2 Weeks |
| How long does the municipality take to provide electricity service for high voltage users where network extension is not required? (working days) | 1 Month |
| Sewerage Service | |
| Are your purification system effective enough to put water back into the system after purification? | Yes |
| To what extend do you subsidize your indigent consumers? | 100% on Rates and availabilities. Water 6kl and Electricity 50 kwh |



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| 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) | 24 hours |
| | |
| Road Infrastructure Services | |
| Time taken to repair a single pothole on a major road? (Hours) | 1 and half hour, even less depending on the size. |
| Time taken to repair a single pothole on a minor road? (Hours) | 1 hour, even less depending on the size. |
| Time taken to repair a road following an open trench service crossing? (Hours) | 8 Hours |
| Time taken to repair walkways. (Hours) | 8 hours depending on the 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 unauthorized and wasteful expenditure over time? (Decrease/Increase) | Decrease by 50% |
| Are 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 an 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 decentralized |
| | |
| 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 mail? (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 |



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| 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 certificate vehicle? (minutes) | 10 min submit the application; DoT take 31 days 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 taken into account 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 Program in the last financial year? | 1705 through 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 in order to grow the local skills base? (Yes/No) | No |
| Does the municipality have an internship and/or apprenticeship program to support skills development? (Yes/No) | Yes, Nelson Mandela Metro, Dept of Tourism |



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| Does the municipality have active programs 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 Imbizos and Ward meetings |
| 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
MUNICIPAL MANAGER

12/06/2024

DATE