

# **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 draft budget for purposes of public input.

### 1.2 Council Resolutions

The following council resolutions pertaining to the tabling of the draft 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 for specific purposes of giving effect to public participation;

- (a) The budget steering committee has, after considering the comprehensive analysis by the CFO, which included detailing the risks associated with the Provincial Gazette of Friday, 8 March 2024 and revenue modelling covering the new MTREF, RESOLVED:
- (b) That the administration revisits the outer years, i.e. year 2 and year 3 in the context of the provincial allocations, **GIVEN THE INDICATIVE** nature of Government allocations, which might be reduced again, given the fiscal challenges experienced by the national government;
- (c) That further formal engagement takes place with the Department of Infrastructure in the Province, in order to clarify and obtain reasonable assurance as to the outer year's allocations to be included in the multi-year budget, with a view of having a final position during approval of the final MREF budget in May;
- (d) 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 Draft Budget and Tariff File)** and consider same;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) 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	Draft Budget 2024/2025	Draft Budget 2025/2026	Draft Budget 2026/2027
Capital Replacement Reserve (CRR)	R 95 897 241	R 113 426 861	R 114 641 897
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 20 000 000	R -	R -
Dept. of Infrastructure	R 174 289 166	R 49 520 000	R 33 000 000
Dept. Cultural Affairs and Sport	R 550 000	R -	R -
Community Safety Grant	R 40 000	R -	R -
<b>GRAND TOTAL</b>	<b>R 379 876 995</b>	<b>R 214 389 861</b>	<b>R 195 734 897</b>

- (i) That council approves the capital projects as part of its consolidated capital program as per **(Annexure A: 2024/2025 – 2026/2027 Draft Budget and Tariff File)**;
- (j) 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;
- (k) That the draft high-level multi-year Capital and Operating budgets in respect of the **2024/2025 – 2026/2027** financial years, be approved as draft, in accordance with sections 16, 17 and 19 of the MFMA, to allow for public participation;

	Original Budget 2023/24	Adjustments Budget 2023/24	Draft Budget 2024/25	Draft Budget 2025/26	Draft Budget 2026/27
Capital budget	209 052 395	248 689 919	379 876 995	214 389 861	195 734 897
Operating Expenditure	1 071 330 062	1 071 352 206	1 186 394 106	1 433 685 093	1 583 680 923
Operating Revenue	1 192 485 181	1 252 422 713	1 433 295 918	1 534 741 556	1 665 346 695
<b>Budgeted (Surplus)/ Deficit</b>	<b>(121 155 119)</b>	<b>(181 070 507)</b>	<b>(246 901 812)</b>	<b>(101 056 464)</b>	<b>(81 665 772)</b>
Less: Capital Grants & Contributions	107 386 943	119 908 999	227 029 166	97 963 000	81 093 000
<b>(Surplus)/ Deficit</b>	<b>(13 768 176)</b>	<b>(61 161 508)</b>	<b>(19 872 646)</b>	<b>(3 093 464)</b>	<b>(572 772)</b>

- (l) 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 draft 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, for purposes of allowing for public participation;

Category of property	Rate ratio	(c/R) rate determined for the relevant property category
Residential properties	1: 1	0,5624
Business and Commercial properties	1: 1,5592	0,8769
Industrial properties	1: 1,5592	0,8769
Agricultural properties	1: 0,25	0,1406
Mining properties	1: 1,5592	0,8769
Public Service Infrastructure	1: 0,25	0,1406
Properties owned by an organ of state and used for public service purposes	1: 1,5592	0,8769
Public Benefit Organizations	1: 0	0,0000
Vacant properties	1: 1,4264	0,8022
Municipal properties	1: 0	0,0000
Conservation Areas	1: 0	0,0000
Protected Areas	1: 0	0,0000
National Monuments	1: 0	0,0000

### 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 rate 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.

- (m) That council approve the draft tariff structures and charges for water, refuse removal, sewerage and other sundry charges as set out in **(Annexure A: 2024/2025 – 2026/2027 Draft Budget and Tariff File)** for purposes of allowing for public participation;
- (n) That council approve the electricity tariffs as draft for the 2024/2025 financial year, **bearing in mind that it is still subject to NERSA's final approval;**

- (o) 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)**;
- (p) That the **amendments** to the budget and related policies as set out in **(Annexure D: Draft Amendments to Budget & Related Policies 2024/2025)** hereto, be approved for purposes of soliciting the views and comment from the public;
- (q) That the amendments to Council's Supply Chain Management Policy and the, Cash Management and Investment policy be approved with immediate effect;
- (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 11 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 draft;
- (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 **10.7%** from the current to the new financial year and the revenue streams with growth in revenue of **14.4% (6.5% 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 **5.9 months** for 2024/25, **5 months** for 2025/26 and **8.2 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 19 872 646**, for 2025/26 an amount of **R 3 093 464** and for 2026/27 an amount of **R 572 772 (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 also notes the content of the Provincial and National Treasury Budget Circulars as enclosed in “**Annexure E: 2024/25 NT and PT Budget Circulars**”;
- (y) That Council take note that the budget was prepared in the new mSCOA Version 6.8 as required by National Treasury but that the mSCOA data strings could not be uploaded for verification purposes to ensure perfect alignment at the time of finalising the budget, due to NT’s System being down from 20-25 March 2024, to test the live chart;
- (z) That the process of soliciting public input, views or comments into the draft budget, **revised** budget and related policies and budget documents, inclusive of the property taxes and tariffs to close at 12 midday on **30 April 2024**.

**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 will be communicated through the normal legally required advertisements, our website and budget documentation in this regard will be made available at municipal buildings and libraries as advertised to allow for input up until 30 April 2024 before the final approval of this budget on 30 May 2024. Inputs and representations shall be considered prior to final approval after which consideration will be given in line with Section 23 of the MFMA whether the draft budget needs to be revised and amended.

Council’s strategic objectives of service delivery include the continuation of an acceptable level of 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 Draft 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 at 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 draft increase for bulk purchases is 12.7% and an increase of around 10.79% - 12.81% for electricity reselling.**

- **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 delivered **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 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

The budget steering committee had an engagement on 14 March 2024 to consolidate and consider all the input and to provide an opportunity for the Chief Financial Officer to workshop the Draft 2024/2025 MTREF. The committee has, after considering the comprehensive analysis by the CFO, which included detailing the risks associated with the Provincial Gazette of Friday, 8 March 2024 and revenue modelling, covering the new MTREF, RESOLVED that the administration revisits the outer years, i.e. year 2 and year 3 in the context of the provincial allocations, GIVEN THE INDICATIVE nature of Government allocations, which might change. This requires further discussions with the Department of Infrastructure in the Province, in order to clarify and obtain reasonable assurance as to the outer year/s allocations to be included in the multi-year budget, with a view of having a final position for approval of the final MREF budget in May.

**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 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	379 877	214 390	195 735
Operating expenditure	1 071 352	1 186 394	1 433 685	1 583 681
<b>TOTAL</b>	<b>1 320 042</b>	<b>1 566 271</b>	<b>1 648 075</b>	<b>1 779 416</b>

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	1 433 296	1 534 742	1 665 347
Total Operating Expenditure	1 071 352	1 186 394	1 433 685	1 583 681
<b>Surplus / (Deficit) excluding capital transfers and contributions</b>	<b>181 071</b>	<b>246 902</b>	<b>101 056</b>	<b>81 666</b>
Capital Transfers & Contributions	119 909	227 029	97 963	81 093
<b>Surplus / (Deficit) for the year</b>	<b>61 162</b>	<b>19 873</b>	<b>3 093</b>	<b>573</b>

Total operating revenue **including capital grants** for the 2024/25 financial year has been appropriated at R 1 433 296 billion and is expected to grow by 14.44 per cent (**6.5% excluding capital grant income**) or R 180 873 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 7.08 and 8.51 per cent respectively, equating to total revenue growth of R 412 924 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 1 186 394 billion and translates into a budgeted surplus of R 19 873 million (**excluding capital transfers**). When compared to the 2023/24 Mid-year Adjusted Budget, operational expenditure is projected to grow by 10.74 per cent in the 2024/25 budget; 20.84 per cent in the 2025/26 budget and 10.46 per cent in the 2026/27 budget (based on current assumptions) equating to total expenditure growth of R 512 329 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)
<b>Revenue &amp; Expenditure by Vote</b>									
<b>Vote 1 - Corporate Services</b>	<b>13 306</b>	<b>46 266</b>	<b>(32 959)</b>	<b>13 312</b>	<b>47 921</b>	<b>(34 610)</b>	<b>13 798</b>	<b>50 837</b>	<b>(37 039)</b>
1.1 - Administration	102	15 124	(15 022)	104	15 746	(15 642)	107	16 568	(16 462)
1.2 - Human Resources	669	7 604	(6 935)	411	7 260	(6 849)	436	7 737	(7 301)
1.3 - Libraries	12 209	13 853	(1 645)	12 450	14 741	(2 291)	12 889	15 735	(2 846)
1.4 - Marketing and Tourism	36	2 559	(2 522)	39	2 699	(2 660)	41	2 848	(2 807)
1.5 - Community Halls and Facilities	290	7 126	(6 836)	308	7 475	(7 168)	326	7 949	(7 623)
<b>Vote 2 - Civil Services</b>	<b>308 809</b>	<b>392 705</b>	<b>(83 895)</b>	<b>322 067</b>	<b>428 975</b>	<b>(106 908)</b>	<b>344 749</b>	<b>446 522</b>	<b>(101 773)</b>
2.1 - Administration		4 220	(4 220)		4 362	(4 362)		4 587	(4 587)
2.2 - Cemeteries	1 046	1 072	(26)	1 109	1 084	25	1 175	1 136	40
2.3 - Municipal Property Maintenance	2 069	19 302	(17 232)	2 133	31 388	(29 255)	2 201	21 711	(19 510)
2.4 - Parks and Recreational Areas	599	24 023	(23 424)		25 224	(25 224)		26 946	(26 946)
2.5 - Proclaimed Roads	204	483	(280)	226	504	(278)	237	315	(78)
2.6 - Refuse Removals	80 220	41 169	39 050	78 934	43 518	35 416	77 089	48 502	28 587
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	93 628	48 132	45 496	96 999	49 306	47 692	102 715	50 150	52 565
2.10 - Waste Water Treatment		18 608	(18 608)		21 004	(21 004)		22 631	(22 631)
2.11 - Sportgrounds	5 765	8 663	(2 898)	281	8 971	(8 690)	298	9 368	(9 070)
2.12 - Streets	2 764	65 064	(62 300)	16 600	68 012	(51 412)	6 736	71 064	(64 328)
2.13 - Stormwater	331	22 563	(22 232)		24 252	(24 252)		26 002	(26 002)
2.14 - Swimming Pools	365	6 327	(5 962)	387	6 680	(6 293)	410	7 065	(6 655)
2.15 - Water Distribution	121 819	108 832	12 986	125 399	118 489	6 910	153 887	130 645	23 242
<b>Vote 3 - Council</b>	<b>312</b>	<b>25 009</b>	<b>(24 697)</b>	<b>318</b>	<b>26 324</b>	<b>(26 006)</b>	<b>325</b>	<b>27 485</b>	<b>(27 160)</b>
3.1 - Council General Expenses	312	25 009	(24 697)	318	26 324	(26 006)	325	27 485	(27 160)
<b>Vote 4 - Electricity Services</b>	<b>489 042</b>	<b>459 788</b>	<b>29 254</b>	<b>553 295</b>	<b>522 604</b>	<b>30 691</b>	<b>623 824</b>	<b>599 906</b>	<b>23 918</b>
4.1 - Administration		2 241	(2 241)		2 357	(2 357)		2 474	(2 474)
4.2 - Distribution		434 716	(434 716)		496 786	(496 786)		572 531	(572 531)
4.3 - Street Lighting	489 042	2 202	486 840	553 295	2 335	550 959	623 824	2 478	621 346
4.4 - IT Services	-	20 629	(20 629)	-	21 125	(21 125)	-	22 424	(22 424)
<b>Vote 5 - Financial Services</b>	<b>366 938</b>	<b>81 119</b>	<b>285 819</b>	<b>382 936</b>	<b>85 396</b>	<b>297 539</b>	<b>401 792</b>	<b>92 217</b>	<b>309 575</b>
5.1 - Administration		2 368	(2 368)		2 485	(2 485)		2 610	(2 610)
5.2 - Finance	158 922	54 404	104 518	162 468	58 384	104 084	168 144	63 267	104 877
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	1 640	(40)	1 700	1 742	(42)	1 800	1 845	(45)
5.6 - Fleet Manangement		1 347	(1 347)		1 435	(1 435)		1 524	(1 524)
5.7 - Property Rates	206 416	1 867	204 549	218 768	2 072	216 695	231 848	2 302	229 546
5.8 - Supply Chain Management		10 208	(10 208)		10 914	(10 914)		11 704	(11 704)
<b>Vote 6 - Development Services</b>	<b>193 415</b>	<b>51 297</b>	<b>142 118</b>	<b>197 643</b>	<b>184 784</b>	<b>12 858</b>	<b>212 761</b>	<b>221 075</b>	<b>(8 314)</b>
6.1 - Administration	1	3 021	(3 019)	1	3 184	(3 182)	1	3 357	(3 356)
6.2 - Caravan parks - Yzerfontein	3 998	3 468	529	4 237	3 707	530	4 492	3 968	523
6.3 - Community Development	38	4 344	(4 306)	38	4 366	(4 328)	38	4 629	(4 591)
6.4 - Multi-Purpose Centres	177	1 891	(1 714)	29	1 848	(1 819)	31	1 986	(1 955)
6.5 - Planning and Valuations	1 271	10 110	(8 840)	1 346	9 977	(8 631)	1 426	10 338	(8 912)
6.6 - Building Control	3 805	3 996	(191)	4 033	4 296	(263)	4 275	4 621	(346)
6.7 - Housing	184 126	22 196	161 930	187 958	154 983	32 976	202 499	189 582	12 917
6.8 - Occupational Health and Safety		2 271	(2 271)		2 424	(2 424)		2 594	(2 594)
<b>Vote 7 - Municipal Manager</b>	<b>-</b>	<b>9 644</b>	<b>(9 644)</b>	<b>-</b>	<b>10 254</b>	<b>(10 254)</b>	<b>-</b>	<b>10 934</b>	<b>(10 934)</b>
7.1 - Administration	-	4 402	(4 402)	-	4 666	(4 666)	-	4 945	(4 945)
7.2 - Strategic Planning	-	2 789	(2 789)	-	2 983	(2 983)	-	3 203	(3 203)
7.3 - Internal Audit	-	2 453	(2 453)	-	2 605	(2 605)	-	2 785	(2 785)
<b>Vote 8 - Protection Services</b>	<b>61 473</b>	<b>120 565</b>	<b>(59 092)</b>	<b>65 171</b>	<b>127 426</b>	<b>(62 254)</b>	<b>68 097</b>	<b>134 705</b>	<b>(66 607)</b>
8.1 - Administration		3 014	(3 014)		3 210	(3 210)		3 396	(3 396)
8.2 - Civil Protection	417	804	(387)	573	967	(394)		401	(401)
8.3 - Fire Fighting	10	12 448	(12 438)	10	12 803	(12 793)	10	13 472	(13 462)
8.4 - Harbour Yzerfontein	211	500	(288)	224	527	(303)	237	564	(327)
8.5 - Road and Traffic Regulation	12 478	11 854	624	13 227	12 655	572	14 020	13 557	464
8.6 - Policing and Law Enforcement	48 357	91 946	(43 589)	51 138	97 263	(46 126)	53 830	103 314	(49 485)
<b>Total Revenue &amp; Expenditure by Vote</b>	<b>1 433 296</b>	<b>1 186 394</b>	<b>246 902</b>	<b>1 534 742</b>	<b>1 433 685</b>	<b>101 056</b>	<b>1 665 347</b>	<b>1 583 681</b>	<b>81 666</b>

**The municipality is in a very privileged position to be able to invest a total of R 323 966 million of its own funds over the 2024/25 MTREF.**

The following capital program is proposed as draft 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)	%
<b>Funded by:</b>								
National Government	46 713	19%	52 150	14%	48 443	23%	48 093	25%
Provincial Government	71 996	29%	174 879	46%	49 520	23%	33 000	17%
Other Transfers and Grants	1 200	0%	20 000	5%	-	0%	-	0%
Borrowing	-	0%	36 951	10%	3 000	1%	-	0%
Internally generated funds	128 781	52%	95 897	25%	113 427	53%	114 642	59%
<b>Total Capital Funding</b>	<b>248 690</b>	<b>100%</b>	<b>379 877</b>	<b>100%</b>	<b>214 390</b>	<b>100%</b>	<b>195 735</b>	<b>100%</b>

The total draft Capital budget for 2024/2025 amounts to R 379 877 million with around R 95 897 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 790 002 million. An increase of R 107 479 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 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
<b><u>Borrowing Management</u></b>						
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%	2.2%	1.7%	1.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	41.7%	0.0%	0.0%
<b><u>Safety of Capital</u></b>						
Gearing	Long Term Borrowing/ Funds & Reserves	24.8%	11.0%	17.5%	13.7%	10.2%
<b><u>Liquidity</u></b>						
Current Ratio	Current assets/current liabilities	6:1	4:1	5:1	5:1	8:1
Liquidity Ratio	Monetary Assets/Current Liabilities	5:1	4:1	4:1	5:1	8:1
<b><u>Revenue Management</u></b>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	97%	97%	97%	97%	97%
<b><u>Creditors Management</u></b>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%
<b><u>Other Indicators</u></b>						
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%	28.3%	25.3%	24.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.3%	29.2%	29.4%	26.3%	25.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.1%	6.3%	5.9%	6.0%	5.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	11.7%	11.6%	11.8%	10.7%	10.6%
<b><u>IDP regulation financial viability indicators</u></b>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.9	8.4	14.0	16.6	18.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	11.3%	10.7%	10.5%	10.9%	10.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	10.0	6.3	5.9	5.0	8.2

**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 24.6% and 28.3%. Total remuneration as a percentage of operating revenue (excluding capital grants) over the MTREF is between 25.5% and 29.4%. 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 6 358 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  R thousands	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
<b>Financial Performance</b>					
Property rates	167 830	167 830	202 698	214 759	227 525
Service charges	596 914	576 934	641 694	703 663	771 090
Investment revenue	55 954	83 051	78 998	76 459	75 447
Transfer and subsidies - Operational	168 036	172 097	189 470	329 245	373 782
Other own revenue	96 364	132 602	93 406	112 653	136 410
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 085 098</b>	<b>1 132 514</b>	<b>1 206 267</b>	<b>1 436 779</b>	<b>1 584 254</b>

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  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
<b>Revenue by Vote</b>					
Vote 1 - Corporate Services	12 735	14 795	13 306	13 312	13 798
Vote 2 - Civil Services	299 716	321 785	308 809	322 067	344 749
Vote 3 - Council	305	335	312	318	325
Vote 4 - Electricity Services	456 443	448 935	489 042	553 295	623 824
Vote 5 - Financial Services	304 521	333 604	366 938	382 936	401 792
Vote 6 - Development Services	64 870	70 359	193 415	197 643	212 761
Vote 7 - Municipal Manager	–	418	–	–	–
Vote 8 - Protection Services	53 895	62 192	61 473	65 171	68 097
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–
<b>Total Revenue by Vote</b>	<b>1 192 485</b>	<b>1 252 423</b>	<b>1 433 296</b>	<b>1 534 742</b>	<b>1 665 347</b>



**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)	%
<b>Revenue by Source</b>								
Property rates	167 830	15%	202 698	17%	214 759	15%	227 525	14%
Service charges - electricity revenue	399 716	35%	453 500	38%	502 051	35%	555 278	35%
Service charges - water revenue	91 857	8%	93 406	8%	98 903	7%	104 724	7%
Service charges - sanitation revenue	52 364	5%	56 671	5%	59 666	4%	62 732	4%
Service charges - refuse revenue	32 997	3%	38 117	3%	43 043	3%	48 357	3%
Rental from Fixed Assets	2 035	0%	2 002	0%	2 122	0%	2 250	0%
Sale of Goods and Rendering of Services	13 327	1%	13 636	1%	14 453	1%	15 320	1%
Interest earned - external investments	83 051	7%	78 998	7%	76 459	5%	75 447	5%
Fines, penalties and forfeits	39 507	3%	38 976	3%	41 306	3%	43 777	3%
Licences and permits	5 194	0%	5 464	0%	5 787	0%	6 131	0%
Agency services	6 403	1%	6 787	1%	7 194	1%	7 626	0%
Transfers and subsidies	172 097	15%	189 470	16%	329 245	23%	373 782	24%
Other revenue	57 306	5%	20 166	2%	35 178	2%	54 447	3%
Gains	4 169	0%	2 453	0%	2 454	0%	2 454	0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 132 514</b>	<b>100%</b>	<b>1 206 267</b>	<b>100%</b>	<b>1 436 779</b>	<b>100%</b>	<b>1 584 254</b>	<b>100%</b>
<b>Total Revenue from Property Rates and Service Charges</b>	<b>744 764</b>	<b>66%</b>	<b>844 393</b>	<b>70%</b>	<b>918 422</b>	<b>64%</b>	<b>998 615</b>	<b>63%</b>

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 63 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 844 393 million or 70 per cent of total revenue mix (**growth of 13.4%**). This figure increases to an estimated R 918 422 million or 64 per cent (**growth of 8.8%**) and R 998 615 million or 63 per cent (**growth of 8.7%**) 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  R thousand	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
<b>Operating Transfers and Grants</b>					
<b>National Government:</b>	<b>146 615 000</b>	<b>146 615 000</b>	<b>156 957 000</b>	<b>167 598 000</b>	<b>180 972 000</b>
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	-	-
<b>Provincial Government:</b>	<b>21 055 000</b>	<b>22 801 000</b>	<b>31 427 834</b>	<b>160 663 000</b>	<b>192 374 000</b>
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	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>167 670 000</b>	<b>169 416 000</b>	<b>188 384 834</b>	<b>328 261 000</b>	<b>373 346 000</b>
<b>Capital Transfers and Grants</b>					
<b>National Government:</b>	<b>48 366 000</b>	<b>46 713 000</b>	<b>52 150 000</b>	<b>48 443 000</b>	<b>48 093 000</b>
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
<b>Provincial Government:</b>	<b>57 796 000</b>	<b>63 489 000</b>	<b>174 879 166</b>	<b>49 520 000</b>	<b>33 000 000</b>
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	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>106 162 000</b>	<b>110 202 000</b>	<b>227 029 166</b>	<b>97 963 000</b>	<b>81 093 000</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>273 832 000</b>	<b>279 618 000</b>	<b>415 414 000</b>	<b>426 224 000</b>	<b>454 439 000</b>

### 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 draft proposed property rates for the 2024/2025 financial year is **a reduced rate of 0.5624** 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 residential properties and **6.9%** for business and state owned properties.

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

Property Rates	2023/2024 c / R	2024/2025 c / R	2025/2026 c / R	2026/2027 c / R	2024/25	2025/26	2026/27	2024/25	2025/26	2026/27
Residential Properties	0,5956	0,5624	0,5956	0,6679	-5.57%	5.90%	5.90%	-0,0332	0,0332	0,0351
Businesses, Commercial, Industrial and State owned Properties	0,8769	0,8769	0,8769	0,9374	0.00%	6.90%	6.90%	-	0,0605	0,0647

**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 draft 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 draft 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 around R 7.18 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 Management	125 708	121 819	125 399	153 887	
Expenditure – Water Management	101 792	109 100	118 731	130 854	
<b>Net Surplus / (Deficit)</b>	<b>23 917</b>	<b>12 718</b>	<b>6 668</b>	<b>23 033</b>	
<b>Net Surplus / (Deficit) %</b>	<b>19%</b>	<b>10%</b>	<b>5%</b>	<b>15%</b>	
Capital Grants	5 120	3 072		21 093	
<b>Revenue – Water Management (excl. capital grants)</b>	<b>120 589</b>	<b>118 747</b>	<b>125 399</b>	<b>132 794</b>	
<b>Net Surplus / (Deficit) (excl. capital grants)</b>	<b>18 797</b>	<b>9 647</b>	<b>6 668</b>	<b>1 940</b>	
<b>Net Surplus / (Deficit) % (excl. capital grants)</b>	<b>16%</b>	<b>8%</b>	<b>5%</b>	<b>1%</b>	

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

A summary of the 2024/25 draft 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 Agricultural	R 75.07	R 79.50	R 84.19	R 89.16	5.90%	5.90%	5.90%
Network Charge: Business, Agricultural, 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/Agricultural	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 draft increase for the purchase of electricity is based on **12.7%** and the increase for selling of electricity would be between **10.79% - 12.81%**. The proposed tariff increases of the municipal tariffs are preliminary and further subject to the process of obtaining NERSA approval. **Please consult the detailed tariff listing for the proposed draft 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.

**That Council for now abide with the electricity tariffs that are submitted, bearing in mind that it is still subject to NERSA's process.**

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	489 042	553 295	623 824
Expenditure – Electricity	379 791	439 159	501 479	577 483
<b>Net Surplus / (Deficit)</b>	<b>69 144</b>	<b>49 883</b>	<b>51 816</b>	<b>46 341</b>
<b>Net Surplus / (Deficit) %</b>	<b>15%</b>	<b>10%</b>	<b>9%</b>	<b>7%</b>
Capital Grants	23 658	22 818	23 100	20 868
<b>Revenue – Electricity (excl. capital grants)</b>	<b>425 277</b>	<b>466 224</b>	<b>530 195</b>	<b>602 956</b>
<b>Net Surplus / (Deficit) (excl. capital grants)</b>	<b>45 486</b>	<b>27 065</b>	<b>28 716</b>	<b>25 473</b>
<b>Net Surplus / (Deficit) % (excl. capital grants)</b>	<b>11%</b>	<b>6%</b>	<b>5%</b>	<b>4%</b>

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

The following table shows the draft 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 Consumers	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 kWh	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 per kWh	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 per kWh	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 kWh	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 per kWh	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 per kWh	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 Sanitation and Impact of Tariff Increases

The draft 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.

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 – Sanitation	91 935	93 628	96 999	102 715	
Expenditure – Sanitation	63 616	66 740	70 310	72 781	
<b>Net Surplus / (Deficit)</b>	<b>28 318</b>	<b>26 888</b>	<b>26 688</b>	<b>29 934</b>	
<b>Net Surplus / (Deficit) %</b>	<b>31%</b>	<b>29%</b>	<b>28%</b>	<b>29%</b>	
Capital Grants	3 387	2 027			
<b>Revenue – Sanitation (excl. capital grants)</b>	<b>88 548</b>	<b>91 600</b>	<b>96 999</b>	<b>102 715</b>	
<b>Net Surplus / (Deficit) (excl. capital grants)</b>	<b>24 932</b>	<b>24 860</b>	<b>26 688</b>	<b>29 934</b>	
<b>Net Surplus / (Deficit) % (excl. capital grants)</b>	<b>28%</b>	<b>27%</b>	<b>28%</b>	<b>29%</b>	

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

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%
<b>NB:</b> The above charges for registered indigent households are subsidised.							

### 1.4.6 Waste Removal and Impact of Tariff Increases

The draft 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	65 415	69 700	74 903
<b>Net Surplus / (Deficit)</b>	<b>(6 153)</b>	<b>14 805</b>	<b>9 234</b>	<b>2 187</b>
<b>Net Surplus / (Deficit) %</b>	<b>(11%)</b>	<b>18%</b>	<b>12%</b>	<b>3%</b>
Capital Grants	-	17 338	9 313	-
<b>Revenue – Refuse Removal (excl. capital grants)</b>	<b>56 595</b>	<b>62 882</b>	<b>69 621</b>	<b>77 089</b>
<b>Net Surplus / (Deficit) (excl. capital grants)</b>	<b>(6 153)</b>	<b>(2 533)</b>	<b>(79)</b>	<b>2 187</b>
<b>Net Surplus / (Deficit) % (excl. capital grants)</b>	<b>(11%)</b>	<b>(4.0%)</b>	<b>(0.1%)</b>	<b>2.8%</b>

The following draft 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%
<b>NB: The above charges for registered indigent households are subsidised.</b>							

### 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
<b>Rand/cent</b>						
<b>Monthly Account for Household - 'Middle Income Range'</b>						
<b>Rates and services charges:</b>						
Property rates	347.43	347.43	(0.57%)	328.07	347.42	367.92
Electricity: Basic levy	317.68	317.68	10.7%	358.38	407.48	463.30
Electricity: Consumption	2 788.97	2 788.97	10.7%	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
<b>sub-total</b>	<b>4 264.56</b>	<b>4 264.56</b>	<b>10.2%</b>	<b>4 699.77</b>	<b>5 260.15</b>	<b>5 892.11</b>
VAT on Services	587.57	587.57		655.75	736.91	828.63
<b>Total large household bill:</b>	<b>4 852.13</b>	<b>4 852.13</b>	<b>10.4%</b>	<b>5 355.52</b>	<b>5 997.06</b>	<b>6 720.73</b>
<b>% increase/-decrease</b>	<b>15.1%</b>	<b>15.1%</b>	<b>(31.3%)</b>	<b>10.4%</b>	<b>12.0%</b>	<b>12.1%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>						
<b>Rates and services charges:</b>						
Property rates	248.17	248.17	(0.57%)	234.33	248.16	262.80
Electricity: Basic levy	317.68	317.68	10.7%	358.38	407.48	463.30
Electricity: Consumption	1 133.14	1 133.14	10.7%	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
<b>sub-total</b>	<b>2 293.02</b>	<b>2 293.02</b>	<b>9.4%</b>	<b>2 508.88</b>	<b>2 794.30</b>	<b>3 115.11</b>
VAT on Services	306.73	306.73		341.18	381.92	427.85
<b>Total small household bill:</b>	<b>2 599.75</b>	<b>2 599.75</b>	<b>9.6%</b>	<b>2 850.06</b>	<b>3 176.22</b>	<b>3 542.96</b>
<b>% increase/-decrease</b>	<b>14.1%</b>	<b>14.1%</b>	<b>(31.7%)</b>	<b>9.6%</b>	<b>11.4%</b>	<b>11.5%</b>
<b>Monthly Account for Household - 'Indigent Household receiving free basic services'</b>						
<b>Rates and services charges:</b>						
Property rates	146.42	146.42	(0.57%)	138.26	146.41	155.05
Electricity: Basic levy	–	–	10.7%	–	–	–
Electricity: Consumption	578.02	578.02	10.7%	652.07	741.40	842.98
Water: Basic levy	–	–	5.9%	–	–	–
Water: Consumption	39.96	39.96	5.9%	–	–	–
Sanitation	–	–	5.9%	42.32	44.81	47.46
Refuse removal	–	–	11.0%	–	–	–
Other	–	–		–	–	–
<b>sub-total</b>	<b>764.40</b>	<b>764.40</b>	<b>8.9%</b>	<b>832.64</b>	<b>932.63</b>	<b>1 045.49</b>
VAT on Services	92.70	92.70		104.16	117.93	133.57
<b>Total small household bill:</b>	<b>857.10</b>	<b>857.10</b>	<b>9.3%</b>	<b>936.80</b>	<b>1 050.56</b>	<b>1 179.05</b>
<b>% increase/-decrease</b>	<b>15.5%</b>	<b>15.5%</b>	<b>(40.0%)</b>	<b>9.3%</b>	<b>12.1%</b>	<b>12.2%</b>

#### 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 3 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 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
<b>R thousands</b>					
<b>Financial Performance</b>					
Employee costs	316 394	318 241	341 481	363 869	389 783
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	450 614	517 412	592 768
Transfers and subsidies	5 060	5 426	5 026	5 231	5 424
Other expenditure	193 564	209 783	233 057	379 452	413 290
<b>Total Expenditure</b>	<b>1 071 330</b>	<b>1 071 352</b>	<b>1 186 394</b>	<b>1 433 685</b>	<b>1 583 681</b>

- 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 28.8 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 the 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 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
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	16.2%	13.6%	9.1%	21.4%	40.9%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	30.0%	30.0%	27.0%	32.9%	51.9%
<i>R&amp;M as a % of PPE &amp; Investment Property</i>	2.6%	2.8%	3.0%	3.4%	3.1%
<i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Prop</i>	4.1%	4.3%	4.6%	5.3%	6.4%

### 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 87 375 million in 2024/25 and it will increase to R 97 154 million and R 122 463 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 <b>R105 000</b> (R15 000 impermissible tax excluded)
2.	<b>50 kWh</b> free electricity per month (which shall include the network charge of electricity for the month where a conventional meter is applicable)
3.	<b>6 kilolitres</b> of water free per month plus the 100% subsidised network charge
4.	Free refuse x <b>4 removals</b> per month
5.	<b>Free sewerage</b> per month

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

- Number receiving Property rates discount: 7 942
- Number with access to free basic water: 8 902 (and exempted by way of subsidy of the water network charge)
- Number with access to free basic electricity: 5 979
- Number provided by ESKOM: 2 286
- Number with access to free basic sanitation: 8 589
- 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
<b>Capital expenditure - Vote</b>					
<b>Multi-year expenditure to be appropriated</b>					
Vote 2 - Civil Services	53 925	51 025	55 994	79 743	86 332
Vote 4 - Electricity Services	40 500	36 581	59 629	39 068	33 468
Vote 6 - Development Services	55 314	55 007	165 889	59 420	38 500
<b>Capital multi-year expenditure sub-total</b>	<b>149 739</b>	<b>142 613</b>	<b>281 511</b>	<b>178 231</b>	<b>158 300</b>
<b>Single-year expenditure to be appropriated</b>					
Vote 1 - Corporate Services	176	176	778	530	532
Vote 2 - Civil Services	35 808	65 767	70 042	17 159	19 895
Vote 3 - Council	692	12	1 262	12	12
Vote 4 - Electricity Services	14 758	27 302	13 843	17 326	15 586
Vote 5 - Financial Services	2 192	2 443	608	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	2 887	922	1 274
<b>Capital single-year expenditure sub-total</b>	<b>59 313</b>	<b>106 077</b>	<b>98 366</b>	<b>36 159</b>	<b>37 435</b>
<b>Total Capital Expenditure - Vote</b>	<b>209 052</b>	<b>248 690</b>	<b>379 877</b>	<b>214 390</b>	<b>195 735</b>

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
<b>R thousands</b>					
<b>Financial Performance</b>					
Property rates	167 830	167 830	202 698	214 759	227 525
Service charges	596 914	576 934	641 694	703 663	771 090
Investment revenue	55 954	83 051	78 998	76 459	75 447
Transfer and subsidies - Operational	168 036	172 097	189 470	329 245	373 782
Other own revenue	96 364	132 602	93 406	112 653	136 410
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 085 098</b>	<b>1 132 514</b>	<b>1 206 267</b>	<b>1 436 779</b>	<b>1 584 254</b>
Employee costs	316 394	318 241	341 481	363 869	389 783
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	450 614	517 412	592 768
Transfers and subsidies	5 060	5 426	5 026	5 231	5 424
Other expenditure	193 564	209 783	233 057	379 452	413 290
<b>Total Expenditure</b>	<b>1 071 330</b>	<b>1 071 352</b>	<b>1 186 394</b>	<b>1 433 685</b>	<b>1 583 681</b>
<b>Surplus/(Deficit)</b>	<b>13 768</b>	<b>61 162</b>	<b>19 873</b>	<b>3 093</b>	<b>573</b>
Transfers and subsidies - capital (monetary)	107 387	119 909	227 029	97 963	81 093
Transfers and subsidies - capital (in-kind)	—	—	—	—	—
<b>contributions</b>	<b>121 155</b>	<b>181 071</b>	<b>246 902</b>	<b>101 056</b>	<b>81 666</b>
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>121 155</b>	<b>181 071</b>	<b>246 902</b>	<b>101 056</b>	<b>81 666</b>
<b>Capital expenditure &amp; funds sources</b>					
<b>Capital expenditure</b>	<b>209 052</b>	<b>248 690</b>	<b>379 877</b>	<b>214 390</b>	<b>195 735</b>
Transfers recognised - capital	107 387	119 909	247 029	97 963	81 093
Borrowing	—	—	36 951	3 000	—
Internally generated funds	101 665	128 781	95 897	113 427	114 642
<b>Total sources of capital funds</b>	<b>209 052</b>	<b>248 690</b>	<b>379 877</b>	<b>214 390</b>	<b>195 735</b>
<b>Financial position</b>					
Total current assets	863 166	550 837	607 710	651 801	1 043 182
Total non current assets	2 322 092	2 681 855	2 910 728	2 968 611	2 659 003
Total current liabilities	144 717	123 924	125 113	126 050	127 061
Total non current liabilities	224 988	182 217	219 781	219 719	218 700
Community wealth/Equity	2 815 553	2 926 550	3 173 544	3 274 642	3 356 425
<b>Cash flows</b>					
Net cash from (used) operating	224 935	267 554	390 601	249 734	249 551
Net cash from (used) investing	(194 439)	(543 469)	(377 424)	(211 936)	139 747
Net cash from (used) financing	(8 261)	(51 559)	29 182	(9 559)	(10 500)
<b>Cash/cash equivalents at the year end</b>	<b>684 449</b>	<b>394 543</b>	<b>436 903</b>	<b>465 142</b>	<b>843 939</b>
<b>Cash backing/surplus reconciliation</b>					
Cash and investments available	684 449	727 571	769 931	798 170	843 939
Application of cash and investments	46 081	43 058	39 939	49 927	60 731
<b>Balance - surplus (shortfall)</b>	<b>638 368</b>	<b>684 513</b>	<b>729 991</b>	<b>748 243</b>	<b>783 208</b>
<b>Asset management</b>					
Asset register summary (WDV)	2 322 092	2 324 661	2 179 157	2 393 628	2 434 503
Depreciation	112 614	112 614	128 253	139 288	154 310
Renewal and Upgrading of Existing Assets	33 777	33 816	34 593	45 798	80 149
Repairs and Maintenance	66 391	71 458	71 294	86 536	81 972
<b>Free services</b>					
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
<b>Households below minimum service level</b>					
Water:	3	3	3	3	3
Sanitation/sewerage:	1	1	1	1	1
Energy:	1	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 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
<b>Revenue - Functional</b>					
<b>Governance and administration</b>	<b>319 063</b>	<b>338 532</b>	<b>370 109</b>	<b>385 922</b>	<b>404 880</b>
Executive and council	305	335	312	318	325
Finance and administration	318 758	337 778	369 797	385 604	404 555
Internal audit	–	418	–	–	–
<b>Community and public safety</b>	<b>127 957</b>	<b>140 937</b>	<b>257 609</b>	<b>258 742</b>	<b>276 235</b>
Community and social services	13 893	14 681	14 177	14 506	14 459
Sport and recreation	16 216	15 123	10 727	4 906	5 200
Public safety	42 089	50 102	48 579	51 372	54 077
Housing	55 758	61 030	184 126	187 958	202 499
Health	–	–	–	–	–
<b>Economic and environmental services</b>	<b>33 128</b>	<b>33 277</b>	<b>20 055</b>	<b>34 938</b>	<b>26 171</b>
Planning and development	4 789	4 992	5 075	5 379	5 700
Road transport	28 339	28 285	14 980	29 559	20 471
Environmental protection	–	–	–	–	–
<b>Trading services</b>	<b>712 303</b>	<b>739 643</b>	<b>785 487</b>	<b>855 101</b>	<b>958 020</b>
Energy sources	456 425	448 917	489 024	553 277	623 806
Water management	113 187	125 708	121 819	125 399	153 887
Waste water management	86 097	108 423	94 425	97 492	103 238
Waste management	56 595	56 595	80 220	78 934	77 089
<b>Other</b>	<b>34</b>	<b>34</b>	<b>36</b>	<b>39</b>	<b>41</b>
<b>Total Revenue - Functional</b>	<b>1 192 485</b>	<b>1 252 423</b>	<b>1 433 296</b>	<b>1 534 742</b>	<b>1 665 347</b>
<b>Expenditure - Functional</b>					
<b>Governance and administration</b>	<b>171 937</b>	<b>185 495</b>	<b>187 303</b>	<b>206 613</b>	<b>208 479</b>
Executive and council	25 835	26 873	29 411	30 991	32 430
Finance and administration	142 949	155 047	155 596	173 180	173 429
Internal audit	3 152	3 575	2 296	2 443	2 619
<b>Community and public safety</b>	<b>154 654</b>	<b>165 699</b>	<b>195 852</b>	<b>337 542</b>	<b>382 700</b>
Community and social services	26 330	27 619	28 739	30 090	31 403
Sport and recreation	34 938	36 012	40 196	42 068	44 579
Public safety	88 686	97 304	104 721	110 401	117 136
Housing	4 701	4 764	22 196	154 983	189 582
Health	–	–	–	–	–
<b>Economic and environmental services</b>	<b>85 081</b>	<b>80 857</b>	<b>91 491</b>	<b>95 285</b>	<b>99 581</b>
Planning and development	16 200	16 738	16 895	17 256	18 162
Road transport	68 882	64 119	74 596	78 029	81 419
Environmental protection	–	–	–	–	–
<b>Trading services</b>	<b>657 274</b>	<b>636 917</b>	<b>709 242</b>	<b>791 604</b>	<b>890 138</b>
Energy sources	414 005	392 764	452 643	516 735	594 737
Water management	107 650	101 792	109 100	118 731	130 854
Waste water management	77 428	78 564	81 941	86 288	89 485
Waste management	58 190	63 797	65 557	69 850	75 062
<b>Other</b>	<b>2 384</b>	<b>2 385</b>	<b>2 506</b>	<b>2 641</b>	<b>2 783</b>
<b>Total Expenditure - Functional</b>	<b>1 071 330</b>	<b>1 071 352</b>	<b>1 186 394</b>	<b>1 433 685</b>	<b>1 583 681</b>
<b>Surplus/(Deficit) for the year</b>	<b>121 155</b>	<b>181 071</b>	<b>246 902</b>	<b>101 056</b>	<b>81 666</b>

**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
<b>Revenue by Vote</b>					
Vote 1 - Corporate Services	12 735	14 795	13 306	13 312	13 798
Vote 2 - Civil Services	299 716	321 785	308 809	322 067	344 749
Vote 3 - Council	305	335	312	318	325
Vote 4 - Electricity Services	456 443	448 935	489 042	553 295	623 824
Vote 5 - Financial Services	304 521	333 604	366 938	382 936	401 792
Vote 6 - Development Services	64 870	70 359	193 415	197 643	212 761
Vote 7 - Municipal Manager	–	418	–	–	–
Vote 8 - Protection Services	53 895	62 192	61 473	65 171	68 097
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–
<b>Total Revenue by Vote</b>	<b>1 192 485</b>	<b>1 252 423</b>	<b>1 433 296</b>	<b>1 534 742</b>	<b>1 665 347</b>
<b>Expenditure by Vote to be appropriated</b>					
Vote 1 - Corporate Services	42 202	45 200	46 266	47 921	50 837
Vote 2 - Civil Services	369 407	367 605	392 705	428 975	446 522
Vote 3 - Council	23 068	23 556	25 009	26 324	27 485
Vote 4 - Electricity Services	419 094	397 769	459 788	522 604	599 906
Vote 5 - Financial Services	73 728	82 010	81 119	85 396	92 217
Vote 6 - Development Services	32 212	33 065	51 297	184 784	221 075
Vote 7 - Municipal Manager	8 927	9 968	9 644	10 254	10 934
Vote 8 - Protection Services	102 693	112 180	120 565	127 426	134 705
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–
<b>Total Expenditure by Vote</b>	<b>1 071 330</b>	<b>1 071 352</b>	<b>1 186 394</b>	<b>1 433 685</b>	<b>1 583 681</b>
<b>Surplus/(Deficit) for the year</b>	<b>121 155</b>	<b>181 071</b>	<b>246 902</b>	<b>101 056</b>	<b>81 666</b>

### 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  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
<b>Revenue</b>					
<b>Exchange Revenue</b>					
Service charges - Electricity	421 007	399 716	453 500	502 051	555 278
Service charges - Water	91 857	91 857	93 406	98 903	104 724
Service charges - Waste Water Management	51 053	52 364	56 671	59 666	62 732
Service charges - Waste Management	32 997	32 997	38 117	43 043	48 357
Sale of Goods and Rendering of Services	13 113	13 327	13 636	14 453	15 320
Agency services	6 403	6 403	6 787	7 194	7 626
Interest earned from Receivables	2 640	3 199	2 798	2 966	3 144
Interest earned from Current and Non Current Assets	55 954	83 051	78 998	76 459	75 447
Rental from Fixed Assets	1 967	2 035	2 002	2 122	2 250
Operational Revenue	3 933	41 904	4 115	4 339	4 575
<b>Non-Exchange Revenue</b>					
Property rates	167 830	167 830	202 698	214 759	227 525
Fines, penalties and forfeits	32 076	39 507	38 976	41 306	43 777
Licences or permits	5 158	5 194	5 464	5 787	6 131
Transfer and subsidies - Operational	168 036	172 097	189 470	329 245	373 782
Interest	1 060	1 463	1 124	1 191	1 262
Operational Revenue	15 402	15 402	16 051	30 840	49 872
Gains on disposal of Assets	14 613	4 169	2 453	2 454	2 454
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 085 098</b>	<b>1 132 514</b>	<b>1 206 267</b>	<b>1 436 779</b>	<b>1 584 254</b>
<b>Expenditure</b>					
Employee related costs	316 394	318 241	341 481	363 869	389 783
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	65 687	72 052	77 486
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	83 674	227 311	250 655
Transfers and subsidies	5 060	5 426	5 026	5 231	5 424
Irrecoverable debts written off	32 910	44 101	45 024	48 048	51 693
Operational costs	57 831	58 574	63 188	65 818	69 074
Losses on disposal of Assets	16 413	15 374	22 793	17 260	18 122
Other Losses	11 894	13 717	14 973	16 754	18 761
<b>Total Expenditure</b>	<b>1 071 330</b>	<b>1 071 352</b>	<b>1 186 394</b>	<b>1 433 685</b>	<b>1 583 681</b>
<b>Surplus/(Deficit)</b>	<b>13 768</b>	<b>61 162</b>	<b>19 873</b>	<b>3 093</b>	<b>573</b>
Transfers and subsidies - capital (monetary)	107 387	119 909	227 029	97 963	81 093
Transfers and subsidies - capital (in-kind)	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>121 155</b>	<b>181 071</b>	<b>246 902</b>	<b>101 056</b>	<b>81 666</b>
Income Tax	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>121 155</b>	<b>181 071</b>	<b>246 902</b>	<b>101 056</b>	<b>81 666</b>

**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 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
<b>Capital expenditure - Vote</b>					
<b>Multi-year expenditure to be appropriated</b>					
Vote 2 - Civil Services	53 925	51 025	55 994	79 743	86 332
Vote 4 - Electricity Services	40 500	36 581	59 629	39 068	33 468
Vote 6 - Development Services	55 314	55 007	165 889	59 420	38 500
<b>Capital multi-year expenditure sub-total</b>	<b>149 739</b>	<b>142 613</b>	<b>281 511</b>	<b>178 231</b>	<b>158 300</b>
<b>Single-year expenditure to be appropriated</b>					
Vote 1 - Corporate Services	176	176	778	530	532
Vote 2 - Civil Services	35 808	65 767	70 042	17 159	19 895
Vote 3 - Council	692	12	1 262	12	12
Vote 4 - Electricity Services	14 758	27 302	13 843	17 326	15 586
Vote 5 - Financial Services	2 192	2 443	608	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	2 887	922	1 274
<b>Capital single-year expenditure sub-total</b>	<b>59 313</b>	<b>106 077</b>	<b>98 366</b>	<b>36 159</b>	<b>37 435</b>
<b>Total Capital Expenditure - Vote</b>	<b>209 052</b>	<b>248 690</b>	<b>379 877</b>	<b>214 390</b>	<b>195 735</b>
<b>Capital Expenditure - Functional</b>					
<b>Governance and administration</b>	<b>8 444</b>	<b>7 235</b>	<b>4 419</b>	<b>3 576</b>	<b>2 307</b>
Executive and council	704	24	1 274	24	24
Finance and administration	7 740	7 211	3 146	3 552	2 283
<b>Community and public safety</b>	<b>32 539</b>	<b>26 434</b>	<b>24 302</b>	<b>8 856</b>	<b>3 632</b>
Community and social services	1 250	890	1 130	6 420	100
Sport and recreation	27 390	22 456	20 285	1 514	2 258
Public safety	3 899	3 088	2 887	922	1 274
<b>Economic and environmental services</b>	<b>81 843</b>	<b>101 775</b>	<b>157 638</b>	<b>106 238</b>	<b>81 107</b>
Planning and development	14 612	24 002	24 829	1 206	410
Road transport	67 231	77 773	132 809	105 032	80 697
Environmental protection					
<b>Trading services</b>	<b>86 227</b>	<b>113 245</b>	<b>193 518</b>	<b>95 720</b>	<b>108 689</b>
Energy sources	53 741	62 877	72 241	54 518	47 273
Water management	14 564	25 034	50 169	20 670	50 358
Waste water management	13 915	21 634	39 350	2 776	6 302
Waste management	4 007	3 701	31 758	17 756	4 756
<b>Total Capital Expenditure - Functional</b>	<b>209 052</b>	<b>248 690</b>	<b>379 877</b>	<b>214 390</b>	<b>195 735</b>
<b>Funded by:</b>					
National Government	48 366	46 713	52 150	48 443	48 093
Provincial Government	57 796	71 996	174 879	49 520	33 000
Transfers and subsidies - capital (monetary)	1 225	1 200	20 000	-	-
<b>Transfers recognised - capital</b>	<b>107 387</b>	<b>119 909</b>	<b>247 029</b>	<b>97 963</b>	<b>81 093</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>36 951</b>	<b>3 000</b>	<b>-</b>
<b>Internally generated funds</b>	<b>101 665</b>	<b>128 781</b>	<b>95 897</b>	<b>113 427</b>	<b>114 642</b>
<b>Total Capital Funding</b>	<b>209 052</b>	<b>248 690</b>	<b>379 877</b>	<b>214 390</b>	<b>195 735</b>

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

1. 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
<b>R thousand</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	684 449	394 543	436 903	465 142	843 939
Trade and other receivables from exchange transactions	108 621	92 404	100 810	107 266	113 650
Receivables from non-exchange transactions	33 732	33 141	34 759	39 352	44 882
Current portion of non-current receivables	4	(139)	—	—	—
Inventory	23 136	20 653	25 005	29 807	30 477
VAT	13 043	10 049	10 049	10 049	10 049
Other current assets	180	185	185	185	185
<b>Total current assets</b>	<b>863 166</b>	<b>550 837</b>	<b>607 710</b>	<b>651 801</b>	<b>1 043 182</b>
<b>Non current assets</b>					
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	2 556 026	2 613 720	2 637 264
Heritage assets	1 120	1 345	1 345	1 345	1 345
Intangible assets	464	396	287	586	574
<b>Total non current assets</b>	<b>2 322 092</b>	<b>2 681 855</b>	<b>2 910 728</b>	<b>2 968 611</b>	<b>2 659 003</b>
<b>TOTAL ASSETS</b>	<b>3 185 258</b>	<b>3 232 691</b>	<b>3 518 438</b>	<b>3 620 412</b>	<b>3 702 186</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
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 transaction	216	75	—	—	—
Provision	10 898	13 535	13 758	13 987	14 223
VAT	—	1 019	1 019	1 019	1 019
Other current liabilities	3 527	—	—	—	—
<b>Total current liabilities</b>	<b>144 717</b>	<b>123 924</b>	<b>125 113</b>	<b>126 050</b>	<b>127 061</b>
<b>Non current liabilities</b>					
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
<b>Total non current liabilities</b>	<b>224 988</b>	<b>182 217</b>	<b>219 781</b>	<b>219 719</b>	<b>218 700</b>
<b>TOTAL LIABILITIES</b>	<b>369 705</b>	<b>306 141</b>	<b>344 894</b>	<b>345 769</b>	<b>345 761</b>
<b>NET ASSETS</b>	<b>2 815 553</b>	<b>2 926 550</b>	<b>3 173 544</b>	<b>3 274 642</b>	<b>3 356 425</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated surplus/(deficit)	2 522 094	2 622 831	2 818 934	2 893 468	2 948 686
Reserves and funds	293 459	303 719	354 610	381 174	407 738
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 815 553</b>	<b>2 926 550</b>	<b>3 173 544</b>	<b>3 274 642</b>	<b>3 356 425</b>

## Explanatory notes to Table A6 - Budgeted Financial Position

- 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 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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates	164 473	165 936	197 741	209 507	221 962
Service charges	590 304	576 027	639 044	713 420	797 171
Other revenue	37 148	42 904	39 968	42 336	44 845
Transfers and Subsidies - Operational	168 036	170 982	189 510	329 245	373 782
Transfers and Subsidies - Capital	107 387	111 402	226 989	97 963	81 093
Interest	55 954	83 051	78 998	76 459	75 447
Dividends	–	–	–	–	–
<b>Payments</b>					
Suppliers and employees	(883 983)	(870 425)	(968 614)	(1 206 782)	(1 333 058)
Interest	(9 324)	(6 897)	(8 010)	(7 182)	(6 267)
Transfers and Subsidies	(5 060)	(5 426)	(5 026)	(5 231)	(5 424)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>224 935</b>	<b>267 554</b>	<b>390 601</b>	<b>249 734</b>	<b>249 551</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
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
<b>Payments</b>					
Capital assets	(209 052)	(214 610)	(379 877)	(214 390)	(195 735)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(194 439)</b>	<b>(543 469)</b>	<b>(377 424)</b>	<b>(211 936)</b>	<b>139 747</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Short term loans	–	–	–	–	–
Borrowing long term/refinancing	–	–	40 000	–	–
Increase (decrease) in consumer deposits	500	500	500	150	200
<b>Payments</b>					
Repayment of borrowing	(8 761)	(52 059)	(11 318)	(9 709)	(10 700)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(8 261)</b>	<b>(51 559)</b>	<b>29 182</b>	<b>(9 559)</b>	<b>(10 500)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>22 234</b>	<b>(327 474)</b>	<b>42 359</b>	<b>28 239</b>	<b>378 798</b>
Cash/cash equivalents at the year begin:	<b>662 215</b>	<b>722 017</b>	<b>394 543</b>	<b>436 903</b>	<b>465 142</b>
Cash/cash equivalents at the year end:	<b>684 449</b>	<b>394 543</b>	<b>436 903</b>	<b>465 142</b>	<b>843 939</b>

### 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  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
<b>Cash and investments available</b>					
Cash/cash equivalents at the year end	684 449	394 543	436 903	465 142	843 939
Other current investments > 90 days	–	–	–	–	–
Non current Investments	–	333 028	333 028	333 028	–
<b>Cash and investments available:</b>	<b>684 449</b>	<b>727 571</b>	<b>769 931</b>	<b>798 170</b>	<b>843 939</b>
<b>Application of cash and investments</b>					
Unspent conditional transfers	216	75	–	–	–
Unspent borrowing	–	–	–	–	–
Other working capital requirements	45 866	42 983	39 939	49 927	60 731
Other provisions	–	–	–	–	–
Long term investments committed	–	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–	–
<b>Total Application of cash and investments:</b>	<b>46 081</b>	<b>43 058</b>	<b>39 939</b>	<b>49 927</b>	<b>60 731</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to D</b>	<b>638 368</b>	<b>684 513</b>	<b>729 991</b>	<b>748 243</b>	<b>783 208</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to D</b>	<b>638 368</b>	<b>684 513</b>	<b>729 991</b>	<b>748 243</b>	<b>783 208</b>

### 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
<b>R thousand</b>					
<b>CAPITAL EXPENDITURE</b>					
<b>Total New Assets</b>	<b>175 276</b>	<b>214 874</b>	<b>345 284</b>	<b>168 592</b>	<b>115 585</b>
Roads Infrastructure	55 914	66 673	127 669	89 913	64 332
Storm water Infrastructure	–	2 169	1 509	–	–
Electrical Infrastructure	46 400	52 789	62 289	37 050	21 582
Water Supply Infrastructure	9 797	15 877	38 951	8 535	5 639
Sanitation Infrastructure	10 420	10 097	26 765	42	844
Solid Waste Infrastructure	2 500	2 500	28 289	13 210	–
<b>Infrastructure</b>	<b>125 032</b>	<b>150 105</b>	<b>285 472</b>	<b>148 750</b>	<b>92 397</b>
Community Facilities	3 000	2 640	1 100	1 100	1 100
Sport and Recreation Facilities	12 700	9 200	12 041	6 020	–
<b>Community Assets</b>	<b>15 700</b>	<b>11 840</b>	<b>13 141</b>	<b>7 120</b>	<b>1 100</b>
Operational Buildings	3 000	2 953	650	100	–
Housing	13 514	17 407	16 327	1 100	7 086
<b>Other Assets</b>	<b>16 514</b>	<b>20 360</b>	<b>16 977</b>	<b>1 200</b>	<b>7 086</b>
<b>Intangible Assets</b>	<b>–</b>	<b>–</b>	<b>400</b>	<b>–</b>	<b>–</b>
Computer Equipment	2 052	2 234	1 790	2 376	2 281
Furniture and Office Equipment	586	824	830	566	392
Machinery and Equipment	3 431	13 239	2 352	2 372	1 795
Transport Assets	11 962	10 773	15 622	5 808	10 135
Land	–	5 500	8 700	400	400
<b>Total Renewal of Existing Assets</b>	<b>11 500</b>	<b>13 151</b>	<b>10 067</b>	<b>15 000</b>	<b>15 000</b>
Roads Infrastructure	10 000	9 251	–	15 000	15 000
Electrical Infrastructure	–	–	323	–	–
Water Supply Infrastructure	–	–	4 075	–	–
Sanitation Infrastructure	1 500	3 900	4 500	–	–
<b>Infrastructure</b>	<b>11 500</b>	<b>13 151</b>	<b>8 897</b>	<b>15 000</b>	<b>15 000</b>
Sport and Recreation Facilities	–	–	1 170	–	–
<b>Community Assets</b>	<b>–</b>	<b>–</b>	<b>1 170</b>	<b>–</b>	<b>–</b>
<b>Total Upgrading of Existing Assets</b>	<b>22 277</b>	<b>20 665</b>	<b>24 526</b>	<b>30 798</b>	<b>65 149</b>
Roads Infrastructure	–	667	–	–	–
Storm water Infrastructure	250	250	250	250	1 250
Electrical Infrastructure	3 650	5 142	8 350	16 168	15 800
Water Supply Infrastructure	4 300	2 053	6 660	11 600	43 999
Sanitation Infrastructure	1 611	1 611	3 716	2 480	4 100
<b>Infrastructure</b>	<b>9 811</b>	<b>9 722</b>	<b>18 976</b>	<b>30 498</b>	<b>65 149</b>
Community Facilities	200	200	–	300	–
Sport and Recreation Facilities	12 266	10 743	5 550	–	–
<b>Community Assets</b>	<b>12 466</b>	<b>10 943</b>	<b>5 550</b>	<b>300</b>	<b>–</b>
<b>Total Capital Expenditure</b>	<b>209 052</b>	<b>248 690</b>	<b>379 877</b>	<b>214 390</b>	<b>195 735</b>
Roads Infrastructure	65 914	76 591	127 669	104 913	79 332
Storm water Infrastructure	250	2 419	1 759	250	1 250
Electrical Infrastructure	50 050	57 931	70 961	53 218	37 382
Water Supply Infrastructure	14 097	17 930	49 686	20 135	49 638
Sanitation Infrastructure	13 531	15 608	34 981	2 522	4 944
Solid Waste Infrastructure	2 500	2 500	28 289	13 210	–
<b>Infrastructure</b>	<b>146 342</b>	<b>172 978</b>	<b>313 345</b>	<b>194 248</b>	<b>172 546</b>
Community Facilities	3 200	2 840	1 100	1 400	1 100
Sport and Recreation Facilities	24 966	19 943	18 761	6 020	–
<b>Community Assets</b>	<b>28 166</b>	<b>22 783</b>	<b>19 861</b>	<b>7 420</b>	<b>1 100</b>
Operational Buildings	3 000	2 953	650	100	–
Housing	13 514	17 407	16 327	1 100	7 086
<b>Other Assets</b>	<b>16 514</b>	<b>20 360</b>	<b>16 977</b>	<b>1 200</b>	<b>7 086</b>
<b>Intangible Assets</b>	<b>–</b>	<b>–</b>	<b>400</b>	<b>–</b>	<b>–</b>
Computer Equipment	2 052	2 234	1 790	2 376	2 281
Furniture and Office Equipment	586	824	830	566	392
Machinery and Equipment	3 431	13 239	2 352	2 372	1 795
Transport Assets	11 962	10 773	15 622	5 808	10 135
<b>46</b>					
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>209 052</b>	<b>248 690</b>	<b>379 877</b>	<b>214 390</b>	<b>195 735</b>

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
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>209 052</b>	<b>248 690</b>	<b>379 877</b>	<b>214 390</b>	<b>195 735</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>2 322 092</b>	<b>2 324 661</b>	<b>2 179 157</b>	<b>2 393 628</b>	<b>2 434 503</b>
Roads Infrastructure	385 442	446 880	401 130	478 166	528 807
Storm water Infrastructure	107 609	112 203	102 229	92 814	80 414
Electrical Infrastructure	425 913	408 705	390 754	443 764	473 778
Water Supply Infrastructure	418 580	427 961	408 346	427 402	424 722
Sanitation Infrastructure	513 878	502 805	477 155	486 258	462 218
Solid Waste Infrastructure	26 763	35 874	31 846	56 143	63 172
<b>Infrastructure</b>	<b>1 878 185</b>	<b>1 934 428</b>	<b>1 811 461</b>	<b>1 984 547</b>	<b>2 033 111</b>
<b>Community Assets</b>	<b>154 179</b>	<b>124 483</b>	<b>114 790</b>	<b>124 725</b>	<b>122 003</b>
<b>Heritage Assets</b>	<b>1 120</b>	<b>1 345</b>	<b>1 345</b>	<b>1 345</b>	<b>1 345</b>
<b>Investment properties</b>	<b>24 927</b>	<b>20 255</b>	<b>20 041</b>	<b>19 932</b>	<b>19 820</b>
<b>Other Assets</b>	<b>96 357</b>	<b>77 225</b>	<b>74 978</b>	<b>100 116</b>	<b>99 125</b>
<b>Intangible Assets</b>	<b>464</b>	<b>396</b>	<b>287</b>	<b>586</b>	<b>574</b>
<b>Computer Equipment</b>	<b>5 867</b>	<b>5 778</b>	<b>3 480</b>	<b>2 809</b>	<b>2 862</b>
<b>Furniture and Office Equipment</b>	<b>1 981</b>	<b>2 535</b>	<b>1 533</b>	<b>1 358</b>	<b>938</b>
<b>Machinery and Equipment</b>	<b>26 350</b>	<b>27 779</b>	<b>24 154</b>	<b>22 805</b>	<b>21 229</b>
<b>Transport Assets</b>	<b>51 400</b>	<b>52 140</b>	<b>43 485</b>	<b>51 989</b>	<b>50 274</b>
<b>Land</b>	<b>81 263</b>	<b>78 296</b>	<b>83 603</b>	<b>83 417</b>	<b>83 222</b>
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>2 322 092</b>	<b>2 324 661</b>	<b>2 179 157</b>	<b>2 393 628</b>	<b>2 434 503</b>
<b>EXPENDITURE OTHER ITEMS</b>	<b>179 005</b>	<b>184 072</b>	<b>199 548</b>	<b>225 824</b>	<b>236 282</b>
<b>Depreciation</b>	<b>112 614</b>	<b>112 614</b>	<b>128 253</b>	<b>139 288</b>	<b>154 310</b>
<b>Repairs and Maintenance by Asset Class</b>	<b>66 391</b>	<b>71 458</b>	<b>71 294</b>	<b>86 536</b>	<b>81 972</b>
Roads Infrastructure	5 789	6 142	6 048	6 344	6 343
Storm water Infrastructure	20 911	21 021	22 254	23 927	25 661
Electrical Infrastructure	3 267	3 407	5 322	5 652	6 004
Water Supply Infrastructure	1 862	2 031	1 707	1 768	1 831
Sanitation Infrastructure	5 874	6 500	5 464	6 561	6 746
Solid Waste Infrastructure	8 349	9 669	8 741	9 297	9 590
<b>Infrastructure</b>	<b>46 052</b>	<b>48 770</b>	<b>49 536</b>	<b>53 550</b>	<b>56 175</b>
Community Facilities	2 307	2 252	2 562	2 542	2 658
Sport and Recreation Facilities	917	1 278	1 042	1 072	1 103
<b>Community Assets</b>	<b>3 224</b>	<b>3 530</b>	<b>3 604</b>	<b>3 615</b>	<b>3 761</b>
Operational Buildings	2 291	2 141	1 148	1 197	1 249
Housing	657	1 417	775	10 604	813
<b>Other Assets</b>	<b>2 948</b>	<b>3 558</b>	<b>1 923</b>	<b>11 801</b>	<b>2 062</b>
Licences and Rights	5 092	5 606	6 295	6 215	6 910
<b>Intangible Assets</b>	<b>5 092</b>	<b>5 606</b>	<b>6 295</b>	<b>6 215</b>	<b>6 910</b>
<b>Computer Equipment</b>	<b>428</b>	<b>404</b>	<b>402</b>	<b>402</b>	<b>420</b>
<b>Furniture and Office Equipment</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>69</b>	<b>70</b>
<b>Machinery and Equipment</b>	<b>1 361</b>	<b>1 433</b>	<b>1 392</b>	<b>1 420</b>	<b>1 448</b>
<b>Transport Assets</b>	<b>7 228</b>	<b>8 099</b>	<b>8 083</b>	<b>9 465</b>	<b>11 126</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>179 005</b>	<b>184 072</b>	<b>199 548</b>	<b>225 824</b>	<b>236 282</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>	<b>16.2%</b>	<b>13.6%</b>	<b>9.1%</b>	<b>21.4%</b>	<b>40.9%</b>
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>	<b>30.0%</b>	<b>30.0%</b>	<b>27.0%</b>	<b>32.9%</b>	<b>51.9%</b>
<b>R&amp;M as a % of PPE &amp; Investment Property</b>	<b>2.6%</b>	<b>2.8%</b>	<b>3.0%</b>	<b>3.4%</b>	<b>3.1%</b>
<b>Renewal and upgrading and R&amp;M as a % of PPE and Investment P</b>	<b>4.1%</b>	<b>4.3%</b>	<b>4.6%</b>	<b>5.3%</b>	<b>6.4%</b>

### 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.



- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.
- The 2024/25 capital expenditure on the renewal and upgrading of existing capital assets is 9.1%, for 2025/26 increases to 21.4% and increases to 40.9% 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
<b>Household service targets</b>					
<b><u>Water:</u></b>					
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
<b>Total number of households</b>	<b>39 139</b>	<b>39 139</b>	<b>47 679</b>	<b>47 679</b>	<b>47 679</b>
<b><u>Sanitation/sewerage:</u></b>					
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
<b>Total number of households</b>	<b>39 139</b>	<b>39 139</b>	<b>45 112</b>	<b>45 112</b>	<b>45 112</b>
<b><u>Energy:</u></b>					
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
<b>Total number of households</b>	<b>39 139</b>	<b>39 139</b>	<b>39 139</b>	<b>39 139</b>	<b>39 139</b>
<b><u>Refuse:</u></b>					
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
<b>Total number of households</b>	<b>39 139</b>	<b>39 139</b>	<b>39 139</b>	<b>39 139</b>	<b>39 139</b>

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
<b>Households receiving Free Basic Service</b>					
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
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>					
Water (6 kilolitres per <b>indigent</b> household per month)	14 953	14 953	15 850	16 801	17 809
Sanitation (free sanitation service to <b>indigent households</b> )	30 626	30 626	32 770	35 064	37 518
Electricity /other energy (50kwh per <b>indigent</b> household per month)	9 495	9 495	10 812	12 315	14 031
Refuse (removed once a week <b>for indigent households</b> )	18 206	18 206	19 663	21 236	22 935
<b>Total cost of FBS provided</b>	<b>73 280</b>	<b>73 280</b>	<b>79 094</b>	<b>85 415</b>	<b>92 294</b>
<b>Highest level of free service provided per household</b>					
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
<b>Revenue cost of subsidised services provided (R'000)</b>					
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
<b>Total revenue cost of subsidised services provided</b>	<b>5 831</b>	<b>5 831</b>	<b>6 597</b>	<b>6 885</b>	<b>7 196</b>

## 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
- **30 May 2024** - Tabling of the 2024/25 Draft 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. The comments and inputs were reviewed and after careful consideration of the inputs pertaining to the budget, no amendments were effected.

## 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	61 473	65 171	68 097
	Manage Civil Protection	–	284	417	573	–
	Manage Licensing and Registration Services	11 806	11 806	12 478	13 227	14 020
	Manage Traffic and Law Enforcement	40 832	48 345	48 357	51 138	53 830
	Manage Fire and Emergency Services	936	1 436	10	10	10
	Manage the Harbour Yzerfontein	321	321	211	224	237
Economic transformation	Facilitate economic development in the municipal area	–	–	–	–	–
A healthy and sustainable environment	Manage Development Services	64 320	69 795	193 200	197 576	212 692
	Manage Development Services	1	1	1	1	1
	Manage Planning and Valuations	1 200	1 403	1 271	1 346	1 426
	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	3 998	4 237	4 492
A connected and innovative local government	Manage Corporate Services	12 735	14 795	13 306	13 312	13 798
	Manage Corporate Services, Secretariat and Records and Ward Committees	100	156	102	104	107
	Manage Human Resource Services	366	1 879	669	411	436
	Manage Properties, Contracts and Legal Administration	249	274	290	308	326
	Manage Libraries	11 986	12 452	12 209	12 450	12 889
	Manage Marketing And Tourism	34	34	36	39	41
	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
<b>R thousand</b>						
Quality and reliable services	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	366 938	382 936	401 792
	Manage Financial Administration	–	–	–	–	–
	Manage Supply Chain Management	–	–	–	–	–
	Manage the Budget and Treasury Office	–	–	–	–	–
	Manage Finance (Credit Control, Income, Expenditure, etc)	131 693	160 776	158 922	162 468	168 144
	Manage Rates	171 277	171 277	206 416	218 768	231 848
	Manage Financial Management Grant	1 550	1 550	1 600	1 700	1 800
	Manage Council Expenses	305	335	312	318	325
	Manage Civil Engineering Services	756 159	770 720	797 851	875 362	968 572
	Manage Cemeteries	1 108	1 108	1 046	1 109	1 175
	Manage Parks and Recreational Areas	875	875	599	–	–
	Manage Proclaimed Roads	1 427	1 902	204	226	237
	Manage Sewerage	85 326	91 935	93 628	96 999	102 715
	Manage Sportsgrounds	11 196	10 103	5 765	281	298
	Manage Streets	15 546	30 735	2 764	16 600	6 736
	Manage Storm water	331	331	331	–	–
	Manage Swimming Pools	374	374	365	387	410
	Manage Water Provision	113 187	125 708	121 819	125 399	153 887
	Manage Municipal Property	13 752	2 120	2 069	2 133	2 201
	Manage Refuse Removal	56 595	56 595	80 220	78 934	77 089
	Manage Electricity Distribution	456 443	448 935	489 042	553 295	623 824
Allocations to other priorities						
Total Revenue (excluding capital transfers and contributions)		1 192 485	1 252 423	1 433 296	1 534 742	1 665 347



## 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	8 507	8 638	9 208	
	Manage Community Development	4 494	4 601	4 344	4 366	4 629	
	Manage Multi-Purpose Centres	1 679	1 738	1 891	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	120 565	127 426	134 705	
	Manage Protection Services	2 670	2 793	3 014	3 210	3 396	
	Manage Civil Protection	380	1 164	804	967	401	
	Manage Licensing and Registration Services	10 811	10 772	11 854	12 655	13 557	
	Manage Traffic and Law Enforcement	78 366	86 330	91 946	97 263	103 314	
	Manage Fire and Emergency Services	10 002	10 655	12 448	12 803	13 472	
	Manage the Harbour Yzerfontein	465	465	500	527	564	
	Economic transformation	Facilitate economic development in the municipal area	30	30	30	30	30
	A healthy and sustainable	Manage Development Services	23 919	24 586	42 791	176 147	211 866
		Manage Dev elopment Services	2 779	2 791	3 021	3 184	3 357
Manage Planning and Valuations		9 566	10 014	10 110	9 977	10 338	
Manage Building Control		3 780	3 801	3 996	4 296	4 621	
Manage Human Settlements		4 701	4 764	22 196	154 983	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	46 266	47 921	50 837	
	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	7 604	7 260	7 737	
	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	20 629	21 125	22 424	
	Manage the Office of the Municipal Manager	8 897	9 938	9 614	10 224	10 904	
	Manage the Office of the Municipal Manager	2 766	3 316	4 402	4 666	4 945	
	Manage Internal Audit	3 306	3 728	2 453	2 605	2 785	
	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						
Quality and reliable services	<b>Manage Financial Services</b>	<b>73 728</b>	<b>81 990</b>	<b>81 119</b>	<b>85 396</b>	<b>92 217</b>
	Manage Financial Administration	2 080	2 095	2 368	2 485	2 610
	Manage Supply Chain Management	9 427	9 432	10 208	10 914	11 704
	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	54 404	58 384	63 267
	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	1 640	1 742	1 845
	<b>Manage Council Expenses</b>	<b>23 068</b>	<b>23 556</b>	<b>25 009</b>	<b>26 324</b>	<b>27 485</b>
	Manage Council Expenses					
		<b>770 425</b>	<b>747 396</b>	<b>831 864</b>	<b>930 454</b>	<b>1 024 004</b>
	<b>Manage Civil Engineering Services</b>					
	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	483	504	315
	Manage Sewerage	44 909	45 302	48 132	49 306	50 150
	Manage Waste Water Treatment Works	17 682	18 314	18 608	21 004	22 631
	Manage Sportsgrounds	7 244	7 726	8 663	8 971	9 368
	Manage Streets	60 813	56 088	65 064	68 012	71 064
	Manage Storm water	21 207	21 318	22 563	24 252	26 002
	Manage Swimming Pools	4 491	4 387	6 327	6 680	7 065
	Manage Water Provision	107 349	101 490	108 832	118 489	130 645
	Manage Municipal Property	20 170	21 211	19 302	31 388	21 711
	Manage Refuse Removal	36 779	40 182	41 169	43 518	48 502
	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	434 716	496 786	572 531
	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	1 186 394	1 433 685	1 583 681

## 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
<b>R thousand</b>						
<b>Community safety and wellbeing</b>	<b>Manage Development Services</b>					
	Manage Community Development	–	–	–	–	–
	Manage Multi-Purpose Centres	–	–	–	–	–
	Health	–	–	–	–	–
	<b>Manage Protection Services</b>			–	–	–
	Manage Protection Services	205	243	983	722	1 074
	Manage Civil Protection	–	–	–	–	–
	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
<b>Economic transformation</b>	Manage the Harbour Yzerfontein	–	–	–	–	–
	Facilitate economic development in the municipal area	–	–	–	–	–
<b>A healthy and sustainable</b>	<b>Manage Development Services</b>			–	–	–
	Manage Development Services	44	44	46	48	50
	Manage Planning and Valuations	1 000	1 000	–	–	–
	Manage Building Control	–	–	–	–	–
	Manage Human Settlements	55 314	60 507	174 289	59 420	38 500
	Manage the Caravan Park Yzerfontein	732	732	489	36	38
<b>A connected and innovative local government</b>	<b>Manage Corporate Services</b>			–	–	–
	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	–	–	–	–	–
	<b>Manage Electrical Engineering Services</b>					
	Manage ICT Services	1 517	1 007	1 230	1 876	1 781
	<b>Manager</b>			–	–	–
	Manage the Office of the Municipal Manager	12	12	12	12	12
	Manage Internal Audit	–	–	–	–	–
	Manage Strategic Services	–	–	–	–	–
	<b>Manage Financial Services</b>			–	–	–
	Manage Financial Administration	45	43	32	34	36
	Manage Supply Chain Management	–	–	–	–	–
	Manage the Budget and Treasury Office	–	–	–	–	–
	Manage Finance (Credit Control, Income, Expenditure, etc)	2 147	2 449	576	80	–
	Manage Assets	–	–	–	–	–
	Manage Fleet	–	–	–	–	–

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	<b>Manage Council Expenses</b>			–	–	–
	Manage Council Expenses	692	12	1 262	12	12
	<b>Manage Civil Engineering Services</b>			–	–	–
	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	6 525	226	232
	Manage Streets	39 731	53 091	43 250	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	15 242	13 870	47 658
	Manage Municipal Property	4 005	3 686	680	1 132	34
	Manage Refuse Removal	4 007	3 701	31 758	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	71 861	54 118	46 853
Allocations to other priorities						
Total Capital Expenditure		209 052	248 690	379 877	214 390	195 735

## 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
<b>Community safety and wellbeing</b>						
<u>Manage Protection Services</u>						
Manage Protection Services	Completion of projects	205	243	983	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
<b>Economic transformation</b>						
Facilitate economic development in the	Completion of projects	–	–	–	–	–
<b>A healthy and sustainable environment</b>						
<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
<b>A connected and innovative local</b>						
<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	32	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	1 262	12	12
<b>Quality and reliable services</b>						
<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	6 525	226	232
Manage Streets	Completion of projects	39 731	53 091	43 250	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	15 242	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	31 758	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	71 861	54 118	46 853
		<b>209 052</b>	<b>248 690</b>	<b>379 877</b>	<b>214 390</b>	<b>195 735</b>

## 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 ( <b>only property tax rates revised</b> )	Yes	No
3.	Property Rates By-law (not draft)	N/A	No
4.	Credit Control and Debt Collection Policy	New	
5.	Indigent Policy	Yes	Yes
6.	Cash Management and Investment Policy	Yes	Yes
7.	Asset Management Policy	Yes	Yes
8.	Fleet Management Policy	Yes	Yes
9.	Supply Chain Management Policy	Yes	Yes
10.	Budget Implementation Policy	Yes	Yes
11.	Funding and Reserves Policy	Yes	Yes
12.	Debt and Borrowing Policy	Yes	Yes
13.	Virement Policy	Yes	No
14.	Travel and Subsistence Policy	Yes	Yes
15.	Cost Containment Policy	Yes	No
16.	Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy	Yes	Yes
17.	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 draft 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 recovery rate for the 2021/22 year was 96.89%, 97.09% (both excluding fines) for 2022/23 and 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 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.

### **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).

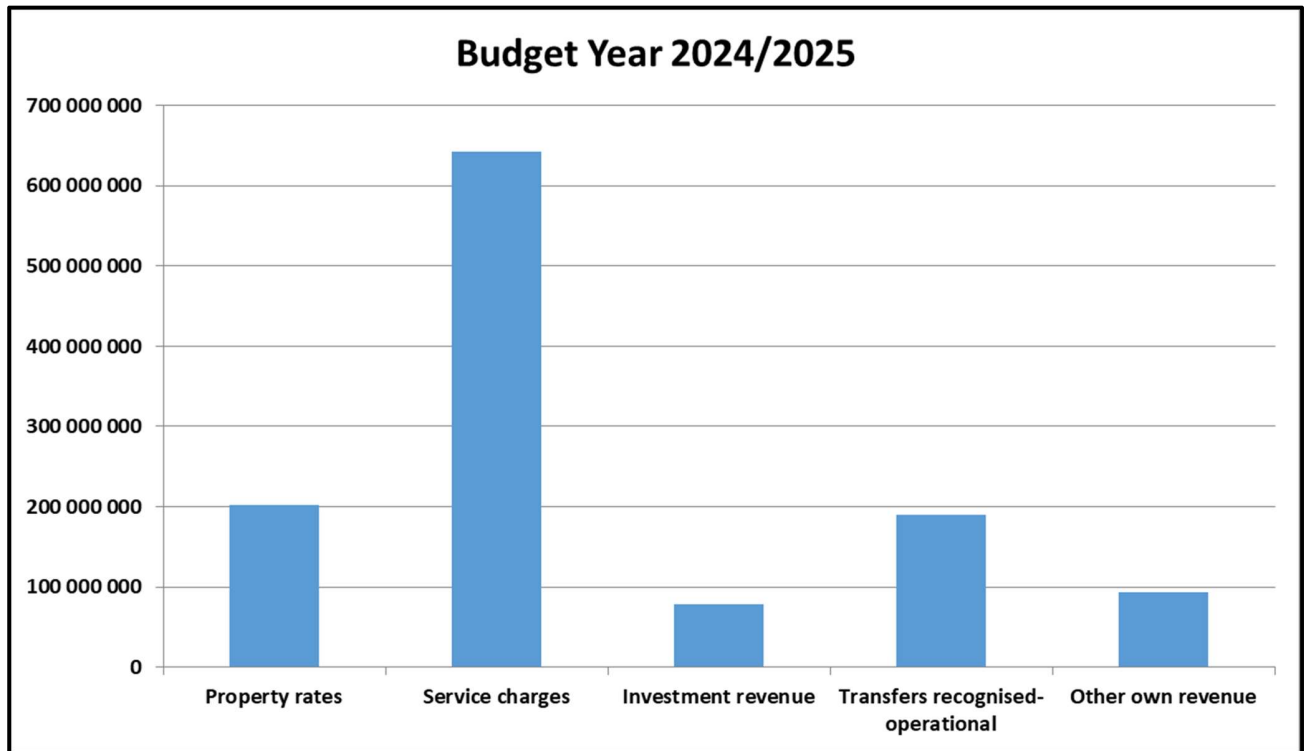
## 2.5 Overview of budget funding

### 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
<b>R thousands</b>					
<b>Financial Performance</b>					
Property rates	167 830	167 830	202 698	214 759	227 525
Service charges	596 914	576 934	641 694	703 663	771 090
Investment revenue	55 954	83 051	78 998	76 459	75 447
Transfer and subsidies - Operational	168 036	172 097	189 470	329 245	373 782
Other own revenue	96 364	132 602	93 406	112 653	136 410
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 085 098</b>	<b>1 132 514</b>	<b>1 206 267</b>	<b>1 436 779</b>	<b>1 584 254</b>

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
<b>R thousand</b>					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates	164 473	165 936	197 741	209 507	221 962
Service charges	590 304	576 027	639 044	713 420	797 171
Other revenue	37 148	42 904	39 968	42 336	44 845
Transfers and Subsidies - Operational	168 036	170 982	189 510	329 245	373 782
Transfers and Subsidies - Capital	107 387	111 402	226 989	97 963	81 093
Interest	55 954	83 051	78 998	76 459	75 447
Dividends	-	-	-	-	-
<b>Payments</b>					
Suppliers and employees	(883 983)	(870 425)	(968 614)	(1 206 782)	(1 333 058)
Interest	(9 324)	(6 897)	(8 010)	(7 182)	(6 267)
Transfers and Subsidies	(5 060)	(5 426)	(5 026)	(5 231)	(5 424)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>224 935</b>	<b>267 554</b>	<b>390 601</b>	<b>249 734</b>	<b>249 551</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
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
<b>Payments</b>					
Capital assets	(209 052)	(214 610)	(379 877)	(214 390)	(195 735)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(194 439)</b>	<b>(543 469)</b>	<b>(377 424)</b>	<b>(211 936)</b>	<b>139 747</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Short term loans	-	-	-	-	-
Borrowing long term/refinancing	-	-	40 000	-	-
Increase (decrease) in consumer deposits	500	500	500	150	200
<b>Payments</b>					
Repayment of borrowing	(8 761)	(52 059)	(11 318)	(9 709)	(10 700)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(8 261)</b>	<b>(51 559)</b>	<b>29 182</b>	<b>(9 559)</b>	<b>(10 500)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>22 234</b>	<b>(327 474)</b>	<b>42 359</b>	<b>28 239</b>	<b>378 798</b>
Cash/cash equivalents at the year begin:	<b>662 215</b>	<b>722 017</b>	<b>394 543</b>	<b>436 903</b>	<b>465 142</b>
Cash/cash equivalents at the year end:	<b>684 449</b>	<b>394 543</b>	<b>436 903</b>	<b>465 142</b>	<b>843 939</b>

## 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
<b>R thousand</b>					
<b>Cash and investments available</b>					
Cash/cash equivalents at the year end	684 449	394 543	436 903	465 142	843 939
Other current investments > 90 days	–	–	–	–	–
Non current Investments	–	333 028	333 028	333 028	–
<b>Cash and investments available:</b>	<b>684 449</b>	<b>727 571</b>	<b>769 931</b>	<b>798 170</b>	<b>843 939</b>
<b>Application of cash and investments</b>					
Unspent conditional transfers	216	75	–	–	–
Unspent borrowing	–	–	–	–	–
Other working capital requirements	45 866	42 983	39 939	49 927	60 731
Other provisions	–	–	–	–	–
Long term investments committed	–	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–	–
<b>Total Application of cash and investments:</b>	<b>46 081</b>	<b>43 058</b>	<b>39 939</b>	<b>49 927</b>	<b>60 731</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to D</b>	<b>638 368</b>	<b>684 513</b>	<b>729 991</b>	<b>748 243</b>	<b>783 208</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to D</b>	<b>638 368</b>	<b>684 513</b>	<b>729 991</b>	<b>748 243</b>	<b>783 208</b>

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 of settling debtor's accounts within 30 days.

#### *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
<b>R thousand</b>					
<b>Operating Transfers and Grants</b>					
<b>National Government:</b>	<b>146 615 000</b>	<b>146 615 000</b>	<b>156 957 000</b>	<b>167 598 000</b>	<b>180 972 000</b>
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	-	-
<b>Provincial Government:</b>	<b>21 055 000</b>	<b>22 801 000</b>	<b>31 427 834</b>	<b>160 663 000</b>	<b>192 374 000</b>
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	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>167 670 000</b>	<b>169 416 000</b>	<b>188 384 834</b>	<b>328 261 000</b>	<b>373 346 000</b>
<b>Capital Transfers and Grants</b>					
<b>National Government:</b>	<b>48 366 000</b>	<b>46 713 000</b>	<b>52 150 000</b>	<b>48 443 000</b>	<b>48 093 000</b>
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
<b>Provincial Government:</b>	<b>57 796 000</b>	<b>63 489 000</b>	<b>174 879 166</b>	<b>49 520 000</b>	<b>33 000 000</b>
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	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>106 162 000</b>	<b>110 202 000</b>	<b>227 029 166</b>	<b>97 963 000</b>	<b>81 093 000</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>273 832 000</b>	<b>279 618 000</b>	<b>415 414 000</b>	<b>426 224 000</b>	<b>454 439 000</b>

## 2.7 Allocations and Grants made by the municipality

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

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
<b>Cash Transfers to Organisations</b>					
<i>Old age homes</i>	1 698	1 698	1 753	1 833	1 918
<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 &amp; Social Upliftment</i>	600	450	350	350	350
<i>Tourism associations</i>	1 595	1 595	1 672	1 748	1 828
<b>Total Cash Transfers To Organisations</b>	<b>4 589</b>	<b>4 439</b>	<b>4 504</b>	<b>4 693</b>	<b>4 891</b>
<b>Cash Transfers to Groups of Individuals</b>					
<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>	–	–	30	26	–
<b>Total Cash Transfers To Groups Of</b>	<b>471</b>	<b>988</b>	<b>522</b>	<b>538</b>	<b>534</b>
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>5 060</b>	<b>5 426</b>	<b>5 026</b>	<b>5 231</b>	<b>5 424</b>
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS</b>	<b>5 060</b>	<b>5 426</b>	<b>5 026</b>	<b>5 231</b>	<b>5 424</b>

## 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
<b>Councillors (Political Office Bearers plus Other)</b>					
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
<b>Sub Total - Councillors</b>	<b>12 081</b>	<b>12 419</b>	<b>13 273</b>	<b>13 870</b>	<b>14 495</b>
<b>% increase</b>	<b>7.6%</b>	<b>2.8%</b>	<b>-</b>	<b>4.5%</b>	<b>4.5%</b>
<b>Senior Managers of the Municipality</b>					
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
<b>Sub Total - Senior Managers of Municipality</b>	<b>14 228</b>	<b>14 944</b>	<b>17 045</b>	<b>17 940</b>	<b>18 853</b>
<b>% increase</b>	<b>0.3%</b>	<b>5.0%</b>	<b>-</b>	<b>5.3%</b>	<b>5.1%</b>
<b>Other Municipal Staff</b>					
Basic Salaries and Wages	183 305	182 544	197 651	210 992	226 424
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
<b>Sub Total - Other Municipal Staff</b>	<b>302 166</b>	<b>303 297</b>	<b>324 436</b>	<b>345 929</b>	<b>370 930</b>
<b>% increase</b>	<b>8.8%</b>	<b>0.4%</b>	<b>-</b>	<b>6.6%</b>	<b>7.2%</b>
<b>Total Parent Municipality</b>	<b>328 475</b>	<b>330 660</b>	<b>354 754</b>	<b>377 740</b>	<b>404 277</b>
<b>Total Municipal Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>328 475</b>	<b>330 660</b>	<b>354 754</b>	<b>377 740</b>	<b>404 277</b>
<b>% increase</b>	<b>8.4%</b>	<b>0.7%</b>	<b>7.3%</b>	<b>6.5%</b>	<b>7.0%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>316 394</b>	<b>318 241</b>	<b>341 481</b>	<b>363 869</b>	<b>389 783</b>

## 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
<b>R thousand</b>			
<b>Parent Municipality:</b>			
<b><u>Revenue Obligation By Contract</u></b>			
Contract 1	Not applicable		
Contract 2			
Contract 3 etc			
<b>Total Operating Revenue Implication</b>	–	–	–
<b><u>Expenditure Obligation By Contract</u></b>			
Contract 1	Not applicable		
Contract 2			
Contract 3 etc			
<b>Total Operating Expenditure Implication</b>	–	–	–
<b><u>Capital Expenditure Obligation By Contract</u></b>			
Contract 1	Not applicable		
Contract 2			
Contract 3 etc			
<b>Total Capital Expenditure Implication</b>	–	–	–
<b>Total Parent Expenditure Implication</b>	–	–	–

## 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	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>															
<b>Revenue</b>															
<b>Exchange Revenue</b>															
Service charges - Electricity	40 165	41 282	41 653	38 050	38 962	39 984	38 502	37 140	36 226	35 789	34 884	30 864	453 500	502 051	555 278
Service charges - Water	6 718	5 206	5 685	6 438	7 356	9 772	10 001	10 443	8 966	7 893	6 820	8 110	93 406	98 903	104 724
Service charges - Waste Water Management	4 734	4 713	4 726	4 733	4 706	4 727	4 726	4 713	4 726	4 713	4 726	4 727	56 671	59 666	62 732
Service charges - Waste Management	3 152	3 159	3 160	3 180	3 189	3 177	3 192	3 197	3 172	3 179	3 179	3 180	38 117	43 043	48 357
Sale of Goods and Rendering of Services	892	1 052	901	1 211	1 062	1 391	1 325	1 109	1 266	1 122	1 099	1 205	13 636	14 453	15 320
Agency services	462	590	665	594	462	599	479	564	579	519	599	677	6 787	7 194	7 626
Interest earned from Receivables	223	206	212	219	229	256	258	261	246	235	229	223	2 798	2 966	3 144
Interest earned from Current and Non Current	732	742	761	784	742	761	778	765	743	733	778	70 678	78 998	76 459	75 447
Rental from Fixed Assets	164	160	162	164	166	172	173	173	170	167	166	165	2 002	2 122	2 250
Operational Revenue	335	342	338	344	341	348	348	343	347	341	341	346	4 115	4 339	4 575
<b>Non-Exchange Revenue</b>															
Property rates	11 142	17 281	17 072	17 386	17 176	17 700	17 595	17 532	17 490	17 574	17 386	17 365	202 698	214 759	227 525
Fines, penalties and forfeits	24	23	22	24	23	21	23	22	21	22	22	38 729	38 976	41 306	43 777
Licences or permits	439	439	433	459	454	421	450	458	445	449	449	570	5 464	5 787	6 131
Transfer and subsidies - Operational	63 134	2 976	2 976	2 976	2 976	50 243	2 976	2 976	49 313	2 976	2 976	2 976	189 470	329 245	373 782
Interest	84	67	72	80	90	116	118	121	107	96	90	84	1 124	1 191	1 262
Operational Revenue	1 338	1 338	1 338	1 338	1 338	1 338	1 338	1 338	1 338	1 338	1 338	1 338	16 051	30 840	49 872
Gains on disposal of Assets	15	12	13	14	16	921	21	22	19	17	16	1 368	2 453	2 454	2 454
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>133 752</b>	<b>79 586</b>	<b>80 185</b>	<b>77 994</b>	<b>79 288</b>	<b>131 946</b>	<b>82 301</b>	<b>81 178</b>	<b>125 161</b>	<b>77 174</b>	<b>75 097</b>	<b>182 604</b>	<b>1 206 267</b>	<b>1 436 779</b>	<b>1 584 254</b>



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
<b>R thousand</b>															
<b>Expenditure</b>															
Employee related costs	25 793	25 840	25 840	25 840	42 182	25 846	25 861	25 878	25 873	25 878	25 873	40 776	341 481	363 869	389 783
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	3 420	51 204	37 704	27 841	27 187	26 994	26 944	28 216	25 629	29 216	37 704	62 868	384 927	445 361	515 282
Inventory consumed	2 207	2 091	2 405	2 525	2 547	2 415	2 878	2 868	2 884	2 879	2 873	37 115	65 687	72 052	77 486
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	13 612
Contracted services	6 908	6 866	6 814	6 766	6 980	6 997	7 025	7 230	7 132	6 947	7 024	6 987	83 674	227 311	250 655
Transfers and subsidies	291	386	1 047	238	510	501	60	476	441	26	26	1 023	5 026	5 231	5 424
Irrecoverable debts written off	–	–	–	–	–	–	–	31 517	–	–	–	13 507	45 024	48 048	51 693
Operational costs	5 112	9 167	4 851	4 815	4 862	4 860	4 854	4 946	4 912	4 894	4 862	5 052	63 188	65 818	69 074
Losses on disposal of Assets	–	–	–	–	–	–	–	–	–	–	–	22 793	22 793	17 260	18 122
Other Losses	–	–	–	–	–	–	–	–	–	–	–	14 973	14 973	16 754	18 761
<b>Total Expenditure</b>	<b>44 741</b>	<b>96 563</b>	<b>79 671</b>	<b>83 285</b>	<b>99 527</b>	<b>86 877</b>	<b>82 881</b>	<b>116 614</b>	<b>82 354</b>	<b>85 324</b>	<b>93 847</b>	<b>234 709</b>	<b>1 186 394</b>	<b>1 433 685</b>	<b>1 583 681</b>
<b>Surplus/(Deficit)</b>	<b>89 011</b>	<b>(16 977)</b>	<b>514</b>	<b>(5 291)</b>	<b>(20 239)</b>	<b>45 068</b>	<b>(581)</b>	<b>(35 436)</b>	<b>42 807</b>	<b>(8 150)</b>	<b>(18 750)</b>	<b>(52 105)</b>	<b>19 873</b>	<b>3 093</b>	<b>573</b>
Transfers and subsidies - capital (monetary)	18 919	18 919	18 919	18 919	18 919	18 919	18 919	18 919	18 919	18 919	18 919	18 919	227 029	97 963	81 093
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>107 930</b>	<b>1 942</b>	<b>19 433</b>	<b>13 629</b>	<b>(1 319)</b>	<b>63 987</b>	<b>18 338</b>	<b>(16 517)</b>	<b>61 726</b>	<b>10 769</b>	<b>169</b>	<b>(33 186)</b>	<b>246 902</b>	<b>101 056</b>	<b>81 666</b>
Income Tax	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>107 930</b>	<b>1 942</b>	<b>19 433</b>	<b>13 629</b>	<b>(1 319)</b>	<b>63 987</b>	<b>18 338</b>	<b>(16 517)</b>	<b>61 726</b>	<b>10 769</b>	<b>169</b>	<b>(33 186)</b>	<b>246 902</b>	<b>101 056</b>	<b>81 666</b>

## 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
<b>R thousand</b>															
<b>Revenue - Functional</b>															
<i><b>Governance and administration</b></i>	42 919	18 751	18 569	18 930	18 696	44 000	19 220	19 147	42 013	19 098	18 942	89 826	370 109	385 922	404 880
Executive and council	18	25	21	27	24	31	31	26	30	24	24	29	312	318	325
Finance and administration	42 901	18 726	18 548	18 902	18 672	43 969	19 189	19 120	41 983	19 073	18 918	89 797	369 797	385 604	404 555
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>	18 122	18 205	18 174	18 305	18 244	18 380	18 326	18 247	18 315	18 251	18 220	56 819	257 609	258 742	276 235
Community and social services	1 175	1 184	1 171	1 191	1 182	1 194	1 187	1 187	1 178	1 177	1 176	1 175	14 177	14 506	14 459
Sport and recreation	779	853	835	947	894	1 019	972	892	969	906	876	785	10 727	4 906	5 200
Public safety	824	824	824	824	824	824	824	824	824	824	824	39 514	48 579	51 372	54 077
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
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	1 490	1 644	1 637	1 710	1 518	1 745	1 649	1 655	1 734	1 615	1 663	1 995	20 055	34 938	26 171
Planning and development	362	388	312	429	375	498	493	406	483	421	388	521	5 075	5 379	5 700
Road transport	1 128	1 256	1 325	1 281	1 143	1 247	1 156	1 250	1 251	1 195	1 275	1 475	14 980	29 559	20 471
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>	90 138	59 902	60 721	57 965	59 747	86 737	62 022	61 045	82 015	57 126	55 188	52 880	785 487	855 101	958 020
Energy sources	45 479	43 514	43 885	40 282	41 194	44 638	40 734	39 372	41 393	38 021	37 116	33 396	489 024	553 277	623 806
Water management	14 042	6 249	6 728	7 482	8 400	15 750	11 044	11 486	14 645	8 936	7 863	9 194	121 819	125 399	153 887
Waste water management	18 006	5 124	5 127	5 149	5 116	15 259	5 150	5 127	14 930	5 135	5 139	5 162	94 425	97 492	103 238
Waste management	12 610	5 014	4 981	5 053	5 037	11 090	5 094	5 060	11 048	5 034	5 069	5 129	80 220	78 934	77 089
<i><b>Other</b></i>	3	3	3	3	3	3	3	3	3	3	3	3	36	39	41
<b>Total Revenue - Functional</b>	152 671	98 505	99 104	96 913	98 207	150 865	101 220	100 097	144 080	96 093	94 016	201 523	1 433 296	1 534 742	1 665 347

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
<b>Expenditure - Functional</b>															
<b>Governance and administration</b>	13 394	15 613	13 629	14 089	19 598	14 197	14 008	15 871	14 285	14 238	14 215	24 165	187 303	206 613	208 479
Executive and council	2 259	3 331	2 527	2 171	2 807	2 029	1 995	2 660	2 204	2 200	2 195	3 031	29 411	30 991	32 430
Finance and administration	10 964	12 108	10 931	11 746	16 513	11 995	11 840	13 036	11 907	11 864	11 846	20 846	155 596	173 180	173 429
Internal audit	171	173	172	172	278	173	173	175	174	173	174	288	2 296	2 443	2 619
<b>Community and public safety</b>	11 004	11 516	11 017	13 077	18 052	13 101	13 206	35 519	13 228	13 202	13 213	29 717	195 852	337 542	382 700
Community and social services	2 023	2 095	2 019	2 189	3 452	2 192	2 197	2 203	2 201	2 194	2 196	3 776	28 739	30 090	31 403
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	5 397	5 679	5 407	5 623	7 981	5 620	5 690	27 950	5 700	5 689	5 694	18 290	104 721	110 401	117 136
Housing	1 043	1 047	1 046	2 077	2 196	2 077	2 077	2 114	2 077	2 078	2 077	2 287	22 196	154 983	189 582
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	3 035	3 338	3 053	7 165	8 369	7 346	7 324	7 386	7 363	7 313	7 339	22 461	91 491	95 285	99 581
Planning and development	1 304	1 305	1 297	1 291	1 848	1 309	1 312	1 334	1 326	1 308	1 317	1 943	16 895	17 256	18 162
Road transport	1 731	2 033	1 756	5 873	6 521	6 036	6 012	6 052	6 037	6 005	6 022	20 518	74 596	78 029	81 419
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>	17 248	66 034	51 498	48 894	53 411	51 761	48 284	57 778	47 004	50 511	59 020	157 798	709 242	791 604	890 138
Energy sources	6 721	54 784	40 970	32 967	33 452	33 870	32 135	33 866	30 802	34 370	42 849	75 858	452 643	516 735	594 737
Water management	2 763	2 990	2 751	4 766	5 791	4 795	4 773	10 656	4 779	4 775	4 777	55 484	109 100	118 731	130 854
Waste water management	3 804	3 915	3 862	6 640	8 383	7 967	6 800	7 805	6 807	6 799	6 803	12 357	81 941	86 288	89 485
Waste management	3 960	4 345	3 915	4 520	5 785	5 129	4 577	5 451	4 616	4 568	4 592	14 099	65 557	69 850	75 062
<b>Other</b>	60	62	474	60	97	474	60	60	474	60	60	567	2 506	2 641	2 783
<b>Total Expenditure - Functional</b>	44 741	96 563	79 671	83 285	99 527	86 877	82 881	116 614	82 354	85 324	93 847	234 709	1 186 394	1 433 685	1 583 681
<b>Surplus/(Deficit) before assoc.</b>	107 930	1 942	19 433	13 629	(1 319)	63 987	18 338	(16 517)	61 726	10 769	169	(33 186)	246 902	101 056	81 666
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	107 930	1 942	19 433	13 629	(1 319)	63 987	18 338	(16 517)	61 726	10 769	169	(33 186)	246 902	101 056	81 666

Description R thousand	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
<b>Multi-year expenditure to be appropriated</b>															
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	5 000	5 588	2 700	55 994	79 743	86 332
Vote 3 - Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Electricity Services	1 518	3 000	5 000	6 000	6 500	5 550	6 111	5 670	4 970	6 760	5 050	3 500	59 629	39 068	33 468
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	-	(0)	165 889	59 420	38 500
Vote 7 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>13 410</b>	<b>11 387</b>	<b>16 345</b>	<b>17 548</b>	<b>17 310</b>	<b>12 395</b>	<b>41 634</b>	<b>44 954</b>	<b>45 024</b>	<b>44 666</b>	<b>10 638</b>	<b>6 200</b>	<b>281 511</b>	<b>178 231</b>	<b>158 300</b>
<b>Single-year expenditure to be appropriated</b>															
Vote 1 - Corporate Services	-	-	20	-	310	10	60	308	20	-	50	-	778	530	532
Vote 2 - Civil Services	1 578	2 358	7 088	15 647	12 397	7 357	5 700	7 462	5 325	3 569	988	573	70 042	17 159	19 895
Vote 3 - Council	-	2	3	2	852	2	1	400	-	-	-	-	1 262	12	12
Vote 4 - Electricity Services	68	240	390	513	2 725	1 224	670	5 422	909	669	561	455	13 843	17 326	15 586
Vote 5 - Financial Services	-	-	10	10	288	-	-	150	150	-	-	-	608	114	36
Vote 6 - Development Services	146	73	85	486	96	63	516	527	528	415	-	6 000	8 935	84	88
Vote 7 - Municipal Manager	-	2	3	2	2	2	1	-	-	-	-	-	12	12	12
Vote 8 - Protection Services	-	10	20	873	1 825	20	20	5	15	100	-	(0)	2 887	922	1 274
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>1 792</b>	<b>2 684</b>	<b>7 618</b>	<b>17 532</b>	<b>18 494</b>	<b>8 677</b>	<b>6 968</b>	<b>14 274</b>	<b>6 946</b>	<b>4 753</b>	<b>1 599</b>	<b>7 028</b>	<b>98 366</b>	<b>36 159</b>	<b>37 435</b>
<b>Total Capital Expenditure</b>	<b>15 202</b>	<b>14 072</b>	<b>23 963</b>	<b>35 080</b>	<b>35 804</b>	<b>21 072</b>	<b>48 602</b>	<b>59 228</b>	<b>51 970</b>	<b>49 419</b>	<b>12 237</b>	<b>13 228</b>	<b>379 877</b>	<b>214 390</b>	<b>195 735</b>

## 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  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
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>					
<b>Infrastructure</b>	<b>125 032</b>	<b>150 105</b>	<b>285 472</b>	<b>148 750</b>	<b>92 397</b>
Roads Infrastructure	55 914	66 673	127 669	89 913	64 332
<i>Roads</i>	55 914	66 673	127 669	89 913	64 332
Storm water Infrastructure	–	2 169	1 509	–	–
<i>Storm water Conveyance</i>	–	2 169	1 509	–	–
Electrical Infrastructure	46 400	52 789	62 289	37 050	21 582
<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	24 028	26 600	14 082
<i>LV Networks</i>	850	850	1 300	1 350	1 400
Water Supply Infrastructure	9 797	15 877	38 951	8 535	5 639
<i>Boreholes</i>	500	–	–	–	–
<i>Distribution</i>	9 297	15 877	38 951	8 535	5 639
Sanitation Infrastructure	10 420	10 097	26 765	42	844
<i>Pump Station</i>	1 100	1 316	–	–	–
<i>Reticulation</i>	9 320	8 781	26 765	42	844
Solid Waste Infrastructure	2 500	2 500	28 289	13 210	–
<i>Landfill Sites</i>	2 000	2 500	28 289	12 630	–
<i>Waste Drop-off Points</i>	500	–	–	580	–
<b>Community Assets</b>	<b>15 700</b>	<b>11 840</b>	<b>13 141</b>	<b>7 120</b>	<b>1 100</b>
Community Facilities	3 000	2 640	1 100	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	12 041	6 020	–
<i>Indoor Facilities</i>	–	–	980	6 020	–
<i>Outdoor Facilities</i>	12 700	9 200	11 061	–	–
<b>Other assets</b>	<b>16 514</b>	<b>20 360</b>	<b>16 977</b>	<b>1 200</b>	<b>7 086</b>
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	1 100	7 086
<i>Social Housing</i>	13 514	17 407	16 327	1 100	7 086
<b>Intangible Assets</b>	<b>–</b>	<b>–</b>	<b>400</b>	<b>–</b>	<b>–</b>
Licences and Rights	–	–	400	–	–
<i>Computer Software and Applications</i>	–	–	400	–	–
<b>Computer Equipment</b>	<b>2 052</b>	<b>2 234</b>	<b>1 790</b>	<b>2 376</b>	<b>2 281</b>
Computer Equipment	2 052	2 234	1 790	2 376	2 281
<b>Furniture and Office Equipment</b>	<b>586</b>	<b>824</b>	<b>830</b>	<b>566</b>	<b>392</b>
Furniture and Office Equipment	586	824	830	566	392
<b>Machinery and Equipment</b>	<b>3 431</b>	<b>13 239</b>	<b>2 352</b>	<b>2 372</b>	<b>1 795</b>
Machinery and Equipment	3 431	13 239	2 352	2 372	1 795
<b>Transport Assets</b>	<b>11 962</b>	<b>10 773</b>	<b>15 622</b>	<b>5 808</b>	<b>10 135</b>
Transport Assets	11 962	10 773	15 622	5 808	10 135
<b>Land</b>	<b>–</b>	<b>5 500</b>	<b>8 700</b>	<b>400</b>	<b>400</b>
Land	–	5 500	8 700	400	400
<b>78</b>	<b>78</b>				
<b>Total Capital Expenditure on new assets</b>	<b>175 276</b>	<b>214 874</b>	<b>345 284</b>	<b>168 592</b>	<b>115 585</b>

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

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
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>					
<b>Infrastructure</b>	11 500	13 151	8 897	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	–	–	323	–	–
<i>MV Networks</i>	–	–	323	–	–
Water Supply Infrastructure	–	–	4 075	–	–
<i>Distribution</i>	–	–	4 075	–	–
Sanitation Infrastructure	1 500	3 900	4 500	–	–
<i>Reticulation</i>	1 500	3 900	3 000	–	–
<i>Waste Water Treatment Works</i>	–	–	1 500	–	–
<b>Community Assets</b>	–	–	1 170	–	–
Community Facilities	–	–	–	–	–
Sport and Recreation Facilities	–	–	1 170	–	–
<i>Outdoor Facilities</i>	–	–	1 170	–	–
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>11 500</b>	<b>13 151</b>	<b>10 067</b>	<b>15 000</b>	<b>15 000</b>

## 2.11.3 Repairs and maintenance expenditure by asset class

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
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>					
<b>Infrastructure</b>	<b>46 052</b>	<b>48 770</b>	<b>49 536</b>	<b>53 550</b>	<b>56 175</b>
Roads Infrastructure	5 789	6 142	6 048	6 344	6 343
<i>Roads</i>	5 717	5 706	5 975	6 269	6 265
<i>Road Furniture</i>	71	436	73	75	78
Storm water Infrastructure	20 911	21 021	22 254	23 927	25 661
<i>Storm water Conveyance</i>	20 911	21 021	22 254	23 927	25 661
Electrical Infrastructure	3 267	3 407	5 322	5 652	6 004
<i>MV Substations</i>	178	178	2 091	2 220	2 357
<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
<b>Community Assets</b>	<b>3 224</b>	<b>3 530</b>	<b>3 604</b>	<b>3 615</b>	<b>3 761</b>
Community Facilities	2 307	2 252	2 562	2 542	2 658
<i>Halls</i>	423	411	442	462	484
<i>Centres</i>	1 621	1 617	1 852	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
<b>Other assets</b>	<b>2 948</b>	<b>3 558</b>	<b>1 923</b>	<b>11 801</b>	<b>2 062</b>
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
<b>Intangible Assets</b>	<b>5 092</b>	<b>5 606</b>	<b>6 295</b>	<b>6 215</b>	<b>6 910</b>
<i>Computer Software and Applications</i>	5 092	5 606	6 295	6 215	6 910
<b>Computer Equipment</b>	<b>428</b>	<b>404</b>	<b>402</b>	<b>402</b>	<b>420</b>
Computer Equipment	428	404	402	402	420
<b>Furniture and Office Equipment</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>69</b>	<b>70</b>
Furniture and Office Equipment	58	58	58	69	70
<b>Machinery and Equipment</b>	<b>1 361</b>	<b>1 433</b>	<b>1 392</b>	<b>1 420</b>	<b>1 448</b>
Machinery and Equipment	1 361	1 433	1 392	1 420	1 448
<b>Transport Assets</b>	<b>7 228</b>	<b>8 099</b>	<b>8 083</b>	<b>9 465</b>	<b>11 126</b>
Transport Assets	7 228	8 099	8 083	9 465	11 126
	<b>80</b>				
<b>Total Repairs and Maintenance Expenditure</b>	<b>66 391</b>	<b>71 458</b>	<b>71 294</b>	<b>86 536</b>	<b>81 972</b>



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

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
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>					
<b>Infrastructure</b>	<b>9 811</b>	<b>9 722</b>	<b>18 976</b>	<b>30 498</b>	<b>65 149</b>
Roads Infrastructure	–	667	–	–	–
<i>Roads</i>	–	667	–	–	–
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	8 350	16 168	15 800
<i>MV Networks</i>	1 100	1 100	1 100	3 800	8 300
<i>LV Networks</i>	2 550	4 042	7 250	12 368	7 500
Water Supply Infrastructure	4 300	2 053	6 660	11 600	43 999
<i>Reservoirs</i>	–	–	–	500	4 500
<i>Bulk Mains</i>	500	500	500	5 000	15 099
<i>Distribution</i>	3 700	1 453	5 960	5 300	23 600
<i>Distribution Points</i>	–	–	–	–	–
<i>PRV Stations</i>	100	100	200	800	800
Sanitation Infrastructure	1 611	1 611	3 716	2 480	4 100
<i>Pump Station</i>	–	–	–	480	–
<i>Reticulation</i>	–	–	–	1 500	3 600
<i>Waste Water Treatment Works</i>	1 611	1 611	3 716	500	500
<b>Community Assets</b>	<b>12 466</b>	<b>10 943</b>	<b>5 550</b>	<b>300</b>	<b>–</b>
Community Facilities	200	200	–	300	–
<i>Cemeteries/Crematoria</i>	200	200	–	300	–
Sport and Recreation Facilities	12 266	10 743	5 550	–	–
<i>Outdoor Facilities</i>	12 266	10 743	5 550	–	–
<b>Total Capital Expenditure on upgrading of existing assets</b>	<b>22 277</b>	<b>20 665</b>	<b>24 526</b>	<b>30 798</b>	<b>65 149</b>

#### 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 Works	-	500 000	500 000
3	Malmesbury WWTW: Replace Clarifier Mechanism	Vote 2 - Civil Services	Waste Water Management	CRR	Sanitation Infrastructure	Waste Water Treatment Works	1 500 000	-	-
4	Upgrading of bulk collectors: Darling	Vote 2 - Civil Services	Waste Water Management	CRR	Sanitation Infrastructure	Waste Water Treatment Works	2 200 000	-	-
5	Upgrading of bulk collectors: Darling (MIG)	Vote 2 - Civil Services	Waste Water Management	MIG	Sanitation Infrastructure	Waste Water Treatment Works	1 516 105	-	-
6	Upgrading of bulk collectors: Moorreesburg	Vote 2 - Civil Services	Waste Water Management	CRR	Sanitation Infrastructure	Reticulation	1 600 000	-	-
7	Upgrading of bulk collectors: Moorreesburg (MIG)	Vote 2 - Civil Services	Waste Water Management	MIG	Sanitation Infrastructure	Reticulation	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	Riebeek Kasteel network upgrade, Master Plan	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	Riebeek 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 Facilities	Cemeteries/Crematoria	-	300 000	-
24	Ward Committee Projects	Vote 2 - Civil Services	Sport and Recreation	CRR	Community Facilities	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 Facilities	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	10 416 105	-	-
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	-	-



	PROJECT DESCRIPTION	DIRECTORATE	FUNCTION	FIN SOURCE	ASSETS CLASS	ASSETS SUB CLAS	BUDGET 2024-25	BUDGET 2025-26	BUDGET 2026-27
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	Sport and Recreation Facilities	Outdoor Facilities	670 000	-	-
44	Construction of Sport Facility: Riverlands	Vote 2 - Civil Services	Sport and Recreation	Dept. CA	Sport and Recreation Facilities	Outdoor Facilities	500 000	-	-
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	Stormwater Network	Vote 2 - Civil Services	Waste Water Management	CRR	Storm water Infrastructure	Storm water Conveyance	200 000	200 000	200 000
56	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
57	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
58	Voortrekker Street: Canal upgrading	Vote 2 - Civil Services	Waste Water Management	CRR	Storm water Infrastructure	Storm water Conveyance	-	-	1 000 000
59	Equipment: Streets and Stormwater	Vote 2 - Civil Services	Waste Water Management	CRR	Machinery and Equipment	Machinery and Equipment	66 000	68 000	70 000
60	Access road and Intersection Storm water: Ilingsburg	Vote 2 - Civil Services	Waste Water Management	WCED	Storm water Infrastructure	Storm water Conveyance	1 508 539	-	-
61	Water networks: Upgrades and Replacement (Cape Town)	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	2 000 000	4 000 000	4 000 000
62	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
63	Darling SDW2.4 & SDW2.5, SDW1.2 & SDW2.1	Vote 2 - Civil Services	Water Management	MIG	Water Supply Infrastructure	Distribution	2 591 464	-	-
64	Moorreesburg SMOw2.3 water network upgrade	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	124 055	-	-
65	Moorreesburg SMOw2.3 water network upgrade	Vote 2 - Civil Services	Water Management	MIG	Water Supply Infrastructure	Distribution	480 159	-	-
66	Water: Upgrading water reticulation network: Plettenberg	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	PRV Stations	200 000	800 000	800 000
67	Upgrading: Ongegund Water Supply System (Riverside)	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Reservoirs	-	500 000	4 500 000
68	Bulk water infrastructure (emergency spending)	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	500 000	700 000	800 000
69	Connections: Water Meters (New/Replacements)	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	10 000	10 000	10 000
70	Connections: Water Meters (New/Replacements)	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	930 993	1 025 092	1 128 602
71	Equipment : Water	Vote 2 - Civil Services	Water Management	CRR	Machinery and Equipment	Machinery and Equipment	53 000	55 000	57 000
72	Water: CK10564 Toyota Hilux 3.0 D4D 4x4	Vote 2 - Civil Services	Water Management	CRR	Transport Assets	Transport Assets	-	-	613 985
73	Water: CK43172 Trailer	Vote 2 - Civil Services	Water Management	CRR	Machinery and Equipment	Machinery and Equipment	-	-	48 875
74	Malmesbury Irrigation: Replace pumpsets	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	500 000	-	-
75	Mobile water pumps x 4 (replacement)	Vote 2 - Civil Services	Water Management	CRR	Machinery and Equipment	Machinery and Equipment	150 000	-	-
76	Compactor replacement x 3	Vote 2 - Civil Services	Water Management	CRR	Machinery and Equipment	Machinery and Equipment	280 000	-	-
77	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
78	Malmesbury SMW1.3 Wesbank Reservoir to Malmesbury	Vote 2 - Civil Services	Water Management	MIG	Water Supply Infrastructure	Distribution	-	-	10 753 982
79	Swartland System S12.2 CoCT WTP to Swartland	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	-	500 000	1 500 000
80	Swartland System S2.1 Kasteelberg to Riebeeck	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	-	-	1 500 000
81	Riebeeck Kasteel: New Reservoir	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	-	-	1 000 000
82	Chatsworth/Riverlands upgrade bulk water supply	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Bulk Mains	500 000	5 000 000	4 760 661

	VOTE	PROJECT DESCRIPTION	DIRECTORATE	FUNCTION	FIN SOURCE	ASSETS CLASS	ASSETS SUB CLAS	BUDGET 2024-25	BUDGET 2025-26	BUDGET 2026-27
83	9/105-760-885	Chatsworth/Riverlands upgrade bulk water supply	Vote 2 - Civil Services	Water Management	MIG	Water Supply Infrastructure	Bulk Mains	-	-	10 338 674
84	9/105-761-886	Kalbaskraal Booster: Replace pumpsets	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Pump Station	-	480 000	-
85	9/105-869-1015	Water Reticulation and Connection: Illinge Lethu	Vote 2 - Civil Services	Water Management	WCED	Water Supply Infrastructure	Distribution	2 083 221	-	-
86	9/105-870-1016	Replace Existing Water pipe: Illinge Lethu	Vote 2 - Civil Services	Water Management	WCED	Water Supply Infrastructure	Distribution	4 074 921	-	-
87	9/104-764-889	Highlands: Development of new cell (CRR)	Vote 2 - Civil Services	Waste Management	CRR	Solid Waste Infrastructure	Landfill Sites	-	2 000 000	-
88	9/104-764-890	Highlands: Development of new cell (MIG)	Vote 2 - Civil Services	Waste Management	MIG	Solid Waste Infrastructure	Landfill Sites	17 338 000	10 630 000	-
89	9/104-764-1003	Highlands: Development of new cell (MIG)	Vote 2 - Civil Services	Waste Management	External Lo	Solid Waste Infrastructure	Landfill Sites	10 950 588	-	-
90	9/104-765-891	Koringberg: New Transfer Station	Vote 2 - Civil Services	Waste Management	CRR	Solid Waste Infrastructure	Waste Drop-off Points	-	580 000	-
91	9/104-766-892	Equipment : Refuse bins, traps, skips (Swartland)	Vote 2 - Civil Services	Waste Management	CRR	Machinery and Equipment	Machinery and Equipment	160 000	170 000	180 000
92	9/104-767-893	Equipment : Refuse Removal	Vote 2 - Civil Services	Waste Management	CRR	Machinery and Equipment	Machinery and Equipment	28 000	30 000	32 000
93	9/104-768-894	Refuse: CK29021 Nissan UD35	Vote 2 - Civil Services	Waste Management	CRR	Transport Assets	Transport Assets	-	-	949 900
94	9/104-769-895	Refuse: CK21988 Nissan UD CW26 370 FC	Vote 2 - Civil Services	Waste Management	CRR	Transport Assets	Transport Assets	3 281 276	-	-
95	9/104-772-898	Refuse: CK37359 Nissan UD330	Vote 2 - Civil Services	Waste Management	CRR	Transport Assets	Transport Assets	-	3 437 527	-
96	9/104-774-900	Refuse: CK43134 Nissan UD35A	Vote 2 - Civil Services	Waste Management	CRR	Transport Assets	Transport Assets	-	908 600	-
97	9/104-838-973	Refuse: New compactor to extend capacity	Vote 2 - Civil Services	Waste Management	CRR	Transport Assets	Transport Assets	-	-	3 593 778
98	9/123-775-901	Equipment : Development Services	Vote 6 - Development S	Planning and Development	CRR	Furniture and Office Equipm	Furniture and Office Equipm	46 000	48 000	50 000
99	9/120-778-906	Equipment: YZF Caravan Park	Vote 6 - Development S	Sport and Recreation	CRR	Machinery and Equipment	Machinery and Equipment	105 474	36 000	38 000
100	9/120-779-907	YZF Caravan Park: CK39039 Isuzu KB250D	Vote 6 - Development S	Sport and Recreation	CRR	Transport Assets	Transport Assets	383 145	-	-
101	9/123-839-975	Malmesbury De Hoop Serviced Sites (Prof Fees)	Vote 6 - Development S	Planning and Development	DHS	Housing	Social Housing	7 621 614	-	-
102	9/123-839-976	Malmesbury De Hoop Serviced Sites Phase 1 (S)	Vote 6 - Development S	Waste Water Management	DHS	Sanitation Infrastructure	Reticulation	12 991 893	-	-
103	9/123-915-1071	Silvertown: Profesional Fees	Vote 6 - Development S	Planning and Development	DHS	Housing	Social Housing	1 200 000	300 000	300 000
104	9/123-915-1072	Silvertown:IBS	Vote 6 - Development S	Water Management	Dept. Hum	Water Supply Infrastructure	Distribution	10 800 000	2 700 000	2 700 000
105	9/123-916-1073	Kalbaskraal SEF (Prof. Fees)	Vote 6 - Development S	Community and Social Servic	Dept. Hum	Sport and Recreation Faciliti	Indoor Facilities	980 000	6 020 000	-
106	9/123-841-984	Moorreesburg Serviced Sites (645) (Water)	Vote 6 - Development S	Water Management	Dept. Hum	Water Supply Infrastructure	Distribution	10 368 000	-	-
107	9/123-841-1074	Moorreesburg Serviced Sites (645) (Sewerage)	Vote 6 - Development S	Waste Water Management	DHS	Sanitation Infrastructure	Reticulation	8 730 947	-	-
108	9/123-841-1075	Moorreesburg Serviced Sites (645) (Roads & Stc	Vote 6 - Development S	Road transport	Dept. Hum	Roads Infrastructure	Roads	35 469 474	-	-
109	9/123-917-1076	Purchasing of Land: Kalbaskraal (Transnet Land	Vote 6 - Development S	Planning and Development	Dept. Hum	Land	Land	2 400 000	-	-
110	9/123-843-986	Purchasing of Land	Vote 6 - Development S	Planning and Development	Dept. Hum	Land	Land	6 000 000	-	-
111	9/123-853-996	Malmesbury De Hoop Serviced Sites Phase 1 (W	Vote 6 - Development S	Water Management	Dept. Hum	Water Supply Infrastructure	Distribution	10 940 542	-	-
112	9/123-854-997	Malmesbury De Hoop Serviced Sites Phase 1 (S	Vote 6 - Development S	Road transport	Dept. Hum	Roads Infrastructure	Roads	44 445 951	40 500 000	30 000 000
113	9/123-839-977	Malmesbury De Hoop Serviced Sites (Phola Park	Vote 6 - Development S	Planning and Development	DHS	Housing	Social Housing	686 000	-	-
114	9/123-840-1030	Darling Serviced Sites ( 186) Phase 1 (Water)	Vote 6 - Development S	Water Management	Dept. Hum	Water Supply Infrastructure	Distribution	2 818 733	-	-
115	9/123-840-1024	Darling Serviced Sites ( 186) Phase 1 (Sewerag	Vote 6 - Development S	Waste Water Management	DHS	Sanitation Infrastructure	Reticulation	2 373 670	-	-
116	9/123-840-1025	Darling Serviced Sites ( 186) Phase 1 (Streets & E	Vote 6 - Development S	Road transport	Dept. Hum	Roads Infrastructure	Roads	9 643 034	-	-
117	9/123-840-980	Darling Serviced Sites ( 186) Prof Fees Phase 1	Vote 6 - Development S	Planning and Development	DHS	Housing	Social Housing	1 468 564	-	-
118	9/123-840-982	Darling Serviced Sites ( 327) Prof Fees Phase 2	Vote 6 - Development S	Planning and Development	DHS	Housing	Social Housing	1 453 000	-	-
119	9/123-841-983	Moorreesburg Serviced Sites(652) Prof Fees	Vote 6 - Development S	Planning and Development	DHS	Housing	Social Housing	3 897 744	-	-
120	9/123-845-988	Moorreesburg Bulk Services: Omega Str (600Erw	Vote 6 - Development S	Water Management	CRR	Water Supply Infrastructure	Distribution	-	3 100 000	-
121	9/123-846-989	De Hoop Bulk: Water - Wesbank (Phase 3)	Vote 6 - Development S	Water Management	CRR	Water Supply Infrastructure	Distribution	-	1 000 000	-
122	9/123-847-990	De Hoop Bulk: Prof Fees (Phase 4)	Vote 6 - Development S	Planning and Development	CRR	Housing	Social Housing	-	800 000	-
123	9/123-848-991	De Hoop Bulk: Streets - Darling Link (Phase 4)	Vote 6 - Development S	Road transport	CRR	Roads Infrastructure	Roads	-	5 000 000	5 500 000

	PROJECT DESCRIPTION	DIRECTORATE	FUNCTION	FIN SOURCE	ASSETS CLASS	ASSETS SUB CLAS	BUDGET 2024-25	BUDGET 2025-26	BUDGET 2026-27
124	Malmesbury De Hoop 132/11kV Substation, 132	Vote 4 - Electricity Serv	Energy Sources	INEP	Electrical Infrastructure	MV Networks	22 818 000	23 100 000	14 082 000
125	Malmesbury De Hoop 132/11kV Substation, 132	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	MV Substations	5 360 560	-	-
126	Malmesbury De Hoop 132/11kV Substation, 132	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	MV Substations	50 000	-	-
127	Malmesbury De Hoop 132/11kV Substation, 132	Vote 4 - Electricity Serv	Energy Sources	External Lc	Electrical Infrastructure	MV Substations	25 700 000	2 700 000	-
128	Malmesbury De Hoop 132/11kV Substation, 132	Vote 4 - Electricity Serv	Energy Sources	External Lc	Electrical Infrastructure	MV Substations	300 000	300 000	-
129	Malmesbury De Hoop Serviced Sites (2000)	Vote 4 - Electricity Serv	Energy Sources	INEP	Housing	Social Housing	-	-	6 786 000
130	Yzerfontein upgrading of Eskom supply capacit	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	MV Networks	-	2 500 000	7 000 000
131	Replace oil insulated switchgear and equipmen	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	MV Switching Stations	4 500 000	5 000 000	5 000 000
132	Replace oil insulated switchgear and equipmen	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	MV Switching Stations	500 000	500 000	500 000
133	LV Upgrading: Swartland	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	LV Networks	100 000	100 000	100 000
134	LV Upgrading: Swartland (Materials and Suppli	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	LV Networks	1 100 000	1 150 000	1 150 000
135	MV Upgrading: Swartland	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	MV Networks	100 000	100 000	100 000
136	MV Upgrading: Swartland (Materials and Suppli	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	MV Networks	1 000 000	1 200 000	1 200 000
137	Streetlight, kiosk and polebox replacement: Swa	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	LV Networks	650 000	650 000	650 000
138	Protection and Scada Upgrading: Swartland	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	MV Switching Stations	350 000	380 000	380 000
139	Substation Fencing: Swartland	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	MV Substations	180 000	200 000	200 000
140	Substation Fencing: Swartland (Materials and S	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	MV Substations	20 000	20 000	20 000
141	Malmesbury Security Operational Centre: Comn	Vote 4 - Electricity Serv	Energy Sources	CRR	Computer Equipment	Computer Equipment	200 000	200 000	200 000
142	Moorreesburg Development 600 IRDP erven. El	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	LV Networks	5 000 000	5 300 000	5 600 000
143	Darling 184 IRDP erven. Electrical bulk supply,	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	LV Networks	400 000	5 168 000	-
144	Replacement of obsolete air conditioners	Vote 4 - Electricity Serv	Energy Sources	CRR	Furniture and Office Equipm	Furniture and Office Equipm	250 000	250 000	150 000
145	Connections: Electricity Meters (New/Replacem	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	LV Networks	20 000	20 000	20 000
146	Connections: Electricity Meters (New/Replacem	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	LV Networks	880 000	930 000	980 000
147	Emergency Power Supply	Vote 4 - Electricity Serv	Energy Sources	CRR	Computer Equipment	Computer Equipment	300 000	300 000	300 000
148	Equipment: Electric	Vote 4 - Electricity Serv	Energy Sources	CRR	Machinery and Equipment	Machinery and Equipment	380 000	400 000	420 000
149	Elec: CK24542 Isuzu FRR500 & Hyskraan MRB	Vote 4 - Electricity Serv	Energy Sources	CRR	Transport Assets	Transport Assets	-	-	1 885 425
150	Relocation of section of 11 kV Cable between D	Vote 4 - Electricity Serv	Energy Sources	WCED	Electrical Infrastructure	MV Networks	50 000	-	-
151	Relocation of section of 11 kV Cable between D	Vote 4 - Electricity Serv	Energy Sources	WCED	Electrical Infrastructure	MV Networks	250 000	-	-
152	Relocation of section of 11 kV Cable between D	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	MV Networks	22 500	-	-
153	Illinge Lethu School Electrical Service Connecti	Vote 4 - Electricity Serv	Energy Sources	WCED	Electrical Infrastructure	MV Networks	700 000	-	-
154	Illinge Lethu School Electrical Service Connecti	Vote 4 - Electricity Serv	Energy Sources	WCED	Electrical Infrastructure	MV Networks	400 000	-	-
155	Illinge Lethu School Electrical Service Connecti	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	MV Networks	110 000	-	-
156	Traffic Light Controlling Equipment	Vote 4 - Electricity Serv	Energy Sources	CRR	Machinery and Equipment	Machinery and Equipment	150 000	150 000	150 000
157	De Hoop to Industrial Area: 11 kV Cable	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	MV Networks	-	3 500 000	-
158	Streetlights Eskom AOS	Vote 4 - Electricity Serv	Energy Sources	CRR	Electrical Infrastructure	LV Networks	400 000	400 000	400 000
159	Terminals	Vote 4 - Electricity Serv	Finance and Administration	CRR	Computer Equipment	Computer Equipment	-	40 000	-
160	Monitor Replacements	Vote 4 - Electricity Serv	Finance and Administration	CRR	Computer Equipment	Computer Equipment	-	45 000	-
161	Equipment: Information Technology	Vote 4 - Electricity Serv	Finance and Administration	CRR	Computer Equipment	Computer Equipment	75 000	75 000	75 000
162	Printers	Vote 4 - Electricity Serv	Finance and Administration	CRR	Computer Equipment	Computer Equipment	77 000	60 000	65 000
163	DeskTops	Vote 4 - Electricity Serv	Finance and Administration	CRR	Computer Equipment	Computer Equipment	368 000	291 000	306 000
164	Notebooks	Vote 4 - Electricity Serv	Finance and Administration	CRR	Computer Equipment	Computer Equipment	510 000	415 000	435 000
165	Communications and equipment: Time and Atte	Vote 4 - Electricity Serv	Finance and Administration	CRR	Computer Equipment	Computer Equipment	-	950 000	-
166	Storage Area Network (SAN)	Vote 4 - Electricity Serv	Finance and Administration	CRR	Computer Equipment	Computer Equipment	-	-	900 000





	PROJECT DESCRIPTION	DIRECTORATE	FUNCTION	FIN SOURCE	ASSETS CLASS	ASSETS SUB CLAS	BUDGET 2024-25	BUDGET 2025-26	BUDGE 2026-27
167	Equiping Law Enf Office: Darling Fire office	Vote 4 - Electricity Serv	Finance and Administration	CRR	Computer Equipment	Computer Equipment	50 000	-	-
168	Equiping Law Enf Office: K9 Unit (Malmesbury)	Vote 4 - Electricity Serv	Finance and Administration	CRR	Computer Equipment	Computer Equipment	150 000	-	-
169	Equipment : Financial	Vote 5 - Financial Servi	Finance and Administration	CRR	Furniture and Office Equipm	Furniture and Office Equipm	32 000	34 000	36 000
170	Finance: CK30046 Citi Golf 310	Vote 5 - Financial Servi	Finance and Administration	CRR	Transport Assets	Transport Assets	275 625	-	-
171	Meterreading Handhelds	Vote 5 - Financial Servi	Finance and Administration	CRR	Furniture and Office Equipm	Furniture and Office Equipm	-	80 000	-
172	Meter Installation Handheld Devices	Vote 5 - Financial Servi	Finance and Administration	CRR	Furniture and Office Equipm	Furniture and Office Equipm	300 000	-	-
173	Traffic: CK41293 Toyota Hilux DC 2.5D SRX	Vote 8 - Protection Ser	Public Safety	CRR	Transport Assets	Transport Assets	-	662 090	-
174	Law enforcement: CK32531 Quantam	Vote 8 - Protection Ser	Public Safety	CRR	Transport Assets	Transport Assets	-	-	1 008 895
175	New Quantam (LEAP)	Vote 8 - Protection Ser	Public Safety	CRR	Transport Assets	Transport Assets	822 500	-	-
176	Equipment: Protection	Vote 8 - Protection Ser	Public Safety	CRR	Machinery and Equipment	Machinery and Equipment	60 000	60 000	65 000
177	Equipment : K9 Unit	Vote 8 - Protection Ser	Public Safety	Com Safety	Machinery and Equipment	Machinery and Equipment	40 000	-	-
178	CCTV Equipment and Radio Communication	Vote 8 - Protection Ser	Public Safety	CRR	Computer Equipment	Computer Equipment	60 000	-	-
179	Equipment : Fire Fighting	Vote 8 - Protection Ser	Public Safety	CRR	Machinery and Equipment	Machinery and Equipment	200 000	200 000	200 000
180	Conversion of CK38172 (Light Pumper)	Vote 8 - Protection Ser	Public Safety	CRR	Transport Assets	Transport Assets	1 704 814	-	-
181	Equipment : MM	Vote 7 - Municipal Man	Executive and Council	CRR	Furniture and Office Equipm	Furniture and Office Equipm	12 000	12 000	12 000
182	New Website: Development and Implementation	Vote 3 - Council	Executive and Council	CRR	Intangible Assets	Computer Software and App	400 000	-	-
183	Equipment : Council	Vote 3 - Council	Executive and Council	CRR	Furniture and Office Equipm	Furniture and Office Equipm	12 000	12 000	12 000
184	Council: CK15265 Caravelle Kombi (Replace with	Vote 3 - Council	Executive and Council	CRR	Transport Assets	Transport Assets	849 555	-	-
185	Equipment : Corporate	Vote 1 - Corporate Serv	Finance and Administration	CRR	Furniture and Office Equipm	Furniture and Office Equipm	28 000	30 000	32 000
186	Equipment Corporate: Buildings & Swartland He	Vote 1 - Corporate Serv	Community and Social Servic	CRR	Furniture and Office Equipm	Furniture and Office Equipm	100 000	100 000	100 000
187	Installation of fire alarm system: Registry office	Vote 1 - Corporate Serv	Community and Social Servic	CRR	Machinery and Equipment	Machinery and Equipment	300 000	-	-
188	Equipment: Libraries	Vote 1 - Corporate Serv	Community and Social Servic	Dept. CA ar	Furniture and Office Equipm	Furniture and Office Equipm	50 000	-	-
189	Expropriation of splays	Vote 1 - Corporate Serv	Community and Social Servic	CRR	Land	Land	300 000	400 000	400 000
							379 876 995	214 389 861	195 734 897

## **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:

  
22/03/2024

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 216 805	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 115 425 962	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 13 676 762			R 1 894 902	R 14 713 000	R 6 132 344	R -	R -	R -	R 45 117 008	MIG			
Malmesbury De Hoop Serviced Sites	R -	R 4 550 057	Sewerage	Malmesbury De Hoop	R 20 613 507	R 40 500 000	R 30 000 000	R -	R -	R -	R 95 663 564	Human Settlements	Future operating costs covered by the Water, Sewerage and Roads cost centres	Existing Water, Sewerage Revenue and Rates Regime	N
	R -	R 621 152	Water		R 10 940 542	R -	R -	R -	R -	R -	R 11 561 694	Human Settlements			
	R -	R 3 250 405	Roads		R 44 445 951	R -	R -	R -	R -	R -	R 47 696 356	Human Settlements			
Moorreesburg Serviced Sites	R 900 000	R 1 275 376	Roads	Moorreesburg	R 39 367 218	R -	R -	R -	R -	R -	R 41 542 595	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 61 898	Upgrading of bulk electricity supply	Malmesbury	R 5 410 560	R -	R -	R -	R -	R -	R 14 650 870	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 29 000 000	Ext Loan			
Malmesbury De Hoop Development: Electrical Bulk supply upgrading (INEP)	R 17 600 000	R 11 579 633	Upgrading of bulk electricity supply		R 22 818 000	R 23 100 000	R 14 082 000	R -	R -	R -	R 89 179 633	INEP			