

SWARTLAND MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2024/2025 TO 2026/2027





ANNUAL BUDGET OF
SWARTLAND
MUNICIPALITY

2024/2025 TO 2026/2027
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Part 1 – Annual Budget

1.1 Mayor's Report

Recommendation of the final budget.

1.2 Council Resolutions

The following council resolutions pertaining to the approval of the final multi-year capital and operating budgets, amended budget and related policies, property tax rates, tariffs and other charges for 2024/2025; 2025/2026 and 2026/2027;

- (a) That consideration be given to the inputs received from the public with due regard to the technical considerations amplified at the Budget Steering Committee meeting of 16 May 2024, which dealt with the fact that both the operational and capital budgets are stretched to the limit as the Municipality placed emphasis on meeting urgent needs like basic services and housing and thereby demonstrating the Executive Mayor's dedication to enhancing the well-being of disadvantaged communities, without placing an additional burden on the paying public (**Annexure E, Inputs received on Draft Budget**);
- (b) That council note that the Executive Mayor directed that the draft residential tax rate be reduced further to be 10% lower, to R0.005360, notwithstanding that no public representations were received, in a bid to reduce the impact of increased property valuations occasioned by the new general valuation to be implemented on 1 July 2024;
- (c) That council resolves as per the detailed responses to the public representations found in (**Annexure E, Inputs received on Draft Budget**) and that the administration feedback same to the various input-stakeholders;
- (d) That cognisance be taken of the inputs received from Provincial Treasury (SIME report) (**Annexure E, Inputs received on Draft Budget**);
- (e) That council takes note that the costs as envisaged by Section 19 (2)(a)(b) were derived after consultation with the respective director(s), who has confirmed the costs as per (**Annexure A: 2024/2025 – 2026/2027 Final Budget and Tariff File**) and consider same;
- (f) That council prior to approving the capital projects above R50 million as listed in (**Annexure B: 2024/2025 – 2026/2027 Capital Projects ito Sec 19**), first consider the projected operational cost covering all financial years until the project is operational and the future operational costs and revenue on the project, including municipal tax and tariff implications;
- (g) That council deemed it appropriate to consider the entire capital program excluding the 4 contractually combined projects above R50 million as the aforementioned capital program's operational cost, inclusive of future costs will be covered by the rates regime and the normal cost centres found in the operational budget;
- (h) That the future capital budgets from year 3 be limited to 17% of the operating budget (based on NT's norm for *Capital Expenditure to Total Expenditure* that is between 10% to 20%) because of the upward pressure it has on the operating budget and the affordability of tariffs;

- (i) That council considers the funding sources linked to council's capital program and take note that these funding sources are available and have not been committed for other purposes;

| FINANCING SOURCES | Final Budget 2024/2025 | Final Budget 2025/2026 | Final Budget 2026/2027 |
|--|---------------------------|---------------------------|---------------------------|
| Capital Replacement Reserve (CRR) | R 93 535 241 | R 115 676 861 | R 116 891 897 |
| External Loans | R 36 950 588 | R 3 000 000 | R - |
| Municipal Infrastructure Grant (MIG) | R 29 332 000 | R 25 343 000 | R 27 225 000 |
| Integrated National Electrification Programme (INEP) | R 22 818 000 | R 23 100 000 | R 20 868 000 |
| WCED (Private Funding) | R 19 033 109 | R - | R - |
| Dept. of Infrastructure | R 174 289 166 | R 49 520 000 | R 33 000 000 |
| Dept. Cultural Affairs and Sport | R 484 783 | R - | R - |
| Community Safety Grant | R 34 783 | R - | R - |
| GRAND TOTAL | R 376 477 670 | R 216 639 861 | R 197 984 897 |

- (j) That council approves the capital projects as part of its consolidated capital program as per **(Annexure A: 2024/2025 – 2026/2027 Final Budget and Tariff File)**;
- (k) That council in-principle approves the raising of an external loan to the amount of R40 million for the new 2024/25 MTREF for the partial financing of the following capital projects: 132/11kV Eskom Schoonspruit Substation (R29 million) and the Development of Highlands New Landfill site Cell (R10 million), by means of testing the market as envisaged by MFMA section 46, requesting tenders from the financial institutions;
- (l) That the final high-level multi-year Capital and Operating budgets in respect of the **2024/2025 – 2026/2027** financial years, be approved as final, in accordance with sections 16, 17 and 19 of the MFMA;

| | Original Budget 2023/24 | Adjustments Budget 2023/24 | Final Budget 2024/25 | Final Budget 2025/26 | Final Budget 2026/27 |
|--------------------------------------|-------------------------------|----------------------------------|----------------------------|----------------------------|----------------------------|
| Capital budget | 209 052 395 | 248 689 919 | 376 477 670 | 216 639 861 | 197 984 897 |
| Operating Expenditure | 1 071 330 062 | 1 071 352 206 | 1 189 045 715 | 1 434 463 775 | 1 584 420 812 |
| Operating Revenue | 1 192 485 181 | 1 252 422 713 | 1 458 996 892 | 1 535 862 828 | 1 666 597 277 |
| Budgeted (Surplus)/ Deficit | (121 155 119) | (181 070 507) | (269 951 177) | (101 399 053) | (82 176 465) |
| Less: Capital Grants & Contributions | 107 386 943 | 119 908 999 | 246 062 275 | 97 963 000 | 81 093 000 |
| (Surplus)/ Deficit | (13 768 176) | (61 161 508) | (23 888 902) | (3 436 053) | (1 083 465) |

- (m) That council approves the notice given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004, to levy the final property tax rates, exemptions and rebates on property reflected in the schedule below and in the property rates policy for the 2024/25 financial year with effect from 1 July 2024;

| Category of property | Rate ratio | Tax Rate |
|--|------------|-----------|
| Residential properties | 1: 1 | R0.005360 |
| Business and Commercial properties | 1: 1,6360 | R0.008769 |
| Industrial properties | 1: 1,6360 | R0.008769 |
| Agricultural properties | 1: 0,25 | R0.001340 |
| Mining properties | 1: 1,6360 | R0.008769 |
| Public Service Infrastructure | 1: 0,25 | R0.001340 |
| Properties owned by an organ of state and used for public service purposes | 1: 1,6360 | R0.008769 |
| Public Benefit Organizations | 1: 0 | R0.00 |
| Vacant properties | 1: 1,4966 | R0.008022 |
| Municipal properties | 1: 0 | R0.00 |
| Conservation Areas | 1: 0 | R0.00 |
| Protected Areas | 1: 0 | R0.00 |
| National Monuments | 1: 0 | R0.00 |
| Informal Settlements | 1: 0 | R0.00 |

Exemptions and Reductions

- **Residential Properties:** For all residential properties, the municipality will not levy a rate on the first R15 000 of the property's market value. The R15 000 is the statutory impermissible tax as per section 17(1)(h) of the Municipal Property Rates Act.

Rebates in respect of a category of owners of property are as follows:

- **Indigent owners:** 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of R105 000;
- **Qualifying senior citizens and disabled persons:** A rebate to an amount equal to the rates payable on the first amount of the valuation of such property to a limit of R300 000.

NB: Please refer to the municipality's property rates policy in respect of all rebates offered.

- (n) That council approve the final tariff structures and charges for water, refuse removal, sewerage and other sundry charges as set out in **(Annexure A: 2024/2025 – 2026/2027 Final Budget and Tariff File)**;
- (o) That council approve the electricity tariffs for the 2024/2025 financial year, based on the revenue requirement supported in the cost of supply study;
- (p) That the annual budget tables as required by the Budget and Reporting Regulations be approved as set out in **(Annexure C: Budget Report and A-Schedules 2024/2025 – 2026/2027)**;

- (q) That the **amendments** to the budget and related policies as set out in **(Annexure D: Final Amended Budget & Related Policies 2024/2025)** hereto, be approved as final;
- (r) That Council takes note that the municipality's DORA allocations was reduced by R39.267 million over the new MTREF;
- (s) That the expansion of the fleet by means of adding a new 8-10 Seater Bus for the Reaction/LEAP unit, be restricted for usage only within the Swartland municipal boundary (WC015) due to council already financing R14 million of the operating cost over and above the grant allocation from 2022/2023;
- (t) That the training budget limited to **0,50%** of the salary budget for the 2024/2025 financial year be approved as final;
- (u) That Council takes note of the increases of the directors that are contractually linked to the other personnel, which is negotiated and determined at a national level:
- In respect of all personnel, an increase of **5.2%** for 2024/2025; **5%** for 2025/2026 and **5%** for the 2026/2027 financial years, excluding the increase in other benefits that are applicable and the annual 2.415% notch increase where applicable;
 - All salary adjustments are adequately budgeted for;
 - Provision has been made for a **3%** increase for political office bearers which is within the mid band of the inflation targets set by the South African Reserve Bank (SARB).
- (v) That Council takes note of the budgeted operating surpluses and that the budget is "cash-funded" as a result of cash reserves in table A8, the total expenditure growth of **11%** from the current to the new financial year and the revenue streams with growth in revenue of **16.5% (7.1% excluding capital grant income)** for the MTREF period as well as the cash flow statement as per **(A-schedule A7)** for the next three financial years;
- the budgeted risk factor for cash coverage for operating expenses are **6.3 months** for 2024/25, **5.3 months** for 2025/26 and **8.4 months** for the 2026/27 financial year (this can materially be impacted but not possible to determine scientifically at this stage);
 - over the next three financial years the planning is such that net operating surpluses are envisaged for 2024/25 to an amount of **R 23 888 902**, for 2025/26 an amount of **R 3 436 053** and for 2026/27 an amount of **R 1 083 465 (excluding capital grant income)**, which is well below the NT guideline of at least a surplus of 7.5%.
- (w) That the Director: Financial Services adhere to the requirements of the Budget Circulars and Budget Reforms in the context of the reporting requirements to Provincial and National Treasury;
- (x) That Council take note that the budget was prepared in the new mSCOA Version 6.8 as required by National Treasury.

for purposes of completeness and implementation the English version of the recommendations will be relied upon.

Note: Annexures A and E are for consumption of the municipal council only and not legislatively prescribed budget documentation.

1.3 Executive Summary

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the Integrated Development Plan. National Treasury's MFMA Circulars No. 126 and No.128 supported and guided the compilation of the 2024/2025 MTREF (Medium-term Revenue and Expenditure Framework).

As this budget constitutes the financial plan for the next 3 years, it naturally impacts the community as a whole and it is thus necessary to consult the community in a bid to create awareness and to gain support for joint ownership and responsibility in managing the municipality's financial affairs and programs. The budget was communicated through the normal legally required advertisements, our website and budget documentation in this regard was made available at municipal buildings and libraries as advertised to allow for input up until 30 April 2024.

Consideration was given to the inputs received from the public with due regard to the technical considerations amplified at the Budget Steering Committee meeting of 16 May 2024, which dealt with the fact that both the operational and capital budgets are stretched to the limit as the Municipality placed emphasis on meeting urgent needs like basic services and housing and thereby demonstrating the Executive Mayor's dedication to enhancing the well-being of disadvantaged communities, without placing an additional burden on the paying public.

The inputs and representations were considered during and prior to final approval in line with Section 23 of the MFMA

Council's strategic objectives of service delivery include the continuation of an acceptable level of sustainable services, as well as improvement in those areas still in need of development. It remains a priority of the council to contain service delivery within the affordability levels of the community whilst focusing on the five strategic focus areas that council wish to strive to achieve over the next three years:

- Community safety and wellbeing;
- Economic transformation;
- Quality and reliable services;
- A healthy and sustainable environment;
- A connected and innovative local government.

To achieve the above, a balancing act is required between the set objectives and available financial resources, while taking into consideration the effect of tariff adjustments on the community as a whole, and more particularly the needs of the poor and vulnerable. In addition, like the rest of the country we have not escaped the downturn in the economy, which has had a considerable influence to not only disposable income levels in our area, but has further lowered the level of employment and growth prospects. Economic challenges will continue to pressurise municipal revenue generation and collection hence a realistic approach is advised for projecting revenue. Consumer price inflation increased from 5.3% in January 2024 to 5.6% in February 2024.

The following were highlighted in National Treasury Budget Circulars 126 and 128 (dated 7 December 2023 and 8 March 2024) to inform the Final 2024-2025 MTREF

The South African economy and inflation targets

“The National Treasury estimates real economic growth of 0.6 per cent in 2023. This is a decrease from growth of 0.8 per cent projected in the 2023 MTBPS due to weaker than expected outcomes in the third quarter of 2023, resulting in downward revisions to household spending growth and spending on gross fixed investment. GDP growth is projected to average 1.6 per cent from 2024 to 2026 as the frequency of power cuts declines, lower inflation supports household consumption, and employment and credit extensions recover gradually. New energy projects will improve fixed investments and business sentiment.

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.

Headline inflation is projected to moderate from 6 per cent in 2023 to 4.9 per cent in 2024 and 4.6 per cent in 2025 and 2026 as food and fuel inflation continue to decline. In 2023 food inflation slowed less than expected due to power cuts and rand depreciation, keeping imported food costs high. An avian influenza outbreak also increased the costs for poultry and eggs. These factors are expected to dissipate over the medium term.”

NT recommends the following macro-economic forecasts to be considered when preparing the 2024/25 MTREF municipal budgets:

| Table 1: Macroeconomic performance and projections, 2022 – 2027 | | | | | |
|--|---------|----------|----------|---------|---------|
| Fiscal year | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| | Actual | Estimate | Forecast | | |
| CPI Inflation | 6.9% | 6.0% | 4.9% | 4.6% | 4.6% |

NB: Inflation for 2024 is expected to average around 5.7%, all things remaining equal, given the actual results published by STATS SA for the last 2 years.

Key focus areas for the 2024/25 budget process

- ***Conditional grants and unconditional grants allocations*** - Net reductions of R80.6 billion to main budget non-interest expenditure are identified across the three spheres of government over the MTEF in comparison to the 2023 budget estimates. Among these 2024 MTEF fiscal consolidation reductions, local government has the smallest contribution. ***Over the 2024 MTEF, the local government equitable share and direct conditional grants will be reduced by a total of R15.5 billion***, made up of R9.6 billion in the local government equitable share and R5.9 billion in direct conditional grants. Despite reduction, local government equitable share growth remains high with transfers to local government significantly increasing by 5.2 per cent annually, driven mainly by the strong growth of local government equitable share by 6.1 per cent. National revenue

share increases by 2.6 per cent annually, while transfers to provinces grow by 3.8 per cent annually, with the equitable share growing faster than conditional grants. There were no proposed reductions on the sharing of the general fuel levy to the metropolitan municipalities.

- **The weak economic growth continues to impact municipal finances** and as communicated in MFMA Circular No. 89 this has strained consumers' ability to pay for services. Coupled with this conundrum is the marginal growth in national transfers as compared to the past. These two critical factors necessitate municipalities to function optimally suggesting that municipal operations, processes and procedures must be efficient. Inefficiencies in this space are guaranteed to manifest on municipal finances. Although some municipalities have managed these challenges well, others have fallen into financial distress and face liquidity challenges. Subsequently, municipalities are unable to meet their payment obligations to Eskom, water boards and other creditors. **Therefore, municipalities must maximise their revenue generating potential and collect what is due to them and concurrently, eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide for their core mandate and to service their debt obligations.** Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the 4 to 6 per cent target band; therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2024/25 in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include details of their revenue growth assumptions for the different service charges in the budget narrative.

- **Setting the Cost reflective tariffs** - Municipalities must ensure that the capital repayment of loans are included in the cost when determining the tariff. In addition, they must ensure that the consumption charges for services are only based on consumption and all other variable costs. Therefore, fixed costs such as salary and wages, etc. should be covered by a fixed charge.
- **Indigent Management** - It is critical to progressively manage the restriction of free basic services to national policy limits. **Therefore, free basic services to indigent households must be restricted.** Where any unlimited supply or supply above national policy limits is provided, the budget narrative must explicitly articulate how this is funded also in a context of facilitating adequate asset management and adequate provision for related debt impairment and ability to maintain payment of Eskom, bulk water and other creditors.
- **Pro-actively managing collection of municipal revenue in Eskom supplied areas** - NT notes that in the context of the Electricity Regulation Act, 2006 (ERA) existing section 21(5) prohibiting Eskom to cut supply in their areas to assist municipalities to collect on rates, water, wastewater and refuse removal – municipalities have no other tool but the restriction of water to collect in Eskom supply areas. **Until ERA is amended it is critical that municipalities update their By-laws and policies to facilitate and legally allow the restriction of water as part of proper credit control for municipal revenue collection in Eskom supplied areas.** The process before the supply of water is

restricted/ limited, must honour the water supply rights of the indigent as well as the administrative processes and procedures, as contained in the municipal by-laws and policies read with section 4(3)(a) of the Water Services Act.

- **Maximising the revenue generation of the municipal revenue base Revenue on Property rates** - It is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2024. Furthermore, it must as a best practice compare the current consolidated roll to the new valuation roll. This can identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.
- **Setting the Cost reflective tariffs** - Municipalities must ensure that when tariffs are designed, the capital repayment of loans are also included in the cost to determine the tariff. Municipalities must ensure that when tariffs are designed that consumption charges for services are only based on consumption and all other variable costs. Fixed costs e.g. salary and wages, etc. should be covered by a fixed charge. The municipality must ensure its budgeting process address the requirement to maintain its infrastructure. New developments in/ a municipality should mandatorily make provision for alternative energy such as solar or wind or any other energy option available.
- **Eskom Bulk Tariff increases** - The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2023/24, bulk electricity costs increased significantly at 15.1 per cent, compared to 8.61 per cent in the 2022/23 municipal financial year. There has been no change to the second year of the Multi-Year Price Determination (MYPD 5), **as such bulk electricity costs are to be calculated using an increase of 12.7 per cent** as per MYPD-5 in the 2024/25 financial year.
Given the absence of an approved tariff increase for the outer year of the MTEF, the increase is projected to be 15.7 per cent in 2025/26. This is the average of the approved increases for the two years of the MYPD-5 period. Municipalities in arrears with Eskom should ensure that their payment arrangements are included in the 2024/25 MTREF budget. **The final increase for bulk purchases is 12.7% and an increase of 12.81% for electricity reselling to municipal customers.**
- **Employee related costs** - The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 has come to an end and **a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government.** Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), **municipalities are advised to consider their financial sustainability when considering salary increases.** It has been observed over the previous years that salary increases were above inflation and has posed challenges to most municipalities' sustainability. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Therefore, municipalities are urged to consider projecting salary and wage increases that would reflect their affordability given the current economic challenges. The 2022 State of Local Government Finance Report revealed that 157 municipalities are in

financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

- **Remuneration of Councillors** - Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also consider the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.
- **Governance, performance, and investment matters** - South Africa has reached a stage where all of government including municipalities need to play in pivotal role in igniting the economy of the country. There is a need for a concerted effort to put initiatives that will attract the investments which will stimulate the economy. The investments take place in the local government and municipalities in particular as the custodian of the spatial planning and enabling infrastructure.

Funding choices and management issues

Given the current economic crisis the country faces, Municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected, therefore municipal own revenue generation gets affected. Municipalities are advised to consider all the advice provided in the MFMA Circulars No 126 and 128 to **ensure the adoption of surplus and funded budgets**. Therefore, municipalities must consider the following when compiling their 2024/25 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Automate business services where possible to increase efficiencies and lower customer costs;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services;
- Curbing the consumption of water and electricity by indigent consumers to ensure that they do not exceed their allocation;
- Efficient provision of essential services is crucial for attracting private investment, fostering economic growth, and promoting a conducive environment for businesses to thrive; and

- Ensuring sustainable capital infrastructure investment with emphasis on the impact on the operating account.

AREAS COVERED DURING THE BUDGET STEERING COMMITTEE MEETING:

- Struggling South African Economy (Local and international economy – recessions)
- **Conservative budgeting w.r.t the revenue budget and therefore the amounts in years 2 and 3 of the MTREF are indicative only and not fixed, mainly for the municipality to be able to review the global and local poor economic conditions, impacting the budget. In this regard expenditure will have to be curbed with careful monitoring of budget performance and payment rates**
- Key focus risk areas for the 2024/25 Budget process
- Extensive revenue modelling informing tariff increases to ensure services are rendered **sustainably and cost reflective** over the longer term with emphasis on the impact of increases on disposable income levels given the dire state of the economy
- Electricity supply constraints leading to diminishing Electricity demand
- Expenditure and Revenue Consolidation and audited basis informing growth from 2023-24 to 2024-25
- Not having a grip on some cost drivers
- National risks impacting financial sustainability-CPI
- Revenue streams from trading and economic services insufficient, given the impact of Capital budget programs and Indigents on the Operating account
- Fluid policy environment allowing for rapid changing economic circumstances
- Future operational cost as a result of expedited housing opportunities, Landfill sites cost of compliance and Rehabilitation, ± R43.4mil capital & R26.9mil operating
- Limiting future CAPEX to a maximum of 17% of OPEX to relieve pressure on tariffs
- DORA allocations reduced by R39 Million over the MTREF
- Whether any public input necessitates council to revise the draft budget/s

The budget steering committee had an engagement on 16 May 2024 to consolidate and consider all the public and provincial input, insofar that it necessitates the Executive Mayor to consider amendments to the budget and to provide an opportunity for the Chief Financial Officer to discuss the Final 2024/2025 MTREF. The Budget Steering Committee recommended the final 2024-2025 MTREF budget to the Executive Mayor for consideration at the mayoral committee meeting, held on 21 May 2024.

POTENTIAL AND REAL RISKS IMPACTING FINANCIAL PLANNING OVER THE MTREF AND ULTIMATELY THE REVENUE MODELLING EXERCISE FORMING THE BASIS FOR THE MTREF:

- Pressure on supply and demand as a result of ongoing geopolitical conflict, compounding local inflation in the form of Food and Fuel increases which could potential see the SARB delaying reducing the repo rate or pausing rates for longer in the 2024 cycle;
- Unstable national grid and Eskom’s woes impacting municipal service delivery;
- Load shedding leading to diminishing electricity demand;
- Diversified funding mix given electricity challenges;
- Fuel price increases and its impact on disposable income levels;
- Not having a grip on some cost drivers;
- National risks impacting financial sustainability-CPI;
- Cost of fuel on the municipal operations;
- Slower recovery of the economy;
- Ability to collect revenue in challenging environments;
- The upward pressure and multiplier effect of increases in staff salaries.

Taking all of the above into consideration, I submit to you the following estimated expenditure, summarised as follows:

| TYPE | Adjustment Budget | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|-----------------------|-------------------|---|-------------------|-------------------|
| | 2023/2024 (R'000) | 2024/2025 (R'000) | 2025/2026 (R'000) | 2026/2027 (R'000) |
| Capital expenditure | 248 690 | 376 478 | 216 640 | 197 985 |
| Operating expenditure | 1 071 352 | 1 189 046 | 1 434 464 | 1 584 421 |
| TOTAL | 1 320 042 | 1 565 523 | 1 651 104 | 1 782 406 |

The following table is a consolidated overview of the 2024/25 Medium-term Revenue and Expenditure Framework:

Consolidated Overview of the 2024/25 MTREF (R'000)

| R thousand | Adjustment Budget | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-------------------|---|-------------------|-------------------|
| | 2023/2024 (R'000) | 2024/2025 (R'000) | 2025/2026 (R'000) | 2026/2027 (R'000) |
| Total Operating Revenue | 1 252 423 | 1 458 997 | 1 535 863 | 1 666 597 |
| Total Operating Expenditure | 1 071 352 | 1 189 046 | 1 434 464 | 1 584 421 |
| Surplus / (Deficit) excluding capital transfers and contributions | 181 071 | 269 951 | 101 399 | 82 176 |
| Capital Transfers & Contributions | 119 909 | 246 062 | 97 963 | 81 093 |
| Surplus / (Deficit) for the year | 61 162 | 23 889 | 3 436 | 1 083 |

Total operating revenue **including capital grants** for the 2024/25 financial year has been appropriated at R 1 458 997 million and is expected to grow by 16.5 per cent (**7.1% excluding capital grant income**) or R 206 574 million for the 2024/25 financial year when compared to the 2023/24 Mid-year Adjusted Budget. For the two outer years, operational revenue will increase by 5.3 and 8.5 per cent respectively, equating to total revenue growth of R 414 175 million over the MTREF (2024/25 to 2026/27). The outer years are based on available information at the time of compiling this report.

Total operating expenditure for the 2024/25 financial year has been appropriated at R 1 189 046 million and translates into a budgeted surplus of R 23 889 million (**excluding capital transfers**). When compared to the 2023/24 Mid-year Adjusted Budget, operational expenditure is projected to grow by 11 per cent in the 2024/25 budget; 20.6 per cent in the 2025/26 budget and 10.5 per cent in the 2026/27 budget (based on current assumptions) equating to total expenditure growth of R 513 069 million over the MTREF (2024/25 to 2026/27).

The municipality should on a continuous basis evaluate the financial performance of all departments to identify areas where revenue sources can be increased and non-priority spending can be decreased. As a minimum requirement, the trading services (Water-, Electricity-, Refuse- and Sanitation Departments) and departments with the ability to generate own revenue (such as the Traffic Department) should be cost reflective, thus not requiring the ratepayer to fund these operations through property taxes or cross subsidization.

The financial performance of all departments over the MTREF can be summarised as follow:



| Vote Description | Budget Year 2024/2025 | | | Budget Year 2025/2026 | | | Budget Year 2026/2027 | | | |
|--|-----------------------|------------------|-----------------|-----------------------|------------------|------------------|-----------------------|------------------|------------------|---------------------|
| | R thousand | Revenue | Expenditure | Surplus / (Deficit) | Revenue | Expenditure | Surplus / (Deficit) | Revenue | Expenditure | Surplus / (Deficit) |
| Revenue & Expenditure by Vote | | | | | | | | | | |
| Vote 1 - Corporate Services | 13 430 | 46 705 | (33 276) | 13 305 | 48 264 | (34 960) | 13 765 | 51 180 | (37 416) | |
| 1.1 - Administration | 103 | 15 124 | (15 020) | 104 | 15 746 | (15 643) | 104 | 16 568 | (16 465) | |
| 1.2 - Human Resources | 787 | 8 043 | (7 257) | 400 | 7 602 | (7 202) | 400 | 8 080 | (7 680) | |
| 1.3 - Libraries | 12 212 | 13 853 | (1 642) | 12 453 | 14 741 | (2 288) | 12 892 | 15 735 | (2 843) | |
| 1.4 - Marketing and Tourism | 38 | 2 559 | (2 521) | 40 | 2 699 | (2 659) | 43 | 2 848 | (2 805) | |
| 1.5 - Community Halls and Facilities | 290 | 7 126 | (6 836) | 308 | 7 475 | (7 168) | 326 | 7 949 | (7 623) | |
| Vote 2 - Civil Services | 327 034 | 393 895 | (66 860) | 322 322 | 428 907 | (106 585) | 345 021 | 446 736 | (101 714) | |
| 2.1 - Administration | | 4 220 | (4 220) | | 4 362 | (4 362) | | 4 587 | (4 587) | |
| 2.2 - Cemeteries | 964 | 1 072 | (108) | 1 022 | 1 084 | (62) | 1 083 | 1 136 | (53) | |
| 2.3 - Municipal Property Maintenance | 1 985 | 19 991 | (18 005) | 2 044 | 32 160 | (30 116) | 2 111 | 22 575 | (20 464) | |
| 2.4 - Parks and Recreational Areas | 300 | 24 023 | (23 724) | | 25 224 | (25 224) | | 26 946 | (26 946) | |
| 2.5 - Proclaimed Roads | 204 | 461 | (257) | 226 | 479 | (253) | 237 | 488 | (251) | |
| 2.6 - Refuse Removals | 80 220 | 41 138 | 39 082 | 78 934 | 43 485 | 35 449 | 77 089 | 48 468 | 28 621 | |
| 2.7 - Street Cleaning | | 8 633 | (8 633) | | 9 312 | (9 312) | | 9 042 | (9 042) | |
| 2.8 - Solid Waste Disposal(Landfill Sites) | | 15 613 | (15 613) | | 16 870 | (16 870) | | 17 359 | (17 359) | |
| 2.9 - Sewerage Services | 94 584 | 48 110 | 46 473 | 97 463 | 49 282 | 48 182 | 103 207 | 50 122 | 53 086 | |
| 2.10 - Waste Water Treatment | | 19 506 | (19 506) | | 22 009 | (22 009) | | 23 757 | (23 757) | |
| 2.11 - Sportgrounds | 6 065 | 8 663 | (2 598) | 281 | 8 971 | (8 690) | 298 | 9 368 | (9 070) | |
| 2.12 - Streets | 12 837 | 65 414 | (52 578) | 16 572 | 67 681 | (51 109) | 6 707 | 70 733 | (64 026) | |
| 2.13 - Stormwater | 1 840 | 22 563 | (20 723) | | 23 920 | (23 920) | | 25 671 | (25 671) | |
| 2.14 - Swimming Pools | 406 | 6 237 | (5 831) | 430 | 6 579 | (6 148) | 456 | 6 952 | (6 496) | |
| 2.15 - Water Distribution | 127 631 | 108 251 | 19 381 | 125 349 | 117 489 | 7 860 | 153 832 | 129 533 | 24 299 | |
| Vote 3 - Council | 352 | 26 049 | (25 697) | 265 | 27 239 | (26 973) | 269 | 28 400 | (28 131) | |
| 3.1 - Council General Expenses | 352 | 26 049 | (25 697) | 265 | 27 239 | (26 973) | 269 | 28 400 | (28 131) | |
| Vote 4 - Electricity Services | 488 867 | 458 585 | 30 283 | 551 530 | 521 654 | 29 876 | 621 846 | 598 597 | 23 249 | |
| 4.1 - Administration | | 2 241 | (2 241) | | 2 357 | (2 357) | | 2 474 | (2 474) | |
| 4.2 - Distribution | | 433 132 | (433 132) | | 495 012 | (495 012) | | 570 543 | (570 543) | |
| 4.3 - Street Lighting | 488 867 | 2 202 | 486 665 | 551 530 | 2 335 | 549 195 | 621 846 | 2 478 | 619 368 | |
| 4.4 - IT Services | - | 21 010 | (21 010) | - | 21 950 | (21 950) | - | 23 102 | (23 102) | |
| Vote 5 - Financial Services | 374 410 | 81 720 | 292 690 | 385 614 | 85 697 | 299 917 | 404 827 | 92 538 | 312 289 | |
| 5.1 - Administration | | 2 368 | (2 368) | | 2 485 | (2 485) | | 2 610 | (2 610) | |
| 5.2 - Finance | 169 781 | 54 498 | 115 283 | 168 275 | 58 483 | 109 793 | 174 003 | 63 371 | 110 631 | |
| 5.3 - Budget and Treasury | | 3 572 | (3 572) | | 3 378 | (3 378) | | 3 577 | (3 577) | |
| 5.4 - Asset Management | | 5 714 | (5 714) | | 4 986 | (4 986) | | 5 388 | (5 388) | |
| 5.5 - Grants and Subsidies - FMG | 1 600 | 1 517 | 83 | 1 700 | 1 611 | 89 | 1 800 | 1 704 | 96 | |
| 5.6 - Fleet Manangement | | 1 347 | (1 347) | | 1 435 | (1 435) | | 1 524 | (1 524) | |
| 5.7 - Property Rates | 203 029 | 1 867 | 201 162 | 215 639 | 2 072 | 213 567 | 229 025 | 2 302 | 226 723 | |
| 5.8 - Supply Chain Management | | 10 838 | (10 838) | | 11 248 | (11 248) | | 12 062 | (12 062) | |
| Vote 6 - Development Services | 193 449 | 51 379 | 142 070 | 197 679 | 184 736 | 12 942 | 212 798 | 221 030 | (8 232) | |
| 6.1 - Administration | 1 | 3 021 | (3 019) | 1 | 3 184 | (3 182) | 1 | 3 357 | (3 356) | |
| 6.2 - Caravan parks - Yzerfontein | 4 000 | 3 468 | 531 | 4 240 | 3 707 | 532 | 4 494 | 3 968 | 526 | |
| 6.3 - Community Development | 38 | 4 350 | (4 312) | 38 | 4 372 | (4 334) | 38 | 4 634 | (4 596) | |
| 6.4 - Multi-Purpose Centres | 177 | 1 872 | (1 695) | 29 | 1 848 | (1 819) | 31 | 1 986 | (1 955) | |
| 6.5 - Planning and Valuations | 1 303 | 10 210 | (8 908) | 1 379 | 9 927 | (8 548) | 1 461 | 10 288 | (8 827) | |
| 6.6 - Building Control | 3 805 | 3 996 | (191) | 4 033 | 4 296 | (263) | 4 275 | 4 621 | (346) | |
| 6.7 - Housing | 184 126 | 22 192 | 161 934 | 187 958 | 154 979 | 32 979 | 202 499 | 189 582 | 12 917 | |
| 6.8 - Occupational Health and Safety | | 2 271 | (2 271) | | 2 424 | (2 424) | | 2 594 | (2 594) | |
| Vote 7 - Municipal Manager | - | 10 030 | (10 030) | - | 10 434 | (10 434) | - | 11 040 | (11 040) | |
| 7.1 - Administration | - | 4 402 | (4 402) | - | 4 666 | (4 666) | - | 4 945 | (4 945) | |
| 7.2 - Strategic Planning | - | 2 759 | (2 759) | - | 2 983 | (2 983) | - | 3 203 | (3 203) | |
| 7.3 - Internal Audit | - | 2 869 | (2 869) | - | 2 785 | (2 785) | - | 2 892 | (2 892) | |
| Vote 8 - Protection Services | 61 454 | 120 682 | (59 227) | 65 148 | 127 533 | (62 384) | 68 070 | 134 899 | (66 829) | |
| 8.1 - Administration | | 3 014 | (3 014) | | 3 210 | (3 210) | | 3 396 | (3 396) | |
| 8.2 - Civil Protection | 417 | 749 | (333) | 573 | 892 | (319) | | 401 | (401) | |
| 8.3 - Fire Fighting | 10 | 12 439 | (12 428) | 10 | 12 792 | (12 782) | 10 | 13 460 | (13 450) | |
| 8.4 - Harbour Yzerfontein | 233 | 500 | (266) | 247 | 527 | (280) | 262 | 564 | (302) | |
| 8.5 - Road and Traffic Regulation | 12 468 | 11 939 | 529 | 13 216 | 12 750 | 466 | 14 009 | 13 664 | 345 | |
| 8.6 - Policing and Law Enforcement | 48 326 | 92 041 | (43 715) | 51 102 | 97 360 | (46 259) | 53 788 | 103 413 | (49 625) | |
| | | | 15 | | | | | | | |
| Total Revenue & Expenditure by Vote | 1 458 997 | 1 189 046 | 269 951 | 1 535 863 | 1 434 464 | 101 399 | 1 666 597 | 1 584 421 | 82 176 | |

The municipality is in a very privileged position to be able to invest a total of R 326 104 million of its own funds over the 2024/25 MTREF.

The following capital program is proposed as final by the municipality:

| Description | Adjustment Budget | | 2024/25 Medium Term Revenue & Expenditure Framework | | | | | |
|------------------------------|-------------------|-------------|---|-------------|-------------------|-------------|-------------------|-------------|
| | 2023/2024 (R'000) | % | 2024/2025 (R'000) | % | 2025/2026 (R'000) | % | 2026/2027 (R'000) | % |
| Funded by: | | | | | | | | |
| National Government | 46 713 | 19% | 52 150 | 14% | 48 443 | 22% | 48 093 | 24% |
| Provincial Government | 71 996 | 29% | 174 809 | 46% | 49 520 | 23% | 33 000 | 17% |
| Other Transfers and Grants | 1 200 | 0% | 19 033 | 5% | - | 0% | - | 0% |
| Borrowing | - | 0% | 36 951 | 10% | 3 000 | 1% | - | 0% |
| Internally generated funds | 128 781 | 52% | 93 535 | 25% | 115 677 | 53% | 116 892 | 59% |
| Total Capital Funding | 248 690 | 100% | 376 478 | 100% | 216 640 | 100% | 197 985 | 100% |

The total final Capital budget for 2024/2025 amounts to R 376 478 million with around R 93 535 million invested from Council's own funds in year 1 and the total application of capital investment over the three fiscal years amounting to R 791 102 million. An increase of R 108 580 million from the previous approved adjusted MTREF of R 682 522 million. The ongoing investment in revenue generating and other bulk infrastructure is becoming more critical to ensure sustainable service delivery as an economic stimulant, given the multiplier effect that investment in the right infrastructure has on the local economy and more-over now than ever before. The leveraging of these investments in creating jobs remains a key consideration bearing in mind the impact the capital budget have on the operating account, especially in the context of larger investment in non-income generating infrastructure as a result of the need for housing opportunities for the poor.

HOUSING PROJECTS

Note: The allocations in the provincial gazette for housing projects in year 2 and 3 are indicative at this stage, given the fiscal challenges experienced at national level, which saw reductions in the municipality's DORA allocations of around R39.267 million over the new MTREF.

Section 19(2)(b) requires a municipal council to consider future operational costs and revenues on Capital Budget projects, including the municipal tax and tariff implications, before approving projects individually or as part of a consolidated programme. To give effect to this requirement, the future operational cost and revenue of projects/programmes are reflected in the **attached Annexures**.

1.3.1 Financial indicators and benchmarks

The following table sets out the municipalities main performance objectives and benchmarks for the 2024/25 MTREF. (Derived from the National Treasury A-schedules **and not** as prescribed by Circular 71)

| Description of financial indicator | Basis of calculation | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|---|----------------------|-----------------|---|------------------------|------------------------|
| | | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| <u>Borrowing Management</u> | | | | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 2.2% | 6.1% | 2.2% | 1.7% | 1.5% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 2.2% | 5.8% | 2.1% | 1.7% | 1.5% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure ex.cl. transfers and grants and contributions | 0.0% | 0.0% | 42.8% | 0.0% | 0.0% |
| <u>Safety of Capital</u> | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 24.8% | 11.0% | 17.5% | 13.7% | 10.2% |
| <u>Liquidity</u> | | | | | | |
| Current Ratio | Current assets/current liabilities | 6:1 | 4:1 | 4:1 | 4:1 | 7:1 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 5:1 | 4:1 | 4:1 | 4:1 | 6:1 |
| <u>Revenue Management</u> | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | 97% | 97% | 97% | 97% | 97% |
| <u>Creditors Management</u> | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA's 65(e)) | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| <u>Other Indicators</u> | | | | | | |
| Electricity Distribution Losses (2) | Total Volume Losses (kW) technical | 12 117 484 | 12 117 484 | 9 883 225 | 10 377 386 | 10 896 255 |
| | Total Cost of Losses (Rand '000) | 20 491 | 20 491 | 18 516 | 22 106 | 26 391 |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| Water Distribution Losses (2) | Total Volume Losses (kℓ) | 865 969 | 865 969 | 718 854 | 754 797 | 792 537 |
| | Total Cost of Losses (Rand '000) | 6 096 | 6 096 | 5 161 | 5 684 | 6 261 |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | 21.0% | 21.0% | 21.0% | 21.0% | 21.0% |
| Employee costs | Employee costs/(Total Revenue - capital | 29.2% | 28.1% | 28.2% | 25.2% | 24.5% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 30.3% | 29.2% | 29.2% | 26.2% | 25.4% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 6.1% | 6.3% | 5.9% | 6.1% | 5.2% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 11.7% | 11.6% | 11.8% | 10.7% | 10.6% |
| <u>IDP regulation financial viability indicators</u> | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 7.9 | 8.4 | 13.3 | 15.8 | 17.4 |
| ii. O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 11.3% | 10.7% | 16.1% | 15.9% | 15.2% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | 10.0 | 6.3 | 6.3 | 5.3 | 8.4 |

Note: The gearing ratio in the above table is not a true reflection of the municipality's borrowing position as the formula is not the same as prescribed by NT's Circular 71 ratios.

Performance indicators and benchmarks

1.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Swartland Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators formed part of the compilation of the 2024/2025 MTREF:

- Capital charges to operating expenditure are a measure of the cost of borrowing in relation to the operating expenditure.
- Borrowing funding of own capital expenditure measures the degree to which own capital expenditure (excluding grants and contributions).

1.3.1.2 Safety of Capital

The gearing ratio in the context of the Schedule measures the total long term borrowings over funds and reserves.

1.3.1.3 Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 2, hence at no point in time should this ratio be less than 2.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to service or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet current creditor obligations.

1.3.1.4 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 60 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Current payment levels are considered problematic to the sustainability of services as a direct result of having had to relax credit control during the hard lockdown but moreover given the unfavourable and struggling economy.

1.3.1.5 Creditors Management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice or statement, unless queries or disputes dictate otherwise. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business. The aforementioned statement is qualified to the extent that no disputes or invoice queries resulted in payment delays.

1.3.1.6 Other Indicators

- The electricity distribution losses have been managed to be below the norm of 10%. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity.
- The water distribution losses are monitored on a monthly basis and have been kept at acceptable levels from a National Treasury norm perspective.
- Employee costs as a percentage of operating revenue (excluding capital grants) over the MTREF is between 24.5% and 28.2%. Total remuneration as a percentage of operating revenue (excluding capital grants) over the MTREF is between 25.4% and 29.2%. The employee related costs at the municipality is in line with the benchmarks set in the Western Cape.
- Contracted services expenditure increased by around R 5 775 million for the 2024/25 financial year when compared to the 2023/24 adjustments budget, mainly due to Housing Top structure sorting under “contracted services”.

1.4 Operating Revenue Framework

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

- (1) “An annual budget may only be funded from –
 - (a) Realistically anticipated revenue to be collected from the approved sources of revenue;
 - (b) Cash-backed accumulated funds from previous financial years’ surpluses committed for other purposes; and
 - (c) Borrowed funds, but only for the capital budget referred to in section 17(2).
- (2) Revenue projections in the budget must be realistic, taking into account –
 - (a) projected revenue for the current year based on collection levels to date; and
 - (b) actual revenue collected in previous years.”

The objective with the exercise of tariff determination was to ensure that trade and economic services generate surpluses over the next three to five years in order to sustain quality service delivery to which our consumers in the Swartland area have become accustomed to, but more importantly to finance other community services and the refurbishment/ renewal of council’s bulk infrastructure. The objective alluded to above was however not possible with refuse removal which is currently rendered at a shortfall.

It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is credible. Every effort was made during the extensive revenue modelling exercise to apply the principles of zero based budgeting where appropriate. Items such as fuel, tyres, and bulk purchases inclusive of post-retirement benefits were analysed against past performance and the implementation of improved practices in a bid to realise potential further reductions and savings especially with the increasing fuel prices. Cost of providing services increased exponentially, especially those that is fuel and energy dependent.

The following table is a summary of the 2024/2025 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source (excluding capital transfers)

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|----------------------|------------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousands | | | | | |
| Financial Performance | | | | | |
| Property rates | 167 830 | 167 830 | 199 371 | 211 692 | 224 765 |
| Service charges | 596 914 | 576 934 | 644 470 | 720 406 | 805 781 |
| Investment revenue | 55 954 | 83 051 | 88 998 | 81 359 | 80 347 |
| Transfer and subsidies - Operational | 168 036 | 172 097 | 190 028 | 329 234 | 373 746 |
| Other own revenue | 96 364 | 132 602 | 90 067 | 95 209 | 100 865 |
| Total Revenue (excluding capital transfers and contributions) | 1 085 098 | 1 132 514 | 1 212 935 | 1 437 900 | 1 585 504 |

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

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

| Vote Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|-------------------------------|----------------------|------------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| Revenue by Vote | | | | | |
| Vote 1 - Corporate Services | 12 735 | 14 795 | 13 430 | 13 305 | 13 765 |
| Vote 2 - Civil Services | 299 716 | 321 785 | 327 034 | 322 322 | 345 021 |
| Vote 3 - Council | 305 | 335 | 352 | 265 | 269 |
| Vote 4 - Electricity Services | 456 443 | 448 935 | 488 867 | 551 530 | 621 846 |
| Vote 5 - Financial Services | 304 521 | 333 604 | 374 410 | 385 614 | 404 827 |
| Vote 6 - Development Services | 64 870 | 70 359 | 193 449 | 197 679 | 212 798 |
| Vote 7 - Municipal Manager | - | 418 | - | - | - |
| Vote 8 - Protection Services | 53 895 | 62 192 | 61 454 | 65 148 | 68 070 |
| Vote 9 - [NAME OF VOTE 9] | - | - | - | - | - |
| Total Revenue by Vote | 1 192 485 | 1 252 423 | 1 458 997 | 1 535 863 | 1 666 597 |

Percentage portion of Revenue Sources from Total Revenue:-

| R thousand | Adjustment Budget | | 2024/25 Medium Term Revenue & Expenditure Framework | | | | | |
|--|-------------------|-------------|---|-------------|-------------------|-------------|-------------------|-------------|
| | 2023/2024 (R'000) | % | 2024/2025 (R'000) | % | 2025/2026 (R'000) | % | 2026/2027 (R'000) | % |
| Revenue by Source | | | | | | | | |
| Property rates | 167 830 | 15% | 199 371 | 16% | 211 692 | 15% | 224 765 | 14% |
| Service charges - electricity revenue | 399 716 | 35% | 451 420 | 37% | 513 669 | 36% | 584 481 | 37% |
| Service charges - water revenue | 91 857 | 8% | 97 940 | 8% | 103 704 | 7% | 109 807 | 7% |
| Service charges - sanitation revenue | 52 364 | 5% | 57 022 | 5% | 60 021 | 4% | 63 171 | 4% |
| Service charges - refuse revenue | 32 997 | 3% | 38 087 | 3% | 43 011 | 3% | 48 323 | 3% |
| Rental from Fixed Assets | 2 035 | 0% | 1 930 | 0% | 2 045 | 0% | 2 168 | 0% |
| Sale of Goods and Rendering of Services | 13 327 | 1% | 13 619 | 1% | 14 432 | 1% | 15 298 | 1% |
| Interest earned - external investments | 83 051 | 7% | 88 998 | 7% | 81 359 | 6% | 80 347 | 5% |
| Interest earned - outstanding debtors | 4 662 | 0% | 4 730 | 0% | 5 014 | 0% | 5 315 | 0% |
| Fines, penalties and forfeits | 39 507 | 3% | 38 991 | 3% | 41 322 | 3% | 43 793 | 3% |
| Licences and permits | 5 194 | 0% | 5 467 | 0% | 5 789 | 0% | 6 130 | 0% |
| Agency services | 6 403 | 1% | 6 787 | 1% | 7 194 | 1% | 7 626 | 0% |
| Transfers and subsidies | 172 097 | 15% | 190 028 | 16% | 329 234 | 23% | 373 746 | 24% |
| Other revenue | 57 306 | 5% | 16 090 | 1% | 16 959 | 1% | 18 081 | 1% |
| Gains | 4 169 | 0% | 2 453 | 0% | 2 454 | 0% | 2 454 | 0% |
| Total Revenue (excluding capital transfers and contributions) | 1 132 514 | 100% | 1 212 935 | 100% | 1 437 900 | 100% | 1 585 504 | 100% |
| Total Revenue from Property Rates and Service Charges | 744 764 | 66% | 843 841 | 70% | 932 098 | 65% | 1 030 547 | 65% |

Revenue generated from property rates and services charges form a significant percentage of the revenue basket for the Municipality. Property rates and service charge revenues comprise between 65 and 70 percent of the total revenue mix for the 2024/25 MTREF. In the 2024/25 financial year, revenue from property rates and services charges amounts to R 843 841 million or 70 per cent of total revenue mix (**growth of 13.3%**). This figure increases to an estimated R 932 098 million or 65 per cent (**growth of 10.5 %**) and R 1 030 547 million or 65 per cent (**growth of 10.6%**) in the respective financial years of the 2024/25 MTREF.

The municipality remains highly dependent on internal revenue sources to fund the budget and in this regard the municipality is cognisant of the fact that this source must be grown responsibly. For this reason, the municipality should strive to at least maintain these revenue streams and if possible explore all other additional avenues to increase revenue from additional sources.

More than 90 per cent of revenue is derived from the following sources:

- 1) Operating and Capital Grants
- 2) Fines
- 3) Property Rates
- 4) Service Charges

1.4.1 Operating and Capital Grants

Grants usually fluctuates upwards or downwards from year-to-year as the revenue recognition for such grants depends only on compliance with any conditions attached to such grants and it is also dependent on the funding made available from the other spheres of Government.

The following grant allocations are currently **factored into the budget** of the municipality:

| Description | Current Year 2023/2024 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|------------------------|--------------------|---|---------------------|---------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year 2025/26 | Budget Year 2026/27 |
| R thousand | | | | | |
| Operating Transfers and Grants | | | | | |
| National Government: | 146 615 000 | 146 615 000 | 156 957 000 | 167 598 000 | 180 972 000 |
| Local Government Equitable Share | 143 235 000 | 143 235 000 | 153 764 000 | 165 898 000 | 179 172 000 |
| Finance Management | 1 550 000 | 1 550 000 | 1 600 000 | 1 700 000 | 1 800 000 |
| EPWP Incentive | 1 830 000 | 1 830 000 | 1 593 000 | - | - |
| Provincial Government: | 21 055 000 | 22 801 000 | 31 427 834 | 160 663 000 | 192 374 000 |
| Community Development Workers | 38 000 | 38 000 | 38 000 | 38 000 | 38 000 |
| Human Settlements | - | - | 9 344 834 | 137 938 000 | 169 000 000 |
| Municipal Accreditation and Capacity Building Grant | 245 000 | 245 000 | 249 000 | 249 000 | 260 000 |
| Title Deeds Restoration | - | - | 30 000 | 26 000 | - |
| Libraries | 11 788 000 | 12 254 000 | 12 002 000 | 12 284 000 | 12 713 000 |
| Proclaimed Roads Subsidy | 170 000 | 170 000 | 170 000 | 190 000 | 199 000 |
| WC Financial Management Capability Grant: Student Bursaries | - | 100 000 | - | - | - |
| Thusong Grant | - | - | 150 000 | - | - |
| Establishment of a K9 Unit | 3 305 000 | 3 305 000 | 3 732 000 | 4 100 000 | 4 220 000 |
| Establishment of a Rural Safety Unit | 5 509 000 | 5 509 000 | 5 712 000 | 5 838 000 | 5 944 000 |
| WC Municipal Energy Resilience Grant | - | 680 000 | - | - | - |
| Municipal Service Delivery and Capacity Building Grant | - | 500 000 | - | - | - |
| Total Operating Transfers and Grants | 167 670 000 | 169 416 000 | 188 384 834 | 328 261 000 | 373 346 000 |
| Capital Transfers and Grants | | | | | |
| National Government: | 48 366 000 | 46 713 000 | 52 150 000 | 48 443 000 | 48 093 000 |
| Municipal Infrastructure Grant (MIG) | 24 708 000 | 23 055 000 | 29 332 000 | 25 343 000 | 27 225 000 |
| Integrated National Electrification Programme (municipal) | 23 658 000 | 23 658 000 | 22 818 000 | 23 100 000 | 20 868 000 |
| Provincial Government: | 57 796 000 | 63 489 000 | 174 879 166 | 49 520 000 | 33 000 000 |
| Human Settlements | 55 314 000 | 60 507 000 | 174 289 166 | 49 520 000 | 33 000 000 |
| RSEP/VPUU Municipal Projects | 500 000 | 500 000 | - | - | - |
| Libraries | 50 000 | 50 000 | 50 000 | - | - |
| Fire Service Capacity Building Grant | 926 000 | 926 000 | - | - | - |
| Establishment of a K9 Unit | 40 000 | 40 000 | 40 000 | - | - |
| Sport Development | 966 000 | 966 000 | 500 000 | - | - |
| Non-motorised Transport Infrastructure | - | 500 000 | - | - | - |
| Total Capital Transfers and Grants | 106 162 000 | 110 202 000 | 227 029 166 | 97 963 000 | 81 093 000 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 273 832 000 | 279 618 000 | 415 414 000 | 426 224 000 | 454 439 000 |

1.4.2 Property Rates

The new general valuation envisaged for the 2024/25 financial year resulted in an increase in Valuations on average. Although the proposed property tax rate was reduced, in real terms the increase in certain property valuations will have the result of an increased municipal account in this regard.

The final property rates for the 2024/2025 financial year is a **reduced rate of R0.005360** for residential properties and the rate for businesses, state owned properties and vacant land **was not increased**. Revenue growth is forecasted with the new GV envisaged for the 2024/25 financial year. Increases over the remaining MTREF period, will be kept at **5.9%** for both residential properties, business and state owned properties.

The main categories of rateable properties for purposes of levying rates and the final rates for the 2024/25 financial year are as follows:

| Property Rates | 2023/2024 | 2024/2025 | 2025/2026 | 2026/2027 | 2024/25 | 2025/26 | 2026/27 | 2024/25 | 2025/26 | 2026/27 |
|---|-----------|-----------|-----------|-----------|---------|---------|---------|------------|-----------|-----------|
| Residential Properties | R0.005956 | R0.005360 | R0.005676 | R0.006011 | -10.0% | 5.90% | 5.90% | -R0.000596 | R0.000316 | R0.000335 |
| Businesses, Commercial, Industrial and State owned Properties | R0.008769 | R0.008769 | R0.009286 | R0.009834 | 0.00% | 5.90% | 5.90% | - | R0.000517 | R0.000548 |

Refer to the resolution dealing with the property rate changes on all other property categories.

The following stipulations in the Property Rates Policy applicable to the 2024/2025 year are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted in 2024/25 to registered indigents in terms of the Indigent Policy to a maximum valuation of R105 000;
- For senior citizens and disabled persons as defined in Council's Property Rates Policy, a rebate of the rates payable to a maximum of R300 000 of the valuation of the property will be granted to owners of rate-able property subject to application by September of the previous calendar year. The rebate mentioned above as it relates to the 2024/2025 Policy will become effective in the 2025/2026 financial year.

1.4.3 Sale of Water and Impact of Tariff Increases

The final tariff increases are: - **average increase of 5.9%** for the first 25kls thereafter a 5.9% increase for the higher residential consumptive blocks, a **5.9%** increase for all businesses, government institutions and sport clubs. The final tariff increases which are above the estimated headline inflation rate, are needed given the extent of water infrastructure investment required over the MTREF compounded by illegal connections.

Bulk water purchases from the WCDM increase to R 7.18 p/kl from 1 July 2024 due to higher operational costs, increases from the Department of Water Affairs and the compounding cost of water provision occasioned by load shedding. Usage from 0 – 25KL will increase on average by 5.9% for domestic consumers.

| R thousand | Adjustment Budget | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-------------------|---|-------------------|-------------------|
| | 2023/2024 (R'000) | 2024/2025 (R'000) | 2025/2026 (R'000) | 2026/2027 (R'000) |
| Revenue – Water | 125 708 | 127 631 | 125 349 | 153 832 |
| Expenditure – Water | 101 490 | 108 251 | 117 489 | 129 533 |
| Net Surplus / (Deficit) | 24 218 | 19 381 | 7 860 | 24 299 |
| Net Surplus / (Deficit) % | 19% | 15% | 6% | 16% |
| Capital Grants | 5 120 | 8 930 | | 21 093 |
| Revenue – Water (excl. capital grants & contributions) | 120 589 | 118 702 | 125 349 | 132 739 |
| Net Surplus / (Deficit) (excl. capital grants & contributions) | 19 098 | 10 451 | 7 860 | 3 207 |
| Net Surplus / (Deficit) % (excl. capital grants & contributions) | 16% | 9% | 6% | 2% |

Water losses during 2021/22 and 2022/23 audited financial years were disclosed at 19.80 per cent and 13.21 per cent respectively.

A summary of the 2024/25 final tariffs and increases for households (residential) and non-residential are as follows:

| Water | 2023/2024 | 2024/2025 | 2025/2026 | 2026/2027 | 2024/25 | 2025/26 | 2026/27 |
|---|-----------|-----------|-----------|-----------|---------|---------|---------|
| Network Charge: Residential, Indigent and Argricultural | R 75.07 | R 79.50 | R 84.19 | R 89.16 | 5.90% | 5.90% | 5.90% |
| Network Charge: Business, Argricultural, Sport Clubs, Schools and Government Institutions | R 125.16 | R 132.55 | R 140.37 | R 148.65 | 5.90% | 5.90% | 5.90% |
| Equitable Share: 6 kl Free | R 9.99 | R 10.58 | R 11.20 | R 11.86 | 5.90% | 5.90% | 5.90% |
| Residential: 0 - 6kl | R 6.02 | R 6.44 | R 6.89 | R 7.37 | 7.00% | 7.00% | 7.00% |
| Residential: 7 - 10kl | R 9.99 | R 10.58 | R 11.20 | R 11.86 | 5.90% | 5.90% | 5.90% |
| Residential: 11-15kl | R 18.95 | R 20.07 | R 21.25 | R 22.51 | 5.90% | 5.90% | 5.90% |
| Residential: 16 - 20kl | R 24.34 | R 25.78 | R 27.30 | R 28.91 | 5.90% | 5.90% | 5.90% |
| Residential: 21 - 25kl | R 36.09 | R 37.86 | R 39.71 | R 41.66 | 4.90% | 4.90% | 4.90% |
| Residential: 26 - 35 kl | R 53.77 | R 56.94 | R 60.30 | R 63.86 | 5.90% | 5.90% | 5.90% |
| Residential: 36 kl > | R 100.26 | R 106.18 | R 112.44 | R 119.07 | 5.90% | 5.90% | 5.90% |
| Business/Commercial/Industrial/Argricultura | R 24.58 | R 26.03 | R 27.57 | R 29.19 | 5.90% | 5.90% | 5.90% |
| Sport Clubs | R 26.06 | R 27.60 | R 29.23 | R 30.95 | 5.90% | 5.90% | 5.90% |
| Schools | R 13.81 | R 14.62 | R 15.49 | R 16.40 | 5.90% | 5.90% | 5.90% |
| Government Institutions | R 27.88 | R 29.52 | R 31.27 | R 33.11 | 5.90% | 5.90% | 5.90% |

1.4.4 Sale of Electricity and Impact of Tariff Increases

At this stage, the final increase for the purchase of electricity is based on **12.7%** and the increase for selling of electricity is around **12.81% based on the cost of supply study undertaken by the municipality. Please consult the detailed tariff listing for the final increases for 2024-2025 read together with the COS public participation process in respect of potential restructuring of tariffs for the 2025-2026 year.**

The municipality will need to take-up an external loan to partly finance the 132/11kV Eskom Schoonspruit Substation capital project to the amount R29 million. This substantial investment will create capacity, which in the main is needed to support the delivery of affordable housing opportunities in the Swartland area.

The service is still operating at a surplus over the MTREF.

| R thousand | Adjustment Budget | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-------------------|---|-------------------|-------------------|
| | 2023/2024 (R'000) | 2024/2025 (R'000) | 2025/2026 (R'000) | 2026/2027 (R'000) |
| Revenue – Electricity | 448 935 | 488 867 | 551 530 | 621 846 |
| Expenditure – Electricity | 379 791 | 437 574 | 499 704 | 575 495 |
| Net Surplus / (Deficit) | 69 144 | 51 293 | 51 826 | 46 351 |
| Net Surplus / (Deficit) % | 15% | 10% | 9% | 7% |
| Capital Grants | 23 658 | 24 218 | 23 100 | 20 868 |
| Revenue – Electricity (excl. capital grants & contributions) | 425 277 | 464 649 | 528 430 | 600 978 |
| Net Surplus / (Deficit) (excl. capital grants & contributions) | 45 486 | 27 075 | 28 726 | 25 483 |
| Net Surplus / (Deficit) % (excl. capital grants & contributions) | 11% | 6% | 5% | 4% |

Electricity losses during 2021/22 and 2022/23 audited financial years were disclosed at only 6.49 per cent and 5.28 per cent respectively.

The following table shows the final increases in electricity tariffs on the electricity charges for customers over the MTREF period, keeping in mind that NERSA determines same on an annual basis and therefore reliance cannot be placed on the figures in the 2 outer years.

| Electricity | | 2023/2024 | 2024/2025 | 2025/2026 | 2026/2027 | 2024/25 | 2025/26 | 2026/27 |
|-------------|--|------------|------------|------------|------------|---------|---------|---------|
| 1 | Residential Consumers Network charge | R 317.68 | R 358.38 | R 407.48 | R 455.01 | 12.81% | 13.70% | 13.70% |
| 1 | (0-50kWh) | R 1.6024 | R 1.8076 | R 2.0553 | R 2.3368 | 12.81% | 13.70% | 13.70% |
| 1 | (51-350kWh) | R 2.0603 | R 2.3242 | R 2.6426 | R 3.0047 | 12.81% | 13.70% | 13.70% |
| 1 | (351-600kWh) | R 2.8996 | R 3.2710 | R 3.7192 | R 4.2287 | 12.81% | 13.70% | 13.70% |
| 1 | (>600kWh) | R 3.4147 | R 3.8521 | R 4.3798 | R 4.9798 | 12.81% | 13.70% | 13.70% |
| 2 | Commercial / Non Standard .per kWh | R 2.6733 | R 3.0157 | R 3.4289 | R 3.8987 | 12.81% | 13.70% | 13.70% |
| 2 | Commercial Basic < 20KVA | R 808.03 | R 911.54 | R 1 036.42 | R 1 178.41 | 12.81% | 13.70% | 13.70% |
| 2 | Commercial Basic 20 to 40 KVA | R 1 062.84 | R 1 198.99 | R 1 363.26 | R 1 550.02 | 12.81% | 13.70% | 13.70% |
| 2 | Commercial Basic >40 KVA | R 1 939.79 | R 2 188.27 | R 2 488.07 | R 2 828.93 | 12.81% | 13.70% | 13.70% |
| 2 | Commercial Basic < 20KVA per kWh | R 2.6733 | R 3.0157 | R 3.4289 | R 3.8987 | 12.81% | 13.70% | 13.70% |
| 2 | Commercial Basic 20 to 40 KVA per kWh | R 2.6733 | R 3.0157 | R 3.4289 | R 3.8987 | 12.81% | 13.70% | 13.70% |
| 2 | Commercial Basic >40 KVA per kWh | R 2.6733 | R 3.0157 | R 3.4289 | R 3.8987 | 12.81% | 13.70% | 13.70% |
| 3 | Maximum Demand Supply for Bulk Consume | R 2 196.13 | R 2 477.45 | R 2 816.86 | R 3 202.77 | 12.81% | 13.70% | 13.70% |
| 3 | Plus: Active Energy - kWh | R 1.0440 | R 1.1777 | R 1.3391 | R 1.5225 | 12.81% | 13.70% | 13.70% |
| 3 | Max. Demand KVA | R 422.50 | R 476.63 | R 541.92 | R 616.17 | 12.81% | 13.70% | 13.70% |
| 5 | Alternative - Households 20 Amp.-:- | | | | | | | |
| 5 | (0-50kWh) | R 1.4690 | R 1.6572 | R 1.8842 | R 2.1423 | 12.81% | 13.70% | 13.70% |
| 5 | (51-350kWh) | R 1.9267 | R 2.1736 | R 2.4713 | R 2.8099 | 12.81% | 13.70% | 13.70% |
| 5 | (351-600kWh) | R 2.7469 | R 3.0988 | R 3.5234 | R 4.0061 | 12.81% | 13.70% | 13.70% |
| 5 | (>600kWh) | R 3.3013 | R 3.7242 | R 4.2344 | R 4.8145 | 12.81% | 13.70% | 13.70% |
| 6 | Street lightning | R 1.6910 | R 1.9077 | R 2.1690 | R 2.4662 | 12.81% | 13.70% | 13.70% |
| 7 | Pre-paid meter system (Indigent Residential) | | | | | | | |
| 7 | NB: In those instances where a Network Charge is applicable to indigent consumers, it will be fully subsidised on their account. | | | | | | | |
| 7 | (0-50kWh) | R 1.4690 | R 1.6572 | R 1.8842 | R 2.1423 | 12.81% | 13.70% | 13.70% |
| 7 | (51-350kWh) | R 1.9267 | R 2.1736 | R 2.4713 | R 2.8099 | 12.81% | 13.70% | 13.70% |
| 7 | (351-600kWh) | R 2.7469 | R 3.0988 | R 3.5234 | R 4.0061 | 12.81% | 13.70% | 13.70% |
| 7 | (>600kWh) | R 3.3013 | R 3.7242 | R 4.2344 | R 4.8145 | 12.81% | 13.70% | 13.70% |
| 10 | Time Of Use Tariff for Bulk Consumers: Fixed | R 2 196.13 | R 2 477.45 | R 2 816.86 | R 3 202.77 | 12.81% | 13.70% | 13.70% |
| 10 | Tou Low Consumption | | | | | | | |
| 10 | Low Season (Sept - May) Peak period per kW | R 1.8101 | R 2.0420 | R 2.3217 | R 2.6398 | 12.81% | 13.70% | 13.70% |
| 10 | Low Season (Sept - May) Standard period pe | R 1.2457 | R 1.4053 | R 1.5978 | R 1.8167 | 12.81% | 13.70% | 13.70% |
| 10 | Low Season (Sept - May) Off-peak period pe | R 0.7901 | R 0.8913 | R 1.0134 | R 1.1522 | 12.81% | 13.70% | 13.70% |
| 10 | Tou high Consumption | | | | | | | |
| 10 | High Season (Jun - Aug) Peak period per kW | R 5.5494 | R 6.2602 | R 7.1179 | R 8.0930 | 12.81% | 13.70% | 13.70% |
| 10 | High Season (Jun - Aug) Standard Period p | R 1.6811 | R 1.8964 | R 2.1562 | R 2.4516 | 12.81% | 13.70% | 13.70% |
| 10 | High Season (Jun - Aug) Off-peak Period pe | R 0.9127 | R 1.0296 | R 1.1707 | R 1.3310 | 12.81% | 13.70% | 13.70% |
| 10 | Maximum demand per KVA | R 283.36 | R 319.66 | R 363.46 | R 413.25 | 12.81% | 13.70% | 13.70% |
| 12 | Pre-paid Meter System (Non-Indigent Residential) | | | | | | | |
| 12 | (0-350kWh) | R 3.0062 | R 3.3913 | R 3.8559 | R 4.3842 | 12.81% | 13.70% | 13.70% |
| 12 | > 350 kWh | R 3.2734 | R 3.6927 | R 4.1986 | R 4.7738 | 12.81% | 13.70% | 13.70% |

1.4.5 Sewerage and Impact of Tariff Increases

The final tariff increase of **5.9%** that is aligned to estimated headline inflation rate is needed to deliver the service effectively and to prevent that the service does not operate at a deficit beyond the new 2024/2025 MTREF. This will further support future critical upgrades of the wastewater treatment works in the Swartland Municipal Area. The sewerage service consist of various charges for which the tariff listing must be consulted. It is envisaged that the tariff structure in this regard, will be amended in 2024-2025 in respect of business consumers.

| R thousand | Adjustment Budget | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-------------------|---|-------------------|-------------------|
| | 2023/2024 (R'000) | 2024/2025 (R'000) | 2025/2026 (R'000) | 2026/2027 (R'000) |
| Revenue – Sewerage | 91 935 | 94 584 | 97 463 | 103 207 |
| Expenditure – Sewerage | 63 616 | 67 616 | 71 291 | 73 879 |
| Net Surplus / (Deficit) | 28 318 | 26 967 | 26 173 | 29 329 |
| Net Surplus / (Deficit) % | 31% | 29% | 27% | 28% |
| Capital Grants | 3 387 | 2 545 | | |
| Revenue – Sewerage (excl. capital grants & contributions) | 88 548 | 92 039 | 97 463 | 103 207 |
| Net Surplus / (Deficit) (excl. capital grants & contributions) | 24 932 | 24 423 | 26 173 | 29 329 |
| Net Surplus / (Deficit) % (excl. capital grants & contributions) | 28% | 27% | 27% | 28% |

The following final tariffs were incorporated in the 2024/25 MTREF:
sewerage

| Sanitation | 2023/2024 | 2024/2025 | 2025/2026 | 2026/2027 | 2024/25 | 2025/26 | 2026/27 |
|---|-----------|-----------|-----------|-----------|---------|---------|---------|
| Households (including indigents), Flats and Semi-detached households pm | R 278.33 | R 294.75 | R 312.14 | R 330.56 | 5.90% | 5.90% | 5.90% |
| Businesses, Industrial, Schools, Churches, Sport Facilities, etc. pm | R 278.33 | R 294.75 | R 312.14 | R 330.56 | 5.90% | 5.90% | 5.90% |
| NB: The above charges for registered indigent households are subsidised. | | | | | | | |

1.4.6 Waste Removal and Impact of Tariff Increases

The final tariff increase of **11%**, which is above the headline inflation rate and is needed to deliver the service effectively and to eventually phase out the deficit over the longer term due to the current economic conditions. The additional percentage of 5.1% above headline inflation is equal to R8.39 per month and needed to ensure that the cost of providing the service is fully funded over the longer term as the service is **currently rendered at a shortfall**. Over the remaining MTREF period, the tariff increase will remain at 11% to phase out the deficit over the longer term as a result of the Landfill sites cost of compliance and Rehabilitation amounting to R43.4 million from 2023/24 to 2025/26 which will require the taking up of an external loan of around R11 million.

The public must also note that the costs associated with cleaning public open spaces due to illegal dumping and littering place a huge financial burden on the municipality and therefore the public are requested to please report illegal dumping.

| R thousand | Adjustment Budget | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-------------------|---|-------------------|-------------------|
| | 2023/2024 (R'000) | 2024/2025 (R'000) | 2025/2026 (R'000) | 2026/2027 (R'000) |
| Revenue – Refuse Removal | 56 595 | 80 220 | 78 934 | 77 089 |
| Expenditure – Refuse Removal | 62 748 | 65 384 | 69 667 | 74 868 |
| Net Surplus / (Deficit) | (6 153) | 14 836 | 9 267 | 2 221 |
| Net Surplus / (Deficit) % | (11%) | 18% | 12% | 3% |
| Capital Grants | - | 17 338 | 9 313 | |
| Revenue – Refuse Removal (excl. capital grants & contributions) | 56 595 | 62 882 | 69 621 | 77 089 |
| Net Surplus / (Deficit) (excl. capital grants & contributions) | (6 153) | (2 502) | (46) | 2 221 |
| Net Surplus / (Deficit) % (excl. capital grants & contributions) | (11%) | (4%) | (0%) | 3% |

The following final tariffs were incorporated in the 2024/25 MTREF:

| Refuse Removal | 2023/2024 | 2024/2025 | 2025/2026 | 2026/2027 | 2024/25 | 2025/26 | 2026/27 |
|---|-----------|-----------|-----------|-----------|---------|---------|---------|
| Removal of residential (including indigents)/ business refuse pm (Black Bags) | R 164.55 | R 182.65 | R 202.74 | R 225.04 | 11.00% | 11.00% | 11.00% |
| NB: The above charges for registered indigent households are subsidised. | | | | | | | |

Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on various households:

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | | |
|--|----------------------|-----------------|---|---------------------|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 % incr. | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Rand/cent | | | | | | |
| Monthly Account for Household - 'Middle Income Range' | | | | | | |
| Rates and services charges: | | | | | | |
| Property rates | 347.43 | 347.43 | (10.00%) | 312.67 | 331.11 | 350.65 |
| Electricity: Basic levy | 317.68 | 317.68 | 12.81% | 358.38 | 407.48 | 463.30 |
| Electricity: Consumption | 2 788.97 | 2 788.97 | 12.81% | 3 146.23 | 3 577.27 | 4 067.35 |
| Water: Basic levy | 75.07 | 75.07 | 5.9% | 79.50 | 84.19 | 89.16 |
| Water: Consumption | 292.53 | 292.53 | 5.9% | 310.19 | 328.91 | 348.77 |
| Sanitation | 278.33 | 278.33 | 5.9% | 294.75 | 312.14 | 330.56 |
| Refuse removal | 164.55 | 164.55 | 11.0% | 182.65 | 202.74 | 225.04 |
| sub-total | 4 264.56 | 4 264.56 | 9.8% | 4 684.37 | 5 243.84 | 5 874.83 |
| VAT on Services | 587.57 | 587.57 | | 655.75 | 736.91 | 828.63 |
| Total large household bill: | 4 852.13 | 4 852.13 | 10.1% | 5 340.12 | 5 980.75 | 6 703.46 |
| % increase/-decrease | 15.1% | 15.1% | (33.4%) | 10.1% | 12.0% | 12.1% |
| Monthly Account for Household - 'Affordable Range' | | | | | | |
| Rates and services charges: | | | | | | |
| Property rates | 248.17 | 248.17 | (10.00%) | 223.33 | 236.51 | 250.46 |
| Electricity: Basic levy | 317.68 | 317.68 | 12.81% | 358.38 | 407.48 | 463.30 |
| Electricity: Consumption | 1 133.14 | 1 133.14 | 12.81% | 1 278.30 | 1 453.43 | 1 652.54 |
| Water: Basic levy | 75.07 | 75.07 | 5.9% | 79.50 | 84.19 | 89.16 |
| Water: Consumption | 76.08 | 76.08 | 5.9% | 80.97 | 86.17 | 91.71 |
| Sanitation | 278.33 | 278.33 | 5.9% | 294.75 | 312.14 | 330.56 |
| Refuse removal | 164.55 | 164.55 | 11.0% | 182.65 | 202.74 | 225.04 |
| sub-total | 2 293.02 | 2 293.02 | 8.9% | 2 497.88 | 2 782.65 | 3 102.78 |
| VAT on Services | 306.73 | 306.73 | | 341.18 | 381.92 | 427.85 |
| Total small household bill: | 2 599.75 | 2 599.75 | 9.2% | 2 839.06 | 3 164.58 | 3 530.62 |
| % increase/-decrease | 14.1% | 14.1% | (34.7%) | 9.2% | 11.5% | 11.6% |
| Monthly Account for Household - 'Indigent' | | | | | | |
| Household receiving free basic services | | | | | | |
| Rates and services charges: | | | | | | |
| Property rates | 146.42 | 146.42 | (10.00%) | 131.77 | 139.54 | 147.77 |
| Electricity: Basic levy | - | - | 12.81% | - | - | - |
| Electricity: Consumption | 578.02 | 578.02 | 12.81% | 652.07 | 741.40 | 842.98 |
| Water: Basic levy | - | - | 5.9% | - | - | - |
| Water: Consumption | 39.96 | 39.96 | 5.9% | 42.32 | 44.81 | 47.46 |
| Sanitation | - | - | 5.9% | - | - | - |
| Refuse removal | - | - | 11.0% | - | - | - |
| Other | - | - | | - | - | - |
| sub-total | 764.40 | 764.40 | 8.1% | 826.15 | 925.76 | 1 038.21 |
| VAT on Services | 92.70 | 92.70 | | 104.16 | 117.93 | 133.57 |
| Total small household bill: | 857.10 | 857.10 | 8.5% | 930.31 | 1 043.69 | 1 171.77 |
| % increase/-decrease | 15.5% | 15.5% | (44.9%) | 8.5% | 12.2% | 12.3% |

1.4.7 Fines

Fines represent approximately 3 per cent of the revenue mix of the municipality. The 2024/25 MTREF again leaves room for much improvement in the recovery rate of fines in order to maximize the revenue stream in a bid to further improve the cash flow position of the municipality. **Currently the payment rate in respect of fines results in an unsustainable increase in the impairment provision.**

The department is encouraged to consider/investigate alternative methods to materially improving the collection rate relating to fines as this trend has now been experienced for the last 5 years. This expenditure is increasingly becoming an additional burden on rate payers given the impact it has on the impairment provision.

1.5 Operating Expenditure Framework

Prior to the tabling of the Draft and Final budget, comprehensive workshops and engagements took place with the various directorates to ensure that effect is given to organisation wide quality sustainable service delivery in a bid to ensure value for money to all of Swartland Municipality's citizens. The objective in the main was to ensure efficiencies in directorates and to more importantly give effect to sound expenditure management and cost containment. This proved very challenging given the limitations placed on tariff increases (to still keep the basket of goods and services affordable) compared to the MTREF's operational expenditure requirements and the fact that very little scope exists for additional savings given the municipality's proven corporate culture in respect of cost containment. It is becoming increasingly challenging to fund community and other services by way of the municipality's basket of basic services and revenue generated through municipal property taxes. Our historical approach to budgets required serious re-invention and consideration given the prevailing economic conditions.

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

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------------|----------------------|------------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousands | | | | | |
| Financial Performance | | | | | |
| Employee costs | 316 394 | 318 241 | 341 481 | 362 876 | 388 789 |
| Remuneration of councillors | 12 081 | 12 419 | 13 273 | 13 870 | 14 495 |
| Depreciation and amortisation | 112 614 | 118 670 | 128 253 | 139 288 | 154 310 |
| Interest | 14 486 | 12 944 | 14 689 | 14 562 | 13 612 |
| Inventory consumed and bulk purchases | 417 131 | 393 869 | 453 835 | 520 608 | 596 415 |
| Transfers and subsidies | 5 060 | 5 426 | 5 902 | 5 983 | 6 179 |
| Other expenditure | 193 564 | 209 783 | 231 611 | 377 277 | 410 622 |
| Total Expenditure | 1 071 330 | 1 071 352 | 1 189 046 | 1 434 464 | 1 584 421 |

- The budgeted allocation for employee related costs (excluding Remuneration of Councillors) for the 2024/25 financial year totals R 341 481 million, which equates to 28.7 per cent of total operating expenditure. This result is in line with the national norm of 25% - 40%.

- A concerted effort was again made to limit this expenditure in an attempt to keep tariffs within the limits of the reduced realistically anticipated revenue streams, with an amount of R1 707 407 budgeted for training in the 2024/25 operating budget, which constitutes 0.50% of the Municipality's salary budget (excluding councillor remuneration) and will be limited to around 0.50% for the outer MTREF financial years. This budget is considered more than sufficient to provide for training needs within the Municipality given the historic and ongoing training programmes already covered, **but more-over the necessitated curbing of expenditure given worsening disposable income levels of the paying public during this severe economic downturn.**
- The expense associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).
- The provision of debt impairment was determined based on the current collection rates of receivables, negatively influenced by the prevailing economic conditions.
- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations are expected to remain high over the MTREF. These high appropriations can mainly be attributed to the large capital program employed by the municipality in recent years as well as the valuation method used during the implementation of Directive 7. Compared to industry benchmarks, the depreciation figure is considered to be very high.
- Bulk purchases are directly informed by the purchase of electricity from Eskom and water from the West Coast District Municipality. The indicative annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.
- Other expenditure comprises of various line items relating to the daily operations of the municipality.
- Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital).

1.5.1 Priority given to repairs and maintenance

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

The bulk of repairs and maintenance are done through the capital budget. The portion in the operating budget is adequate to secure the ongoing health of the Municipality's infrastructure.

The ratios for the 2024/25 MTREF are shown below:

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| <i>Renewal and upgrading of Existing Assets as % of total capex</i> | 16.2% | 13.6% | 10.7% | 16.4% | 37.4% |
| <i>Renewal and upgrading of Existing Assets as % of deprecn</i> | 30.0% | 30.0% | 32.0% | 26.5% | 49.9% |
| <i>R&M as a % of PPE & Investment Property</i> | 2.6% | 2.8% | 3.0% | 3.3% | 3.1% |
| <i>Renewal and upgrading and R&M as a % of PPE and Investment Prop</i> | 4.1% | 4.3% | 4.8% | 4.8% | 6.1% |

1.5.2 Free Basic Services: Basic Social Services Package

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

The cost of the social package of the registered indigent households is financed by the municipality's unconditional equitable share grant, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. Indigent property rates and service charges expenditure (including growth projections) totals R 87 079 million in 2024/25 and it will increase to R 96 818 million and R 123 944 million in the outer years of the MTREF. These totals do not include financing of other community services, servicing informal settlements and actual expenditure incurred on indigent consumers.

Subsidies for indigent households are set out below:

| | |
|----|---|
| 1. | Rates free of charge to the value based on market value of the property to the maximum of R105 000 (R15 000 impermissible tax excluded) |
| 2. | 50 kWh free electricity per month (which shall include the network charge of electricity for the month where a conventional meter is applicable) |
| 3. | 6 kilolitres of water free per month plus the 100% subsidised network charge |
| 4. | Free refuse x 4 removals per month |
| 5. | Free sewerage per month |

For the month of **April 2024**, support was provided to 8 945 indigent households:

- Number receiving Property Rates discount: 7 959
- Number with access to free basic water: 8 900 (and exempted by way of subsidy of the water network charge)
- Number with access to free basic electricity: 5 449
- Number provided by ESKOM: 2 250
- Number with access to free basic sanitation: 8 585
- Number with access to free basic refuse removal: 8 945

1.6 Capital expenditure

Based on appropriations per vote, the allocations are as follows:

| Vote Description R thousand | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Capital expenditure - Vote | | | | | |
| <u>Multi-year expenditure to be appropriated</u> | | | | | |
| Vote 2 - Civil Services | 53 925 | 51 025 | 57 326 | 79 743 | 86 332 |
| Vote 4 - Electricity Services | 40 500 | 36 581 | 55 129 | 41 318 | 35 718 |
| Vote 6 - Development Services | 55 314 | 55 007 | 165 889 | 59 420 | 38 500 |
| Capital multi-year expenditure sub-total | 149 739 | 142 613 | 278 343 | 180 481 | 160 550 |
| <u>Single-year expenditure to be appropriated</u> | | | | | |
| Vote 1 - Corporate Services | 176 | 176 | 778 | 530 | 532 |
| Vote 2 - Civil Services | 35 808 | 65 767 | 69 710 | 17 159 | 19 895 |
| Vote 3 - Council | 692 | 12 | 1 278 | 12 | 12 |
| Vote 4 - Electricity Services | 14 758 | 27 302 | 13 843 | 17 326 | 15 586 |
| Vote 5 - Financial Services | 2 192 | 2 443 | 698 | 114 | 36 |
| Vote 6 - Development Services | 1 776 | 7 276 | 8 935 | 84 | 88 |
| Vote 7 - Municipal Manager | 12 | 12 | 12 | 12 | 12 |
| Vote 8 - Protection Services | 3 899 | 3 088 | 2 882 | 922 | 1 274 |
| Capital single-year expenditure sub-total | 59 313 | 106 077 | 98 134 | 36 159 | 37 435 |
| Total Capital Expenditure - Vote | 209 052 | 248 690 | 376 478 | 216 640 | 197 985 |

More information on the breakdown of the capital budget can be found in the tables to follow.

1.7 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2024/25 MTREF budget.

MBRR Table A1 - Budget Summary

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|----------------------|------------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousands | | | | | |
| Financial Performance | | | | | |
| Property rates | 167 830 | 167 830 | 199 371 | 211 692 | 224 765 |
| Service charges | 596 914 | 576 934 | 644 470 | 720 406 | 805 781 |
| Investment revenue | 55 954 | 83 051 | 88 998 | 81 359 | 80 347 |
| Transfer and subsidies - Operational | 168 036 | 172 097 | 190 028 | 329 234 | 373 746 |
| Other own revenue | 96 364 | 132 602 | 90 067 | 95 209 | 100 865 |
| Total Revenue (excluding capital transfers and contributions) | 1 085 098 | 1 132 514 | 1 212 935 | 1 437 900 | 1 585 504 |
| Employee costs | 316 394 | 318 241 | 341 481 | 362 876 | 388 789 |
| Remuneration of councillors | 12 081 | 12 419 | 13 273 | 13 870 | 14 495 |
| Depreciation and amortisation | 112 614 | 118 670 | 128 253 | 139 288 | 154 310 |
| Interest | 14 486 | 12 944 | 14 689 | 14 562 | 13 612 |
| Inventory consumed and bulk purchases | 417 131 | 393 869 | 453 835 | 520 608 | 596 415 |
| Transfers and subsidies | 5 060 | 5 426 | 5 902 | 5 983 | 6 179 |
| Other expenditure | 193 564 | 209 783 | 231 611 | 377 277 | 410 622 |
| Total Expenditure | 1 071 330 | 1 071 352 | 1 189 046 | 1 434 464 | 1 584 421 |
| Surplus/(Deficit) | 13 768 | 61 162 | 23 889 | 3 436 | 1 083 |
| Transfers and subsidies - capital (monetary) | 107 387 | 119 909 | 246 062 | 97 963 | 81 093 |
| Transfers and subsidies - capital (in-kind) | - | - | - | - | - |
| contributions | 121 155 | 181 071 | 269 951 | 101 399 | 82 176 |
| Share of Surplus/Deficit attributable to Associate | - | - | - | - | - |
| Surplus/(Deficit) for the year | 121 155 | 181 071 | 269 951 | 101 399 | 82 176 |
| Capital expenditure & funds sources | | | | | |
| Capital expenditure | 209 052 | 248 690 | 376 478 | 216 640 | 197 985 |
| Transfers recognised - capital | 107 387 | 119 909 | 245 992 | 97 963 | 81 093 |
| Borrowing | - | - | 36 951 | 3 000 | - |
| Internally generated funds | 101 665 | 128 781 | 93 535 | 115 677 | 116 892 |
| Total sources of capital funds | 209 052 | 248 690 | 376 478 | 216 640 | 197 985 |
| Financial position | | | | | |
| Total current assets | 863 166 | 550 837 | 669 334 | 711 819 | 1 101 744 |
| Total non current assets | 2 322 092 | 2 681 855 | 2 907 287 | 2 967 378 | 2 659 904 |
| Total current liabilities | 144 717 | 123 924 | 160 289 | 161 527 | 162 820 |
| Total non current liabilities | 224 988 | 182 217 | 219 781 | 219 719 | 218 700 |
| Community wealth/Equity | 2 815 553 | 2 926 550 | 3 196 551 | 3 297 950 | 3 380 127 |
| Cash flows | | | | | |
| Net cash from (used) operating | 224 935 | 267 554 | 470 661 | 283 457 | 281 080 |
| Net cash from (used) investing | (194 439) | (543 469) | (430 201) | (246 583) | 107 951 |
| Net cash from (used) financing | (8 261) | (51 559) | 29 182 | (9 559) | (10 500) |
| Cash/cash equivalents at the year end | 684 449 | 394 543 | 464 184 | 491 499 | 870 030 |
| Cash backing/surplus reconciliation | | | | | |
| Cash and investments available | 684 449 | 727 571 | 797 212 | 824 527 | 870 030 |
| Application of cash and investments | 46 081 | 43 058 | 70 556 | 75 848 | 81 506 |
| Balance - surplus (shortfall) | 638 368 | 684 513 | 726 656 | 748 680 | 788 524 |
| Asset management | | | | | |
| Asset register summary (WDV) | 2 322 092 | 2 324 661 | 2 179 116 | 2 398 845 | 2 442 253 |
| Depreciation | 112 614 | 112 614 | 125 851 | 133 736 | 148 480 |
| Renewal and Upgrading of Existing Assets | 33 777 | 33 816 | 40 258 | 35 500 | 74 029 |
| Repairs and Maintenance | 66 391 | 71 458 | 71 627 | 86 998 | 82 493 |
| Free services | | | | | |
| Cost of Free Basic Services provided | 73 280 | 73 280 | 79 094 | 85 415 | 92 294 |
| Revenue cost of free services provided | 5 831 | 5 831 | 6 597 | 6 885 | 7 196 |
| Households below minimum service level | | | | | |
| Water: | 3 | 3 | 3 | 3 | 3 |
| Sanitation/sewage: | 1 | 1 | 1 | 1 | 1 |
| Energy: | 34 | 1 | 1 | 1 | 1 |
| Refuse: | 6 | 6 | 6 | 6 | 6 |

Explanatory notes to MBRR Table A1 - Budget Summary

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

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

| Functional Classification Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|----------------------|------------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| Revenue - Functional | | | | | |
| <i>Governance and administration</i> | 319 063 | 338 532 | 377 656 | 388 447 | 407 731 |
| Executive and council | 305 | 335 | 352 | 265 | 269 |
| Finance and administration | 318 758 | 337 778 | 377 305 | 388 182 | 407 462 |
| Internal audit | - | 418 | - | - | - |
| <i>Community and public safety</i> | 127 957 | 140 937 | 257 564 | 258 691 | 276 178 |
| Community and social services | 13 893 | 14 681 | 14 098 | 14 423 | 14 370 |
| Sport and recreation | 16 216 | 15 123 | 10 771 | 4 951 | 5 248 |
| Public safety | 42 089 | 50 102 | 48 570 | 51 359 | 54 061 |
| Housing | 55 758 | 61 030 | 184 126 | 187 958 | 202 499 |
| Health | - | - | - | - | - |
| <i>Economic and environmental services</i> | 33 128 | 33 277 | 30 176 | 34 961 | 26 195 |
| Planning and development | 4 789 | 4 992 | 5 107 | 5 412 | 5 736 |
| Road transport | 28 339 | 28 285 | 25 069 | 29 548 | 20 459 |
| Environmental protection | - | - | - | - | - |
| <i>Trading services</i> | 712 303 | 739 643 | 793 563 | 853 724 | 956 451 |
| Energy sources | 456 425 | 448 917 | 488 849 | 551 512 | 621 828 |
| Water management | 113 187 | 125 708 | 127 631 | 125 349 | 153 832 |
| Waste water management | 86 097 | 108 423 | 96 863 | 97 929 | 103 701 |
| Waste management | 56 595 | 56 595 | 80 220 | 78 934 | 77 089 |
| <i>Other</i> | 34 | 34 | 38 | 40 | 43 |
| Total Revenue - Functional | 1 192 485 | 1 252 423 | 1 458 997 | 1 535 863 | 1 666 597 |
| Expenditure - Functional | | | | | |
| <i>Governance and administration</i> | 171 937 | 185 495 | 190 151 | 209 142 | 210 805 |
| Executive and council | 25 835 | 26 873 | 30 451 | 31 905 | 33 345 |
| Finance and administration | 142 949 | 155 047 | 156 988 | 174 615 | 174 734 |
| Internal audit | 3 152 | 3 575 | 2 711 | 2 622 | 2 725 |
| <i>Community and public safety</i> | 154 654 | 165 699 | 195 859 | 337 549 | 382 786 |
| Community and social services | 26 330 | 27 619 | 28 670 | 30 021 | 31 408 |
| Sport and recreation | 34 938 | 36 012 | 40 196 | 42 068 | 44 579 |
| Public safety | 88 686 | 97 304 | 104 801 | 110 481 | 117 216 |
| Housing | 4 701 | 4 764 | 22 192 | 154 979 | 189 582 |
| Health | - | - | - | - | - |
| <i>Economic and environmental services</i> | 85 081 | 80 857 | 91 889 | 94 879 | 99 373 |
| Planning and development | 16 200 | 16 738 | 16 965 | 17 206 | 18 112 |
| Road transport | 68 882 | 64 119 | 74 923 | 77 673 | 81 261 |
| Environmental protection | - | - | - | - | - |
| <i>Trading services</i> | 657 274 | 636 917 | 708 641 | 790 253 | 888 674 |
| Energy sources | 414 005 | 392 764 | 452 643 | 516 735 | 594 737 |
| Water management | 107 650 | 101 792 | 108 519 | 117 731 | 129 742 |
| Waste water management | 77 428 | 78 564 | 81 920 | 85 932 | 89 126 |
| Waste management | 58 190 | 63 797 | 65 559 | 69 855 | 75 069 |
| <i>Other</i> | 2 384 | 2 385 | 2 506 | 2 641 | 2 783 |
| Total Expenditure - Functional | 1 071 330 | 1 071 352 | 1 189 046 | 1 434 464 | 1 584 421 |
| Surplus/(Deficit) for the year | 121 155 | 181 071 | 269 951 | 101 399 | 82 176 |

NB: The above surplus amounts include capital grants which results in a skewed surplus.

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

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

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

| Vote Description R thousand | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|----------------------|------------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Revenue by Vote | | | | | |
| Vote 1 - Corporate Services | 12 735 | 14 795 | 13 430 | 13 305 | 13 765 |
| Vote 2 - Civil Services | 299 716 | 321 785 | 327 034 | 322 322 | 345 021 |
| Vote 3 - Council | 305 | 335 | 352 | 265 | 269 |
| Vote 4 - Electricity Services | 456 443 | 448 935 | 488 867 | 551 530 | 621 846 |
| Vote 5 - Financial Services | 304 521 | 333 604 | 374 410 | 385 614 | 404 827 |
| Vote 6 - Development Services | 64 870 | 70 359 | 193 449 | 197 679 | 212 798 |
| Vote 7 - Municipal Manager | - | 418 | - | - | - |
| Vote 8 - Protection Services | 53 895 | 62 192 | 61 454 | 65 148 | 68 070 |
| Vote 9 - [NAME OF VOTE 9] | - | - | - | - | - |
| Total Revenue by Vote | 1 192 485 | 1 252 423 | 1 458 997 | 1 535 863 | 1 666 597 |
| Expenditure by Vote to be appropriated | | | | | |
| Vote 1 - Corporate Services | 42 202 | 45 200 | 46 705 | 48 264 | 51 180 |
| Vote 2 - Civil Services | 369 407 | 367 605 | 393 895 | 428 907 | 446 736 |
| Vote 3 - Council | 23 068 | 23 556 | 26 049 | 27 239 | 28 400 |
| Vote 4 - Electricity Services | 419 094 | 397 769 | 458 585 | 521 654 | 598 597 |
| Vote 5 - Financial Services | 73 728 | 82 010 | 81 720 | 85 697 | 92 538 |
| Vote 6 - Development Services | 32 212 | 33 065 | 51 379 | 184 736 | 221 030 |
| Vote 7 - Municipal Manager | 8 927 | 9 968 | 10 030 | 10 434 | 11 040 |
| Vote 8 - Protection Services | 102 693 | 112 180 | 120 682 | 127 533 | 134 899 |
| Vote 9 - [NAME OF VOTE 9] | - | - | - | - | - |
| Total Expenditure by Vote | 1 071 330 | 1 071 352 | 1 189 046 | 1 434 464 | 1 584 421 |
| Surplus/(Deficit) for the year | 121 155 | 181 071 | 269 951 | 101 399 | 82 176 |

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

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

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

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|----------------------|------------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| Revenue | | | | | |
| Exchange Revenue | | | | | |
| Service charges - Electricity | 421 007 | 399 716 | 451 420 | 513 669 | 584 481 |
| Service charges - Water | 91 857 | 91 857 | 97 940 | 103 704 | 109 807 |
| Service charges - Waste Water Management | 51 053 | 52 364 | 57 022 | 60 021 | 63 171 |
| Service charges - Waste Management | 32 997 | 32 997 | 38 087 | 43 011 | 48 323 |
| Sale of Goods and Rendering of Services | 13 113 | 13 327 | 13 619 | 14 432 | 15 298 |
| Agency services | 6 403 | 6 403 | 6 787 | 7 194 | 7 626 |
| Interest earned from Receivables | 2 640 | 3 199 | 3 407 | 3 611 | 3 828 |
| Interest earned from Current and Non Current Assets | 55 954 | 83 051 | 88 998 | 81 359 | 80 347 |
| Rental from Fixed Assets | 1 967 | 2 035 | 1 930 | 2 045 | 2 168 |
| Operational Revenue | 3 933 | 41 904 | 4 028 | 4 243 | 4 470 |
| Non-Exchange Revenue | | | | | |
| Property rates | 167 830 | 167 830 | 199 371 | 211 692 | 224 765 |
| Fines, penalties and forfeits | 32 076 | 39 507 | 38 991 | 41 322 | 43 793 |
| Licences or permits | 5 158 | 5 194 | 5 467 | 5 789 | 6 130 |
| Transfer and subsidies - Operational | 168 036 | 172 097 | 190 028 | 329 234 | 373 746 |
| Interest | 1 060 | 1 463 | 1 324 | 1 403 | 1 487 |
| Operational Revenue | 15 402 | 15 402 | 12 062 | 12 716 | 13 610 |
| Gains on disposal of Assets | 14 613 | 4 169 | 2 453 | 2 454 | 2 454 |
| Total Revenue (excluding capital transfers and contributions) | 1 085 098 | 1 132 514 | 1 212 935 | 1 437 900 | 1 585 504 |
| Expenditure | | | | | |
| Employee related costs | 316 394 | 318 241 | 341 481 | 362 876 | 388 789 |
| Remuneration of councillors | 12 081 | 12 419 | 13 273 | 13 870 | 14 495 |
| Bulk purchases - electricity | 356 097 | 333 881 | 384 927 | 445 361 | 515 282 |
| Inventory consumed | 61 034 | 59 988 | 68 908 | 75 247 | 81 133 |
| Debt impairment | 4 424 | 700 | 3 405 | 4 261 | 4 986 |
| Depreciation and amortisation | 112 614 | 118 670 | 128 253 | 139 288 | 154 310 |
| Interest | 14 486 | 12 944 | 14 689 | 14 562 | 13 612 |
| Contracted services | 70 092 | 77 317 | 83 092 | 225 121 | 248 674 |
| Transfers and subsidies | 5 060 | 5 426 | 5 902 | 5 983 | 6 179 |
| Irrecoverable debts written off | 32 910 | 44 101 | 45 024 | 48 048 | 51 693 |
| Operational costs | 57 831 | 58 574 | 65 587 | 69 529 | 72 570 |
| Losses on disposal of Assets | 16 413 | 15 374 | 22 793 | 17 260 | 18 122 |
| Other Losses | 11 894 | 13 717 | 11 710 | 13 059 | 14 577 |
| Total Expenditure | 1 071 330 | 1 071 352 | 1 189 046 | 1 434 464 | 1 584 421 |
| Surplus/(Deficit) | 13 768 | 61 162 | 23 889 | 3 436 | 1 083 |
| Transfers and subsidies - capital (monetary) | 107 387 | 119 909 | 246 062 | 97 963 | 81 093 |
| Transfers and subsidies - capital (in-kind) | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 121 155 | 181 071 | 269 951 | 101 399 | 82 176 |
| Surplus/(Deficit) for the year | 121 155 | 181 071 | 269 951 | 101 399 | 82 176 |

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

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

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

| Vote Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| Capital expenditure - Vote | | | | | |
| Multi-year expenditure to be appropriated | | | | | |
| Vote 2 - Civil Services | 53 925 | 51 025 | 57 326 | 79 743 | 86 332 |
| Vote 4 - Electricity Services | 40 500 | 36 581 | 55 129 | 41 318 | 35 718 |
| Vote 6 - Development Services | 55 314 | 55 007 | 165 889 | 59 420 | 38 500 |
| Capital multi-year expenditure sub-total | 149 739 | 142 613 | 278 343 | 180 481 | 160 550 |
| Single-year expenditure to be appropriated | | | | | |
| Vote 1 - Corporate Services | 176 | 176 | 778 | 530 | 532 |
| Vote 2 - Civil Services | 35 808 | 65 767 | 69 710 | 17 159 | 19 895 |
| Vote 3 - Council | 692 | 12 | 1 278 | 12 | 12 |
| Vote 4 - Electricity Services | 14 758 | 27 302 | 13 843 | 17 326 | 15 586 |
| Vote 5 - Financial Services | 2 192 | 2 443 | 698 | 114 | 36 |
| Vote 6 - Development Services | 1 776 | 7 276 | 8 935 | 84 | 88 |
| Vote 7 - Municipal Manager | 12 | 12 | 12 | 12 | 12 |
| Vote 8 - Protection Services | 3 899 | 3 088 | 2 882 | 922 | 1 274 |
| Capital single-year expenditure sub-total | 59 313 | 106 077 | 98 134 | 36 159 | 37 435 |
| Total Capital Expenditure - Vote | 209 052 | 248 690 | 376 478 | 216 640 | 197 985 |
| Capital Expenditure - Functional | | | | | |
| Governance and administration | 8 444 | 7 235 | 4 525 | 3 576 | 2 307 |
| Executive and council | 704 | 24 | 1 290 | 24 | 24 |
| Finance and administration | 7 740 | 7 211 | 3 236 | 3 552 | 2 283 |
| Community and public safety | 32 539 | 26 434 | 24 932 | 8 856 | 3 632 |
| Community and social services | 1 250 | 890 | 1 130 | 6 420 | 100 |
| Sport and recreation | 27 390 | 22 456 | 20 920 | 1 514 | 2 258 |
| Public safety | 3 899 | 3 088 | 2 882 | 922 | 1 274 |
| Economic and environmental services | 81 843 | 101 775 | 156 971 | 93 484 | 71 620 |
| Planning and development | 14 612 | 24 002 | 24 829 | 5 268 | 3 305 |
| Road transport | 67 231 | 77 773 | 132 142 | 88 217 | 68 315 |
| Trading services | 86 227 | 113 245 | 190 050 | 110 724 | 120 426 |
| Energy sources | 53 741 | 62 877 | 67 741 | 56 768 | 49 523 |
| Water management | 14 564 | 25 034 | 49 869 | 26 500 | 54 695 |
| Waste water management | 13 915 | 21 634 | 39 350 | 9 699 | 11 452 |
| Waste management | 4 007 | 3 701 | 33 090 | 17 756 | 4 756 |
| Total Capital Expenditure - Functional | 209 052 | 248 690 | 376 478 | 216 640 | 197 985 |
| Funded by: | | | | | |
| National Government | 48 366 | 46 713 | 52 150 | 48 443 | 48 093 |
| Provincial Government | 57 796 | 71 996 | 174 809 | 49 520 | 33 000 |
| Transfers and subsidies - capital (monetary) | 1 225 | 1 200 | 19 033 | - | - |
| Transfers recognised - capital | 107 387 | 119 909 | 245 992 | 97 963 | 81 093 |
| Borrowing | - | - | 36 951 | 3 000 | - |
| Internally generated funds | 101 665 | 128 781 | 93 535 | 115 677 | 116 892 |
| Total Capital Funding | 209 052 | 248 690 | 376 478 | 216 640 | 197 985 |

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

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialised tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental assessments and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives priorities and service delivery imperatives of the Municipality. For the purpose of the funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred in the 2024/25 financial year against single-year appropriations for the two outer-years in respect of the items alluded to above.
4. The capital program is funded from National, Provincial and Other grants and transfers, External borrowing and internally generated funds from current and prior year surpluses.

MBRR Table A6 - Budgeted Financial Position

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|----------------------|------------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 684 449 | 394 543 | 464 184 | 491 499 | 870 030 |
| Trade and other receivables from exchange transactions | 108 621 | 92 404 | 97 905 | 101 861 | 105 974 |
| Receivables from non-exchange transactions | 33 732 | 33 141 | 32 595 | 33 875 | 35 001 |
| Current portion of non-current receivables | 4 | (139) | – | – | – |
| Inventory | 23 136 | 20 653 | 29 555 | 39 488 | 45 643 |
| VAT | 13 043 | 10 049 | 44 910 | 44 910 | 44 910 |
| Other current assets | 180 | 185 | 185 | 185 | 185 |
| Total current assets | 863 166 | 550 837 | 669 334 | 711 819 | 1 101 744 |
| Non current assets | | | | | |
| Investments | – | 333 028 | 333 028 | 333 028 | – |
| Investment property | 24 927 | 20 255 | 20 041 | 19 932 | 19 820 |
| Property, plant and equipment | 2 295 581 | 2 326 830 | 2 552 627 | 2 612 571 | 2 638 365 |
| Heritage assets | 1 120 | 1 345 | 1 345 | 1 345 | 1 345 |
| Intangible assets | 464 | 396 | 246 | 502 | 373 |
| Total non current assets | 2 322 092 | 2 681 855 | 2 907 287 | 2 967 378 | 2 659 904 |
| TOTAL ASSETS | 3 185 258 | 3 232 691 | 3 576 621 | 3 679 197 | 3 761 647 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Bank overdraft | – | – | – | – | – |
| Financial liabilities | 9 325 | 3 544 | 3 544 | 3 544 | 3 544 |
| Consumer deposits | 17 450 | 18 346 | 18 846 | 18 996 | 19 196 |
| Trade and other payables from exchange transactions | 103 302 | 87 406 | 87 948 | 88 505 | 89 080 |
| Trade and other payables from non-exchange transactions | 216 | 75 | – | – | – |
| Provision | 10 898 | 13 535 | 13 758 | 13 987 | 14 223 |
| VAT | – | 1 019 | 36 194 | 36 495 | 36 778 |
| Other current liabilities | 3 527 | – | – | – | – |
| Total current liabilities | 144 717 | 123 924 | 160 289 | 161 527 | 162 820 |
| Non current liabilities | | | | | |
| Financial liabilities | 72 637 | 33 336 | 62 019 | 52 309 | 41 609 |
| Provision | 70 963 | 75 478 | 82 158 | 89 537 | 96 882 |
| Long term portion of trade payables | – | – | – | – | – |
| Other non-current liabilities | 81 388 | 73 403 | 75 605 | 77 873 | 80 209 |
| Total non current liabilities | 224 988 | 182 217 | 219 781 | 219 719 | 218 700 |
| TOTAL LIABILITIES | 369 705 | 306 141 | 380 070 | 381 246 | 381 520 |
| NET ASSETS | 2 815 553 | 2 926 550 | 3 196 551 | 3 297 950 | 3 380 127 |
| COMMUNITY WEALTH/EQUITY | | | | | |
| Accumulated surplus/(deficit) | 2 522 094 | 2 622 831 | 2 841 942 | 2 916 776 | 2 972 389 |
| Reserves and funds | 293 459 | 303 719 | 354 610 | 381 174 | 407 738 |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 815 553 | 2 926 550 | 3 196 551 | 3 297 950 | 3 380 127 |

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves analysis for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

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

MBRR Table A7 - Budgeted Cash Flow Statement

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|----------------------|------------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Receipts | | | | | |
| Property rates | 164 473 | 165 936 | 194 714 | 206 745 | 219 510 |
| Service charges | 590 304 | 576 027 | 643 646 | 718 624 | 803 072 |
| Other revenue | 37 148 | 42 904 | 284 882 | 307 002 | 334 451 |
| Transfers and Subsidies - Operational | 168 036 | 170 982 | 190 068 | 329 234 | 373 746 |
| Transfers and Subsidies - Capital | 107 387 | 111 402 | 246 022 | 97 963 | 81 093 |
| Interest | 55 954 | 83 051 | 88 998 | 81 359 | 80 347 |
| Dividends | - | - | - | - | - |
| Payments | | | | | |
| Suppliers and employees | (883 983) | (870 425) | (1 163 758) | (1 444 304) | (1 598 692) |
| Interest | (9 324) | (6 897) | (8 010) | (7 182) | (6 267) |
| Transfers and Subsidies | (5 060) | (5 426) | (5 902) | (5 983) | (6 179) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 224 935 | 267 554 | 470 661 | 283 457 | 281 080 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Receipts | | | | | |
| Proceeds on disposal of PPE | 14 613 | 4 169 | 2 453 | 2 454 | 2 454 |
| Decrease (increase) in non-current receivables | - | - | - | - | - |
| Decrease (increase) in non-current investments | - | (333 028) | - | - | 333 028 |
| Payments | | | | | |
| Capital assets | (209 052) | (214 610) | (432 655) | (249 037) | (227 531) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (194 439) | (543 469) | (430 201) | (246 583) | 107 951 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Receipts | | | | | |
| Short term loans | - | - | - | - | - |
| Borrowing long term/refinancing | - | - | 40 000 | - | - |
| Increase (decrease) in consumer deposits | 500 | 500 | 500 | 150 | 200 |
| Payments | | | | | |
| Repayment of borrowing | (8 761) | (52 059) | (11 318) | (9 709) | (10 700) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | (8 261) | (51 559) | 29 182 | (9 559) | (10 500) |
| NET INCREASE/ (DECREASE) IN CASH HELD | 22 234 | (327 474) | 69 641 | 27 315 | 378 531 |
| Cash/cash equivalents at the year begin: | 662 215 | 722 017 | 394 543 | 464 184 | 491 499 |
| Cash/cash equivalents at the year end: | 684 449 | 394 543 | 464 184 | 491 499 | 870 030 |

NB: The increase in Cash/cash equivalents at year-end in 2026/27 is due to the maturity of the R300 million investment that was invested for three years.

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded. The net effect of the budget (both capital & operational) is represented in the net increase or decrease in cash and cash equivalents.
2. It shows the expected level of cash in-flow versus cash out-flows that are likely to result from the implementation of the budget with the reduced expected cash already very significant.
3. The cash levels above include unspent grants and long-term investments over the MTREF.

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | 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 | 684 449 | 394 543 | 464 184 | 491 499 | 870 030 |
| Other current investments > 90 days | - | - | - | - | - |
| Non current Investments | - | 333 028 | 333 028 | 333 028 | - |
| Cash and investments available: | 684 449 | 727 571 | 797 212 | 824 527 | 870 030 |
| Application of cash and investments | | | | | |
| Unspent conditional transfers | 216 | 75 | - | - | - |
| Unspent borrowing | - | - | - | - | - |
| Other working capital requirements | (45 866) | (42 983) | (70 556) | (75 848) | (81 506) |
| Other provisions | 10 898 | 13 535 | 13 758 | 13 987 | 14 223 |
| Long term investments committed | - | - | - | - | - |
| Reserves to be backed by cash/investments | 293 459 | 303 719 | 354 610 | 381 174 | 407 738 |
| Total Application of cash and investments: | 258 707 | 274 346 | 297 811 | 319 313 | 340 455 |
| Surplus(shortfall) - Excluding Non-Current Creditors Trf to D | 425 742 | 453 225 | 499 402 | 505 214 | 529 575 |
| Creditors transferred to Debt Relief - Non-Current portion | - | - | - | - | - |
| Surplus(shortfall) - Including Non-Current Creditors Trf to D | 425 742 | 453 225 | 499 402 | 505 214 | 529 575 |

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget and NT Circulars 126 and 128.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded". **The municipality's budget is cash-funded and thus in compliance with the requirements of the MFMA but the reduction in financial resources not a good indicator.**
4. As part of the budgeting and planning guidelines that informed the compilation of the 2024/25 MTREF, the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA and **therefore concluded that the tabled budget is indeed cash funded.**

MBRR Table A9 - Asset Management

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| CAPITAL EXPENDITURE | | | | | |
| Total New Assets | 175 276 | 214 874 | 336 219 | 181 140 | 123 955 |
| <i>Roads Infrastructure</i> | 55 914 | 66 673 | 117 253 | 73 098 | 51 950 |
| <i>Storm water Infrastructure</i> | – | 2 169 | 1 509 | – | – |
| <i>Electrical Infrastructure</i> | 46 400 | 52 789 | 61 979 | 49 768 | 36 218 |
| <i>Water Supply Infrastructure</i> | 9 797 | 15 877 | 38 951 | 14 365 | 11 475 |
| <i>Sanitation Infrastructure</i> | 10 420 | 10 097 | 26 154 | 6 965 | 5 194 |
| <i>Solid Waste Infrastructure</i> | 2 500 | 2 500 | 29 621 | 13 210 | – |
| Infrastructure | 125 032 | 150 105 | 275 466 | 157 407 | 104 838 |
| Community Facilities | 3 000 | 2 640 | 1 800 | 1 100 | 1 100 |
| Sport and Recreation Facilities | 12 700 | 9 200 | 12 341 | 6 020 | – |
| Community Assets | 15 700 | 11 840 | 14 141 | 7 120 | 1 100 |
| Operational Buildings | 3 000 | 2 953 | 650 | 100 | – |
| Housing | 13 514 | 17 407 | 16 327 | 5 162 | 3 195 |
| Other Assets | 16 514 | 20 360 | 16 977 | 5 262 | 3 195 |
| Licences and Rights | – | – | 400 | – | – |
| Intangible Assets | – | – | 400 | – | – |
| Computer Equipment | 2 052 | 2 234 | 1 790 | 2 376 | 2 281 |
| Furniture and Office Equipment | 586 | 824 | 920 | 566 | 392 |
| Machinery and Equipment | 3 431 | 13 239 | 2 187 | 2 202 | 1 615 |
| Transport Assets | 11 962 | 10 773 | 15 638 | 5 808 | 10 135 |
| Land | – | 5 500 | 8 700 | 400 | 400 |
| Total Renewal of Existing Assets | 11 500 | 13 151 | 3 410 | 15 170 | 15 180 |
| <i>Roads Infrastructure</i> | 10 000 | 9 251 | – | 15 000 | 15 000 |
| <i>Sanitation Infrastructure</i> | 1 500 | 3 900 | 3 000 | – | – |
| Infrastructure | 11 500 | 13 151 | 3 000 | 15 000 | 15 000 |
| Sport and Recreation Facilities | – | – | 250 | – | – |
| Community Assets | – | – | 250 | – | – |
| Machinery and Equipment | – | – | 160 | 170 | 180 |
| Total Upgrading of Existing Assets | 22 277 | 20 665 | 36 848 | 20 330 | 58 849 |
| <i>Roads Infrastructure</i> | – | 667 | 9 749 | – | – |
| <i>Storm water Infrastructure</i> | 250 | 250 | 250 | 250 | 1 250 |
| <i>Electrical Infrastructure</i> | 3 650 | 5 142 | 4 483 | 5 700 | 10 200 |
| <i>Water Supply Infrastructure</i> | 4 300 | 2 053 | 10 434 | 12 080 | 42 499 |
| <i>Sanitation Infrastructure</i> | 1 611 | 1 611 | 5 827 | 2 000 | 4 900 |
| Infrastructure | 9 811 | 9 722 | 30 744 | 20 030 | 58 849 |
| Community Facilities | 200 | 200 | – | 300 | – |
| Sport and Recreation Facilities | 12 266 | 10 743 | 6 105 | – | – |
| Community Assets | 12 466 | 10 943 | 6 105 | 300 | – |
| Total Capital Expenditure | 209 052 | 248 690 | 376 478 | 216 640 | 197 985 |
| <i>Roads Infrastructure</i> | 65 914 | 76 591 | 127 003 | 88 098 | 66 950 |
| <i>Storm water Infrastructure</i> | 250 | 2 419 | 1 759 | 250 | 1 250 |
| <i>Electrical Infrastructure</i> | 50 050 | 57 931 | 66 461 | 55 468 | 46 418 |
| <i>Water Supply Infrastructure</i> | 14 097 | 17 930 | 49 386 | 26 445 | 53 975 |
| <i>Sanitation Infrastructure</i> | 13 531 | 15 608 | 34 981 | 8 965 | 10 094 |
| <i>Solid Waste Infrastructure</i> | 2 500 | 2 500 | 29 621 | 13 210 | – |
| Infrastructure | 146 342 | 172 978 | 309 210 | 192 437 | 178 687 |
| Community Facilities | 3 200 | 2 840 | 1 800 | 1 400 | 1 100 |
| Sport and Recreation Facilities | 24 966 | 19 943 | 18 695 | 6 020 | – |
| Community Assets | 28 166 | 22 783 | 20 495 | 7 420 | 1 100 |
| Operational Buildings | 3 000 | 2 953 | 650 | 100 | – |
| Housing | 13 514 | 17 407 | 16 327 | 5 162 | 3 195 |
| Other Assets | 16 514 | 20 360 | 16 977 | 5 262 | 3 195 |
| Licences and Rights | – | – | 400 | – | – |
| Intangible Assets | – | – | 400 | – | – |
| Computer Equipment | 2 052 | 2 234 | 1 790 | 2 376 | 2 281 |
| Furniture and Office Equipment | 586 | 824 | 920 | 566 | 392 |
| Machinery and Equipment | 3 431 | 13 239 | 2 347 | 2 372 | 1 795 |
| Transport Assets | 11 962 | 10 773 | 15 638 | 5 808 | 10 135 |
| Land | – | 5 500 | 8 700 | 400 | 400 |
| TOTAL CAPITAL EXPENDITURE - Asset class | 209 052 | 248 690 | 376 478 | 216 640 | 197 985 |

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|----------------------|------------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| ASSET REGISTER SUMMARY - PPE (WDV) | 2 322 092 | 2 324 661 | 2 179 116 | 2 398 845 | 2 442 253 |
| <i>Roads Infrastructure</i> | 385 442 | 446 880 | 401 130 | 477 499 | 511 325 |
| <i>Storm water Infrastructure</i> | 107 609 | 112 203 | 102 229 | 92 814 | 80 414 |
| <i>Electrical Infrastructure</i> | 425 913 | 408 705 | 390 768 | 439 277 | 471 541 |
| <i>Water Supply Infrastructure</i> | 418 580 | 427 961 | 408 346 | 427 102 | 430 252 |
| <i>Sanitation Infrastructure</i> | 513 878 | 502 805 | 477 155 | 515 878 | 511 972 |
| <i>Solid Waste Infrastructure</i> | 26 763 | 35 874 | 31 846 | 27 855 | 21 674 |
| Infrastructure | 1 878 185 | 1 934 428 | 1 811 474 | 1 980 425 | 2 027 178 |
| Community Assets | 154 179 | 124 483 | 114 790 | 125 359 | 122 638 |
| Heritage Assets | 1 120 | 1 345 | 1 345 | 1 345 | 1 345 |
| Investment properties | 24 927 | 20 255 | 20 041 | 19 932 | 19 820 |
| Other Assets | 96 357 | 77 225 | 74 965 | 100 102 | 103 173 |
| Intangible Assets | 464 | 396 | 246 | 502 | 373 |
| Computer Equipment | 5 867 | 5 778 | 3 480 | 2 809 | 2 862 |
| Furniture and Office Equipment | 1 981 | 2 535 | 1 533 | 1 448 | 1 028 |
| Machinery and Equipment | 26 350 | 27 779 | 24 154 | 22 800 | 21 224 |
| Transport Assets | 51 400 | 52 140 | 43 485 | 52 005 | 50 290 |
| Land | 81 263 | 78 296 | 83 603 | 92 117 | 92 322 |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 2 322 092 | 2 324 661 | 2 179 116 | 2 398 845 | 2 442 253 |
| EXPENDITURE OTHER ITEMS | 179 005 | 184 072 | 197 478 | 220 734 | 230 973 |
| <u>Depreciation</u> | 112 614 | 112 614 | 125 851 | 133 736 | 148 480 |
| <u>Repairs and Maintenance by Asset Class</u> | 66 391 | 71 458 | 71 627 | 86 998 | 82 493 |
| <i>Roads Infrastructure</i> | 5 789 | 6 142 | 6 026 | 6 319 | 6 516 |
| <i>Storm water Infrastructure</i> | 20 911 | 21 021 | 22 254 | 23 596 | 25 330 |
| <i>Electrical Infrastructure</i> | 3 267 | 3 407 | 5 322 | 5 652 | 6 004 |
| <i>Water Supply Infrastructure</i> | 1 862 | 2 031 | 1 707 | 1 768 | 1 831 |
| <i>Sanitation Infrastructure</i> | 5 874 | 6 500 | 5 464 | 6 561 | 6 746 |
| <i>Solid Waste Infrastructure</i> | 8 349 | 9 669 | 8 741 | 9 297 | 9 590 |
| Infrastructure | 46 052 | 48 770 | 49 514 | 53 194 | 56 017 |
| Community Facilities | 2 307 | 2 252 | 2 543 | 2 542 | 2 658 |
| Sport and Recreation Facilities | 917 | 1 278 | 1 042 | 1 072 | 1 103 |
| Community Assets | 3 224 | 3 530 | 3 585 | 3 615 | 3 761 |
| Operational Buildings | 2 291 | 2 141 | 1 148 | 1 197 | 1 249 |
| Housing | 657 | 1 417 | 775 | 10 604 | 813 |
| Other Assets | 2 948 | 3 558 | 1 923 | 11 801 | 2 062 |
| Licences and Rights | 5 092 | 5 606 | 6 669 | 7 033 | 7 579 |
| Intangible Assets | 5 092 | 5 606 | 6 669 | 7 033 | 7 579 |
| Computer Equipment | 428 | 404 | 402 | 402 | 420 |
| Furniture and Office Equipment | 58 | 58 | 58 | 69 | 70 |
| Machinery and Equipment | 1 361 | 1 433 | 1 392 | 1 420 | 1 448 |
| Transport Assets | 7 228 | 8 099 | 8 083 | 9 465 | 11 136 |
| TOTAL EXPENDITURE OTHER ITEMS | 179 005 | 184 072 | 197 478 | 220 734 | 230 973 |
| <i>Renewal and upgrading of Existing Assets as % of total capex</i> | 16.2% | 13.6% | 10.7% | 16.4% | 37.4% |
| <i>Renewal and upgrading of Existing Assets as % of deprecn</i> | 30.0% | 30.0% | 32.0% | 26.5% | 49.9% |
| <i>R&M as a % of PPE & Investment Property</i> | 2.6% | 2.8% | 3.0% | 3.3% | 3.1% |
| <i>Renewal and upgrading and R&M as a % of PPE and Investment P</i> | 4.1% | 4.3% | 4.8% | 4.8% | 6.1% |

Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

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.
3. The 2024/25 capital expenditure on the renewal and upgrading of existing capital assets is 10.7%, for 2025/26 increases to 16.4% and increases to 37.4% for 2026/27. The result is influenced by multi-year projects coming to completion.

MBRR Table A10 - Basic Service Delivery Measurement

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Household service targets | | | | | |
| Water: | | | | | |
| Piped water inside dwelling | 32 872 | 32 872 | 32 872 | 32 872 | 32 872 |
| Piped water inside yard (but not in dwelling) | 3 232 | 3 232 | 3 232 | 3 232 | 3 232 |
| Using public tap (at least min.service level) | 212 | 212 | 212 | 212 | 212 |
| Other water supply (at least min.service level) | – | – | – | – | – |
| <i>Minimum Service Level and Above sub-total</i> | 36 316 | 36 316 | 44 532 | 44 532 | 44 532 |
| Using public tap (< min.service level) | – | – | – | – | – |
| Other water supply (< min.service level) | 2 823 | 2 823 | 2 823 | 2 823 | 2 823 |
| No water supply | – | – | – | – | – |
| <i>Below Minimum Service Level sub-total</i> | 2 823 | 2 823 | 3 147 | 3 147 | 3 147 |
| Total number of households | 39 139 | 39 139 | 47 679 | 47 679 | 47 679 |
| Sanitation/sewerage: | | | | | |
| Flush toilet (connected to sewerage) | 33 744 | 33 744 | 33 744 | 33 744 | 33 744 |
| Flush toilet (with septic tank) | 3 887 | 3 887 | 3 887 | 3 887 | 3 887 |
| Chemical toilet | 29 | 29 | 29 | 29 | 29 |
| Pit toilet (ventilated) | 37 | 37 | 37 | 37 | 37 |
| Other toilet provisions (> min.service level) | – | – | – | – | – |
| <i>Minimum Service Level and Above sub-total</i> | 37 697 | 37 697 | 43 670 | 43 670 | 43 670 |
| Bucket toilet | 991 | 991 | 991 | 991 | 991 |
| Other toilet provisions (< min.service level) | 141 | 141 | 141 | 141 | 141 |
| No toilet provisions | 310 | 310 | 310 | 310 | 310 |
| <i>Below Minimum Service Level sub-total</i> | 1 442 | 1 442 | 1 442 | 1 442 | 1 442 |
| Total number of households | 39 139 | 39 139 | 45 112 | 45 112 | 45 112 |
| Energy: | | | | | |
| Electricity (at least min.service level) | 38 631 | 38 631 | 38 631 | 38 631 | 38 631 |
| Electricity - prepaid (min.service level) | – | – | – | – | – |
| <i>Minimum Service Level and Above sub-total</i> | 38 631 | 38 631 | 38 631 | 38 631 | 38 631 |
| Electricity (< min.service level) | – | – | – | – | – |
| Electricity - prepaid (< min. service level) | – | – | – | – | – |
| Other energy sources | 508 | 508 | 508 | 508 | 508 |
| <i>Below Minimum Service Level sub-total</i> | 508 | 508 | 508 | 508 | 508 |
| Total number of households | 39 139 | 39 139 | 39 139 | 39 139 | 39 139 |
| Refuse: | | | | | |
| Removed at least once a week | 32 675 | 32 675 | 32 675 | 32 675 | 32 675 |
| <i>Minimum Service Level and Above sub-total</i> | 32 675 | 32 675 | 32 675 | 32 675 | 32 675 |
| Removed less frequently than once a week | 480 | 480 | 480 | 480 | 480 |
| Using communal refuse dump | 897 | 897 | 897 | 897 | 897 |
| Using own refuse dump | 4 863 | 4 863 | 4 863 | 4 863 | 4 863 |
| Other rubbish disposal | 204 | 204 | 204 | 204 | 204 |
| No rubbish disposal | 20 | 20 | 20 | 20 | 20 |
| <i>Below Minimum Service Level sub-total</i> | 6 464 | 6 464 | 6 464 | 6 464 | 6 464 |
| Total number of households | 39 139 | 39 139 | 39 139 | 39 139 | 39 139 |

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| <u>Households receiving Free Basic Service</u> | | | | | |
| Water (6 kilolitres per household per month) | 9 668 | 9 668 | 9 141 | 9 415 | 9 698 |
| Sanitation (free minimum level service) | 9 329 | 9 329 | 8 914 | 9 181 | 9 456 |
| Electricity /other energy (50kwh per household per month) | 8 848 | 8 848 | 8 591 | 8 849 | 9 114 |
| Refuse (removed at least once a week) | 9 677 | 9 677 | 9 280 | 9 559 | 10 558 |
| <u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u> | | | | | |
| Water (6 kilolitres per indigent household per month) | 14 953 | 14 953 | 15 850 | 16 801 | 17 809 |
| Sanitation (free sanitation service to indigent households) | 30 626 | 30 626 | 32 770 | 35 064 | 37 518 |
| Electricity /other energy (50kwh per indigent household per month) | 9 495 | 9 495 | 10 812 | 12 315 | 14 031 |
| Refuse (removed once a week for indigent households) | 18 206 | 18 206 | 19 663 | 21 236 | 22 935 |
| Total cost of FBS provided | 73 280 | 73 280 | 79 094 | 85 415 | 92 294 |
| <u>Highest level of free service provided per household</u> | | | | | |
| Property rates (R value threshold) | 105 000 | 105 000 | 105 000 | 105 000 | 105 000 |
| Water (kilolitres per household per month) | 6 | 6 | 6 | 6 | 6 |
| Sanitation (Rand per household per month) | 278.33 | 278.33 | 294.75 | 312.14 | 330.56 |
| Electricity (kwh per household per month) | 50 | 50 | 50 | 50 | 50 |
| Refuse (average litres per week) | 164.55 | 164.55 | 182.65 | 202.74 | 225.04 |
| <u>Revenue cost of subsidised services provided (R'000)</u> | | | | | |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA) | 3 331 | 3 331 | 3 597 | 3 885 | 4 196 |
| Other | 2 500 | 2 500 | 3 000 | 3 000 | 3 000 |
| Total revenue cost of subsidised services provided | 5 831 | 5 831 | 6 597 | 6 885 | 7 196 |

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

POLITICAL OVERSIGHT OVER THE BUDGET PROCESS

Section 53 (1) (a) of the MFMA (no 56 of 2003) stipulates that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

Political oversight of the budget process is necessary to ensure that the needs and priorities of the community, as set out in the IDP, are properly linked to the municipality's spending plans.

The mayoral committee is one of the key assurance providers in accomplishing the linkage between the IDP and the Budget of a municipality.

SCHEDULE OF KEY DEADLINES RELATING TO THE BUDGET PROCESS

The mayor must, according to the MFMA, co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP, budget and related policies. The mayor therefore tabled a schedule of key deadlines with regards to the budgetary process and the review of the municipality's IDP, in council at least 10 months before the start of the next financial year.

PURPOSE OF THE BUDGET AND IDP PROCESS PLAN

The purpose of the process plan is to indicate the various planned activities and strategies on which the municipality will embark to compose its Integrated Development Plan for the five year cycle (2024/25 – 2028/29) and the budget for the 2024/2025 financial year and the two outer years.

The process plan enhances integration and alignment between the IDP and the Budget, thereby ensuring the development of an IDP-based budget. It fulfils the role of an operational framework for the IDP and Budget process outlining the manner in which this process was undertaken. In addition, it identifies the activities in the processes around the key statutory annual operational processes of the budget and IDP compilation, performance management implementation and the adoption of the municipality's annual report.

The Mayor tabled in Council the required IDP and budget time schedule on 25 August 2023. Key dates applicable to the process were:

- **October / November 2023** – Review of the financial strategy and key economic and financial planning assumptions. This included financial forecasting and scenario considerations;
- **October / November 2023** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **30 January 2024** - Council considered and approved the 2023/24 Mid-year Review and Adjustments Budget;

- **February / March 2024** - Finalise detailed draft operating and capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate and align to IDP documentation and draft SDBIP, finalise budget policies;
- **28 March 2024** - Tabling in Council of the draft 2024/25 IDP and 2024/25 MTREF Budget for public consultation;
- **April 2024** – Public consultation by means of written comments;
- **28 April 2024 @ 12 midday** - Closing date for written comments;
- **2 - 10 May 2024** – Finalisation of the 2024/25 IDP and 2024/25 MTREF Budget, taking into consideration comments received from the public, comments from National and Provincial Treasury; and
- **31 May 2024** - Tabling of the 2024/25 Final MTREF budget before Council for consideration and approval.

2.1.1 IDP and Service Delivery and Budget Implementation Plan

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

2.1.2 Community Consultation

Members of the community were given the opportunity to provide written comments and inputs on the draft budget presented to them. Consideration was given to the inputs received from the public with due regard to the technical considerations amplified at the Budget Steering Committee meeting of 16 May 2024, which dealt with the fact that both the operational and capital budgets are stretched to the limit as the Municipality placed emphasis on meeting urgent needs like basic services and housing and thereby demonstrating the Executive Mayor's dedication to enhancing the well-being of disadvantaged communities, without placing an additional burden on the paying public.

2.2 Overview of alignment of annual budget with IDP

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

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

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality. It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The 2024/25 MTREF was in the main informed by the IDP process outcomes and the following tables provide the reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

2.2.1 Reconciliation between the IDP strategic objectives and budgeted revenue

| Strategic Objective | Goal | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|--|----------------------|-----------------|---|------------------------|------------------------|
| | | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | |
| Community safety and wellbeing | Manage Development Services | 551 | 564 | 215 | 67 | 69 |
| | Manage Community Development | 538 | 538 | 38 | 38 | 38 |
| | Manage Multi-Purpose Centres | 13 | 26 | 177 | 29 | 31 |
| | Manage Protection Services | 53 895 | 62 192 | 61 454 | 65 148 | 68 070 |
| | Manage Civil Protection | – | 284 | 417 | 573 | – |
| | Manage Licensing and Registration Services | 11 806 | 11 806 | 12 468 | 13 216 | 14 009 |
| | Manage Traffic and Law Enforcement | 40 832 | 48 345 | 48 326 | 51 102 | 53 788 |
| | Manage Fire and Emergency Services | 936 | 1 436 | 10 | 10 | 10 |
| | Manage the Harbour Yzerfontein | 321 | 321 | 233 | 247 | 262 |
| Economic transformation | Facilitate economic development in the municipal | – | – | – | – | – |
| A healthy and sustainable environment | Manage Development Services | 64 320 | 69 795 | 193 234 | 197 612 | 212 730 |
| | Manage Development Services | 1 | 1 | 1 | 1 | 1 |
| | Manage Planning and Valuations | 1 200 | 1 403 | 1 303 | 1 379 | 1 461 |
| | Manage Building Control | 3 589 | 3 589 | 3 805 | 4 033 | 4 275 |
| | Manage Human Settlements | 55 758 | 61 030 | 184 126 | 187 958 | 202 499 |
| | Manage the Caravan Park Yzerfontein | 3 772 | 3 772 | 4 000 | 4 240 | 4 494 |
| A connected and innovative local government | Manage Corporate Services | 12 735 | 14 795 | 13 430 | 13 305 | 13 765 |
| | Manage Corporate Services, Secretariat and Records and Ward Committees | 100 | 156 | 103 | 104 | 104 |
| | Manage Human Resource Services | 366 | 1 879 | 787 | 400 | 400 |
| | Manage Properties, Contracts and Legal Administration | 249 | 274 | 290 | 308 | 326 |
| | Manage Libraries | 11 986 | 12 452 | 12 212 | 12 453 | 12 892 |
| | Manage Marketing And Tourism | 34 | 34 | 38 | 40 | 43 |
| | Manage ICT Services | – | – | – | – | – |

| Strategic Objective | Goal | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|---|----------------------|------------------|---|------------------------|------------------------|
| | | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | |
| | Manage the Office of the Municipal Manager | - | 418 | - | - | - |
| | Manage the Office of the Municipal Manager | - | - | - | - | - |
| | Manage Internal Audit | - | 418 | - | - | - |
| | Manage Strategic Services | - | - | - | - | - |
| | Manage Financial Services | 304 521 | 333 604 | 374 410 | 385 614 | 404 827 |
| | Manage Financial Administration | - | - | - | - | - |
| | Manage Supply Chain Management | - | - | - | - | - |
| | Manage the Budget and Treasury Office | - | - | - | - | - |
| | Manage Finance (Credit Control, Income, Expenditure, etc) | 131 693 | 160 776 | 169 781 | 168 275 | 174 003 |
| | Manage Rates | 171 277 | 171 277 | 203 029 | 215 639 | 229 025 |
| | Manage Financial Management Grant | 1 550 | 1 550 | 1 600 | 1 700 | 1 800 |
| | Manage Council Expenses | 305 | 335 | 352 | 265 | 269 |
| Quality and reliable services | Manage Civil Engineering Services | 756 159 | 770 720 | 815 902 | 873 852 | 966 868 |
| | Manage Cemeteries | 1 108 | 1 108 | 964 | 1 022 | 1 083 |
| | Manage Parks and Recreational Areas | 875 | 875 | 300 | - | - |
| | Manage Proclaimed Roads | 1 427 | 1 902 | 204 | 226 | 237 |
| | Manage Sewerage | 85 326 | 91 935 | 94 584 | 97 463 | 103 207 |
| | Manage Sportsgrounds | 11 196 | 10 103 | 6 065 | 281 | 298 |
| | Manage Streets | 15 546 | 30 735 | 12 837 | 16 572 | 6 707 |
| | Manage Storm water | 331 | 331 | 1 840 | - | - |
| | Manage Swimming Pools | 374 | 374 | 406 | 430 | 456 |
| | Manage Water Provision | 113 187 | 125 708 | 127 631 | 125 349 | 153 832 |
| | Manage Municipal Property | 13 752 | 2 120 | 1 985 | 2 044 | 2 111 |
| | Manage Refuse Removal | 56 595 | 56 595 | 80 220 | 78 934 | 77 089 |
| | Manage Electricity Distribution | 456 443 | 448 935 | 488 867 | 551 530 | 621 846 |
| Allocations to other priorities | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 1 192 485 | 1 252 423 | 1 458 997 | 1 535 863 | 1 666 597 |

2.2.2 Reconciliation between the IDP strategic objectives and budgeted operating expenditure

| Strategic Objective | Goal | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|--|----------------------|-----------------|---|------------------------|------------------------|
| | | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | |
| Community safety and wellbeing | Manage Development Services | 8 292 | 8 479 | 8 492 | 8 643 | 9 214 |
| | Manage Community Development | 4 494 | 4 601 | 4 350 | 4 372 | 4 634 |
| | Manage Multi-Purpose Centres | 1 679 | 1 738 | 1 872 | 1 848 | 1 986 |
| | Manage Environmental and Occupational Health | 2 119 | 2 140 | 2 271 | 2 424 | 2 594 |
| | Manage Protection Services | 102 693 | 112 180 | 120 682 | 127 533 | 134 899 |
| | Manage Protection Services | 2 670 | 2 793 | 3 014 | 3 210 | 3 396 |
| | Manage Civil Protection | 380 | 1 164 | 749 | 892 | 401 |
| | Manage Licensing and Registration Services | 10 811 | 10 772 | 11 939 | 12 750 | 13 664 |
| | Manage Traffic and Law Enforcement | 78 366 | 86 330 | 92 041 | 97 360 | 103 413 |
| | Manage Fire and Emergency Services | 10 002 | 10 655 | 12 439 | 12 792 | 13 460 |
| | Manage the Harbour Yzerfontein | 465 | 465 | 500 | 527 | 564 |
| Economic transformation | Facilitate economic development in the municipal area | 30 | 30 | - | 30 | 30 |
| A healthy and sustainable | Manage Development Services | 23 919 | 24 586 | 42 887 | 176 093 | 211 816 |
| | Manage Development Services | 2 779 | 2 791 | 3 021 | 3 184 | 3 357 |
| | Manage Planning and Valuations | 9 566 | 10 014 | 10 210 | 9 927 | 10 288 |
| | Manage Building Control | 3 780 | 3 801 | 3 996 | 4 296 | 4 621 |
| | Manage Human Settlements | 4 701 | 4 764 | 22 192 | 154 979 | 189 582 |
| | Manage the Caravan Park Yzerfontein | 3 094 | 3 215 | 3 468 | 3 707 | 3 968 |
| A connected and innovative local government | Manage Corporate Services | 42 202 | 45 220 | 46 705 | 48 264 | 51 180 |
| | Manage Corporate Services, Secretariat and Records and Ward Committees | 13 785 | 14 825 | 15 124 | 15 746 | 16 568 |
| | Manage Human Resource Services | 6 899 | 8 525 | 8 043 | 7 602 | 8 080 |
| | Manage Properties, Contracts and Legal Administration | 6 501 | 6 840 | 7 126 | 7 475 | 7 949 |
| | Manage Libraries | 12 586 | 12 598 | 13 853 | 14 741 | 15 735 |
| | Manage Marketing And Tourism | 2 431 | 2 432 | 2 559 | 2 699 | 2 848 |
| | Manage Electrical Engineering Services | | | | | |
| | Manage ICT Services | 18 076 | 17 979 | 21 010 | 21 950 | 23 102 |
| | Manage the Office of the Municipal Manager | 8 897 | 9 938 | 10 030 | 10 404 | 11 010 |
| | Manage the Office of the Municipal Manager | 2 766 | 3 316 | 4 402 | 4 666 | 4 945 |
| | Manage Internal Audit | 3 306 | 3 728 | 2 869 | 2 785 | 2 892 |
| | Manage Strategic Services | 2 824 | 2 893 | 2 759 | 2 953 | 3 173 |

| Strategic Objective | Goal | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|---|----------------------|------------------|---|------------------------|------------------------|
| | | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | |
| | Manage Financial Services | 73 728 | 81 990 | 81 720 | 85 697 | 92 538 |
| | Manage Financial Administration | 2 080 | 2 095 | 2 368 | 2 485 | 2 610 |
| | Manage Supply Chain Management | 9 427 | 9 432 | 10 838 | 11 248 | 12 062 |
| | Manage the Budget and Treasury Office | 6 363 | 7 250 | 3 572 | 3 378 | 3 577 |
| | Manage Finance (Credit Control, Income, Expenditure, etc) | 49 568 | 55 913 | 54 498 | 58 483 | 63 371 |
| | Manage Assets | 2 424 | 2 792 | 5 714 | 4 986 | 5 388 |
| | Manage Fleet | 1 289 | 1 293 | 1 347 | 1 435 | 1 524 |
| | Manage Rates | 1 026 | 1 664 | 1 867 | 2 072 | 2 302 |
| | Manage Financial Management Grant | 1 550 | 1 550 | 1 517 | 1 611 | 1 704 |
| | Manage Council Expenses | | | | | |
| | Manage Council Expenses | 23 068 | 23 556 | 26 049 | 27 239 | 28 400 |
| Quality and reliable services | | 770 425 | 747 396 | 831 469 | 928 611 | 1 022 231 |
| | Manage Civil Engineering Services | | | | | |
| | Manage Civil Engineering Services | 3 827 | 3 885 | 4 220 | 4 362 | 4 587 |
| | Manage Cemeteries | 993 | 980 | 1 072 | 1 084 | 1 136 |
| | Manage Parks and Recreational Areas | 22 184 | 22 759 | 24 023 | 25 224 | 26 946 |
| | Manage Proclaimed Roads | 483 | 483 | 461 | 479 | 488 |
| | Manage Sewerage | 44 909 | 45 302 | 48 110 | 49 282 | 50 122 |
| | Manage Waste Water Treatment Works | 17 682 | 18 314 | 19 506 | 22 009 | 23 757 |
| | Manage Sportsgrounds | 7 244 | 7 726 | 8 663 | 8 971 | 9 368 |
| | Manage Streets | 60 813 | 56 088 | 65 414 | 67 681 | 70 733 |
| | Manage Storm water | 21 207 | 21 318 | 22 563 | 23 920 | 25 671 |
| | Manage Swimming Pools | 4 491 | 4 387 | 6 237 | 6 579 | 6 952 |
| | Manage Water Provision | 107 349 | 101 490 | 108 251 | 117 489 | 129 533 |
| | Manage Municipal Property | 20 170 | 21 211 | 19 991 | 32 160 | 22 575 |
| | Manage Refuse Removal | 36 779 | 40 182 | 41 138 | 43 485 | 48 468 |
| | Manage Street Cleaning | 7 582 | 7 582 | 8 633 | 9 312 | 9 042 |
| | Manage Solid Waste Disposal (Landfill Sites) | 13 693 | 15 897 | 15 613 | 16 870 | 17 359 |
| | Manage Electrical Engineering Services | 1 495 | 1 510 | 2 241 | 2 357 | 2 474 |
| | Manage Electricity Distribution | 397 399 | 376 025 | 433 132 | 495 012 | 570 543 |
| | Manage Street Lighting | 2 124 | 2 256 | 2 202 | 2 335 | 2 478 |
| Allocations to other priorities | | | | | | |
| Total Expenditure | | 1 071 330 | 1 071 352 | 1 189 046 | 1 434 464 | 1 584 421 |

2.2.3 Reconciliation between the IDP strategic objectives and budgeted capital expenditure

| Strategic Objective | Goal | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|--|----------------------|-----------------|---|------------------------|------------------------|
| | | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | |
| Community safety and wellbeing | Manage Development Services | | | | | |
| | Manage Community Development | - | - | - | - | - |
| | Manage Multi-Purpose Centres | - | - | 980 | 6 020 | - |
| | Health | - | - | - | - | - |
| | Manage Protection Services | | | | | |
| | Manage Protection Services | 205 | 243 | 977 | 722 | 1 074 |
| | Manage Licensing and Registration Services | 658 | 658 | - | - | - |
| | Manage Traffic and Law Enforcement | - | - | - | - | - |
| | Manage Fire and Emergency Services | 3 036 | 2 187 | 1 905 | 200 | 200 |
| | Manage the Harbour Yzerfontein | - | - | - | - | - |
| Economic transformation | Facilitate economic development in the municipal area | - | - | - | - | - |
| A healthy and sustainable | Manage Development Services | | | | | |
| | Manage Development Services | 44 | 44 | 46 | 48 | 50 |
| | Manage Planning and Valuations | 1 000 | 1 000 | - | - | - |
| | Manage Human Settlements | 55 314 | 60 507 | 173 309 | 53 400 | 38 500 |
| | Manage the Caravan Park Yzerfontein | 732 | 732 | 489 | 36 | 38 |
| A connected and innovative local government | Manage Corporate Services | | | | | |
| | Manage Corporate Services, Secretariat and Records and Ward Committees | 26 | 26 | 28 | 30 | 32 |
| | Manage Human Resource Services | - | - | - | - | - |
| | Manage Properties, Contracts and Legal Administration | 100 | 100 | 700 | 500 | 500 |
| | Manage Libraries | 50 | 50 | 50 | - | - |
| | Manage Marketing And Tourism | - | - | - | - | - |
| | Manage Electrical Engineering Services | | | | | |
| | Manage ICT Services | 1 517 | 1 007 | 1 230 | 1 876 | 1 781 |
| | Manager | | | | | |
| | Manage the Office of the Municipal Manager | 12 | 12 | 12 | 12 | 12 |
| | Manage Financial Services | | | | | |
| | Manage Financial Administration | 45 | 43 | 122 | 34 | 36 |
| | Manage Assets | - | - | - | - | - |
| | Manage Fleet | - | - | - | - | - |
| | Manage Council Expenses | | | | | |
| Manage Council Expenses | 692 | 12 | 1 278 | 12 | 12 | |

| Strategic Objective | Goal | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|--|----------------------|-----------------|---|------------------------|------------------------|
| | | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | |
| Quality and reliable services | Manage Civil Engineering Services | | | - | - | - |
| | Manage Civil Engineering Services | 54 | 51 | 56 | 58 | 60 |
| | Manage Cemeteries | 1 100 | 740 | - | - | - |
| | Manage Parks and Recreational Areas | 2 317 | 2 406 | 1 961 | 1 552 | 1 988 |
| | Manage Proclaimed Roads | - | - | - | - | - |
| | Manage Sewerage | 3 590 | 9 798 | 11 929 | 1 958 | 4 482 |
| | Manage Waste Water Treatment Works | 2 211 | 2 427 | 1 500 | 500 | 500 |
| | Manage Sportsgrounds | 12 341 | 10 818 | 7 159 | 226 | 232 |
| | Manage Streets | 39 731 | 53 091 | 42 583 | 59 532 | 45 197 |
| | Manage Storm water | 314 | 2 483 | 1 825 | 318 | 1 320 |
| | Manage Swimming Pools | 12 000 | 8 500 | 11 311 | - | - |
| | Manage Water Storage | - | - | - | - | - |
| | Manage Water Provision | 8 064 | 19 042 | 14 942 | 13 870 | 47 658 |
| | Manage Municipal Property | 4 005 | 3 686 | 680 | 1 132 | 34 |
| | Manage Refuse Removal | 4 007 | 3 701 | 33 090 | 17 756 | 4 756 |
| | Manage Street Cleaning | - | - | - | - | - |
| | Manage Solid Waste Disposal (Landfill Sites) | - | - | - | - | - |
| | Manage Electrical Engineering Services | 360 | 306 | 380 | 400 | 420 |
| Manage Electricity Distribution | 53 381 | 62 571 | 67 361 | 56 368 | 49 103 | |
| Allocations to other priorities | | | | | | |
| Total Capital Expenditure | | 209 052 | 248 690 | 376 478 | 216 640 | 197 985 |

Measurable performance objectives and indicators

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

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

2.2.4 Measurable performance objectives

| Description | Unit of measurement | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|------------------------|----------------------|-----------------|---|------------------------|------------------------|
| | | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Community safety and wellbeing | | | | | | |
| <u>Manage Protection Services</u> | | | | | | |
| Manage Protection Services | Completion of projects | 205 | 243 | 977 | 722 | 1 074 |
| Manage Civil Protection | Completion of projects | – | – | – | – | – |
| Manage Licensing and Registration Services | Completion of projects | 658 | 658 | – | – | – |
| Manage Traffic and Law Enforcement | Completion of projects | – | – | – | – | – |
| Manage Fire and Emergency Services | Completion of projects | 3 036 | 2 187 | 1 905 | 200 | 200 |
| Economic transformation | | | | | | |
| Facilitate economic development in the | Completion of projects | – | – | – | – | – |
| A healthy and sustainable environment | | | | | | |
| <u>Manage Development Services</u> | | | | | | |
| Manage Development Services | Completion of projects | 44 | 44 | 46 | 48 | 50 |
| Manage Planning and Valuations | Completion of projects | 1 000 | 1 000 | – | – | – |
| Manage Human Settlements | Completion of projects | 55 314 | 60 507 | 174 289 | 59 420 | 38 500 |
| Manage the Caravan Park Yzerfontein | Completion of projects | 732 | 732 | 489 | 36 | 38 |
| A connected and innovative local | | | | | | |
| <u>Manage Corporate Services</u> | | | | | | |
| Manage Corporate Services, Secretariat and | Completion of projects | 26 | 26 | 28 | 30 | 32 |
| Manage Properties, Contracts and Legal | Completion of projects | 100 | 100 | 700 | 500 | 500 |
| Manage Libraries | Completion of projects | 50 | 50 | 50 | – | – |
| <u>Manage ICT Services</u> | | | | | | |
| Completion of projects | | 1 517 | 1 007 | 1 230 | 1 876 | 1 781 |
| <u>Manage the Office of the Municipal Manager</u> | | | | | | |
| Manage the Office of the Municipal Manager | Completion of projects | 12 | 12 | 12 | 12 | 12 |
| <u>Manage Financial Services</u> | | | | | | |
| Manage Financial Administration | Completion of projects | 45 | 43 | 122 | 34 | 36 |
| Manage Finance (Credit Control, Income, | Completion of projects | 2 147 | 2 449 | 576 | 80 | – |
| <u>Manage Council Expenses</u> | | | | | | |
| Completion of projects | | 692 | 12 | 1 278 | 12 | 12 |
| Quality and reliable services | | | | | | |
| <u>Manage Civil Engineering Services</u> | | | | | | |
| Manage Civil Engineering Services | Completion of projects | 54 | 51 | 56 | 58 | 60 |
| Manage Cemeteries | Completion of projects | 1 100 | 740 | – | – | – |
| Manage Parks and Recreational Areas | Completion of projects | 2 317 | 2 406 | 1 961 | 1 552 | 1 988 |
| Manage Sewerage | Completion of projects | 3 590 | 9 798 | 11 929 | 1 958 | 4 482 |
| Manage Waste Water Treatment Works | Completion of projects | 2 211 | 2 427 | 1 500 | 500 | 500 |
| Manage Sportsgrounds | Completion of projects | 12 341 | 10 818 | 7 159 | 226 | 232 |
| Manage Streets | Completion of projects | 39 731 | 53 091 | 42 583 | 59 532 | 45 197 |
| Manage Storm water | Completion of projects | 314 | 2 483 | 1 825 | 318 | 1 320 |
| Manage Swimming Pools | Completion of projects | 12 000 | 8 500 | 11 311 | – | – |
| Manage Water Storage | Completion of projects | 8 064 | 19 042 | 14 942 | 13 870 | 47 658 |
| Manage Municipal Property | Completion of projects | 4 005 | 3 686 | 680 | 1 132 | 34 |
| Manage Refuse Removal | Completion of projects | 4 007 | 3 701 | 33 090 | 17 756 | 4 756 |
| Manage Electrical Engineering Services | Completion of projects | 360 | 306 | 380 | 400 | 420 |
| Manage Electricity Distribution | Completion of projects | 53 381 | 62 571 | 67 361 | 56 368 | 49 103 |
| | | 209 052 | 248 690 | 376 478 | 216 640 | 197 985 |

2.3 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies / by-laws.

| No. | Policy/Plan Name | Reviewed (Yes / No) | Amended (Yes / No) |
|-----|--|---------------------|--------------------|
| 1. | Tariff Policy | Yes | Yes |
| 2. | Property Rates Policy (only property tax rates revised) | Yes | No |
| 3. | Credit Control and Debt Collection Policy | New | |
| 4. | Indigent Policy | Yes | Yes |
| 5. | Cash Management and Investment Policy | Yes | Yes |
| 6. | Asset Management Policy | Yes | Yes |
| 7. | Fleet Management Policy | Yes | Yes |
| 8. | Supply Chain Management Policy | Yes | Yes |
| 9. | Budget Implementation Policy | Yes | Yes |
| 10. | Funding and Reserves Policy | Yes | Yes |
| 11. | Debt and Borrowing Policy | Yes | Yes |
| 12. | Virement Policy | Yes | No |
| 13. | Travel and Subsistence Policy | Yes | Yes |
| 14. | Cost Containment Policy | Yes | No |
| 15. | Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy | Yes | Yes |
| 16. | Insurance Management Policy | Yes | Yes |

All the above policies are and will be made available on the Municipality's website.

2.3.1 Review of credit control and debt collection procedures/policies

The Credit Control and Debt Collection Policy are reviewed annually and revisions were tabled and approved in May 2021. As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, they are entitled to free basic services. The Credit Control and Debt Collection Policy is a new policy for the 2024/25 financial year.

The final 2024/25 MTREF has been prepared on the basis of achieving an average debtors' collection rate of around 97 per cent on current billings.

2.3.2 Asset Management, Infrastructure Investment and Funding Policy

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment. The policy was reviewed and amended for the 2024/25 financial year.

2.3.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in January 2006. The policy was reviewed and amended for the 2023/24 and 2024/25 financial years. The amendments to the Supply Chain Management Policy is effective immediately and for the 2024/25 financial year.

2.3.4 Budget and Virement Policy

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The Virement Policy was approved by Council in June 2011. The policy was reviewed and not amended for the 2024/25 MTREF.

The Budget Implementation Policy was approved in May 2016. The policy was reviewed and amended for the 2024/25 MTREF.

2.3.5 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy are reviewed annually and amendments were made for the 2023/24 and 2024/25 financial years, effective immediately. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

Swartland Municipality strives to maintain a cost coverage ratio of between 4 to 6 months at all times, which is well above the norm in local government and the cost coverage as per A-schedule SA8 is around 5 to 8 months (including long-term investments) for the 2024/25 MTREF. (**Note:** this cost coverage does not refer to the annual cash / cost coverage ratio in the AFS as prescribed by Circular 71).

2.3.6 Tariff Policy

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy was reviewed and amended for the 2024/25 financial year.

2.4 Overview of budget assumptions

2.4.1 External factors

The Swartland population increased from 113 782 (2011) to 133 762 (2016) and 148 331 (2022) as new households urbanize and in-migrate. This, coupled with the multiplier effect of the high unemployment rate in South Africa could place enormous pressure on the revenue streams and especially the recovery rate of debtors. The audited recovery rate for the 2021/22 year was 96.89%, 97.09% (both excluding fines) for 2022/23 and a planned 97% of billings for the 2024/25 MTREF. Other factors include the following previously mentioned:

- Pressure on supply and demand as a result of ongoing geopolitical conflict, compounding local inflation in the form of Food and Fuel increases which could potential see the SARB delaying reducing the repo rate or pausing rates for longer in the 2024 cycle;
- Unstable national grid and Eskom's woes impacting municipal service delivery;
- Load shedding leading to diminishing electricity demand;
- Diversified funding mix given electricity challenges;
- Fuel price increases and its impact on disposable income levels;
- Not having a grip on some cost drivers;
- National risks impacting financial sustainability-CPI;
- Cost of fuel on the municipal operations;
- Slower recovery of the economy;
- Ability to collect revenue in challenging environments;
- The upward pressure and multiplier effect of increases in staff salaries;
- DORA allocations reduced by R39 Million over the MTREF;
- Whether any public input necessitates council to revise the draft budget/s.

2.4.2 Interest rates for borrowing and investment of funds

Interest rates are currently under control, all things remaining equal with the inflation rate currently being above the mid-target range of the South African Reserve Bank.

2.4.3 Collection rate for revenue services

The base assumption is that tariff and rate increases will increase at a rate slightly above CPI over the long term and leaves the concern whether this is sustainable over the longer term. The rate of revenue collection for 2024/2025 is currently expressed as a percentage (97 per cent) of annual billings. Cash flow is assumed to be 97 per cent of billings. The potential of over-performance of any increased collections or arrear collections will however be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.4.4 Growth or decline in tax base of the municipality

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

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

2.4.5 Salary increases

That Council takes note of the increases of the directors that are contractually linked to the other personnel, which is negotiated and determined at a national level:

- In respect of all personnel, an increase of 5.2% for 2024/2025; 5% for 2025/2026 and 5% for the 2026/2027 financial years, excluding the increase in other benefits that are applicable and the annual 2.415% notch increase where applicable;
- All salary adjustments are adequately budgeted for;
- Provision has been made for a 3% increase for political office bearers which is within the mid band of the inflation targets set by the South African Reserve Bank (SARB).

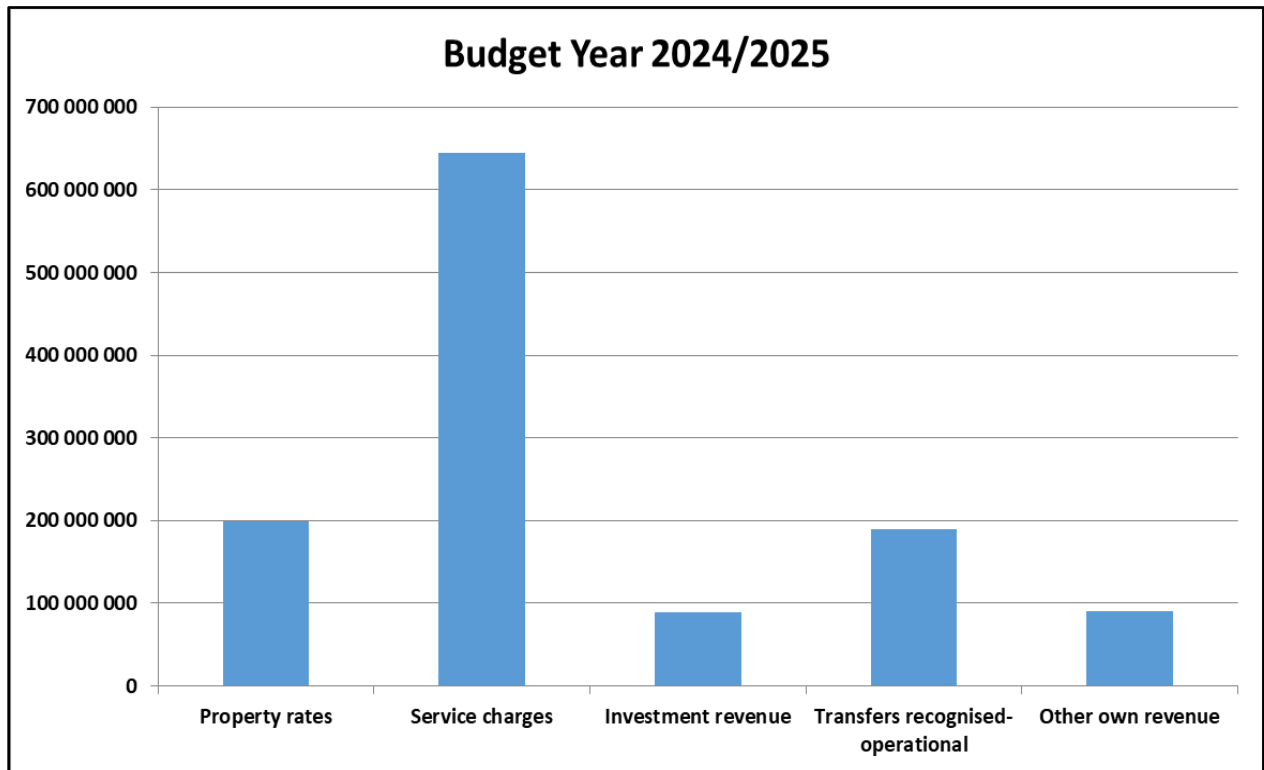
2.5 Overview of budget funding

2.5.1 Medium-term outlook: operating revenue

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

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|----------------------|------------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousands | | | | | |
| Financial Performance | | | | | |
| Property rates | 167 830 | 167 830 | 199 371 | 211 692 | 224 765 |
| Service charges | 596 914 | 576 934 | 644 470 | 720 406 | 805 781 |
| Investment revenue | 55 954 | 83 051 | 88 998 | 81 359 | 80 347 |
| Transfer and subsidies - Operational | 168 036 | 172 097 | 190 028 | 329 234 | 373 746 |
| Other own revenue | 96 364 | 132 602 | 90 067 | 95 209 | 100 865 |
| Total Revenue (excluding capital transfers and contributions) | 1 085 098 | 1 132 514 | 1 212 935 | 1 437 900 | 1 585 504 |

The following graph is a breakdown of the operational revenue per main category for the 2024/25 financial year.



Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right and being cost-reflective assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal.

Investment revenue contributes significantly to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget process. Further initiatives will need to be considered for revenue growth, revenue protection and preventing revenue leakage going forward.

2.5.2 Detail Investment Information / Investment particulars by maturity

All investments are transferred to the current account at year-end. However, excess cash is invested periodically to ensure maximum return.

2.5.3 Cash Flow Management

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

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

Budget cash flow statement

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|----------------------|------------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Receipts | | | | | |
| Property rates | 164 473 | 165 936 | 194 714 | 206 745 | 219 510 |
| Service charges | 590 304 | 576 027 | 643 646 | 718 624 | 803 072 |
| Other revenue | 37 148 | 42 904 | 284 882 | 307 002 | 334 451 |
| Transfers and Subsidies - Operational | 168 036 | 170 982 | 190 068 | 329 234 | 373 746 |
| Transfers and Subsidies - Capital | 107 387 | 111 402 | 246 022 | 97 963 | 81 093 |
| Interest | 55 954 | 83 051 | 88 998 | 81 359 | 80 347 |
| Dividends | - | - | - | - | - |
| Payments | | | | | |
| Suppliers and employees | (883 983) | (870 425) | (1 163 758) | (1 444 304) | (1 598 692) |
| Interest | (9 324) | (6 897) | (8 010) | (7 182) | (6 267) |
| Transfers and Subsidies | (5 060) | (5 426) | (5 902) | (5 983) | (6 179) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 224 935 | 267 554 | 470 661 | 283 457 | 281 080 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Receipts | | | | | |
| Proceeds on disposal of PPE | 14 613 | 4 169 | 2 453 | 2 454 | 2 454 |
| Decrease (increase) in non-current receivables | - | - | - | - | - |
| Decrease (increase) in non-current investments | - | (333 028) | - | - | 333 028 |
| Payments | | | | | |
| Capital assets | (209 052) | (214 610) | (432 655) | (249 037) | (227 531) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (194 439) | (543 469) | (430 201) | (246 583) | 107 951 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Receipts | | | | | |
| Short term loans | - | - | - | - | - |
| Borrowing long term/refinancing | - | - | 40 000 | - | - |
| Increase (decrease) in consumer deposits | 500 | 500 | 500 | 150 | 200 |
| Payments | | | | | |
| Repayment of borrowing | (8 761) | (52 059) | (11 318) | (9 709) | (10 700) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | (8 261) | (51 559) | 29 182 | (9 559) | (10 500) |
| NET INCREASE/ (DECREASE) IN CASH HELD | 22 234 | (327 474) | 69 641 | 27 315 | 378 531 |
| Cash/cash equivalents at the year begin: | 662 215 | 722 017 | 394 543 | 464 184 | 491 499 |
| Cash/cash equivalents at the year end: | 684 449 | 394 543 | 464 184 | 491 499 | 870 030 |

NB: The increase in Cash/cash equivalents at year-end in 2026/27 is due to the maturity of the R300 million investment that was invested for three years.

2.5.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

Cash backed reserves/accumulated surplus reconciliation

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | 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 | 684 449 | 394 543 | 464 184 | 491 499 | 870 030 |
| Other current investments > 90 days | - | - | - | - | - |
| Non current Investments | - | 333 028 | 333 028 | 333 028 | - |
| Cash and investments available: | 684 449 | 727 571 | 797 212 | 824 527 | 870 030 |
| Application of cash and investments | | | | | |
| Unspent conditional transfers | 216 | 75 | - | - | - |
| Unspent borrowing | - | - | - | - | - |
| Other working capital requirements | (45 866) | (42 983) | (70 556) | (75 848) | (81 506) |
| Other provisions | 10 898 | 13 535 | 13 758 | 13 987 | 14 223 |
| Long term investments committed | - | - | - | - | - |
| Reserves to be backed by cash/investments | 293 459 | 303 719 | 354 610 | 381 174 | 407 738 |
| Total Application of cash and investments: | 258 707 | 274 346 | 297 811 | 319 313 | 340 455 |
| Surplus(shortfall) - Excluding Non-Current Creditors Trf to D | 425 742 | 453 225 | 499 402 | 505 214 | 529 575 |
| Creditors transferred to Debt Relief - Non-Current portion | - | - | - | - | - |
| Surplus(shortfall) - Including Non-Current Creditors Trf to D | 425 742 | 453 225 | 499 402 | 505 214 | 529 575 |

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

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.

- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges.
- The **Capital Replacement Reserve** that needs to be **cash-backed**.

2.5.5 Funding compliance measurement

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

Funding compliance measurement

2.5.5.1 Cash/cash equivalent position

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

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

2.5.5.2 Cash plus investments less application of funds

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

2.5.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as boycotts. As mentioned before, the municipality strives to maintain a ratio of between 4 and 6 months, whilst the cost coverage as per A-schedule SA8 is around 5 to 8 months (including long-term investments) for the 2024/25 MTREF.

2.5.5.4 Surplus/deficit excluding depreciation off-sets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. It needs to be noted that a surplus or deficit does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

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

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

2.5.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 97 per cent performance target, the cash flow statement has been based on actual rates achieved to date. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. It also includes fines with a very low collection rate (below 20%). This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.5.5.7 Debt impairment expense as a percentage of billable revenue

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

2.5.5.8 Capital payments percentage of capital expenditure

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

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

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

2.5.5.10 Consumer debtors change (Current and Non-current)

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

2.5.5.11 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Due to the use of a deemed cost for infrastructure valuations, this percentage seems very low.

2.5.5.12 Asset renewal/rehabilitation expenditure level

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

2.6 Expenditure on grants

Expenditure on transfers and grant programmes

| Description | Current Year 2023/2024 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|------------------------|--------------------|---|---------------------|---------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year 2025/26 | Budget Year 2026/27 |
| R thousand | | | | | |
| Operating Transfers and Grants | | | | | |
| National Government: | 146 615 000 | 146 615 000 | 156 957 000 | 167 598 000 | 180 972 000 |
| Local Government Equitable Share | 143 235 000 | 143 235 000 | 153 764 000 | 165 898 000 | 179 172 000 |
| Finance Management | 1 550 000 | 1 550 000 | 1 600 000 | 1 700 000 | 1 800 000 |
| EPWP Incentive | 1 830 000 | 1 830 000 | 1 593 000 | - | - |
| Provincial Government: | 21 055 000 | 22 801 000 | 31 427 834 | 160 663 000 | 192 374 000 |
| Community Development: Workers | 38 000 | 38 000 | 38 000 | 38 000 | 38 000 |
| Human Settlements | - | - | 9 344 834 | 137 938 000 | 169 000 000 |
| Municipal Accreditation and Capacity Building Grant | 245 000 | 245 000 | 249 000 | 249 000 | 260 000 |
| Title Deeds Restoration | - | - | 30 000 | 26 000 | - |
| Libraries | 11 788 000 | 12 254 000 | 12 002 000 | 12 284 000 | 12 713 000 |
| Proclaimed Roads Subsidy | 170 000 | 170 000 | 170 000 | 190 000 | 199 000 |
| WC Financial Management Capability Grant: Student Bursaries | - | 100 000 | - | - | - |
| Thusong Grant | - | - | 150 000 | - | - |
| Establishment of a K9 Unit | 3 305 000 | 3 305 000 | 3 732 000 | 4 100 000 | 4 220 000 |
| Establishment of a Rural Safety Unit | 5 509 000 | 5 509 000 | 5 712 000 | 5 838 000 | 5 944 000 |
| WC Municipal Energy Resilience Grant | - | 680 000 | - | - | - |
| Municipal Service Delivery and Capacity Building Grant | - | 500 000 | - | - | - |
| Total Operating Transfers and Grants | 167 670 000 | 169 416 000 | 188 384 834 | 328 261 000 | 373 346 000 |
| Capital Transfers and Grants | | | | | |
| National Government: | 48 366 000 | 46 713 000 | 52 150 000 | 48 443 000 | 48 093 000 |
| Municipal Infrastructure Grant (MIG) | 24 708 000 | 23 055 000 | 29 332 000 | 25 343 000 | 27 225 000 |
| Integrated National Electrification Programme (municipal) | 23 658 000 | 23 658 000 | 22 818 000 | 23 100 000 | 20 868 000 |
| Provincial Government: | 57 796 000 | 63 489 000 | 174 879 166 | 49 520 000 | 33 000 000 |
| Human Settlements | 55 314 000 | 60 507 000 | 174 289 166 | 49 520 000 | 33 000 000 |
| RSEP/VPUU Municipal Projects | 500 000 | 500 000 | - | - | - |
| Libraries | 50 000 | 50 000 | 50 000 | - | - |
| Fire Service Capacity Building Grant | 926 000 | 926 000 | - | - | - |
| Establishment of a K9 Unit | 40 000 | 40 000 | 40 000 | - | - |
| Sport Development | 966 000 | 966 000 | 500 000 | - | - |
| Non-motorised Transport Infrastructure | - | 500 000 | - | - | - |
| Total Capital Transfers and Grants | 106 162 000 | 110 202 000 | 227 029 166 | 97 963 000 | 81 093 000 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 273 832 000 | 279 618 000 | 415 414 000 | 426 224 000 | 454 439 000 |

2.7 Allocations and Grants made by the municipality

The following cash allocations are provided for in the budget of the municipality:

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| <u>Cash Transfers to Organisations</u> | | | | | |
| <i>Old age homes</i> | 1 698 | 1 698 | 1 757 | 1 838 | 1 923 |
| <i>SPCA</i> | 343 | 343 | 360 | 376 | 394 |
| <i>NSRI</i> | 37 | 37 | 38 | 40 | 42 |
| <i>Museums</i> | 287 | 287 | 301 | 315 | 329 |
| <i>Bergriver Canoe Marathon</i> | 30 | 30 | 30 | 30 | 30 |
| <i>Sport Bodies/Developmental & Social Upliftment</i> | 600 | 450 | 726 | 600 | 600 |
| <i>Tourism associations</i> | 1 595 | 1 595 | 1 672 | 1 748 | 1 828 |
| <i>Public Safety : SM Area</i> | - | - | 500 | 500 | 500 |
| Total Cash Transfers To Organisations | 4 589 | 4 439 | 5 384 | 5 448 | 5 646 |
| <u>Cash Transfers to Groups of Individuals</u> | | | | | |
| <i>Bursaries:non-employees</i> | - | 486 | - | - | - |
| <i>Welfare organisations</i> | 471 | 471 | 492 | 512 | 534 |
| <i>Private Enterprises:Standard Bank (In-kind)</i> | - | 30 | - | - | - |
| <i>Project Linked Support (Title Deeds)</i> | - | - | 26 | 23 | - |
| Total Cash Transfers To Groups Of | 471 | 988 | 518 | 535 | 534 |
| TOTAL CASH TRANSFERS AND GRANTS | 5 060 | 5 426 | 5 902 | 5 983 | 6 179 |
| TOTAL NON-CASH TRANSFERS AND GRANTS | - | - | - | - | - |
| TOTAL TRANSFERS AND GRANTS | 5 060 | 5 426 | 5 902 | 5 983 | 6 179 |

2.8 Councillor and employee benefits

Summary of councillor and staff benefits

| Summary of Employee and Councillor remuneration R thousand | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| | D | E | G | H | I |
| Councillors (Political Office Bearers plus Other) | | | | | |
| Basic Salaries and Wages | 9 058 | 9 262 | 10 018 | 10 468 | 10 939 |
| Pension and UIF Contributions | 976 | 995 | 977 | 1 021 | 1 067 |
| Medical Aid Contributions | 156 | 301 | 213 | 223 | 233 |
| Cellphone Allowance | 1 015 | 1 097 | 1 181 | 1 234 | 1 289 |
| Other benefits and allowances | 877 | 764 | 885 | 925 | 967 |
| Sub Total - Councillors | 12 081 | 12 419 | 13 273 | 13 870 | 14 495 |
| % increase | 7.6% | 2.8% | - | 4.5% | 4.5% |
| Senior Managers of the Municipality | | | | | |
| Basic Salaries and Wages | 9 291 | 9 408 | 10 180 | 10 748 | 11 308 |
| Pension and UIF Contributions | 1 750 | 1 885 | 1 953 | 2 053 | 2 158 |
| Medical Aid Contributions | 429 | 443 | 468 | 508 | 552 |
| Performance Bonus | - | - | 1 215 | 1 275 | 1 339 |
| Motor Vehicle Allowance | 761 | 1 050 | 1 043 | 1 056 | 1 084 |
| Cellphone Allowance | 251 | 263 | 266 | 268 | 282 |
| Other benefits and allowances | 193 | 342 | 285 | 313 | 325 |
| Payments in lieu of leave | 33 | 33 | 35 | 37 | 38 |
| Post-retirement benefit obligations | 1 519 | 1 519 | 1 601 | 1 681 | 1 765 |
| Sub Total - Senior Managers of Municipality | 14 228 | 14 944 | 17 045 | 17 940 | 18 853 |
| % increase | 0.3% | 5.0% | - | 5.3% | 5.1% |
| Other Municipal Staff | | | | | |
| Basic Salaries and Wages | 183 305 | 182 544 | 197 651 | 209 999 | 225 431 |
| Pension and UIF Contributions | 32 503 | 32 851 | 35 522 | 38 202 | 41 015 |
| Medical Aid Contributions | 14 196 | 14 735 | 15 634 | 16 879 | 18 224 |
| Overtime | 14 882 | 15 278 | 15 726 | 16 474 | 17 339 |
| Motor Vehicle Allowance | 6 189 | 6 265 | 6 354 | 6 354 | 6 989 |
| Cellphone Allowance | 684 | 707 | 708 | 708 | 711 |
| Housing Allowances | 1 151 | 1 206 | 1 279 | 1 360 | 1 460 |
| Other benefits and allowances | 33 872 | 34 328 | 35 729 | 38 200 | 41 020 |
| Payments in lieu of leave | 2 988 | 2 988 | 3 139 | 3 296 | 3 461 |
| Long service awards | 2 898 | 2 898 | 2 696 | 2 966 | 3 262 |
| Post-retirement benefit obligations | 9 498 | 9 498 | 9 998 | 10 498 | 11 023 |
| Sub Total - Other Municipal Staff | 302 166 | 303 297 | 324 436 | 344 936 | 369 936 |
| % increase | 8.8% | 0.4% | - | 6.3% | 7.2% |
| Total Parent Municipality | 328 475 | 330 660 | 354 754 | 376 746 | 403 284 |
| Total Municipal Entities | - | - | - | - | - |
| TOTAL SALARY, ALLOWANCES & BENEFITS | 328 475 | 330 660 | 354 754 | 376 746 | 403 284 |
| % increase | 8.4% | 0.7% | 7.3% | 6.2% | 7.0% |
| TOTAL MANAGERS AND STAFF | 316 394 | 318 241 | 341 481 | 362 876 | 388 789 |

2.9 Contracts having future budgetary implications

Section 33 stipulates that if approved total revenue are greater than R500 million, all operational costs of projects \geq than R 5 million per annum must be listed and in this scenario SM does not have any such additional operational costs not being part of the normally planned revenue streams over the MTREF.

| Description | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|---|---------------------------|---------------------------|
| | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | |
| Parent Municipality: | | | |
| Revenue Obligation By Contract | | | |
| <i>Contract 1</i> | Not applicable | | |
| <i>Contract 2</i> | | | |
| <i>Contract 3 etc</i> | | | |
| Total Operating Revenue Implication | – | – | – |
| Expenditure Obligation By Contract | | | |
| <i>Contract 1</i> | Not applicable | | |
| <i>Contract 2</i> | | | |
| <i>Contract 3 etc</i> | | | |
| Total Operating Expenditure Implication | – | – | – |
| Capital Expenditure Obligation By Contract | | | |
| <i>Contract 1</i> | Not applicable | | |
| <i>Contract 2</i> | | | |
| <i>Contract 3 etc</i> | | | |
| Total Capital Expenditure Implication | – | – | – |
| Total Parent Expenditure Implication | – | – | – |

2.10 Monthly targets for revenue, expenditure and capital

2.10.1 Monthly projections of revenue and expenditure to be collected for each source

| Description | Budget Year 2024/25 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--|---------------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------------|---------------|---------------|----------------|---|------------------------|------------------------|
| | July | August | September | October | November | December | January | February | March | April | May | June | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Revenue | | | | | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | | | | | |
| Service charges - Electricity | 39 982 | 41 092 | 41 462 | 37 875 | 38 783 | 39 801 | 38 325 | 36 970 | 36 059 | 35 624 | 34 724 | 30 722 | 451 420 | 513 669 | 584 481 |
| Service charges - Water | 7 100 | 5 393 | 5 962 | 6 758 | 7 782 | 10 400 | 10 627 | 10 969 | 9 489 | 8 351 | 7 213 | 7 896 | 97 940 | 103 704 | 109 807 |
| Service charges - Waste Water Management | 4 763 | 4 743 | 4 755 | 4 762 | 4 736 | 4 756 | 4 755 | 4 743 | 4 743 | 4 755 | 4 755 | 4 756 | 57 022 | 60 021 | 63 171 |
| Service charges - Waste Management | 3 150 | 3 157 | 3 158 | 3 178 | 3 188 | 3 175 | 3 192 | 3 195 | 3 171 | 3 177 | 3 177 | 3 171 | 38 087 | 43 011 | 48 323 |
| Sale of Goods and Rendering of Services | 889 | 1 049 | 897 | 1 208 | 1 059 | 1 388 | 1 322 | 1 106 | 1 263 | 1 119 | 1 096 | 1 222 | 13 619 | 14 432 | 15 298 |
| Agency services | 462 | 590 | 665 | 594 | 462 | 599 | 479 | 564 | 579 | 519 | 599 | 677 | 6 787 | 7 194 | 7 626 |
| Interest earned from Receivables | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 3 407 | 3 611 | 3 828 |
| Interest earned from Current and Non Current | 732 | 742 | 761 | 784 | 742 | 761 | 778 | 765 | 743 | 733 | 778 | 80 678 | 88 998 | 81 359 | 80 347 |
| Rental from Fixed Assets | 158 | 154 | 156 | 158 | 160 | 166 | 167 | 167 | 164 | 161 | 160 | 159 | 1 930 | 2 045 | 2 168 |
| Licence and permits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | 328 | 335 | 330 | 337 | 334 | 341 | 341 | 336 | 340 | 334 | 334 | 339 | 4 028 | 4 243 | 4 470 |
| Non-Exchange Revenue | | | | | | | | | | | | | | | |
| Property rates | 10 912 | 17 002 | 16 796 | 17 105 | 16 899 | 17 414 | 17 311 | 17 249 | 17 208 | 17 290 | 17 105 | 17 084 | 199 371 | 211 692 | 224 765 |
| Fines, penalties and forfeits | 23 | 21 | 28 | 29 | 32 | 23 | 20 | 31 | 23 | 27 | 22 | 38 710 | 38 991 | 41 322 | 43 793 |
| Licences or permits | 451 | 451 | 445 | 476 | 469 | 430 | 462 | 474 | 458 | 459 | 441 | 452 | 5 467 | 5 789 | 6 130 |
| Transfer and subsidies - Operational | 63 319 | 3 160 | 3 075 | 2 985 | 2 985 | 50 253 | 2 985 | 2 985 | 49 323 | 2 985 | 2 985 | 2 985 | 190 028 | 329 234 | 373 746 |
| Interest | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 1 324 | 1 403 | 1 487 |
| Operational Revenue | 1 005 | 1 005 | 1 005 | 1 005 | 1 005 | 1 005 | 1 005 | 1 005 | 1 005 | 1 005 | 1 005 | 1 005 | 12 062 | 12 716 | 13 610 |
| Gains on disposal of Assets | 15 | 12 | 13 | 14 | 16 | 921 | 21 | 22 | 19 | 17 | 16 | 1 368 | 2 453 | 2 454 | 2 454 |
| Total Revenue (excluding capital transfers and contributions) | 133 684 | 79 300 | 79 901 | 77 663 | 79 047 | 131 825 | 82 183 | 80 975 | 124 980 | 76 952 | 74 805 | 191 619 | 1 212 935 | 1 437 900 | 1 585 504 |

| Description | Budget Year 2024/25 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--|---------------------|-----------------|----------------|----------------|-----------------|---------------|----------------|-----------------|---------------|----------------|----------------|-----------------|---|------------------------|------------------------|
| | July | August | September | October | November | December | January | February | March | April | May | June | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Expenditure | | | | | | | | | | | | | | | |
| Employee related costs | 25 793 | 25 840 | 25 840 | 25 840 | 40 967 | 25 846 | 25 861 | 25 878 | 25 873 | 27 093 | 25 873 | 40 776 | 341 481 | 362 876 | 388 789 |
| Remuneration of councillors | 1 009 | 1 009 | 1 009 | 1 009 | 1 009 | 1 009 | 1 009 | 1 234 | 1 234 | 1 234 | 1 234 | 1 274 | 13 273 | 13 870 | 14 495 |
| Bulk purchases - electricity | 3 664 | 54 862 | 40 397 | 29 829 | 29 129 | 28 923 | 28 869 | 30 231 | 28 784 | 28 736 | 29 929 | 51 573 | 384 927 | 445 361 | 515 282 |
| Inventory consumed | 2 572 | 2 105 | 2 420 | 2 539 | 2 562 | 2 429 | 2 892 | 2 904 | 2 898 | 2 892 | 2 887 | 39 810 | 68 908 | 75 247 | 81 133 |
| Debt impairment | - | - | - | - | - | - | - | - | - | - | - | 3 405 | 3 405 | 4 261 | 4 986 |
| Depreciation and amortisation | - | - | - | 14 250 | 14 250 | 14 250 | 14 250 | 14 250 | 14 250 | 14 250 | 14 250 | 14 250 | 128 253 | 139 288 | 154 310 |
| Interest | - | - | - | - | - | 4 005 | - | - | - | - | - | 10 685 | 14 689 | 14 562 | 13 612 |
| Contracted services | 6 305 | 6 263 | 6 214 | 6 170 | 6 373 | 6 393 | 6 419 | 6 749 | 6 510 | 6 343 | 6 415 | 12 938 | 83 092 | 225 121 | 248 674 |
| Transfers and subsidies | 354 | 449 | 1 048 | 288 | 510 | 501 | 60 | 553 | 441 | 26 | 26 | 1 647 | 5 902 | 5 983 | 6 179 |
| Irrecoverable debts written off | - | - | - | - | - | - | - | 30 900 | - | - | - | 14 124 | 45 024 | 48 048 | 51 693 |
| Operational costs | 4 208 | 8 262 | 6 516 | 3 911 | 3 957 | 3 955 | 3 949 | 4 072 | 4 007 | 4 845 | 3 957 | 13 947 | 65 587 | 69 529 | 72 570 |
| Losses on disposal of Assets | - | - | - | - | - | - | - | - | - | - | - | 22 793 | 22 793 | 17 260 | 18 122 |
| Other Losses | - | - | - | - | - | - | - | - | - | - | - | 11 710 | 11 710 | 13 059 | 14 577 |
| Total Expenditure | 43 904 | 98 790 | 83 444 | 83 836 | 98 758 | 87 311 | 83 310 | 116 772 | 83 997 | 85 421 | 84 572 | 238 932 | 1 189 046 | 1 434 464 | 1 584 421 |
| Surplus/(Deficit) | 89 780 | (19 490) | (3 542) | (6 173) | (19 711) | 44 514 | (1 127) | (35 797) | 40 983 | (8 469) | (9 767) | (47 313) | 23 889 | 3 436 | 1 083 |
| Transfers and subsidies - capital | 20 505 | 20 505 | 20 505 | 20 505 | 20 505 | 20 505 | 20 505 | 20 505 | 20 505 | 20 505 | 20 505 | 20 505 | 246 062 | 97 963 | 81 093 |
| Transfers and subsidies - capital (in-) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 110 285 | 1 016 | 16 963 | 14 332 | 794 | 65 019 | 19 378 | (15 292) | 61 488 | 12 036 | 10 738 | (26 808) | 269 951 | 101 399 | 82 176 |
| Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 110 285 | 1 016 | 16 963 | 14 332 | 794 | 65 019 | 19 378 | (15 292) | 61 488 | 12 036 | 10 738 | (26 808) | 269 951 | 101 399 | 82 176 |

2.10.2 Monthly projections of expenditure (operating and capital) and revenue for each function

| Description | Budget Year 2024/25 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--|---------------------|--------|---------|---------|----------|----------|---------|----------|---------|--------|--------|---------|---|------------------------|------------------------|
| | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Revenue - Functional | | | | | | | | | | | | | | | |
| Governance and administration | 42 775 | 18 591 | 18 491 | 18 741 | 18 492 | 43 734 | 18 952 | 18 873 | 41 769 | 18 875 | 18 734 | 99 630 | 377 656 | 388 447 | 407 731 |
| Executive and council | 14 | 21 | 107 | 23 | 20 | 27 | 27 | 22 | 26 | 20 | 20 | 25 | 352 | 265 | 269 |
| Finance and administration | 42 761 | 18 571 | 18 384 | 18 718 | 18 472 | 43 707 | 18 925 | 18 851 | 41 743 | 18 855 | 18 714 | 99 605 | 377 305 | 388 182 | 407 462 |
| Internal audit | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | 18 119 | 18 202 | 18 171 | 18 303 | 18 241 | 18 377 | 18 323 | 18 244 | 18 312 | 18 248 | 18 217 | 56 806 | 257 564 | 258 691 | 276 178 |
| Community and social services | 1 169 | 1 178 | 1 165 | 1 185 | 1 176 | 1 188 | 1 181 | 1 181 | 1 172 | 1 171 | 1 171 | 1 160 | 14 098 | 14 423 | 14 370 |
| Sport and recreation | 783 | 857 | 839 | 950 | 898 | 1 022 | 975 | 896 | 973 | 910 | 879 | 789 | 10 771 | 4 951 | 5 248 |
| Public safety | 823 | 823 | 823 | 823 | 823 | 823 | 823 | 823 | 823 | 823 | 823 | 39 514 | 48 570 | 51 359 | 54 061 |
| Housing | 15 344 | 15 344 | 15 344 | 15 344 | 15 344 | 15 344 | 15 344 | 15 344 | 15 344 | 15 344 | 15 344 | 15 344 | 184 126 | 187 958 | 202 499 |
| Economic and environmental services | 2 490 | 2 643 | 2 468 | 2 544 | 2 354 | 2 569 | 2 470 | 2 493 | 2 561 | 2 444 | 2 468 | 2 671 | 30 176 | 34 961 | 26 195 |
| Planning and development | 363 | 389 | 320 | 435 | 384 | 501 | 492 | 416 | 486 | 428 | 389 | 504 | 5 107 | 5 412 | 5 736 |
| Road transport | 2 127 | 2 254 | 2 148 | 2 109 | 1 970 | 2 067 | 1 979 | 2 077 | 2 075 | 2 016 | 2 079 | 2 167 | 25 069 | 29 548 | 20 459 |
| Trading services | 90 802 | 60 365 | 61 273 | 58 577 | 60 462 | 87 647 | 62 940 | 61 867 | 82 840 | 57 887 | 55 888 | 53 014 | 793 563 | 853 724 | 956 451 |
| Energy sources | 45 455 | 43 483 | 43 852 | 40 266 | 41 174 | 44 613 | 40 716 | 39 361 | 41 385 | 38 015 | 37 115 | 33 413 | 488 849 | 551 512 | 621 828 |
| Water management | 14 530 | 6 543 | 7 112 | 7 908 | 8 932 | 16 484 | 11 777 | 12 119 | 15 275 | 9 501 | 8 363 | 9 086 | 127 631 | 125 349 | 153 832 |
| Waste water management | 18 209 | 5 328 | 5 331 | 5 352 | 5 319 | 15 462 | 5 353 | 5 330 | 15 133 | 5 338 | 5 342 | 5 365 | 96 863 | 97 929 | 103 701 |
| Waste management | 12 608 | 5 012 | 4 978 | 5 051 | 5 036 | 11 088 | 5 094 | 5 058 | 11 046 | 5 032 | 5 067 | 5 150 | 80 220 | 78 934 | 77 089 |
| Other | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 38 | 40 | 43 |
| Total Revenue - Functional | 154 189 | 99 805 | 100 407 | 98 168 | 99 552 | 152 330 | 102 689 | 101 480 | 145 485 | 97 457 | 95 310 | 212 124 | 1 458 997 | 1 535 863 | 1 666 597 |



| Description | Budget Year 2024/25 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--|---------------------|--------|--------|---------|----------|----------|---------|----------|--------|--------|--------|----------|---|------------------------|------------------------|
| | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Expenditure - Functional | | | | | | | | | | | | | | | |
| Governance and administration | 13 320 | 15 538 | 16 062 | 14 001 | 18 246 | 14 059 | 13 871 | 16 003 | 14 148 | 16 171 | 14 078 | 24 655 | 190 151 | 209 142 | 210 805 |
| Executive and council | 2 034 | 3 106 | 4 808 | 1 933 | 2 330 | 1 741 | 1 707 | 2 642 | 1 916 | 2 957 | 1 907 | 3 370 | 30 451 | 31 905 | 33 345 |
| Finance and administration | 11 080 | 12 224 | 11 047 | 11 862 | 15 604 | 12 111 | 11 956 | 13 152 | 12 023 | 13 006 | 11 962 | 20 962 | 156 988 | 174 615 | 174 734 |
| Internal audit | 206 | 208 | 207 | 206 | 312 | 208 | 208 | 210 | 209 | 208 | 208 | 322 | 2 711 | 2 622 | 2 725 |
| Community and public safety | 10 463 | 10 975 | 10 476 | 12 537 | 17 511 | 12 560 | 12 665 | 34 977 | 12 687 | 12 660 | 12 671 | 35 677 | 195 859 | 337 549 | 382 786 |
| Community and social services | 2 017 | 2 090 | 2 014 | 2 184 | 3 447 | 2 187 | 2 192 | 2 197 | 2 196 | 2 188 | 2 189 | 3 770 | 28 670 | 30 021 | 31 408 |
| Sport and recreation | 2 541 | 2 695 | 2 545 | 3 188 | 4 421 | 3 211 | 3 242 | 3 252 | 3 249 | 3 242 | 3 246 | 5 364 | 40 196 | 42 068 | 44 579 |
| Public safety | 5 404 | 5 686 | 5 413 | 5 630 | 7 988 | 5 626 | 5 697 | 27 957 | 5 707 | 5 696 | 5 701 | 18 297 | 104 801 | 110 481 | 117 216 |
| Housing | 501 | 504 | 504 | 1 535 | 1 654 | 1 535 | 1 535 | 1 572 | 1 535 | 1 535 | 1 535 | 8 246 | 22 192 | 154 979 | 189 582 |
| Health | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | 3 383 | 3 336 | 3 051 | 7 163 | 8 366 | 7 343 | 7 321 | 7 378 | 7 350 | 7 311 | 7 336 | 22 550 | 91 889 | 94 879 | 99 373 |
| Planning and development | 1 301 | 1 303 | 1 295 | 1 290 | 1 845 | 1 307 | 1 309 | 1 330 | 1 323 | 1 306 | 1 315 | 2 041 | 16 965 | 17 206 | 18 112 |
| Road transport | 2 081 | 2 033 | 1 756 | 5 873 | 6 521 | 6 036 | 6 012 | 6 048 | 6 027 | 6 005 | 6 022 | 20 509 | 74 923 | 77 673 | 81 261 |
| Environmental protection | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | 16 678 | 68 878 | 53 381 | 50 075 | 54 537 | 52 875 | 49 394 | 58 353 | 49 339 | 49 218 | 50 427 | 155 483 | 708 641 | 790 253 | 888 674 |
| Energy sources | 6 560 | 58 035 | 43 257 | 34 550 | 34 988 | 35 394 | 33 655 | 35 409 | 33 553 | 33 486 | 34 668 | 69 087 | 452 643 | 516 735 | 594 737 |
| Water management | 2 354 | 2 582 | 2 343 | 4 358 | 5 382 | 4 387 | 4 364 | 10 101 | 4 371 | 4 366 | 4 368 | 59 541 | 108 519 | 117 731 | 129 742 |
| Waste water management | 3 804 | 3 915 | 3 862 | 6 640 | 8 383 | 7 967 | 6 800 | 7 606 | 6 807 | 6 799 | 6 803 | 12 534 | 81 920 | 85 932 | 89 126 |
| Waste management | 3 960 | 4 346 | 3 919 | 4 527 | 5 783 | 5 128 | 4 575 | 5 237 | 4 608 | 4 567 | 4 588 | 14 321 | 65 559 | 69 855 | 75 069 |
| Other | 60 | 62 | 474 | 60 | 97 | 474 | 60 | 60 | 474 | 60 | 60 | 567 | 2 506 | 2 641 | 2 783 |
| Total Expenditure - Functional | 43 904 | 98 790 | 83 444 | 83 836 | 98 758 | 87 311 | 83 310 | 116 772 | 83 997 | 85 421 | 84 572 | 238 932 | 1 189 046 | 1 434 464 | 1 584 421 |
| Surplus/(Deficit) before assoc. | 110 285 | 1 016 | 16 963 | 14 332 | 794 | 65 019 | 19 378 | (15 292) | 61 488 | 12 036 | 10 738 | (26 808) | 269 951 | 101 399 | 82 176 |
| Intercompany /Parent subsidiary | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) | 110 285 | 1 016 | 16 963 | 14 332 | 794 | 65 019 | 19 378 | (15 292) | 61 488 | 12 036 | 10 738 | (26 808) | 269 951 | 101 399 | 82 176 |

| Description | Budget Year 2024/25 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|------------------------|------------------------|
| | July | August | Sept. | October | November | December | January | Feb. | March | April | May | June | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Multi-year expenditure to be appropriated | | | | | | | | | | | | | | | |
| Vote 1 - Corporate Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Civil Services | 2 500 | 5 000 | 7 000 | 6 895 | 6 311 | 2 500 | 2 500 | 5 000 | 5 000 | 6 332 | 5 588 | 2 700 | 57 326 | 79 743 | 86 332 |
| Vote 3 - Council | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Electricity Services | 3 018 | 2 200 | 3 000 | 3 000 | 3 000 | 6 550 | 8 111 | 8 170 | 6 270 | 4 060 | 4 450 | 3 300 | 55 129 | 41 318 | 35 718 |
| Vote 5 - Financial Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - Development Services | 9 392 | 3 387 | 4 345 | 4 653 | 4 499 | 4 345 | 33 024 | 34 284 | 35 054 | 32 906 | - | - | 165 889 | 59 420 | 38 500 |
| Vote 7 - Municipal Manager | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Protection Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-tota | 14 910 | 10 587 | 14 345 | 14 548 | 13 810 | 13 395 | 43 634 | 47 454 | 46 324 | 43 298 | 10 038 | 6 000 | 278 343 | 180 481 | 160 550 |
| Single-year expenditure to be appropriated | | | | | | | | | | | | | | | |
| Vote 1 - Corporate Services | - | - | 20 | - | 310 | 10 | 60 | 308 | 20 | - | 50 | - | 778 | 530 | 532 |
| Vote 2 - Civil Services | 578 | 2 358 | 7 088 | 15 647 | 12 397 | 7 057 | 5 700 | 7 812 | 6 008 | 3 669 | 823 | 573 | 69 710 | 17 159 | 19 895 |
| Vote 3 - Council | - | 2 | 3 | 2 | 868 | 2 | 1 | 400 | - | - | - | - | 1 278 | 12 | 12 |
| Vote 4 - Electricity Services | 365 | 245 | 370 | 493 | 2 633 | 1 054 | 650 | 5 402 | 889 | 649 | 641 | 455 | 13 843 | 17 326 | 15 586 |
| Vote 5 - Financial Services | - | - | 40 | 40 | 318 | - | - | 150 | 150 | - | - | - | 698 | 114 | 36 |
| Vote 6 - Development Services | - | 20 | 27 | 423 | 36 | 5 | 12 | 11 | - | - | - | 8 400 | 8 935 | 84 | 88 |
| Vote 7 - Municipal Manager | - | 2 | 3 | 2 | 2 | 2 | 1 | - | - | - | - | - | 12 | 12 | 12 |
| Vote 8 - Protection Services | - | 823 | 10 | - | 90 | - | - | 20 | 200 | 1 725 | 15 | (0) | 2 882 | 922 | 1 274 |
| Vote 9 - [NAME OF VOTE 9] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-tot | 943 | 3 449 | 7 561 | 16 607 | 16 653 | 8 129 | 6 424 | 14 103 | 7 266 | 6 043 | 1 529 | 9 428 | 98 134 | 36 159 | 37 435 |
| Total Capital Expenditure | 15 853 | 14 036 | 21 906 | 31 155 | 30 463 | 21 524 | 50 058 | 61 557 | 53 590 | 49 340 | 11 567 | 15 428 | 376 478 | 216 640 | 197 985 |

2.11 Capital expenditure details

The following four tables present details of the Municipality’s capital expenditure programme, firstly on new assets, then the renewal of assets, then the repair and maintenance of assets and finally the depreciation per asset class with overlapping due to the nature of some transactions.

2.11.1 Capital expenditure on new assets by asset class

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| Capital expenditure on new assets by Asset Class/Sub-class | | | | | |
| Infrastructure | 125 032 | 150 105 | 275 466 | 157 407 | 104 838 |
| Roads Infrastructure | 55 914 | 66 673 | 117 253 | 73 098 | 51 950 |
| <i>Roads</i> | 55 914 | 66 673 | 117 253 | 73 098 | 51 950 |
| Storm water Infrastructure | – | 2 169 | 1 509 | – | – |
| <i>Storm water Conveyance</i> | – | 2 169 | 1 509 | – | – |
| Electrical Infrastructure | 46 400 | 52 789 | 61 979 | 49 768 | 36 218 |
| <i>MV Substations</i> | 16 542 | 11 131 | 31 611 | 3 220 | 220 |
| <i>MV Switching Stations</i> | 5 350 | 5 350 | 5 350 | 5 880 | 5 880 |
| <i>MV Networks</i> | 23 658 | 35 458 | 22 818 | 26 600 | 20 868 |
| <i>LV Networks</i> | 850 | 850 | 2 200 | 14 068 | 9 250 |
| Water Supply Infrastructure | 9 797 | 15 877 | 38 951 | 14 365 | 11 475 |
| <i>Boreholes</i> | 500 | – | – | – | – |
| <i>Distribution</i> | 9 297 | 15 877 | 38 951 | 14 365 | 11 475 |
| Sanitation Infrastructure | 10 420 | 10 097 | 26 154 | 6 965 | 5 194 |
| <i>Pump Station</i> | 1 100 | 1 316 | – | – | – |
| <i>Reticulation</i> | 9 320 | 8 781 | 26 154 | 6 965 | 5 194 |
| Solid Waste Infrastructure | 2 500 | 2 500 | 29 621 | 13 210 | – |
| <i>Landfill Sites</i> | 2 000 | 2 500 | 29 621 | 12 630 | – |
| <i>Waste Drop-off Points</i> | 500 | – | – | 580 | – |
| Community Assets | 15 700 | 11 840 | 14 141 | 7 120 | 1 100 |
| Community Facilities | 3 000 | 2 640 | 1 800 | 1 100 | 1 100 |
| <i>Cemeteries/Crematoria</i> | 900 | 540 | – | – | – |
| <i>Parks</i> | 1 100 | 1 100 | 1 100 | 1 100 | 1 100 |
| <i>Markets</i> | 1 000 | 1 000 | – | – | – |
| Sport and Recreation Facilities | 12 700 | 9 200 | 12 341 | 6 020 | – |
| <i>Indoor Facilities</i> | – | – | 980 | 6 020 | – |
| <i>Outdoor Facilities</i> | 12 700 | 9 200 | 11 361 | – | – |
| Other assets | 16 514 | 20 360 | 16 977 | 5 262 | 3 195 |
| Operational Buildings | 3 000 | 2 953 | 650 | 100 | – |
| <i>Municipal Offices</i> | 2 900 | 2 900 | 300 | 100 | – |
| <i>Stores</i> | 100 | 53 | 350 | – | – |
| Housing | 13 514 | 17 407 | 16 327 | 5 162 | 3 195 |
| <i>Social Housing</i> | 13 514 | 17 407 | 16 327 | 5 162 | 3 195 |
| Intangible Assets | – | – | 400 | – | – |
| Computer Equipment | 2 052 | 2 234 | 1 790 | 2 376 | 2 281 |
| Furniture and Office Equipment | 586 | 824 | 920 | 566 | 392 |
| Machinery and Equipment | 3 431 | 13 239 | 2 187 | 2 202 | 1 615 |
| Transport Assets | 11 962 | 10 773 | 15 638 | 5 808 | 10 135 |
| Land | – | 5 500 | 8 700 | 400 | 400 |
| Total Capital Expenditure on new assets | 175 276 | 214 874 | 336 219 | 181 140 | 123 955 |

2.11.2 Capital expenditure on the renewal of existing assets by asset class

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| Capital expenditure on renewal of existing assets by Asset Class/Sub-class | | | | | |
| Infrastructure | 11 500 | 13 151 | 3 000 | 15 000 | 15 000 |
| Roads Infrastructure | 10 000 | 9 251 | – | 15 000 | 15 000 |
| <i>Roads</i> | 10 000 | 9 251 | – | 15 000 | 15 000 |
| Electrical Infrastructure | – | – | – | – | – |
| <i>MV Networks</i> | – | – | – | – | – |
| Water Supply Infrastructure | – | – | – | – | – |
| <i>Distribution</i> | – | – | – | – | – |
| Sanitation Infrastructure | 1 500 | 3 900 | 3 000 | – | – |
| <i>Reticulation</i> | 1 500 | 3 900 | 3 000 | – | – |
| <i>Waste Water Treatment Works</i> | – | – | – | – | – |
| Community Assets | – | – | 250 | – | – |
| Community Facilities | – | – | – | – | – |
| Sport and Recreation Facilities | – | – | 250 | – | – |
| <i>Outdoor Facilities</i> | – | – | 250 | – | – |
| Total Capital Expenditure on renewal of existing | 11 500 | 13 151 | 3 410 | 15 170 | 15 180 |

2.11.3 Repairs and maintenance expenditure by asset class

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | |
| Infrastructure | 46 052 | 48 770 | 49 514 | 53 194 | 56 017 |
| Roads Infrastructure | 5 789 | 6 142 | 6 026 | 6 319 | 6 516 |
| <i>Roads</i> | 5 717 | 5 706 | 5 953 | 6 244 | 6 438 |
| <i>Road Furniture</i> | 71 | 436 | 73 | 75 | 78 |
| Storm water Infrastructure | 20 911 | 21 021 | 22 254 | 23 596 | 25 330 |
| <i>Storm water Conveyance</i> | 20 911 | 21 021 | 22 254 | 23 596 | 25 330 |
| Electrical Infrastructure | 3 267 | 3 407 | 5 322 | 5 652 | 6 004 |
| <i>MV Substations</i> | 178 | 178 | 191 | 206 | 222 |
| <i>MV Networks</i> | – | – | 1 900 | 2 014 | 2 135 |
| <i>LV Networks</i> | 3 089 | 3 229 | 3 231 | 3 432 | 3 647 |
| Water Supply Infrastructure | 1 862 | 2 031 | 1 707 | 1 768 | 1 831 |
| <i>Reservoirs</i> | 1 219 | 1 388 | 1 256 | 1 293 | 1 332 |
| <i>Pump Stations</i> | 153 | 153 | 161 | 169 | 177 |
| <i>Distribution</i> | 490 | 490 | 290 | 306 | 322 |
| Sanitation Infrastructure | 5 874 | 6 500 | 5 464 | 6 561 | 6 746 |
| <i>Pump Station</i> | 1 001 | 1 005 | 1 031 | 1 061 | 1 093 |
| <i>Waste Water Treatment Works</i> | 4 873 | 5 495 | 4 434 | 5 500 | 5 652 |
| Solid Waste Infrastructure | 8 349 | 9 669 | 8 741 | 9 297 | 9 590 |
| <i>Landfill Sites</i> | 8 349 | 9 669 | 8 741 | 9 297 | 9 590 |
| Community Assets | 3 224 | 3 530 | 3 585 | 3 615 | 3 761 |
| Community Facilities | 2 307 | 2 252 | 2 543 | 2 542 | 2 658 |
| <i>Halls</i> | 423 | 411 | 442 | 462 | 484 |
| <i>Centres</i> | 1 621 | 1 617 | 1 832 | 1 787 | 1 876 |
| <i>Libraries</i> | 50 | 50 | 50 | 50 | 50 |
| <i>Cemeteries/Crematoria</i> | 114 | 100 | 118 | 123 | 128 |
| <i>Parks</i> | 100 | 75 | 100 | 120 | 120 |
| Sport and Recreation Facilities | 917 | 1 278 | 1 042 | 1 072 | 1 103 |
| <i>Indoor Facilities</i> | 100 | 87 | 100 | 100 | 100 |
| <i>Outdoor Facilities</i> | 817 | 1 191 | 942 | 972 | 1 003 |
| Other assets | 2 948 | 3 558 | 1 923 | 11 801 | 2 062 |
| Operational Buildings | 2 291 | 2 141 | 1 148 | 1 197 | 1 249 |
| <i>Municipal Offices</i> | 2 291 | 2 141 | 1 148 | 1 197 | 1 249 |
| Housing | 657 | 1 417 | 775 | 10 604 | 813 |
| <i>Staff Housing</i> | 217 | 367 | 228 | 240 | 252 |
| <i>Social Housing</i> | 440 | 1 050 | 547 | 10 364 | 561 |
| Intangible Assets | 5 092 | 5 606 | 6 669 | 7 033 | 7 579 |
| <i>Computer Software and Applications</i> | 5 092 | 5 606 | 6 669 | 7 033 | 7 579 |
| Computer Equipment | 428 | 404 | 402 | 402 | 420 |
| Computer Equipment | 428 | 404 | 402 | 402 | 420 |
| Furniture and Office Equipment | 58 | 58 | 58 | 69 | 70 |
| Furniture and Office Equipment | 58 | 58 | 58 | 69 | 70 |
| Machinery and Equipment | 1 361 | 1 433 | 1 392 | 1 420 | 1 448 |
| Machinery and Equipment | 1 361 | 1 433 | 1 392 | 1 420 | 1 448 |
| Transport Assets | 7 228 | 8 099 | 8 083 | 9 465 | 11 136 |
| Transport Assets | 7 228 | 8 099 | 8 083 | 9 465 | 11 136 |
| Total Repairs and Maintenance Expenditure | 66 391 | 71 458 | 71 627 | 86 998 | 82 493 |

2.11.4 Capital expenditure on the upgrading of existing assets by asset class

| Description | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | |
| Capital expenditure on upgrading of existing assets by Asset Class/Sub-class | | | | | |
| Infrastructure | 9 811 | 9 722 | 30 744 | 20 030 | 58 849 |
| Roads Infrastructure | – | 667 | 9 749 | – | – |
| <i>Roads</i> | – | 667 | 9 749 | – | – |
| Storm water Infrastructure | 250 | 250 | 250 | 250 | 1 250 |
| <i>Storm water Conveyance</i> | 250 | 250 | 250 | 250 | 1 250 |
| Electrical Infrastructure | 3 650 | 5 142 | 4 483 | 5 700 | 10 200 |
| <i>MV Networks</i> | 1 100 | 1 100 | 2 633 | 3 800 | 8 300 |
| <i>LV Networks</i> | 2 550 | 4 042 | 1 850 | 1 900 | 1 900 |
| Water Supply Infrastructure | 4 300 | 2 053 | 10 434 | 12 080 | 42 499 |
| <i>Reservoirs</i> | – | – | – | 500 | 4 500 |
| <i>Pump Stations</i> | – | – | – | 480 | – |
| <i>Bulk Mains</i> | 500 | 500 | 500 | 5 000 | 15 099 |
| <i>Distribution</i> | 3 700 | 1 453 | 9 734 | 5 300 | 22 100 |
| <i>PRV Stations</i> | 100 | 100 | 200 | 800 | 800 |
| Sanitation Infrastructure | 1 611 | 1 611 | 5 827 | 2 000 | 4 900 |
| <i>Reticulation</i> | – | – | – | 1 500 | 4 400 |
| <i>Waste Water Treatment Works</i> | 1 611 | 1 611 | 5 827 | 500 | 500 |
| Community Assets | 12 466 | 10 943 | 6 105 | 300 | – |
| Community Facilities | 200 | 200 | – | 300 | – |
| <i>Cemeteries/Crematoria</i> | 200 | 200 | – | 300 | – |
| Sport and Recreation Facilities | 12 266 | 10 743 | 6 105 | – | – |
| <i>Outdoor Facilities</i> | 12 266 | 10 743 | 6 105 | – | – |
| Total Capital Expenditure on upgrading of existing a | 22 277 | 20 665 | 36 848 | 20 330 | 58 849 |

2.11.6 Detailed capital budget per municipal function and directorate

| | PROJECT DESCRIPTION | DIRECTORATE | FUNCTION | FIN SOURCE | ASSETS CLASS | ASSETS SUB CLAS | BUDGET 2024-25 | BUDGET 2025-26 | BUDGET 2026-27 |
|----|--|-------------------------|-------------------------------|------------|---------------------------|-------------------------|----------------|----------------|----------------|
| 1 | Equipment : Civil | Vote 2 - Civil Services | Planning and Development | CRR | Machinery and Equipment | Machinery and Equipment | 56 000 | 58 000 | 60 000 |
| 2 | Sewerage Works: Darling (CRR) | Vote 2 - Civil Services | Waste Water Management | CRR | Sanitation Infrastructure | Waste Water Treatment | - | 500 000 | 500 000 |
| 3 | Malmesbury WWTW: Replace Clarifier Mechanic | Vote 2 - Civil Services | Waste Water Management | CRR | Sanitation Infrastructure | Reticulation | 1 500 000 | - | - |
| 4 | Upgrading of bulk collectors: Darling | Vote 2 - Civil Services | Waste Water Management | CRR | Sanitation Infrastructure | Waste Water Treatment | 2 200 000 | - | - |
| 5 | Upgrading of bulk collectors: Darling (MIG) | Vote 2 - Civil Services | Waste Water Management | MIG | Sanitation Infrastructure | Waste Water Treatment | 1 516 105 | - | - |
| 6 | Upgrading of bulk collectors: Moorreesburg | Vote 2 - Civil Services | Waste Water Management | CRR | Sanitation Infrastructure | Waste Water Treatment | 1 600 000 | - | - |
| 7 | Upgrading of bulk collectors: Moorreesburg (MIG) | Vote 2 - Civil Services | Waste Water Management | MIG | Sanitation Infrastructure | Waste Water Treatment | 511 370 | - | - |
| 8 | Pipe Replacement: Obsolete Infrastructure | Vote 2 - Civil Services | Waste Water Management | CRR | Sanitation Infrastructure | Reticulation | - | 1 500 000 | 3 000 000 |
| 9 | Schoonspruit: Pipe Replacement | Vote 2 - Civil Services | Waste Water Management | CRR | Sanitation Infrastructure | Reticulation | 3 000 000 | - | - |
| 10 | Abbotsdale: Rising Main | Vote 2 - Civil Services | Waste Water Management | CRR | Sanitation Infrastructure | Reticulation | - | - | 800 000 |
| 11 | Replace: Mobile Generator | Vote 2 - Civil Services | Waste Water Management | CRR | Machinery and Equipment | Machinery and Equipment | - | 380 000 | - |
| 12 | Equipment : Sewerage Telemetry | Vote 2 - Civil Services | Waste Water Management | CRR | Sanitation Infrastructure | Reticulation | 40 000 | 42 000 | 44 000 |
| 13 | Equipment : Sewerage | Vote 2 - Civil Services | Waste Water Management | CRR | Machinery and Equipment | Machinery and Equipment | 34 000 | 36 000 | 38 000 |
| 14 | Sewerage: CK18526 Isuzu FSR750 | Vote 2 - Civil Services | Waste Water Management | CRR | Transport Assets | Transport Assets | 2 510 572 | - | - |
| 15 | Riebeeck Kasteel network upgrade, Master Plan S | Vote 2 - Civil Services | Waste Water Management | CRR | Sanitation Infrastructure | Reticulation | - | - | 600 000 |
| 16 | Sewer Reticulation and Connection: Illinge Leth | Vote 2 - Civil Services | Waste Water Management | WCED | Sanitation Infrastructure | Reticulation | 517 214 | - | - |
| 17 | Equipment : Buildings & Maintenance | Vote 2 - Civil Services | Finance and Administration | CRR | Machinery and Equipment | Machinery and Equipment | 30 000 | 32 000 | 34 000 |
| 18 | Moorreesburg Stores: Ablution Facilities | Vote 2 - Civil Services | Finance and Administration | CRR | Operational Buildings | Stores | 350 000 | - | - |
| 19 | Monitoring Office/Building: YZF | Vote 2 - Civil Services | Finance and Administration | CRR | Operational Buildings | Municipal Offices | - | 100 000 | - |
| 20 | Painting Machine: Mechanical drive | Vote 2 - Civil Services | Finance and Administration | CRR | Machinery and Equipment | Machinery and Equipment | - | 200 000 | - |
| 21 | Riebeeck Kasteel Stores: Ablution Facilities | Vote 2 - Civil Services | Finance and Administration | CRR | Operational Buildings | Municipal Offices | 300 000 | - | - |
| 22 | New Cherry Picker | Vote 2 - Civil Services | Finance and Administration | CRR | Transport Assets | Transport Assets | - | 800 000 | - |
| 23 | New Cemetery: Chatsworth | Vote 2 - Civil Services | Community and Social Services | CRR | Community Assets | Cemeteries/Crematoriums | - | 300 000 | - |
| 24 | Ward Committee Projects | Vote 2 - Civil Services | Sport and Recreation | CRR | Community Assets | Parks | 1 000 000 | 1 000 000 | 1 000 000 |
| 25 | Ward Committee Projects (Materials and Supplies) | Vote 2 - Civil Services | Sport and Recreation | CRR | Community Assets | Parks | 100 000 | 100 000 | 100 000 |
| 26 | Equipment: Parks | Vote 2 - Civil Services | Sport and Recreation | CRR | Machinery and Equipment | Machinery and Equipment | 150 000 | 152 000 | 170 000 |
| 27 | Parks: CK30905 John Deere Tractor | Vote 2 - Civil Services | Sport and Recreation | CRR | Transport Assets | Transport Assets | 655 725 | - | - |
| 28 | Parks: CK28370 John Deere Tractor | Vote 2 - Civil Services | Sport and Recreation | CRR | Transport Assets | Transport Assets | - | - | 718 175 |
| 29 | Parks: Slasher (Bossiekapper): sn 18795 | Vote 2 - Civil Services | Sport and Recreation | CRR | Machinery and Equipment | Machinery and Equipment | 55 000 | - | - |
| 30 | Roads Swartland: Resealing of Roads (CRR) | Vote 2 - Civil Services | Road Transport | CRR | Roads Infrastructure | Roads | - | 15 000 000 | 15 000 000 |
| 31 | Roads Swartland: Construction of New Roads (CRR) | Vote 2 - Civil Services | Road Transport | CRR | Roads Infrastructure | Roads | 24 700 000 | 28 600 000 | 21 600 000 |
| 32 | Roads Swartland: Construction of New Roads (MIG) | Vote 2 - Civil Services | Road Transport | MIG | Roads Infrastructure | Roads | 1 894 902 | 14 713 000 | 6 132 344 |
| 33 | Ward Committee Projects | Vote 2 - Civil Services | Road Transport | CRR | Roads Infrastructure | Roads | 1 000 000 | 1 000 000 | 1 000 000 |
| 34 | Ward Committee Projects (Materials and Supplies) | Vote 2 - Civil Services | Road Transport | CRR | Roads Infrastructure | Roads | 100 000 | 100 000 | 100 000 |
| 35 | Roads: CK43174 Trailer | Vote 2 - Civil Services | Road Transport | CRR | Machinery and Equipment | Machinery and Equipment | - | 59 376 | - |
| 36 | Roads: CK14865 Nissan UD85 | Vote 2 - Civil Services | Road Transport | CRR | Transport Assets | Transport Assets | - | - | 1 364 475 |
| 37 | Roads: CK43175 Betonmenger | Vote 2 - Civil Services | Road Transport | CRR | Machinery and Equipment | Machinery and Equipment | - | 59 376 | - |
| 38 | Roads: CK274 Caterpillar | Vote 2 - Civil Services | Road Transport | CRR | Transport Assets | Transport Assets | 5 139 225 | - | - |
| 39 | Access road and Intersection Upgrading: Illinge | Vote 2 - Civil Services | Road Transport | WCED | Roads Infrastructure | Roads | 9 749 214 | - | - |



| | PROJECT DESCRIPTION | DIRECTORATE | FUNCTION | FIN SOURCE | ASSETS CLASS | ASSETS SUB CLAS | BUDGET 2024-25 | BUDGET 2025-26 | BUDGET 2026-27 |
|----|---|-------------------------|------------------------|-------------|---------------------------------|----------------------------|----------------|----------------|----------------|
| 40 | Swimming Pool: Wesbank | Vote 2 - Civil Services | Sport and Recreation | CRR | Sport and Recreation Facilities | Outdoor Facilities | 11 060 700 | - | - |
| 41 | Moorreesburg Swimming Pool: Perimeter Protection | Vote 2 - Civil Services | Sport and Recreation | CRR | Sport and Recreation Facilities | Outdoor Facilities | 250 000 | - | - |
| 42 | Upgrading of Ilinge Lethu Sports Fields | Vote 2 - Civil Services | Sport and Recreation | MIG | Community Assets | Outdoor Facilities | 5 000 000 | - | - |
| 43 | Rosenhof Sportgrounds: Replace Pavillion Roof | Vote 2 - Civil Services | Sport and Recreation | CRR | Community Assets | Outdoor Facilities | 670 000 | - | - |
| 44 | Construction of Sport Facility: Riverlands | Vote 2 - Civil Services | Sport and Recreation | Dept. CA ar | Community Assets | Outdoor Facilities | 434 783 | - | - |
| 45 | Gene Louw Sportgrounds: Perimeter protection | Vote 2 - Civil Services | Sport and Recreation | CRR | Sport and Recreation Facilities | Outdoor Facilities | 300 000 | - | - |
| 46 | Sportgrounds: Blower Mower: sn 19346-7845 | Vote 2 - Civil Services | Sport and Recreation | CRR | Machinery and Equipment | Machinery and Equipment | - | - | 61 000 |
| 47 | Sportgrounds: Blower Mower: sn 43409-1653 | Vote 2 - Civil Services | Sport and Recreation | CRR | Machinery and Equipment | Machinery and Equipment | - | - | 61 000 |
| 48 | Sportgrounds: Water Canon: sn 9955 (replace) | Vote 2 - Civil Services | Sport and Recreation | CRR | Machinery and Equipment | Machinery and Equipment | - | - | 55 000 |
| 49 | Sportgrounds: Water Canon: sn 17941 (replace) | Vote 2 - Civil Services | Sport and Recreation | CRR | Machinery and Equipment | Machinery and Equipment | - | - | 55 000 |
| 50 | Sportgrounds: Blower Mower: sn 20134 (replace) | Vote 2 - Civil Services | Sport and Recreation | CRR | Machinery and Equipment | Machinery and Equipment | 54 700 | - | - |
| 51 | Sportgrounds: Blower Mower: sn 15678 (replace) | Vote 2 - Civil Services | Sport and Recreation | CRR | Machinery and Equipment | Machinery and Equipment | - | 57 600 | - |
| 52 | Sportgrounds: Blower Mower: sn 12803 (replace) | Vote 2 - Civil Services | Sport and Recreation | CRR | Machinery and Equipment | Machinery and Equipment | - | 57 600 | - |
| 53 | Sportgrounds: Blower Mower: sn 34299-13011 | Vote 2 - Civil Services | Sport and Recreation | CRR | Machinery and Equipment | Machinery and Equipment | - | 57 600 | - |
| 54 | Sportgrounds: Water Canon: sn 17945(replace) | Vote 2 - Civil Services | Sport and Recreation | CRR | Machinery and Equipment | Machinery and Equipment | - | 53 000 | - |
| 55 | Koringberg Sport Field: Ablution Facilities | Vote 2 - Civil Services | Sport and Recreation | CRR | Community Assets | Public Ablution Facilities | 700 000 | - | - |
| 56 | Stormwater Network | Vote 2 - Civil Services | Waste Water Management | CRR | Storm water Infrastructure | Storm water Conveyance | 200 000 | 200 000 | 200 000 |
| 57 | Stormwater Network (Materials and Supplies) | Vote 2 - Civil Services | Waste Water Management | CRR | Storm water Infrastructure | Storm water Conveyance | 20 000 | 20 000 | 20 000 |
| 58 | Stormwater Network (Compensation of Employees) | Vote 2 - Civil Services | Waste Water Management | CRR | Storm water Infrastructure | Storm water Conveyance | 30 000 | 30 000 | 30 000 |
| 59 | Voortrekker Street: Canal upgrading | Vote 2 - Civil Services | Waste Water Management | CRR | Storm water Infrastructure | Storm water Conveyance | - | - | 1 000 000 |
| 60 | Equipment: Streets and Stormwater | Vote 2 - Civil Services | Waste Water Management | CRR | Machinery and Equipment | Machinery and Equipment | 66 000 | 68 000 | 70 000 |
| 61 | Access road and Intersection Storm water: Illingworth | Vote 2 - Civil Services | Waste Water Management | WCED | Storm water Infrastructure | Storm water Conveyance | 1 508 539 | - | - |
| 62 | Water networks: Upgrades and Replacement (CF) | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Distribution | 2 000 000 | 4 000 000 | 4 000 000 |
| 63 | Darling SDW2.4 & SDW2.5, SDW1.2 & SDW2.1 | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Distribution | 263 822 | - | 1 500 000 |
| 64 | Darling SDW2.4 & SDW2.5, SDW1.2 & SDW2.1 | Vote 2 - Civil Services | Water Management | MIG | Water Supply Infrastructure | Distribution | 2 591 464 | - | - |
| 65 | Moorreesburg SMOw2.3 water network upgrade | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Distribution | 124 055 | - | - |
| 66 | Moorreesburg SMOw2.3 water network upgrade | Vote 2 - Civil Services | Water Management | MIG | Water Supply Infrastructure | Distribution | 480 159 | - | - |
| 67 | Water: Upgrading water reticulation network: PRV | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | PRV Stations | 200 000 | 800 000 | 800 000 |
| 68 | Upgrading: Ongegrond Water Supply System (Reservoirs) | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Reservoirs | - | 500 000 | 4 500 000 |
| 69 | Bulk water infrastructure (emergency spending) | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Distribution | 500 000 | 700 000 | 800 000 |
| 70 | Connections: Water Meters (New/Replacements) | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Distribution | 10 000 | 10 000 | 10 000 |
| 71 | Connections: Water Meters (New/Replacements) | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Distribution | 930 993 | 1 025 092 | 1 128 602 |
| 72 | Equipment : Water | Vote 2 - Civil Services | Water Management | CRR | Machinery and Equipment | Machinery and Equipment | 53 000 | 55 000 | 57 000 |
| 73 | Water: CK10564 Toyota Hilux 3.0 D4D 4x4 | Vote 2 - Civil Services | Water Management | CRR | Transport Assets | Transport Assets | - | - | 613 985 |
| 74 | Water: CK43172 Trailer | Vote 2 - Civil Services | Water Management | CRR | Machinery and Equipment | Machinery and Equipment | - | - | 48 875 |
| 75 | Malmesbury Irrigation: Replace pumpsets | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Distribution | 500 000 | - | - |
| 76 | Mobile water pumps x 4 (replacement) | Vote 2 - Civil Services | Water Management | CRR | Machinery and Equipment | Machinery and Equipment | 150 000 | - | - |
| 77 | Compactor replacement x 3 | Vote 2 - Civil Services | Water Management | CRR | Machinery and Equipment | Machinery and Equipment | 280 000 | - | - |
| 78 | Malmesbury SMW1.3 Wesbank Reservoir to Malmesbury | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Distribution | 500 000 | 800 000 | 4 346 127 |



| PROJECT DESCRIPTION | DIRECTORATE | FUNCTION | FIN SOURCE | ASSETS CLASS | ASSETS SUB CLAS | BUDGET 2024-25 | BUDGET 2025-26 | BUDGET 2026-27 |
|---|-------------------------|--------------------------|-------------|-----------------------------|---------------------|----------------|----------------|----------------|
| 79 Malmesbury SMW1.3 Wesbank Reservoir to Mal | Vote 2 - Civil Services | Water Management | MIG | Water Supply Infrastructure | Distribution | - | - | 10 753 982 |
| 80 Swartland System S12.2 CoCT WTP to Swartlan | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Distribution | - | 500 000 | 1 500 000 |
| 81 Swartland System S2.1 Kasteelberg to Riebeeck | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Distribution | - | - | 1 500 000 |
| 82 Riebeeck Kasteel: New Reservoir | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Distribution | - | - | 1 000 000 |
| 83 Chatsworth/Riverlands upgrade bulk water supp | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Bulk Mains | 500 000 | 5 000 000 | 4 760 661 |
| 84 Chatsworth/Riverlands upgrade bulk water supp | Vote 2 - Civil Services | Water Management | MIG | Water Supply Infrastructure | Bulk Mains | - | - | 10 338 674 |
| 85 Kalbaskraal Booster: Replace pumpsets | Vote 2 - Civil Services | Water Management | CRR | Water Supply Infrastructure | Pump Stations | - | 480 000 | - |
| 86 Water Reticulation and Connection: Illinge Lethu | Vote 2 - Civil Services | Water Management | WCED | Water Supply Infrastructure | Distribution | 2 083 221 | - | - |
| 87 Replace Existing Water pipe: Illinge Lethu | Vote 2 - Civil Services | Water Management | WCED | Water Supply Infrastructure | Distribution | 3 774 921 | - | - |
| 88 Highlands: Development of new cell (CRR) | Vote 2 - Civil Services | Waste Management | CRR | Solid Waste Infrastructure | Landfill Sites | 1 332 000 | 2 000 000 | - |
| 89 Highlands: Development of new cell (MIG) | Vote 2 - Civil Services | Waste Management | MIG | Solid Waste Infrastructure | Landfill Sites | 17 338 000 | 10 630 000 | - |
| 90 Highlands: Development of new cell (MIG) | Vote 2 - Civil Services | Waste Management | External Lo | Solid Waste Infrastructure | Landfill Sites | 10 950 588 | - | - |
| 91 Koringberg: New Transfer Station | Vote 2 - Civil Services | Waste Management | CRR | Solid Waste Infrastructure | Waste Drop-off Poi | - | 580 000 | - |
| 92 Equipment : Refuse bins, traps, skips (Swartlan | Vote 2 - Civil Services | Waste Management | CRR | Machinery and Equipment | Machinery and Equ | 160 000 | 170 000 | 180 000 |
| 93 Equipment : Refuse Removal | Vote 2 - Civil Services | Waste Management | CRR | Machinery and Equipment | Machinery and Equ | 28 000 | 30 000 | 32 000 |
| 94 Refuse: CK29021 Nissan UD35 | Vote 2 - Civil Services | Waste Management | CRR | Transport Assets | Transport Assets | - | - | 949 900 |
| 95 Refuse: CK21988 Nissan UD CW26 370 FC | Vote 2 - Civil Services | Waste Management | CRR | Transport Assets | Transport Assets | 3 281 276 | - | - |
| 96 Refuse: CK37359 Nissan UD330 | Vote 2 - Civil Services | Waste Management | CRR | Transport Assets | Transport Assets | - | 3 437 527 | - |
| 97 Refuse: CK43134 Nissan UD35A | Vote 2 - Civil Services | Waste Management | CRR | Transport Assets | Transport Assets | - | 908 600 | - |
| 98 Refuse: New compactor to extend capacity | Vote 2 - Civil Services | Waste Management | CRR | Transport Assets | Transport Assets | - | - | 3 593 778 |
| 99 Equipment : Development Services | Vote 6 - Development S | Planning and Developmen | CRR | Furniture and Office Equipm | Furniture and Offic | 46 000 | 48 000 | 50 000 |
| 100 Equipment: YZF Caravan Park | Vote 6 - Development S | Sport and Recreation | CRR | Machinery and Equipment | Machinery and Equ | 105 474 | 36 000 | 38 000 |
| 101 YZF Caravan Park: CK39039 Isuzu KB250D | Vote 6 - Development S | Sport and Recreation | CRR | Transport Assets | Transport Assets | 383 145 | - | - |
| 102 Kalbaskraal SEF (Prof. Fees) | Vote 6 - Development S | Community and Social Ser | Dept. Hum | Community Assets | Indoor Facilities | 980 000 | 6 020 000 | - |
| 103 Malmesbury De Hoop Serviced Sites (Prof Fees) | Vote 6 - Development S | Planning and Developmen | DHS | Housing | Social Housing | 7 621 614 | 4 061 518 | 2 895 200 |
| 104 Malmesbury De Hoop Serviced Sites Phase 1 (S | Vote 6 - Development S | Waste Water Management | DHS | Sanitation Infrastructure | Reticulation | 12 991 893 | 6 923 312 | 5 149 912 |
| 105 Malmesbury De Hoop Serviced Sites Phase 1 (V | Vote 6 - Development S | Water Management | Dept. Hum | Water Supply Infrastructure | Distribution | 10 940 542 | 5 830 157 | 4 336 768 |
| 106 Malmesbury De Hoop Serviced Sites Phase 1 (S | Vote 6 - Development S | Road transport | Dept. Hum | Roads Infrastructure | Roads | 44 445 951 | 23 685 013 | 17 618 120 |
| 107 Malmesbury De Hoop Serviced Sites (Phola Par | Vote 6 - Development S | Planning and Developmen | DHS | Housing | Social Housing | 686 000 | - | - |
| 108 Silvertown: Professional Fees | Vote 6 - Development S | Planning and Developmen | DHS | Housing | Social Housing | 1 200 000 | 300 000 | 300 000 |
| 109 Silvertown: IBS | Vote 6 - Development S | Water Management | Dept. Hum | Water Supply Infrastructure | Distribution | 10 800 000 | 2 700 000 | 2 700 000 |
| 110 Moorreesburg Serviced Sites(652) Prof Fees | Vote 6 - Development S | Planning and Developmen | DHS | Housing | Social Housing | 3 897 744 | - | - |
| 111 Moorreesburg Serviced Sites (645) (Water) | Vote 6 - Development S | Water Management | Dept. Hum | Water Supply Infrastructure | Distribution | 10 368 000 | - | - |
| 112 Moorreesburg Serviced Sites (645) (Sewerage) | Vote 6 - Development S | Waste Water Management | DHS | Sanitation Infrastructure | Reticulation | 8 730 947 | - | - |
| 113 Moorreesburg Serviced Sites (645) (Roads & St | Vote 6 - Development S | Road transport | Dept. Hum | Roads Infrastructure | Roads | 35 469 474 | - | - |
| 114 Purchasing of Land: Kalbaskraal (Transnet Lanc | Vote 6 - Development S | Planning and Developmen | Dept. Hum | Land | Land | 2 400 000 | - | - |
| 115 Purchasing of Land | Vote 6 - Development S | Planning and Developmen | Dept. Hum | Land | Land | 6 000 000 | - | - |
| 116 Darling Serviced Sites (186) Prof Fees Phase 1 | Vote 6 - Development S | Planning and Developmen | DHS | Housing | Social Housing | 1 468 564 | - | - |
| 117 Darling Serviced Sites (186) Phase 1 (Water) | Vote 6 - Development S | Water Management | Dept. Hum | Water Supply Infrastructure | Distribution | 2 818 733 | - | - |



| PROJECT DESCRIPTION | DIRECTORATE | FUNCTION | FIN SOURCE | ASSETS CLASS | ASSETS SUB CLAS | BUDGET 2024-25 | BUDGET 2025-26 | BUDGET 2026-27 |
|--|----------------------------|--------------------------|-----------------------|--------------------------------|--------------------------------|----------------|----------------|----------------|
| 118 Darling Serviced Sites (186) Phase 1 (Sewerage) | Vote 6 - Development S | Waste Water Management | DHS | Sanitation Infrastructure | Reticulation | 2 373 670 | - | - |
| 119 Darling Serviced Sites (186) Phase 1 (Streets) | Vote 6 - Development S | Road transport | Dept. Human Resources | Roads Infrastructure | Roads | 9 643 034 | - | - |
| 120 Darling Serviced Sites (327) Prof Fees Phase 2 | Vote 6 - Development S | Planning and Development | DHS | Housing | Social Housing | 1 453 000 | - | - |
| 121 Moorreesburg Bulk Services: Omega Str (600Erv) | Vote 6 - Development S | Water Management | CRR | Water Supply Infrastructure | Distribution | - | 3 100 000 | - |
| 122 De Hoop Bulk: Water - Wesbank (Phase 3) | Vote 6 - Development S | Water Management | CRR | Water Supply Infrastructure | Distribution | - | 1 000 000 | - |
| 123 De Hoop Bulk: Prof Fees (Phase 4) | Vote 6 - Development S | Planning and Development | CRR | Housing | Social Housing | - | 800 000 | - |
| 124 De Hoop Bulk: Streets - Darling Link (Phase 4) | Vote 6 - Development S | Road transport | CRR | Roads Infrastructure | Roads | - | 5 000 000 | 5 500 000 |
| 125 Malmesbury De Hoop 132/11kV Substation, 13:2000 | Vote 4 - Electricity Servi | Energy Sources | INEP | Electrical Infrastructure | MV Networks | 22 818 000 | 23 100 000 | 14 082 000 |
| 126 Malmesbury De Hoop 132/11kV Substation, 13:2000 | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | MV Substations | 5 360 560 | - | - |
| 127 Malmesbury De Hoop 132/11kV Substation, 13:2000 | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | MV Substations | 50 000 | - | - |
| 128 Malmesbury De Hoop 132/11kV Substation, 13:2000 | Vote 4 - Electricity Servi | Energy Sources | External Loans | Electrical Infrastructure | MV Substations | 25 700 000 | 2 700 000 | - |
| 129 Malmesbury De Hoop 132/11kV Substation, 13:2000 | Vote 4 - Electricity Servi | Energy Sources | External Loans | Electrical Infrastructure | MV Substations | 300 000 | 300 000 | - |
| 130 Malmesbury De Hoop Serviced Sites (2000) | Vote 4 - Electricity Servi | Energy Sources | INEP | Electrical Infrastructure | MV Networks | - | - | 6 786 000 |
| 131 Yzerfontein upgrading of Eskom supply capacity | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | MV Networks | - | 2 500 000 | 7 000 000 |
| 132 Replace oil insulated switchgear and equipment | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | MV Switching Stations | 4 500 000 | 5 000 000 | 5 000 000 |
| 133 Replace oil insulated switchgear and equipment | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | MV Switching Stations | 500 000 | 500 000 | 500 000 |
| 134 LV Upgrading: Swartland | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | LV Networks | 100 000 | 100 000 | 100 000 |
| 135 LV Upgrading: Swartland (Materials and Supplies) | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | LV Networks | 1 100 000 | 1 150 000 | 1 150 000 |
| 136 MV Upgrading: Swartland | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | MV Networks | 100 000 | 100 000 | 100 000 |
| 137 MV Upgrading: Swartland (Materials and Supplies) | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | MV Networks | 1 000 000 | 1 200 000 | 1 200 000 |
| 138 Streetlight, kiosk and polebox replacement: Swartland | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | LV Networks | 650 000 | 650 000 | 650 000 |
| 139 Protection and Scada Upgrading: Swartland | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | MV Switching Stations | 350 000 | 380 000 | 380 000 |
| 140 Substation Fencing: Swartland | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | MV Substations | 180 000 | 200 000 | 200 000 |
| 141 Substation Fencing: Swartland (Materials and Supplies) | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | MV Substations | 20 000 | 20 000 | 20 000 |
| 142 Malmesbury Security Operational Centre: Comm | Vote 4 - Electricity Servi | Energy Sources | CRR | Computer Equipment | Computer Equipment | 200 000 | 200 000 | 200 000 |
| 143 Moorreesburg Development 600 IRDP erven. Electrical | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | LV Networks | 500 000 | 7 550 000 | 7 850 000 |
| 144 Darling 184 IRDP erven. Electrical bulk supply, Distribution | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | LV Networks | 400 000 | 5 168 000 | - |
| 145 Replacement of obsolete air conditioners | Vote 4 - Electricity Servi | Energy Sources | CRR | Furniture and Office Equipment | Furniture and Office Equipment | 250 000 | 250 000 | 150 000 |
| 146 Connections: Electricity Meters (New/Replacement) | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | LV Networks | 20 000 | 20 000 | 20 000 |
| 147 Connections: Electricity Meters (New/Replacement) | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | LV Networks | 880 000 | 930 000 | 980 000 |
| 148 Emergency Power Supply | Vote 4 - Electricity Servi | Energy Sources | CRR | Computer Equipment | Computer Equipment | 300 000 | 300 000 | 300 000 |
| 149 Equipment: Electric | Vote 4 - Electricity Servi | Energy Sources | CRR | Machinery and Equipment | Machinery and Equipment | 380 000 | 400 000 | 420 000 |
| 150 Elec: CK24542 Isuzu FRR500 & Hyskraan MRB | Vote 4 - Electricity Servi | Energy Sources | CRR | Transport Assets | Transport Assets | - | - | 1 885 425 |
| 151 Relocation of section of 11 kV Cable between Darling and Swartland | Vote 4 - Electricity Servi | Energy Sources | WCED | Electrical Infrastructure | MV Networks | 50 000 | - | - |
| 152 Relocation of section of 11 kV Cable between Darling and Swartland | Vote 4 - Electricity Servi | Energy Sources | WCED | Electrical Infrastructure | MV Networks | 250 000 | - | - |
| 153 Relocation of section of 11 kV Cable between Darling and Swartland | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | MV Networks | 22 500 | - | - |
| 154 Illinge Lethu School Electrical Service Connections | Vote 4 - Electricity Servi | Energy Sources | WCED | Electrical Infrastructure | MV Networks | 700 000 | - | - |
| 155 Illinge Lethu School Electrical Service Connections | Vote 4 - Electricity Servi | Energy Sources | 85 WCED | Electrical Infrastructure | MV Networks | 400 000 | - | - |
| 156 Illinge Lethu School Electrical Service Connections | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | MV Networks | 110 000 | - | - |



| PROJECT DESCRIPTION | DIRECTORATE | FUNCTION | FIN SOURCE | ASSETS CLASS | ASSETS SUB CLAS | BUDGET 2024-25 | BUDGET 2025-26 | BUDGET 2026-27 |
|---|----------------------------|---------------------------|-------------|-----------------------------|---------------------|--------------------|--------------------|--------------------|
| 157 Traffic Light Controlling Equipment | Vote 4 - Electricity Servi | Energy Sources | CRR | Machinery and Equipment | Machinery and Equ | 150 000 | 150 000 | 150 000 |
| 158 De Hoop to Industrial Area: 11 kV Cable | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | MV Networks | - | 3 500 000 | - |
| 159 Streetlights Eskom AOS | Vote 4 - Electricity Servi | Energy Sources | CRR | Electrical Infrastructure | LV Networks | 400 000 | 400 000 | 400 000 |
| 160 Terminals | Vote 4 - Electricity Servi | Finance and Administratio | CRR | Computer Equipment | Computer Equipme | - | 40 000 | - |
| 161 Monitor Replacements | Vote 4 - Electricity Servi | Finance and Administratio | CRR | Computer Equipment | Computer Equipme | - | 45 000 | - |
| 162 Equipment: Information Technology | Vote 4 - Electricity Servi | Finance and Administratio | CRR | Computer Equipment | Computer Equipme | 75 000 | 75 000 | 75 000 |
| 163 Printers | Vote 4 - Electricity Servi | Finance and Administratio | CRR | Computer Equipment | Computer Equipme | 77 000 | 60 000 | 65 000 |
| 164 DeskTops | Vote 4 - Electricity Servi | Finance and Administratio | CRR | Computer Equipment | Computer Equipme | 368 000 | 291 000 | 306 000 |
| 165 Notebooks | Vote 4 - Electricity Servi | Finance and Administratio | CRR | Computer Equipment | Computer Equipme | 510 000 | 415 000 | 435 000 |
| 166 Communications and equipment: Time and Att | Vote 4 - Electricity Servi | Finance and Administratio | CRR | Computer Equipment | Computer Equipme | - | 950 000 | - |
| 167 Storage Area Network (SAN) | Vote 4 - Electricity Servi | Finance and Administratio | CRR | Computer Equipment | Computer Equipme | - | - | 900 000 |
| 168 Equipping Fire Office: Darling | Vote 4 - Electricity Servi | Finance and Administratio | CRR | Computer Equipment | Computer Equipme | 50 000 | - | - |
| 169 Equipping Law Enf Office: K9 Unit (Malmesbury) | Vote 4 - Electricity Servi | Finance and Administratio | CRR | Computer Equipment | Computer Equipme | 150 000 | - | - |
| 170 Equipment : Financial | Vote 5 - Financial Servic | Finance and Administratio | CRR | Furniture and Office Equipm | Furniture and Offic | 122 000 | 34 000 | 36 000 |
| 171 Finance: CK30046 Citi Golf 310 | Vote 5 - Financial Servic | Finance and Administratio | CRR | Transport Assets | Transport Assets | 275 625 | - | - |
| 172 Meterreading Handhelds | Vote 5 - Financial Servic | Finance and Administratio | CRR | Furniture and Office Equipm | Furniture and Offic | - | 80 000 | - |
| 173 Meter Installation Handheld Devices | Vote 5 - Financial Servic | Finance and Administratio | CRR | Furniture and Office Equipm | Furniture and Offic | 300 000 | - | - |
| 174 Traffic: CK41293 Toyota Hilux DC 2.5D SRX | Vote 8 - Protection Serv | Public Safety | CRR | Transport Assets | Transport Assets | - | 662 090 | - |
| 175 Law enforcement: CK32531 Quantam | Vote 8 - Protection Serv | Public Safety | CRR | Transport Assets | Transport Assets | - | - | 1 008 895 |
| 176 New Quantam (LEAP) | Vote 8 - Protection Serv | Public Safety | CRR | Transport Assets | Transport Assets | 822 500 | - | - |
| 177 Equipment: Protection | Vote 8 - Protection Serv | Public Safety | CRR | Machinery and Equipment | Machinery and Equ | 60 000 | 60 000 | 65 000 |
| 178 Equipment : K9 Unit | Vote 8 - Protection Serv | Public Safety | Com Safety | Machinery and Equipment | Machinery and Equ | 34 783 | - | - |
| 179 CCTV Equipment and Radio Communication | Vote 8 - Protection Serv | Public Safety | CRR | Computer Equipment | Computer Equipme | 60 000 | - | - |
| 180 Equipment : Fire Fighting | Vote 8 - Protection Serv | Public Safety | CRR | Machinery and Equipment | Machinery and Equ | 200 000 | 200 000 | 200 000 |
| 181 Conversion of CK38172 (Light Pumper) | Vote 8 - Protection Serv | Public Safety | CRR | Transport Assets | Transport Assets | 1 704 814 | - | - |
| 182 Equipment : MM | Vote 7 - Municipal Man | Executive and Council | CRR | Furniture and Office Equipm | Furniture and Offic | 12 000 | 12 000 | 12 000 |
| 183 New Website: Development and Implementation | Vote 3 - Council | Executive and Council | CRR | Intangible Assets | Computer Software | 400 000 | - | - |
| 184 Equipment : Council | Vote 3 - Council | Executive and Council | CRR | Furniture and Office Equipm | Furniture and Offic | 12 000 | 12 000 | 12 000 |
| 185 Council: CK15265 Caravelle Kombi (Replace with) | Vote 3 - Council | Executive and Council | CRR | Transport Assets | Transport Assets | 865 555 | - | - |
| 186 Equipment : Corporate | Vote 1 - Corporate Servi | Finance and Administratio | CRR | Furniture and Office Equipm | Furniture and Offic | 28 000 | 30 000 | 32 000 |
| 187 Equipment Corporate: Buildings & Swartland H | Vote 1 - Corporate Servi | Community and Social Ser | CRR | Furniture and Office Equipm | Furniture and Offic | 100 000 | 100 000 | 100 000 |
| 188 Installation of fire alarm system: Registry office. | Vote 1 - Corporate Servi | Finance and Administratio | CRR | Machinery and Equipment | Machinery and Equ | 300 000 | - | - |
| 189 Equipment: Libraries | Vote 1 - Corporate Servi | Community and Social Ser | Dept. CA ar | Furniture and Office Equipm | Furniture and Offic | 50 000 | - | - |
| 190 Expropriation of splays | Vote 1 - Corporate Servi | Finance and Administratio | CRR | Land | Land | 300 000 | 400 000 | 400 000 |
| | | | | | | 376 477 670 | 216 639 861 | 197 984 897 |

2.12 Legislation compliance status

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

1. In year reporting

Full compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial Government and National Treasury.

2. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

3. Audit Committee

An Audit Committee has been established and is fully functional.

4. Budget Steering Committee

A Budget Steering Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The draft SDBIP document was tabled with the approval of the draft 2024/25 MTREF budget. The final SDBIP document will be tabled after the approval of the final 2024/25 MTREF budget. The SDBIP was aligned and informed by the 2024/25 MTREF budget.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. Policies

Refer to section 2.3.

2.13 Other supporting documents

All other supporting schedules are available on request and will also be placed on the website.

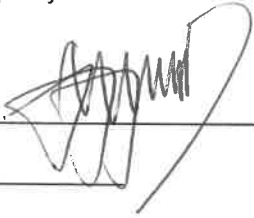


2.14 Manager's quality certificate

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

Print Name: J J. Scholtz

Municipal Manager of Swartland Municipality

Signature: 

Date: 23 . 05 . 2024

Capital Projects with a total project cost in excess of R50 million (to give effect to Sec 19 (1) (b) of the MFMA)

"ANNEXURE B"

| Project Description | Preceding Year/s | Actual | Nature | Location | Budget Year | Budget Year | Budget Year | Forecast | Forecast | Sum of Future Years | Total Project Value | Funding Sources | Future Operational Cost | Operating Impact absorbed by: | Sec 33 Triggered Y / N | |
|--|------------------|--------------|---|--------------------|--------------|--------------|--------------|--------------|--------------|---------------------|---------------------|-------------------|--|---|------------------------|----------|
| | Costs / Budget | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Estimate | Estimate | | | | | |
| | | | | | | | | | | | | | | | | |
| Roads Swartland: Construction of New Roads | R 309 156 | R 4 490 824 | Construction of New Roads in the Swartland area | Swartland area | R 24 700 000 | R 28 600 000 | R 21 600 000 | R 20 000 000 | R 20 000 000 | R 40 000 000 | R 119 699 980 | CRR | Future operational cost (e.g. Interest, repairs & maintenance, depreciation, etc) will be covered by the Roads cost centre | MTREF CRR and beyond | N | |
| | | | | | | | | | | | | | | | | |
| | R 8 700 000 | R 14 178 506 | | | R 1 894 902 | R 14 713 000 | R 6 132 344 | R - | R - | R - | R 45 618 752 | MIG | | | | |
| Malmesbury De Hoop Serviced Sites | R - | R 12 899 493 | Sewerage | Malmesbury De Hoop | R 20 613 507 | R 10 984 830 | R 8 045 112 | R - | R - | R - | R 52 542 943 | Human Settlements | Future operating costs covered by the Water, Sewerage and Roads cost centres | Existing Water, Sewerage Revenue and Rates Regime | N | |
| | R - | R 3 097 973 | Water | | R 10 940 542 | R 5 830 157 | R 4 336 768 | R - | R - | R - | R 24 205 440 | Human Settlements | | | | |
| | R - | R 9 957 446 | Roads | | R 44 445 951 | R 23 685 013 | R 17 618 120 | R - | R - | R - | R 95 706 530 | Human Settlements | | | | |
| Moorreesburg Serviced Sites | R 900 000 | R 2 300 000 | Roads | Moorreesburg | R 39 367 218 | R - | R - | R - | R - | R - | R 42 567 218 | Human Settlements | Future operating costs covered by the Water, Sewerage and Roads cost centres | Existing Water, Sewerage Revenue and Rates Regime | N | |
| | R - | R - | Water | | R 10 368 000 | R - | R - | R - | R - | R - | R 10 368 000 | Human Settlements | | | | |
| | R - | R - | Sewerage | | R 8 730 947 | R - | R - | R - | R - | R - | R 8 730 947 | Human Settlements | | | | |
| Malmesbury De Hoop 132/11kV Substation, 132kV transmission line and servitudes | R 9 178 412 | R 91 520 | Upgrading of bulk electricity supply | Malmesbury | R 5 410 560 | R - | R - | R - | R - | R - | R 14 680 492 | CRR | Future operating costs will be covered by the Electricity maintenance budget | Existing Electricity Revenue Regime | Y | |
| | R - | R - | | | R 26 000 000 | R 3 000 000 | R - | R - | R - | R - | R - | R 29 000 000 | | | | Ext Loan |
| Malmesbury De Hoop Development: Electrical Bulk supply upgrading (INEP) | R 17 600 000 | R 21 582 787 | Upgrading of bulk electricity supply | | R 22 818 000 | R 23 100 000 | R 14 082 000 | R - | R - | R - | R 99 182 787 | INEP | | | | |