

SENQU

MUNICIPALITY

**MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK**

2023/2024 TO 2025/2026



SENQU
MUNICIPALITY

ANNUAL BUDGET OF
SENQU
MUNICIPALITY

2023/24 TO 2025/26
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Table of Contents

PART 1 – ANNUAL BUDGET 2

1.1 MAYOR’S REPORT2

1.2 COUNCIL RESOLUTIONS4

1.3 EXECUTIVE SUMMARY5

1.4 OPERATING REVENUE FRAMEWORK9

1.5 OPERATING EXPENDITURE FRAMEWORK20

1.6 CAPITAL EXPENDITURE25

1.7 ANNUAL BUDGET TABLES28

PART 2 – SUPPORTING DOCUMENTATION..... 43

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS43

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP46

2.3 OVERVIEW OF BUDGET RELATED-POLICIES AND MUNICIPAL BY-LAWS.....57

2.4 OVERVIEW OF BUDGET ASSUMPTIONS59

2.5 OVERVIEW OF BUDGET FUNDING61

2.6 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS69

2.7 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY71

2.8 COUNCILOR AND EMPLOYEE BENEFITS72

2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW74

2.10 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS81

2.11 CAPITAL EXPENDITURE DETAILS81

2.12 LEGISLATION COMPLIANCE STATUS87

2.13 OTHER SUPPORTING DOCUMENTS.....88

2.14 SERVICE DELIVERY STANDARDS88

2.15 MUNICIPAL MANAGER’S QUALITY CERTIFICATE91

PART 3 – APPENDICES..... 92

3.1 APPENDIX A – A-SCHEDULES92

3.2 APPENDIX B – ANNUAL PROCUREMENT PLAN92



Abbreviations and Acronyms

MM	Municipal Manager	MIG	Municipal Infrastructure Grant
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DoRA	Division of Revenue Act	MTEF	Medium-term Expenditure Framework
FBS	Free basic services	MTREF	Medium-term Revenue and Expenditure Framework
GDP	Gross domestic product	NERSA	National Electricity Regulator South Africa
IDP	Integrated Development Strategy	PMS	Performance Management System
KPA	Key Performance Area	PPE	Property Plant and Equipment
KPI	Key Performance Indicator	SDBIP	Service Delivery Budget Implementation Plan
kWh	kilowatt		
LED	Local Economic Development		
MFMA	Municipal Financial Management Act Programme		



Part 1 – Annual Budget

1.1 Mayor’s Report

Honourable Speaker,

Honourable Chief Whip,

Honourable, Councilors,

Traditional Leaders serving in the Council,

Municipal Manager, Directors and staff members,

Representatives of organized business and all stakeholders,

Illustrious Members of the Community,

Ladies and Gentlemen,

I would like to take this opportunity to welcome everyone present. It is my duty and privilege to present the 2023/2024 Medium Term Revenue and Expenditure Framework (MTREF) to Council for consideration.

In terms Section 152 of the Constitution of the Republic of South Africa, the objectives of local government are as follows:

- a) To provide democratic and accountable government for local communities;
- b) To ensure the provision of services to communities in a sustainable manner;
- c) To promote social and economic development;
- d) To promote a safe and healthy environment; and
- e) To encourage the involvement of communities and community organisations in the matters of Local Government.

A municipality must strive, within its financial and administrative capacity, to achieve these objectives set out in Section 152.

The objectives of Senqu Local Municipality continue to be the creation of a sustainable “people-centred approach”. The goal remains to be “community-oriented” so that it can ensure that the municipality improves on the quality of life of all those that reside within it.

Despite the challenges of the 2021/2022 financial year, Senqu Local Municipality continues to show its strength in financial management and proven financial sustainability. It has historically been ranked year upon year by Ratings Africa as the number one financial performer of local authorities within the Eastern Cape. Despite the ongoing challenges of retaining these accolades, Senqu Municipality has managed to continue to successfully perform and to continue to be recognized as a leading municipality nationally and within the Eastern Cape, and I would like to thank my fellow Councilors and the staff involved in this achievement.



Apart from the difficult domestic and global economic environment we are currently in, we also face challenges such as:

- old and ageing infrastructure,
- high rates of unemployment,
- a poor rates base (leading to financial resource challenges),
- challenges relating to other resources generally (human resources – scarce skills) and extreme weather conditions.

Ladies and Gentlemen,

This budget is largely based on submissions from the communities during the IDP process. Our capital budget totals R82,88 million for the 2023/24 budget year, from which a total of 54,66 per cent, or R45,31 million, of the capital budget is funded from our own cash-backed Capital Replacement Reserve (or CRR). The other capital is funded from National grants.

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

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

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

I thank you.

Enkosi!



1.2 Council Resolutions

(The following resolutions must be taken at the final budget approval. It is listed here as required by the Budget & Reporting Regulations and it is recommended that the Council approves and adopts the following resolutions for the annual budget, in accordance with section 24 of the Municipal Finance Management Act)

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

- 1.1. The annual budget of the municipality for the financial year 2023/24 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification);
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type); and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables attached in the budget documentation:
 - 1.2.1. Budgeted Financial Position;
 - 1.2.2. Budgeted Cash Flows;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation;
 - 1.2.4. Asset management; and
 - 1.2.5. Basic service delivery measurement.
2. The Council of Senqu Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables for approval and adoption the following tariffs, related by-laws and related policy changes as attached in the budget documentation, with effect from 1 July 2023:
 - 2.1. the tariffs for property rates, related by-laws and related policy changes
 - 2.2. the tariffs for electricity, related by-laws and related policy changes
 - 2.3. the tariffs for solid waste services, related by-laws and related policy changes
 - 2.4. the summary of policy changes and summary of by-law changes
 - 2.5. the draft procurement strategy inclusive of procurement plan for 2023_2024 FY
 - 2.6. the draft Revenue Enhancement Strategy for the 2023_2024 FY
3. The Council of Senqu Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables for approval and adoption with effect from 1 July 2023 the tariffs and related by-laws for other services, as set out in the attached budget documentation.



4. To give proper effect to the municipality's annual budget, the Council of Senqu Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
 - 4.2. That the Draft Budget be advertised for public comments in accordance with chapter 4 of the Municipal Systems Act (Act 32 of 2000) and sections 22 & 23 of Municipal Finance Management Act, (Act 56 of 2003)

1.3 Executive Summary

South Africa's economy grew by an estimated 2.5 per cent in 2022. This is an upward revision from 1.9 per cent projection in the 2022 MTBPS, with output returning to pre-pandemic levels. Growth is projected to average 1.6 per cent from 2023 to 2025.

Load-shedding has become more persistent and prolonged, impacting on service delivery and threatening the survival of many businesses. This is compounded by disruptions to freight and logistics networks. Implementing structural reforms, especially in the energy sector, remains crucial to improve the economy's productive capacity and competitiveness.

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

Households are under pressure from the rising cost of living, and unemployment remains stubbornly high.

Despite these challenges, the municipality is in a healthy financial position, however, it needs to at least stabilize and further strive to continuously better its financial position, coupled with acceptable levels of service delivery at affordable tariffs. The retention of sufficient cash-backed reserves is critical for the long-term sustainability of the municipality.

With the compilation of the 2023/24 Medium-Term Revenue and Expenditure Framework (MTREF), each department had to review its business planning processes taking into account their individual departmental strategies. Business planning links back to priority needs and master planning, and essentially inform the detail operating budget appropriations and three-year capital program.



In view of the aforementioned, the following table is a consolidated overview of the proposed 2023/24 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2023/24 MTREF (R'000)

R thousand	Adjustments Budget	Budget Year	Budget Year +1	Budget Year +2
	2022/23	2023/24	2024/25	2025/26
Total Operating Revenue	303 785	325 572	344 529	350 307
Total Operating Expenditure	339 160	362 697	351 113	386 184
Surplus/(Deficit) for the year	(35 375)	(37 125)	(6 584)	(35 876)
Total Capital Revenue recognised	38 065	37 575	41 805	45 234
Surplus/(Deficit) for the year	2 690	450	35 221	9 358

As can be seen from the table above, the municipality will operate at an operating deficit throughout the MTREF. An operating deficit is an indication that the municipality is not generating sufficient revenue to sustain its operating expenditure, let alone the fact that the operating budget is not contributing any revenue at all towards the capital program. It should also be noted that the operating budget also includes items such as depreciation and debt impairment which are not considered to be a “cash” expense. These items will not result in an immediate cash outflow.

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

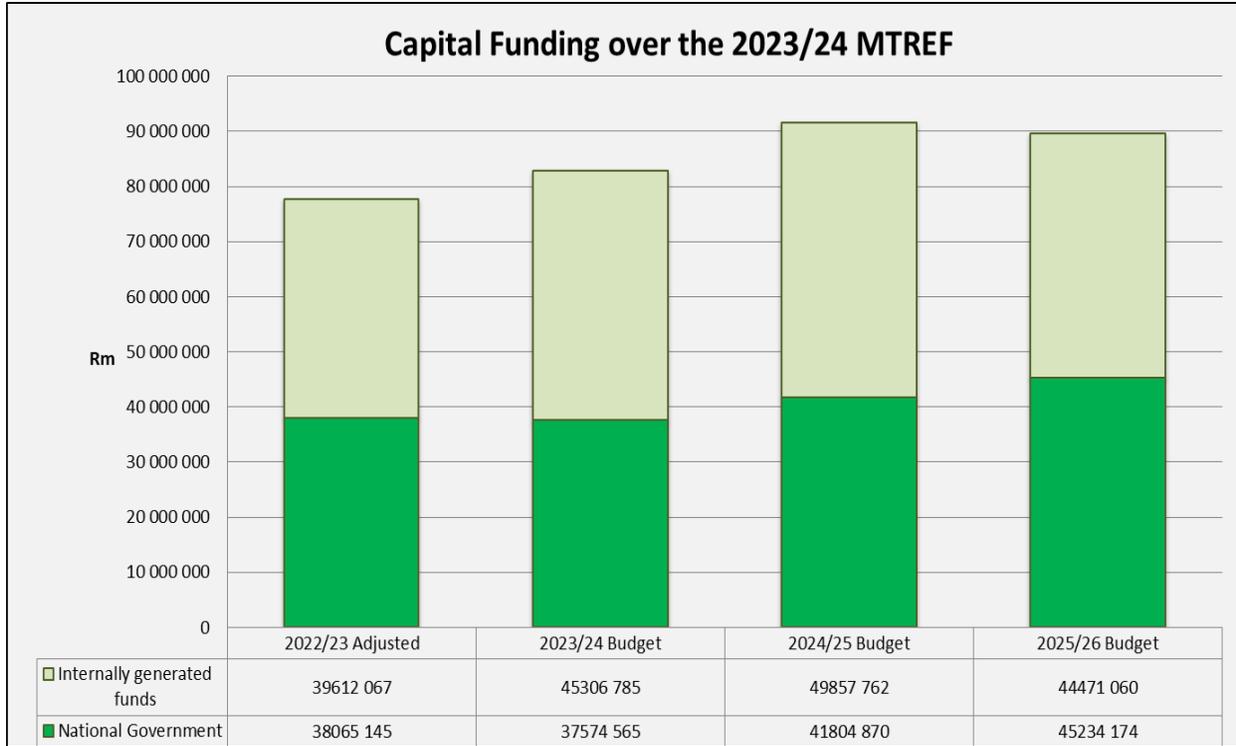
Table 2 Total Capital Funding of the 2023/24 MTREF (R'000)

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2023/24	2024/25	2025/26
Funded by:								
National Government	38 822	13 583	24 572	37 948	38 065	37 575	41 805	45 234
Transfers recognised - capital	38 822	13 583	24 572	37 948	38 065	37 575	41 805	45 234
Internally generated funds	4 536	5 575	10 906	35 347	39 612	45 307	49 858	44 471
	43 358	19 158	35 477	73 295	77 677	82 881	91 663	89 705

The capital budget of R82,88 million for 2023/24 is 6,70 per cent less when compared to the 2022/23 Adjustment Budget. This increase can mainly be attributed to a Municipal Infrastructure Grant (MIG) roll-over portion included in the 2022/2023 Adjustment Budget. The capital program increases to R91,66 million in 2024/25 and decrease to R89,71 million in 2025/26. This movement in the capital budget is directly related to the movement in proposed expenditure to be financed from internally generated funds.

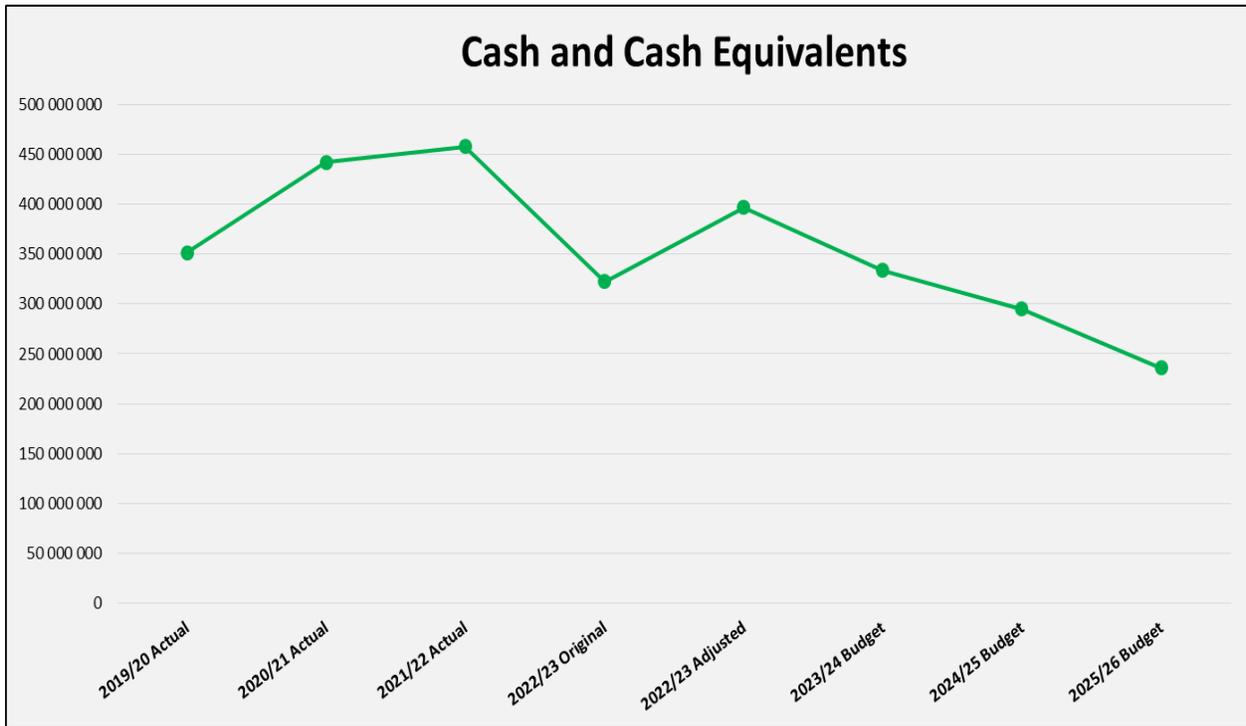


A large portion of the capital budget will be funded from own revenue (R139,64 million or 52,84%) over the MTREF with no anticipated borrowings. The portion of the capital budget funded from National Government Grants amounts to R124,61 million (47,16%) over the MTREF.



The municipality should be mindful of the fact that the large capital program, especially from internally generated funds, places enormous pressure on the accumulated cash reserves of the Senqu Municipality. This could significantly impact on the long term sustainability of the entity.

Currently, although still a funded budget, the proposed budget will have a negative impact on the projected cash position of the municipality as illustrated below:



It should be emphasised that the projections above is based on the fact that we recover revenue in line with historical actual trends and that we fully utilise all allocations made towards capital and operating programs.

It is expected that the cash resources of the municipality will decrease by R62,81 million during 2023/2024 and by R38,76 million and R59,10 million during 2024/2025 and 2025/2026 respectively. This significant downward trend can mainly be attributed to the inability of the municipal budget to produce significant revenues to cover main cost drivers such as bulk purchases and employee related costs. This inability of revenue growth to keep track with operating expenditure will also negatively impact on the contribution that the operating budget will have towards to capital program over the MTREF as highlighted below:

Table 3 Summary of available funding for capital program

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2023/24	2024/25	2025/26
Net Cash from/(used) Operating Activities	82 509	110 487	52 284	22 217	17 159	20 877	53 718	31 437
Funding Available	38 822	13 583	24 572	37 948	38 065	37 575	41 805	45 234
Capital Program	(43 358)	(19 158)	(35 477)	(73 295)	(77 677)	(82 881)	(91 663)	(89 705)
Surplus/(Shortfall)	77 973	104 912	41 379	(13 131)	(22 453)	(24 430)	3 860	(13 034)

This will result in accumulated cash reserves being utilized to fund the capital program, resulting in the illustrated downward trend in cash resources over the MTREF.

1.4 Operating Revenue Framework

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

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

The following table is a summary of the 2023/24 MTREF (classified by main revenue source):

Table 4 Summary of revenue classified by main revenue source

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2023/24	2024/25	2025/26
Revenue								
Exchange Revenue								
Service charges - Electricity	41 362	44 115	48 684	63 240	51 940	61 638	69 449	80 333
Service charges - Waste Management	11 474	8 818	8 420	11 490	9 640	10 151	10 648	11 149
Sale of Goods and Rendering of Services	258	256	162	390	122	128	134	140
Agency services	906	1 481	1 200	2 313	1 513	1 540	1 615	1 691
Interest earned from Receivables	3 119	3 011	3 075	3 146	4 496	4 419	4 636	4 854
Interest earned from Current and Non Current Assets	21 294	16 040	17 806	17 599	22 599	23 819	25 129	25 029
Rent on Land	727	511	–	0	–	3	3	3
Rental from Fixed Assets	56	49	1 482	1 238	1 814	1 778	1 865	1 953
Licence and permits	972	1 392	1 256	1 254	1 351	1 433	1 503	1 573
Operational Revenue	932	649	551	1 019	742	767	804	842
Non-Exchange Revenue								
Property rates	12 430	12 830	15 497	14 320	16 190	17 048	17 884	18 724
Fines, penalties and forfeits	287	112	476	210	70	74	78	81
Transfer and subsidies - Operational	158 318	199 215	179 409	192 227	191 732	200 984	208 903	201 969
Interest	972	820	1 201	1 276	1 576	1 791	1 878	1 967
Gains on disposal of Assets	120	12	–	–	–	–	–	–
Other Gains	3 348	917	832	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	256 576	290 227	280 052	309 722	303 785	325 572	344 529	350 307



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.

Table 5 Summary of revenue classified by municipal vote (including capital transfers)

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2023/24	2024/25	2025/26
Revenue by Vote								
Vote 1 - Executive & Council	7 309	48	106 656	6 797	6 797	7 167	7 563	7 267
Vote 2 - Planning & Development	2 289	3 992	10 121	9 973	9 546	9 874	8 298	8 656
Vote 3 - Corporate Services	1 031	1 375	2 469	743	1 918	1 874	1 966	2 058
Vote 4 - Budget & Treasury	122 188	220 781	92 973	137 350	144 254	152 158	160 337	156 869
Vote 5 - Road Transport	47 553	19 456	30 389	43 994	43 128	42 309	42 911	44 775
Vote 9 - Community & Social Services	1 875	1 568	1 592	2 261	1 652	1 665	1 673	1 681
Vote 10 - Sport & Recreation	1	2	2	2	2	2	2	2
Vote 11 - Public Safety	36	47	43	74	74	83	88	92
Vote 12 - Electricity	76 370	46 505	49 580	98 715	87 265	98 671	111 517	122 977
Vote 13 - Waste Management	42 775	11 256	10 799	47 760	47 213	49 343	51 982	51 165
Total Revenue by Vote	301 427	305 030	304 623	347 670	341 850	363 147	386 334	395 542

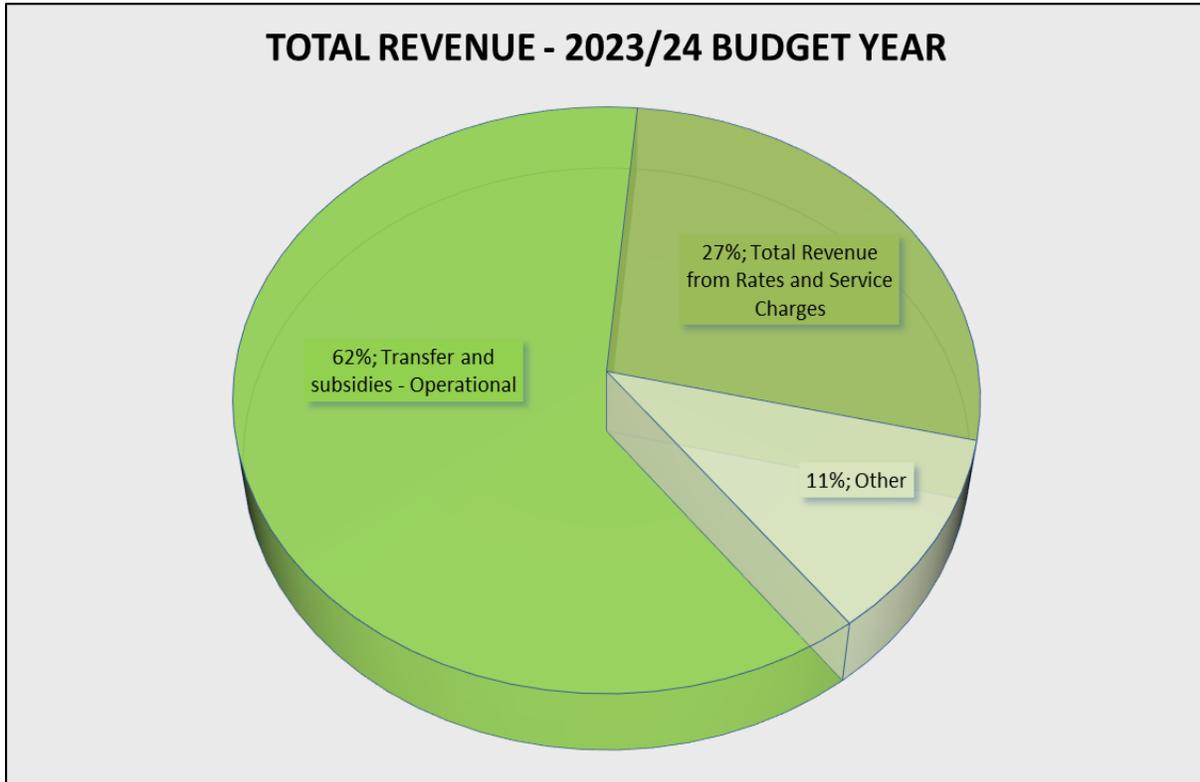
Table 6 Percentage growth in revenue base by main revenue source

Description R thousand	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework					
	Adjusted	%	Budget Year	%	Budget Year	%	Budget Year	%
	Budget		2023/24		2024/25		2025/26	
Revenue								
Exchange Revenue								
Service charges - Electricity	51 940	17.1%	61 638	18.9%	69 449	20.2%	80 333	22.9%
Service charges - Waste Management	9 640	3.2%	10 151	3.1%	10 648	3.1%	11 149	3.2%
Sale of Goods and Rendering of Services	122	0.0%	128	0.0%	134	0.0%	140	0.0%
Agency services	1 513	0.5%	1 540	0.5%	1 615	0.5%	1 691	0.5%
Interest earned from Receivables	4 496	1.5%	4 419	1.4%	4 636	1.3%	4 854	1.4%
Interest earned from Current and Non Current Assets	22 599	7.4%	23 819	7.3%	25 129	7.3%	25 029	7.1%
Rent on Land	–	0.0%	3	0.0%	3	0.0%	3	0.0%
Rental from Fixed Assets	1 814	0.6%	1 778	0.5%	1 865	0.5%	1 953	0.6%
Licence and permits	1 351	0.4%	1 433	0.4%	1 503	0.4%	1 573	0.4%
Operational Revenue	742	0.2%	767	0.2%	804	0.2%	842	0.2%
Non-Exchange Revenue								
Property rates	16 190	5.3%	17 048	5.2%	17 884	5.2%	18 724	5.3%
Fines, penalties and forfeits	70	0.0%	74	0.0%	78	0.0%	81	0.0%
Transfer and subsidies - Operational	191 732	63.1%	200 984	61.7%	208 903	60.6%	201 969	57.7%
Interest	1 576	0.5%	1 791	0.6%	1 878	0.5%	1 967	0.6%
Total Revenue (excluding capital transfers and contributions)	303 785	100%	325 572	100%	344 529	100%	350 307	100%
Total Revenue from Rates and Service Charges	77 770	25.6%	88 837	27.3%	97 981	28.4%	110 206	31.5%

Revenue generated from rates and services charges forms an important percentage of the revenue basket for the Municipality, but measured against other municipalities, the percentage is relatively low. Rates and service charge revenues comprise between 25 and 32 per cent of the total revenue mix over the MTREF period.

Senqu municipality is to a very large degree dependent on grants (Equitable share) to sustain the budget (as illustrated on the graph below). The unconditional Equitable Share Grant is a grant growing annually according to a formula determined nationally and such formula is applicable to all local authorities on an equal basis.

Approximately 60% of the revenue basket can be attributed to equitable share. This, together with the lower percentage for rates and service charge revenues, is an indication of the high unemployment rate in the area and the focus on job creation projects were therefore treated as a priority in this budget.



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

Table 7 Operating Transfers and Grant Receipts

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand					
RECEIPTS:					
Operating Transfers and Grants					
National Government:	188 307	186 935	197 564	207 403	200 469
Local Government Equitable Share	170 328	170 328	179 593	189 497	182 104
Finance Management	1 650	1 650	1 700	1 700	1 838
Nat Gov: Councillor Remuneration	6 797	6 797	7 167	7 563	7 267
Municipal Infrastructure Grant (MIG)	7 874	6 502	7 910	8 252	8 608
EPWP Incentive	1 658	1 658	1 194	-	-
Integrated National Electrification Programme	-	-	-	391	652
Provincial Government:	2 330	2 130	1 830	1 500	1 500
Libraries	1 500	1 500	1 500	1 500	1 500
EPWP	330	330	330	-	-
Greenest Municipality	500	300	-	-	-
Total Operating Transfers and Grants	190 637	189 065	199 394	208 903	201 969
Capital Transfers and Grants					
National Government:	37 948	30 883	37 575	41 805	45 234
Municipal Infrastructure Grant (MIG)	37 948	30 883	37 575	39 196	40 886
Integrated National Electrification Programme	-	-	-	2 609	4 348
Total Capital Transfers and Grants	37 948	30 883	37 575	41 805	45 234
TOTAL RECEIPTS OF TRANSFERS & GRANTS	228 585	219 948	236 969	250 708	247 203

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band, therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2023/24 in their budget narratives and pay careful attention to tariff increases across all consumer groups.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently, but there are always situations where there are defaults on payment. The contribution for bad debt equates to R14,56 million in 2023/2024 increasing to R15,77 million in 2025/2026. This increase forms part of the revenue enhancement strategy that the municipality is busy implementing.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.



1.4.1 Property Rates

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

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of R60 000;
- The limit for indigent households is twice the amount of government pension grant.

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

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

Vacant properties are rated higher, as the municipality is encouraging owners of vacant land to develop it and that the vacant land should not be used for speculation purposes by owners.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2023/24 financial year are as follows:

Table 8 Comparison of proposed rates to be levied for the 2023/24 financial year

No	Tariff Code	Property Category	Rate Ratio (to residential rate)	Tariff 2022/2023 "R"	Tariff 2023/2024 "R"
01	RES001	Residential properties	1 : 1	0.008373	0.008859
02	IND001	Industrial properties	1 : 1,33	0.011136	0.011782
03	BUS001	Business and Commercial properties	1 : 1,30	0.010885	0.011516
04	AGR001	Agricultural properties used for Agricultural Purpose	1 : 0,25	0.002093	0.002215
05	AGR002	Agricultural Properties used for Industrial Purposes	1 : 1,33	0.011136	0.011782
06	AGR003	Agricultural Properties used for Eco- Tourism, Conversation, Trading In or Hunting of Game	1 : 0,25	0.002093	0.002215
07	AGR004	Agricultural Properties not used for Any Purpose/ Purpose Unknown to Municipality	1 : 0,25	0.002093	0.002215
08	AGR005	Agricultural Properties used for Business and Commercial Purposes	1 : 1,30	0.010885	0.011516
09	PSI001	Public Service Infrastructure properties	Exempt	0.000000	0.000000
10	PSP001	Properties owned by an municipality and used by state Provincial/National purposes	1 : 1,30	0.010885	0.011516
11	PSP002	Properties owned by Public Benefit Organisations and used for specified public benefit activities	Exempt	0.000000	0.000000
12	PSP003	State- Owned Properties that Provide Local Services	1 : 1,30	0.010885	0.011516
13	PSP004	State/ Owned Properties that Provide Regional/ Municipal District- Wide Services	1 : 1,30	0.010885	0.011516
14	PSP005	State/ Owned Properties that Provide Provincial/ National Services	1 : 1,30	0.010885	0.011516
15	PRA001	Protected areas	Exempt	0.000000	0.000000
16	MUN001	Municipal properties	Exempt	0.000000	0.000000
17	PMM001	Public monuments and memorials	Exempt	0.000000	0.000000
18	UPA001	Unregistered Properties (Administrative Purposes)	Exempt	0.000000	0.000000
19	CLR001	Communal land and Land Reform Beneficiaries	Exempt	0.000000	0.000000
20	PWV001	Place of Worship and Vicarage	Exempt	0.000000	0.000000
21	VAC001	Vacant Land	01:01.5	0.012559	0.013288

1.4.2 Sale of Water and Sanitation and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

The Water-and Sanitation function was transferred to Joe Gqabi District Municipality on 1 July 2012 and for that reason Senqu Municipality does not advertise or consult on the tariffs for these services.

1.4.3 Sale of Electricity and Impact of Tariff Increases

The National Energy Regulator of South Africa (NERSA) approved a 18,7 per cent guideline increase for municipal electricity tariffs for 2023/24. This increase is required to curb the downward trend experienced as a result of large bulk tariff increases experienced in recent years.

Table 9 Electricity Surplus/(Deficit)

Description	Current Year	2023/24 Medium Term Revenue & Expenditure Framework		
	2022/23	Budget Year	Budget Year	Budget Year
	Adjusted	2023/24	2024/25	2025/26
R thousand	Budget			
ELECTRICITY				
Operating Revenue	87 265	98 671	111 517	122 977
Operating Expenditure	78 573	88 735	97 181	109 646
Surplus/(Deficit) for the year	8 692	9 936	14 336	13 330
% Profit	10%	10%	13%	11%

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

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for customers over the MTREF period:



Table 10 Comparison between current electricity charges and increases

DESCRIPTION	Tariff 2022/2023 "R"	Tariff 2023/2024 "R"
Domestic (Pre-paid metering) single phase 0-60 AMP FBS		
Basic / Availability Charge – per month	-	-
Energy Charge – per Unit (kWh) (1 – 50kWh)	-	-
Energy Charge – per Unit (kWh) (51 – 350kWh)	167.64	198.90
Energy Charge – per Unit (kWh) (351 - 600kWh)	263.74	312.93
Energy Charge – per Unit (kWh) (> 600kWh)	288.27	342.03
Domestic (Pre-paid metering) single phase 0-60 AMP NONE FBS		
Basic / Availability Charge – per month	-	-
Energy Charge – per Unit (kWh) (1 – 50kWh)	130.36	154.67
Energy Charge – per Unit (kWh) (51 – 350kWh)	167.64	198.90
Energy Charge – per Unit (kWh) (351 - 600kWh)	263.74	312.93
Energy Charge – per Unit (kWh) (> 600kWh)	288.27	342.03
Domestic (Pre-paid metering) three phase 0-60 AMP		
Basic / Availability Charge – per month	-	-
Energy Charge – per Unit (kWh) (1 – 50kWh)	132.31	156.98
Energy Charge – per Unit (kWh) (51 – 350kWh)	170.17	201.90
Energy Charge – per Unit (kWh) (351 - 600kWh)	267.71	317.63
Energy Charge – per Unit (kWh) (> 600kWh)	292.60	347.17
Domestic : Demand 0 -60 Amp (Credit Metering)		
Basic / Availability Charge -per month	213.40	253.20
Energy Charge – per Unit (kWh) (1 – 50kWh)	130.36	154.67
Energy Charge – per Unit (kWh) (51 – 350kWh)	164.09	194.70
Energy Charge – per Unit (kWh) (351 - 600kWh)	235.56	279.50
Energy Charge – per Unit (kWh) (> 600kWh)	273.90	324.98
Domestic : Demand 60 Amp + (Credit Metering)		
Basic / Availability Charge -per month	503.72	597.67
Energy Charge – per Unit (kWh) (1 – 50kWh)	130.36	154.67
Energy Charge – per Unit (kWh) (51 – 350kWh)	164.09	194.70
Energy Charge – per Unit (kWh) (351 - 600kWh)	235.56	279.50
Energy Charge – per Unit (kWh) (> 600kWh)	273.90	324.98
Commercial (Pre -paid metering) 0 -60 AMP		
Energy Charge -per Unit (KWh) consumed	289.89	343.95
Commercial: Small / Medium - (Credit Metering) 0-60 AMP		
Basic / Availability Charge - per month	623.92	740.28
Energy Charge - per unit (KWh) consumed	241.55	286.60
Commercial: Large - (Credit Metering) 0 to undifined AMP		
Basic / Availability Charge - per month	1 821.50	2 161.20
Energy Charge - per unit (KWh) consumed	243.50	288.91
Network / Demand Charge - per unit (KVA) consumed	98.63	117.03
Farms 0 to undifined AMP		
Basic / Availability Charge per month	613.85	728.33
Energy Charge -per Unit (KWh) consumed	237.12	281.35
Network Demand Charge - (KVA) per Unit	97.85	116.10
Consumer Deposits (to be paid prior to connection)		
Domestic / Residential	2 413.67	2 863.82
Business / Commercial (Small / Medium): 0 - 60 Amp	6 034.17	7 159.54
Business / Commercial / Industrial: 60 -150 Amp	16 493.43	19 569.46
Businesses / Commercial / Industrial: 150 Amp +	30 171.06	35 797.96
Other		-
New Connection (to be paid in advance)		-
Re - connecting existing connection	603.45	715.99
Re - connecting (after default / dis-connection)	663.81	787.61
Test Meter (Not Refundable)	603.45	715.99
Illegal Connection or tempering of KWH Meter	5 000.00	5 932.50

1.4.4 Waste Removal and Impact of Tariff Increases

An average tariff increase of 5,80 per cent for refuse removal services from 1 July 2023 is proposed. This increase was required to ensure that the tariff charged is more cost reflective due to the increase in fuel and other costs involved to provide these services. There are also significant rehabilitation provisions included in the budget that needs to be funded.

Table 11 Waste Management Surplus/(Deficit)

Description	Current Year	2023/24 Medium Term Revenue & Expenditure Framework		
	2022/23	Budget Year	Budget Year	Budget Year
	Adjusted	2023/24	2024/25	2025/26
R thousand	Budget			
WASTE MANAGEMENT				
Operating Revenue	47 213	49 343	51 982	51 165
Operating Expenditure	40 344	40 656	36 016	40 494
Surplus/(Deficit) for the year	6 869	8 687	15 965	10 671
% Profit	15%	18%	31%	21%

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

The following table compares current and proposed amounts payable from 1 July 2023:

Table 12 Comparison between current waste removal fees and increases

	Tariff 2022/2023 "R"	Tariff 2023/2024 "R"
	EXCL VAT	EXCL VAT
Domestic Consumers (per month for one removal per week)	169.89	179.74
Additional removal (per load or part thereof)	169.89	179.74
Commercial Consumers (per month for two removals per week)	363.59	384.68
Additional removal (per load or part thereof)	363.59	384.68
Public Service Purpose Departments (Schools, hotels, SAPS, prison, hospitals, etc) (per month for two removals per week)	2 155.85	2 280.89
Additional removal (per load or part thereof)	363.59	384.68
Garden Refuse (per load) (to be paid in advance)	363.59	384.68
Building Rubble (per load) (to be paid in advance)	630.34	666.90
Cleaning of erven	363.59	384.68



Overall impact of tariff increases on households

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

Table 13 Impact of tariff increases on households

Description	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Rand/cent				
<u>Monthly Account for Household - 'Middle Income Range'</u>				
Rates and services charges:				
Property rates	1 039.89	1 100.21	1 122.21	1 155.88
Electricity: Basic levy	224.15	265.96	299.84	338.04
Electricity: Consumption	3 473.54	4 121.36	4 646.42	5 238.38
Refuse removal	174.98	185.13	195.87	207.23
Total large household bill:	4 912.58	5 672.66	6 264.35	6 939.53
% increase/-decrease	-	15.5%	10.4%	10.8%
<u>Monthly Account for Household - 'Affordable Range'</u>				
Rates and services charges:				
Property rates	250.67	265.20	270.51	278.62
Electricity: Basic levy	224.15	265.96	299.84	338.04
Electricity: Consumption	1 520.77	1 804.39	2 034.27	2 293.44
Refuse removal	174.98	185.13	195.87	207.23
Total small household bill:	2 170.57	2 520.69	2 800.49	3 117.33
% increase/-decrease	-	16.1%	11.1%	11.3%
<u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u>				
Rates and services charges:				
Electricity: Consumption	596.97	708.31	798.55	900.28
Total small household bill:	596.97	708.31	798.55	900.28
% increase/-decrease	-	18.7%	12.7%	12.7%

1.5 Operating Expenditure Framework

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

The following table is a high level summary of the 2023/24 budget and MTREF (classified per main type of operating expenditure):

Table 14 Summary of operating expenditure by standard classification item

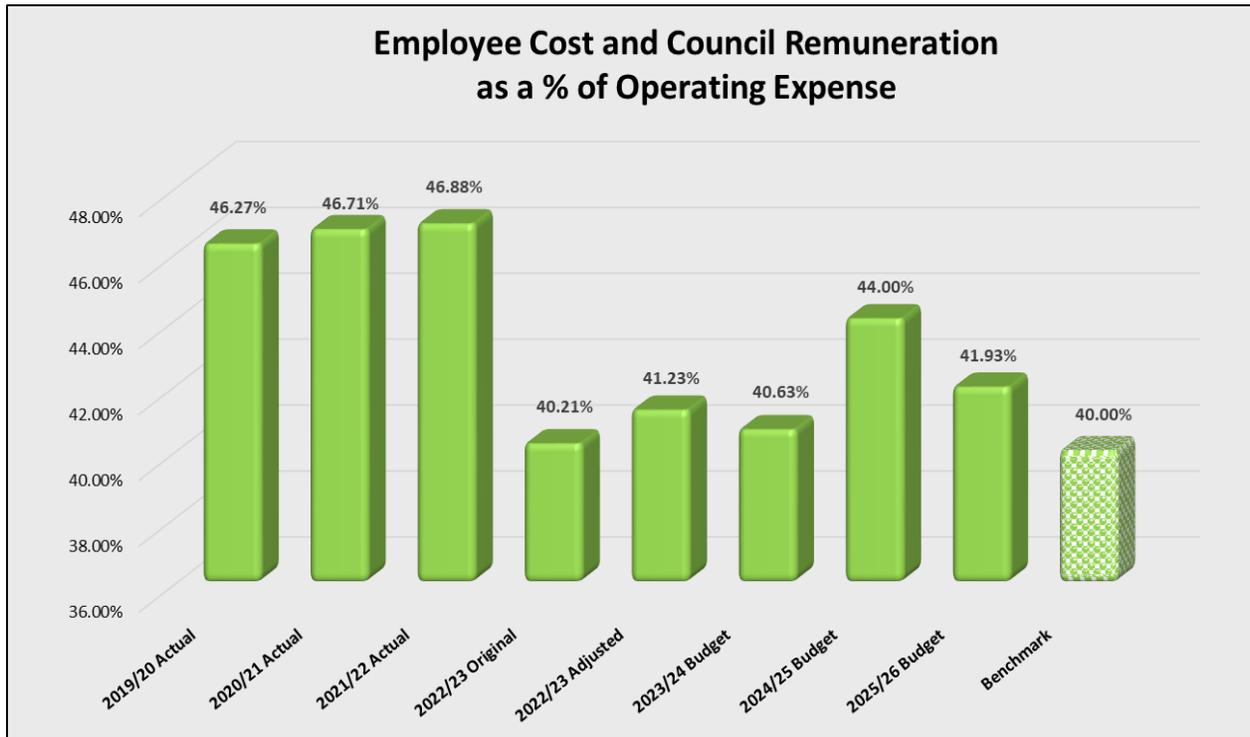
Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2023/24	2024/25	2025/26
Expenditure By Type								
Employee related costs	93 583	99 860	112 976	122 867	123 629	130 324	136 600	143 178
Remuneration of councillors	12 697	12 663	12 761	15 796	16 196	17 055	17 890	18 731
Bulk purchases - electricity	35 073	39 533	44 034	52 343	51 843	61 537	69 352	78 160
Inventory consumed	11 510	9 953	10 754	24 661	20 948	18 820	17 049	21 470
Debt impairment	12 974	11 951	12 679	14 195	14 195	14 562	15 153	15 767
Depreciation and amortisation	18 475	18 548	17 084	19 661	18 113	18 833	19 587	20 370
Interest	2 396	2 197	2 660	2 900	3 451	3 802	4 229	4 747
Contracted services	19 208	21 606	30 869	50 349	47 171	59 055	37 648	41 959
Transfers and subsidies	37	-	42	42	42	36	-	-
Operational costs	23 387	19 666	23 615	39 860	41 372	36 672	31 805	40 182
Losses on disposal of Assets	356	3 042	389	2 200	2 200	2 000	1 800	1 620
Other Losses	6	1 899	348	-	-	-	-	-
Total Expenditure	229 702	240 918	268 210	344 873	339 160	362 697	351 113	386 184

The budgeted allocation for employee related costs for the 2023/24 financial year totals R130,32 million, which equals 35,93 per cent of the total operating expenditure. This percentage is set to increase to 38,90 per cent and decrease again to 37,08 per cent in 2024/25 and 2025/26 respectively.

A detailed analysis regarding employee related costs as set out in MBRR Tables SA22 - 24 in this document.

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

The expenditure on Employee Cost and Remuneration of Councillors is still towards the upper limits of the industry norms (between 25% and 40%) as depicted in the graph below. However, before the municipality reaches any conclusions with regards to levels of employee related costs of the municipality, the municipality should assess the impact of any items that could distort these figures. The municipality should for example exclude any non-cash expenditure (Depreciation and Debt Impairment) in order to compare it with other municipalities on a more equal basis.



The provision of debt impairment was determined based on an annual collection rate of 80 per cent and the Debt Write-off Policy of the Municipality. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

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 in this regard totals R18,83 million for the 2023/24 financial year and equates to 5,19 per cent of the total operating expenditure. The appropriation increases to R20,37 million over the MTREF.

The Municipality is limiting its borrowing in order to keep interest charges to the absolute minimum. Interest charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Interest charges make up 1,05 per cent (R3,80 million) of operating expenditure excluding annual redemption for 2023/24. This percentage is set to remain constant over the two outer years of the MTREF.

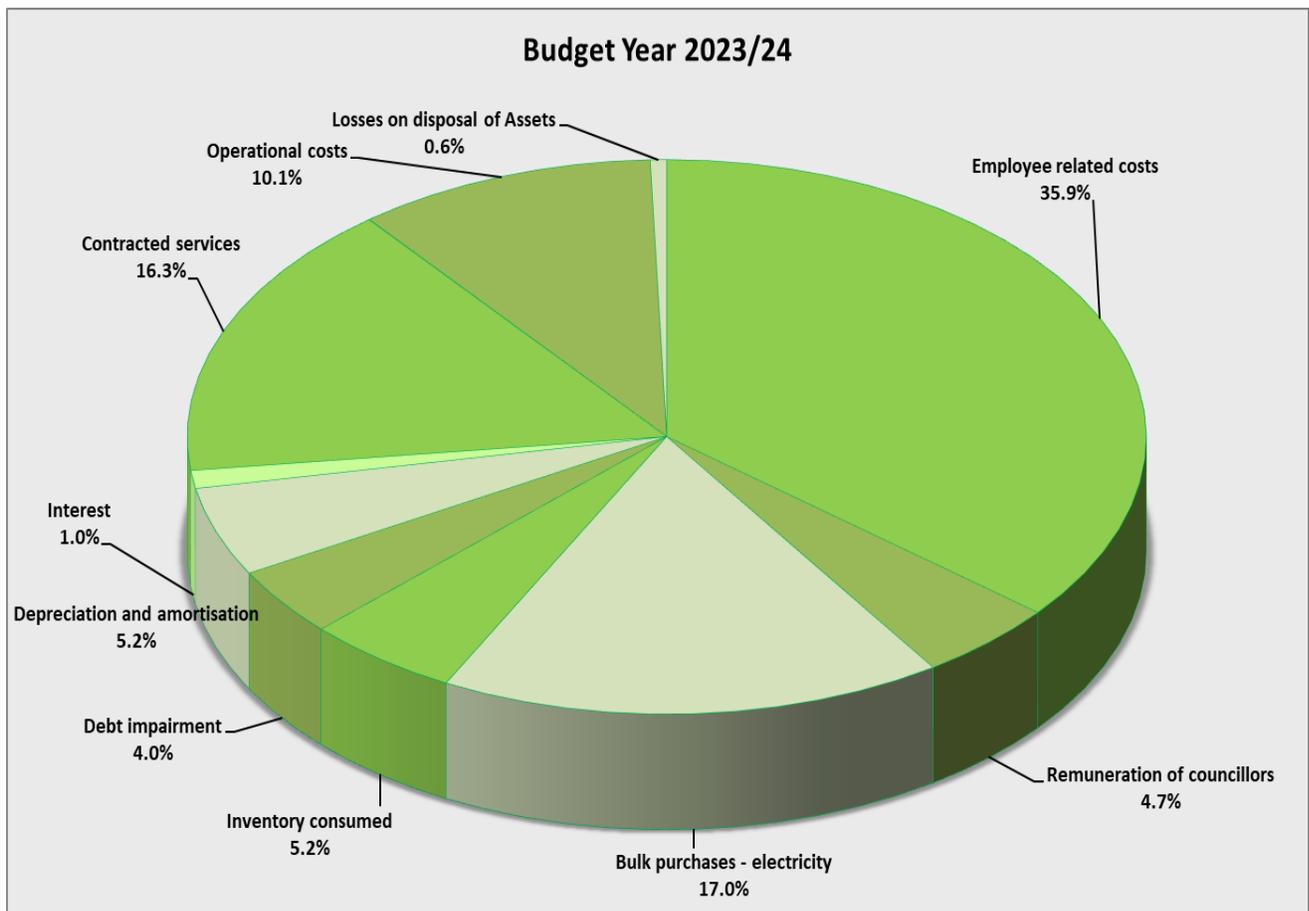
Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Although the municipality is not in control of the increase in the cost of bulk purchases, the municipality could still implement measures to reduce distribution losses as well as internal consumption. Electricity bulk purchases represents 16,97 per cent of expenditure for 2023/24 and this percentage increase over the MTREF to 20,24 per cent for 2025/26.

Inventory consumed consists out of consumables, fuel and oil as well as materials and supplies that is used in repairs and maintenance projects.

Contracted services consists of the delivery of primary services and the classification was largely influenced by the mSCOA chart of accounts. An amount of R39,47 million over the MTREF for Repairs and Maintenance is classified under Contracted Services.

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

Main operational expenditure categories for the 2023/24 financial year





1.5.1 Priority given to repairs and maintenance

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

Municipalities must ensure they prioritize asset management and take into consideration the following:

- 1) 40 per cent of its Capital Budget should be allocated to the renewal/upgrading of existing assets it.
- 2) Operational repairs and maintenance should not be less than 8 per cent of the asset value (write down value) of the municipality’s Property Plant and Equipment (PPE)

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

Table 15 Repairs and maintenance per asset class

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Repairs and Maintenance by Asset Class	9 101	10 278	13 978	22 051	18 961	20 992	17 079	21 517
<i>Roads Infrastructure</i>	1 842	2 100	3 710	7 709	7 049	7 704	6 864	8 086
<i>Storm water Infrastructure</i>	272	289	404	487	322	442	319	479
<i>Electrical Infrastructure</i>	1 212	600	821	985	865	1 007	928	1 200
<i>Solid Waste Infrastructure</i>	60	155	373	625	625	1 903	1 998	2 111
Infrastructure	3 387	3 143	5 308	9 807	8 862	11 055	10 109	11 875
<i>Community Facilities</i>	1 108	1 655	2 233	2 751	2 594	2 101	1 835	2 581
<i>Sport and Recreation Facilities</i>	351	188	375	442	442	330	218	304
Community Assets	1 459	1 843	2 608	3 193	3 036	2 430	2 053	2 885
<i>Non-revenue Generating</i>	-	-	-	119	119	218	329	518
Investment properties	-	-	-	119	119	218	329	518
<i>Operational Buildings</i>	704	617	1 268	3 010	1 605	1 974	627	903
Other Assets	704	617	1 268	3 010	1 605	1 974	627	903
<i>Furniture and Office Equipment</i>	297	372	356	650	630	615	395	568
<i>Machinery and Equipment</i>	1 427	2 015	1 905	2 321	1 998	2 106	1 741	2 258
<i>Transport Assets</i>	1 826	2 287	2 533	2 950	2 710	2 595	1 826	2 509
TOTAL EXPENDITURE OTHER ITEMS	27 576	28 826	31 062	41 712	37 074	39 825	36 666	41 887
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	45.4%	37.2%	31.7%	29.3%	45.1%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0.0%	0.0%	0.0%	169.3%	159.5%	139.6%	137.3%	198.8%
<i>R&M as a % of PPE & Investment Property</i>	1.9%	2.1%	2.7%	3.7%	3.3%	3.3%	2.4%	2.8%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	1.9%	2.1%	2.7%	9.2%	8.4%	7.5%	6.3%	8.1%

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



1.5.2 Free Basic Services: Basic Social Services Package

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

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

Tariffs for indigent households are set out below:

- Rates free of charge to the value based on the market value of the property to the maximum of R60 000
- 50 kWh free electricity per month
- Free refuse x 4 removals per month

The cost associated with indigent subsidies amounts to R23,19 million in 2023/24 and increase to R24,40 million and R29,61 million in the 2 outer years respectively. These figures are disclosed under operating expenditure projects and include items such as Bulk purchases, Contracted services, Inventory consumed and Other expenditure in table A4 of the budget schedules. This do not include the Property rates rebates, the 50 kWh electricity and the refuse removal provided to indigents. These amounts are disclosed in table A10 of the budget schedules.



1.6 Capital expenditure

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

Table 16 2023/24 Medium-term capital budget per vote

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 3 - Corporate Services	8 853	1 565	218	634	234	800	-	-
Vote 5 - Road Transport	18 668	7 496	4 947	23 500	23 753	30 000	47 009	48 152
Vote 6 - Waste Water Management	-	-	-	5 640	3 640	7 200	10 600	5 000
Vote 9 - Community & Social Services	105	1 869	6 645	15 387	16 037	9 340	3 500	-
Vote 10 - Sport & Recreation	590	-	-	2 500	357	-	6 310	-
Vote 11 - Public Safety	1 730	-	-	-	-	1 080	800	600
Vote 12 - Electricity	1 967	2 041	-	-	-	-	2 609	4 348
Vote 13 - Waste Management	8 925	3 871	16 473	17 340	15 917	5 400	4 160	20 843
Capital multi-year expenditure sub-total	40 839	16 842	28 284	65 002	59 939	53 820	74 987	78 942
Single-year expenditure to be appropriated								
Vote 1 - Executive & Council	-	24	20	1 600	1 600	2 605	430	30
Vote 2 - Planning & Development	13	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	173	3 748	1 719	9 599	10 781	6 813	4 678
Vote 4 - Budget & Treasury	14	860	640	1 275	1 575	1 561	1 195	478
Vote 5 - Road Transport	1 046	236	494	463	675	380	-	-
Vote 9 - Community & Social Services	-	-	859	500	500	100	30	10
Vote 11 - Public Safety	-	-	-	350	1 070	400	-	-
Vote 12 - Electricity	1 337	606	1 201	1 924	2 257	1 865	2 719	2 882
Vote 13 - Waste Management	108	415	233	462	462	11 370	5 489	2 685
Capital single-year expenditure sub-total	2 518	2 316	7 194	8 294	17 739	29 061	16 676	10 763
Total Capital Expenditure - Vote	43 358	19 158	35 477	73 295	77 677	82 881	91 663	89 705

The following table provides more information on the breakdown of the capital budget.



Table 17 Asset Management

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
CAPITAL EXPENDITURE								
Total New Assets	43 358	19 158	35 477	40 014	48 791	56 581	64 770	49 205
<i>Roads Infrastructure</i>	18 732	7 732	3 267	188	400	315	5 576	7 652
<i>Storm water Infrastructure</i>	-	-	2 160	5 640	3 640	7 200	10 600	5 000
<i>Electrical Infrastructure</i>	1 967	2 254	1 173	1 880	2 197	1 800	5 259	7 157
<i>Solid Waste Infrastructure</i>	8 925	3 871	16 473	10 412	9 954	2 700	4 160	20 843
Infrastructure	29 624	13 857	23 073	18 120	16 191	12 015	25 594	40 651
<i>Community Facilities</i>	2 426	1 869	6 070	7 802	12 539	8 370	4 300	600
<i>Sport and Recreation Facilities</i>	-	-	-	2 500	357	-	5 850	-
Community Assets	2 426	1 869	6 070	10 302	12 896	8 370	10 150	600
<i>Operational Buildings</i>	8 853	1 565	1 652	6 580	6 396	9 650	15 000	-
Other Assets	8 853	1 565	1 652	6 580	6 396	9 650	15 000	-
<i>Licences and Rights</i>	-	103	-	-	-	2 070	400	-
Intangible Assets	-	103	-	0	-	2 070	400	-
<i>Computer Equipment</i>	-	772	316	1 000	1 300	1 300	1 195	478
<i>Furniture and Office Equipment</i>	27	183	290	860	910	466	69	33
<i>Machinery and Equipment</i>	1 123	38	4 076	1 552	5 498	16 311	7 608	5 467
<i>Transport Assets</i>	1 304	771	-	1 600	5 600	6 400	4 753	1 977
Total Renewal of Existing Assets	-	-	-	10 115	6 348	2 050	-	-
<i>Roads Infrastructure</i>	-	-	-	1 880	1 880	-	-	-
Infrastructure	-	-	-	1 880	1 880	-	-	-
<i>Community Facilities</i>	-	-	-	8 235	4 468	2 050	-	-
Community Assets	-	-	-	8 235	4 468	2 050	-	-
Total Upgrading of Existing Assets	-	-	-	23 166	22 539	24 250	26 893	40 500
<i>Roads Infrastructure</i>	-	-	-	15 040	15 477	20 350	26 433	40 500
<i>Solid Waste Infrastructure</i>	-	-	-	6 928	5 964	2 700	-	-
Infrastructure	-	-	-	21 968	21 440	23 050	26 433	40 500
<i>Community Facilities</i>	-	-	-	-	400	400	-	-
<i>Sport and Recreation Facilities</i>	-	-	-	-	-	-	460	-
Community Assets	-	-	-	-	400	400	460	-
<i>Operational Buildings</i>	-	-	-	1 198	698	800	-	-
Other Assets	-	-	-	1 198	698	800	-	-



Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Total Capital Expenditure	43 358	19 158	35 477	73 295	77 677	82 881	91 663	89 705
<i>Roads Infrastructure</i>	18 732	7 732	3 267	17 108	17 757	20 665	32 009	48 152
<i>Storm water Infrastructure</i>	-	-	2 160	5 640	3 640	7 200	10 600	5 000
<i>Electrical Infrastructure</i>	1 967	2 254	1 173	1 880	2 197	1 800	5 259	7 157
<i>Solid Waste Infrastructure</i>	8 925	3 871	16 473	17 340	15 917	5 400	4 160	20 843
Infrastructure	29 624	13 857	23 073	41 968	39 511	35 065	52 027	81 151
Community Facilities	2 426	1 869	6 070	16 037	17 407	10 820	4 300	600
Sport and Recreation Facilities	-	-	-	2 500	357	-	6 310	-
Community Assets	2 426	1 869	6 070	18 537	17 764	10 820	10 610	600
Operational Buildings	8 853	1 565	1 652	7 778	7 094	10 450	15 000	-
Other Assets	8 853	1 565	1 652	7 778	7 094	10 450	15 000	-
Licences and Rights	-	103	-	-	-	2 070	400	-
Intangible Assets	-	103	-	-	-	2 070	400	-
Computer Equipment	-	772	316	1 000	1 300	1 300	1 195	478
Furniture and Office Equipment	27	183	290	860	910	466	69	33
Machinery and Equipment	1 123	38	4 076	1 552	5 498	16 311	7 608	5 467
Transport Assets	1 304	771	-	1 600	5 600	6 400	4 753	1 977
TOTAL CAPITAL EXPENDITURE - Asset class	43 358	19 158	35 477	73 295	77 677	82 881	91 663	89 705

With roads being one of the main economic drivers within the region, an amount of R20,67 million were budgeted for 2023/24 for road- and bridge projects and R100,82 million over the MTREF period. A total of R22,80 million over the MTREF is allocated to Storm water infrastructure projects and R14,22 million for electrical infrastructure projects.

An amount of R5,40 million has been provided for Solid Waste Infrastructure projects for the 2023/24 budget year and a total of R30,40 over the MTREF.

The allocation to community assets amounts to R10,82 million for 2023/24 of which R1,44 million is allocated to cemeteries, R7,90 million towards community halls and facilities and R1,48 million towards other community facilities. R25,45 million was allocated to municipal buildings over the MTREF period.



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 2023/24 budget and MTREF to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 18 MBRR Table A1 - Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands								
Financial Performance								
Property rates	12 430	12 830	15 497	14 320	16 190	17 048	17 884	18 724
Service charges	52 835	52 933	57 104	74 730	61 580	71 789	80 097	91 481
Investment revenue	21 294	16 040	17 806	17 599	22 599	23 819	25 129	25 029
Transfer and subsidies - Operational	158 318	199 215	179 409	192 227	191 732	200 984	208 903	201 969
Other own revenue	11 698	9 210	10 235	10 846	11 684	11 931	12 516	13 104
Total Revenue (excluding capital transfers and contributions)	256 576	290 227	280 052	309 722	303 785	325 572	344 529	350 307
Employee costs	93 583	99 860	112 976	122 867	123 629	130 324	136 600	143 178
Remuneration of councillors	12 697	12 663	12 761	15 796	16 196	17 055	17 890	18 731
Depreciation and amortisation	18 475	18 548	17 084	19 661	18 113	18 833	19 587	20 370
Interest	2 396	2 197	2 660	2 900	3 451	3 802	4 229	4 747
Inventory consumed and bulk purchases	46 582	49 487	54 788	77 004	72 791	80 357	86 401	99 630
Transfers and subsidies	37	-	42	42	42	36	-	-
Other expenditure	55 931	58 164	67 899	106 603	104 938	112 289	86 406	99 528
Total Expenditure	229 702	240 918	268 210	344 873	339 160	362 697	351 113	386 184
Surplus/(Deficit)	26 875	49 309	11 842	(35 152)	(35 375)	(37 125)	(6 584)	(35 876)
Transfers and subsidies - capital (monetary allocations)	44 851	14 803	24 572	37 948	38 065	37 575	41 805	45 234
Surplus/(Deficit) for the year	71 725	64 111	36 414	2 796	2 690	450	35 221	9 358
Capital expenditure & funds sources								
Capital expenditure	43 358	19 158	35 477	73 295	77 677	82 881	91 663	89 705
Transfers recognised - capital	38 822	13 583	24 572	37 948	38 065	37 575	41 805	45 234
Internally generated funds	4 536	5 575	10 906	35 347	39 612	45 307	49 858	44 471
Total sources of capital funds	43 358	19 158	35 477	73 295	77 677	82 881	91 663	89 705
Financial position								
Total current assets	382 099	469 702	484 445	357 810	425 954	369 890	339 048	290 004
Total non current assets	478 569	485 527	513 251	598 506	570 615	632 664	702 940	770 655
Total current liabilities	45 023	63 916	58 642	51 087	51 600	53 028	52 456	56 308
Total non current liabilities	28 824	32 579	35 621	37 326	38 845	42 950	47 736	53 198
Community wealth/Equity	786 822	858 734	903 434	867 904	906 124	906 574	941 796	951 153



Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands								
Cash flows								
Net cash from (used) operating	82 509	110 487	52 284	22 217	17 159	20 877	53 718	31 437
Net cash from (used) investing	(43 358)	(19 158)	(35 477)	(73 295)	(77 677)	(82 881)	(91 663)	(89 705)
Net cash from (used) financing	(819)	(769)	(833)	(790)	(709)	(802)	(815)	(828)
Cash/cash equivalents at the year end	351 427	442 039	458 013	322 614	396 785	333 979	295 219	236 123
Cash backing/surplus reconciliation								
Cash and investments available	351 427	442 039	458 013	322 614	396 785	333 979	295 219	236 123
Application of cash and investments	243 352	280 408	291 227	302 558	351 458	326 477	288 699	230 567
Balance - surplus (shortfall)	108 076	161 631	166 786	20 056	45 327	7 501	6 521	5 556
Asset management								
Asset register summary (WDV)	476 823	483 940	511 428	598 506	570 615	632 664	702 940	770 655
Depreciation	18 475	18 548	17 084	19 661	18 113	18 833	19 587	20 370
Renewal and Upgrading of Existing Assets	-	-	-	33 282	28 886	26 300	26 893	40 500
Repairs and Maintenance	9 101	10 278	13 978	22 051	18 961	20 992	17 079	21 517
Free services								
Cost of Free Basic Services provided	-	3 179	3 024	5 640	4 740	5 102	5 437	5 822
Revenue cost of free services provided	3 253	3 978	5 352	2 568	5 568	5 863	6 151	6 440
Households below minimum service level								
Energy:	8	9	-	9	9	8	8	7
Refuse:	41	44	-	49	49	50	51	51

Explanatory notes to MBRR Table A1 - Budget Summary

- 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).
- 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.
- Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - The accumulated surplus is positive over the MTREF
 - Capital expenditure is balanced by capital funding sources, of which
 - Transfers recognised is reflected on the Financial Performance Budget;
 - Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality’s cash flow remains positive indicates that the necessary cash resources are available to fund the Capital Budget.
- The Cash backing/surplus reconciliation shows a sharp decline over the MTREF. This will in turn result in a sharp decline in the CRR.



Table 19 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
Revenue - Functional								
<i>Governance and administration</i>	130 436	222 196	202 094	144 829	152 957	161 188	169 852	166 181
Executive and council	7 309	48	106 656	6 797	6 797	7 167	7 563	7 267
Finance and administration	123 128	222 148	95 438	138 031	146 160	154 021	162 290	158 914
<i>Community and public safety</i>	4 337	4 769	4 870	6 720	5 124	5 278	5 463	5 649
Community and social services	1 873	1 566	1 576	2 257	1 651	1 664	1 672	1 680
Sport and recreation	1	2	2	2	2	2	2	2
Public safety	2 463	3 201	3 291	4 460	3 470	3 613	3 790	3 968
<i>Economic and environmental services</i>	47 507	20 302	32 771	49 313	48 960	48 336	47 519	49 568
Planning and development	2 380	4 000	5 631	9 705	9 228	9 556	8 310	8 669
Road transport	45 126	16 302	27 140	39 608	39 733	38 780	39 208	40 899
<i>Trading services</i>	119 146	57 761	60 379	146 475	134 478	148 014	163 499	174 141
Energy sources	76 370	46 505	49 580	98 715	87 265	98 671	111 517	122 977
Waste management	42 775	11 256	10 799	47 760	47 213	49 343	51 982	51 165
<i>Other</i>	2	2	4 509	333	331	331	1	2
Total Revenue - Functional	301 427	305 030	304 623	347 670	341 850	363 147	386 334	395 542
Expenditure - Functional								
<i>Governance and administration</i>	85 576	83 673	97 702	128 471	130 502	136 517	122 955	135 278
Executive and council	25 300	23 719	25 146	31 349	33 173	35 985	35 434	36 952
Finance and administration	58 063	57 579	69 906	93 071	94 035	97 009	84 168	94 665
Internal audit	2 213	2 375	2 651	4 051	3 294	3 523	3 353	3 662
<i>Community and public safety</i>	16 326	17 950	26 064	28 466	28 439	28 870	28 942	31 929
Community and social services	10 238	11 390	17 463	18 677	18 749	18 977	19 088	21 139
Sport and recreation	2 009	1 346	1 658	1 971	1 717	1 652	1 580	1 743
Public safety	4 080	5 214	6 944	7 818	7 973	8 242	8 274	9 047
<i>Economic and environmental services</i>	36 534	40 412	39 187	56 103	51 767	57 952	56 324	58 362
Planning and development	15 135	17 145	16 551	24 056	22 048	25 727	25 613	24 133
Road transport	21 345	23 250	22 595	32 016	29 687	32 040	30 625	34 116
Environmental protection	55	17	40	31	32	185	86	113
<i>Trading services</i>	89 876	97 855	99 637	128 814	126 396	137 710	141 346	158 936
Energy sources	51 908	61 685	62 644	78 550	78 573	88 735	97 181	109 646
Waste water management	4 067	4 166	5 549	7 212	7 479	8 319	8 149	8 796
Waste management	33 901	32 003	31 444	43 051	40 344	40 656	36 016	40 494
<i>Other</i>	1 389	1 029	5 620	3 020	2 056	1 648	1 546	1 680
Total Expenditure - Functional	229 702	240 918	268 210	344 873	339 160	362 697	351 113	386 184
Surplus/(Deficit) for the year	71 725	64 111	36 414	2 796	2 690	450	35 221	9 358



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

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



Table 20 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote								
Vote 1 - Executive & Council	7 309	48	106 656	6 797	6 797	7 167	7 563	7 267
Vote 2 - Planning & Development	2 289	3 992	10 121	9 973	9 546	9 874	8 298	8 656
Vote 3 - Corporate Services	1 031	1 375	2 469	743	1 918	1 874	1 966	2 058
Vote 4 - Budget & Treasury	122 188	220 781	92 973	137 350	144 254	152 158	160 337	156 869
Vote 5 - Road Transport	47 553	19 456	30 389	43 994	43 128	42 309	42 911	44 775
Vote 9 - Community & Social Services	1 875	1 568	1 592	2 261	1 652	1 665	1 673	1 681
Vote 10 - Sport & Recreation	1	2	2	2	2	2	2	2
Vote 11 - Public Safety	36	47	43	74	74	83	88	92
Vote 12 - Electricity	76 370	46 505	49 580	98 715	87 265	98 671	111 517	122 977
Vote 13 - Waste Management	42 775	11 256	10 799	47 760	47 213	49 343	51 982	51 165
Total Revenue by Vote	301 427	305 030	304 623	347 670	341 850	363 147	386 334	395 542
Expenditure by Vote to be appropriated								
Vote 1 - Executive & Council	28 817	26 873	28 465	36 261	37 227	44 365	42 166	44 348
Vote 2 - Planning & Development	15 837	17 719	21 685	26 388	23 438	26 599	26 470	25 132
Vote 3 - Corporate Services	27 928	24 159	30 409	44 303	43 814	45 278	34 948	38 435
Vote 4 - Budget & Treasury	29 020	32 647	38 852	47 941	49 495	46 911	45 880	52 536
Vote 5 - Road Transport	24 778	28 418	29 280	38 646	36 463	39 202	37 795	41 955
Vote 6 - Waste Water Management	4 067	4 166	5 549	7 212	7 479	8 319	8 149	8 796
Vote 9 - Community & Social Services	10 791	11 856	17 966	19 362	19 411	19 901	19 824	21 892
Vote 10 - Sport & Recreation	2 009	1 346	1 658	1 971	1 717	1 652	1 580	1 743
Vote 11 - Public Safety	647	45	259	1 187	1 196	1 080	1 104	1 207
Vote 12 - Electricity	51 908	61 685	62 644	78 550	78 573	88 735	97 181	109 646
Vote 13 - Waste Management	33 901	32 003	31 444	43 051	40 344	40 656	36 016	40 494
Total Expenditure by Vote	229 702	240 918	268 210	344 873	339 160	362 697	351 113	386 184
Surplus/(Deficit) for the year	71 725	64 111	36 414	2 796	2 690	450	35 221	9 358

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

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



Table 21 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
Revenue								
Exchange Revenue								
Service charges - Electricity	41 362	44 115	48 684	63 240	51 940	61 638	69 449	80 333
Service charges - Waste Management	11 474	8 818	8 420	11 490	9 640	10 151	10 648	11 149
Sale of Goods and Rendering of Services	258	256	162	390	122	128	134	140
Agency services	906	1 481	1 200	2 313	1 513	1 540	1 615	1 691
Interest earned from Receivables	3 119	3 011	3 075	3 146	4 496	4 419	4 636	4 854
Interest earned from Current and Non Current Assets	21 294	16 040	17 806	17 599	22 599	23 819	25 129	25 029
Rent on Land	727	511	-	0	-	3	3	3
Rental from Fixed Assets	56	49	1 482	1 238	1 814	1 778	1 865	1 953
Licence and permits	972	1 392	1 256	1 254	1 351	1 433	1 503	1 573
Operational Revenue	932	649	551	1 019	742	767	804	842
Non-Exchange Revenue								
Property rates	12 430	12 830	15 497	14 320	16 190	17 048	17 884	18 724
Fines, penalties and forfeits	287	112	476	210	70	74	78	81
Transfer and subsidies - Operational	158 318	199 215	179 409	192 227	191 732	200 984	208 903	201 969
Interest	972	820	1 201	1 276	1 576	1 791	1 878	1 967
Gains on disposal of Assets	120	12	-	-	-	-	-	-
Other Gains	3 348	917	832	-	-	-	-	-
Discontinued Operations								
Total Revenue (excluding capital transfers and contributions)	256 576	290 227	280 052	309 722	303 785	325 572	344 529	350 307
Expenditure								
Employee related costs	93 583	99 860	112 976	122 867	123 629	130 324	136 600	143 178
Remuneration of councillors	12 697	12 663	12 761	15 796	16 196	17 055	17 890	18 731
Bulk purchases - electricity	35 073	39 533	44 034	52 343	51 843	61 537	69 352	78 160
Inventory consumed	11 510	9 953	10 754	24 661	20 948	18 820	17 049	21 470
Debt impairment	12 974	11 951	12 679	14 195	14 195	14 562	15 153	15 767
Depreciation and amortisation	18 475	18 548	17 084	19 661	18 113	18 833	19 587	20 370
Interest	2 396	2 197	2 660	2 900	3 451	3 802	4 229	4 747
Contracted services	19 208	21 606	30 869	50 349	47 171	59 055	37 648	41 959
Transfers and subsidies	37	-	42	42	42	36	-	-
Operational costs	23 387	19 666	23 615	39 860	41 372	36 672	31 805	40 182
Losses on disposal of Assets	356	3 042	389	2 200	2 200	2 000	1 800	1 620
Other Losses	6	1 899	348	-	-	-	-	-
Total Expenditure	229 702	240 918	268 210	344 873	339 160	362 697	351 113	386 184
Surplus/(Deficit)	26 875	49 309	11 842	(35 152)	(35 375)	(37 125)	(6 584)	(35 876)
Transfers and subsidies - capital (monetary allocations)	44 851	14 803	24 572	37 948	38 065	37 575	41 805	45 234
Surplus/(Deficit) for the year	71 725	64 111	36 414	2 796	2 690	450	35 221	9 358

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 in the annual financial statements of the municipality.



Table 22 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 3 - Corporate Services	8 853	1 565	218	634	234	800	-	-
Vote 5 - Road Transport	18 668	7 496	4 947	23 500	23 753	30 000	47 009	48 152
Vote 6 - Waste Water Management	-	-	-	5 640	3 640	7 200	10 600	5 000
Vote 9 - Community & Social Services	105	1 869	6 645	15 387	16 037	9 340	3 500	-
Vote 10 - Sport & Recreation	590	-	-	2 500	357	-	6 310	-
Vote 11 - Public Safety	1 730	-	-	-	-	1 080	800	600
Vote 12 - Electricity	1 967	2 041	-	-	-	-	2 609	4 348
Vote 13 - Waste Management	8 925	3 871	16 473	17 340	15 917	5 400	4 160	20 843
Capital multi-year expenditure sub-total	40 839	16 842	28 284	65 002	59 939	53 820	74 987	78 942
Single-year expenditure to be appropriated								
Vote 1 - Executive & Council	-	24	20	1 600	1 600	2 605	430	30
Vote 2 - Planning & Development	13	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	173	3 748	1 719	9 599	10 781	6 813	4 678
Vote 4 - Budget & Treasury	14	860	640	1 275	1 575	1 561	1 195	478
Vote 5 - Road Transport	1 046	236	494	463	675	380	-	-
Vote 9 - Community & Social Services	-	-	859	500	500	100	30	10
Vote 11 - Public Safety	-	-	-	350	1 070	400	-	-
Vote 12 - Electricity	1 337	606	1 201	1 924	2 257	1 865	2 719	2 882
Vote 13 - Waste Management	108	415	233	462	462	11 370	5 489	2 685
Capital single-year expenditure sub-total	2 518	2 316	7 194	8 294	17 739	29 061	16 676	10 763
Total Capital Expenditure - Vote	43 358	19 158	35 477	73 295	77 677	82 881	91 663	89 705
Capital Expenditure - Functional								
Governance and administration	8 867	2 622	4 625	5 228	13 008	15 746	8 438	5 186
Executive and council	-	24	20	1 600	1 600	535	30	30
Finance and administration	8 867	2 598	4 605	3 628	11 408	13 861	8 408	5 156
Internal audit	-	-	-	-	-	1 350	-	-
Community and public safety	2 426	1 869	7 504	25 117	24 160	20 470	25 610	600
Community and social services	105	1 869	7 504	15 687	16 337	9 340	3 500	-
Sport and recreation	590	-	-	2 500	357	-	6 310	-
Public safety	1 730	-	-	6 930	7 466	11 130	15 800	600
Economic and environmental services	19 727	7 732	5 441	17 383	18 032	20 730	32 009	48 152
Planning and development	13	-	-	-	-	-	-	-
Road transport	19 714	7 732	5 441	17 383	18 032	20 730	32 009	48 152
Trading services	12 337	6 933	17 907	25 367	22 277	25 835	25 576	35 757
Energy sources	3 304	2 647	1 201	1 924	2 257	1 865	5 328	7 230
Waste water management	-	-	-	5 640	3 640	7 200	10 600	5 000
Waste management	9 033	4 286	16 706	17 802	16 380	16 770	9 649	23 527
Other	-	-	-	200	200	100	30	10
Total Capital Expenditure - Functional	43 358	19 158	35 477	73 295	77 677	82 881	91 663	89 705
Funded by:								
National Government	38 822	13 583	24 572	37 948	38 065	37 575	41 805	45 234
Internally generated funds	4 536	5 575	10 906	35 347	39 612	45 307	49 858	44 471
Total Capital Funding	43 358	19 158	35 477	73 295	77 677	82 881	91 663	89 705



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

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital program is funded from National, Provincial and Other grants and transfers and internally generated funds from current and prior year surpluses.



Table 23 MBRR Table A6 - Budgeted Financial Position

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
ASSETS								
Current assets								
Cash and cash equivalents	351 427	442 039	458 013	322 614	396 785	333 979	295 219	236 123
Trade and other receivables from exchange transactions	16 790	15 508	16 650	27 009	21 382	27 625	35 136	44 518
Receivables from non-exchange transactions	2 880	7 023	4 033	3 860	3 678	4 177	4 849	5 596
Inventory	1 121	1 177	751	977	551	551	551	551
VAT	9 881	3 946	4 999	3 351	3 558	3 558	3 293	3 215
Other current assets	–	9	–	–	–	–	–	–
Total current assets	382 099	469 702	484 445	357 810	425 954	369 890	339 048	290 004
Non current assets								
Investment property	46 031	45 488	46 309	45 488	46 309	46 309	46 309	46 309
Property, plant and equipment	430 617	438 266	464 991	552 954	524 241	584 283	654 226	722 011
Intangible assets	175	186	128	64	66	2 072	2 405	2 336
Other non-current assets	1 747	1 586	1 823	–	–	–	–	–
Total non current assets	478 569	485 527	513 251	598 506	570 615	632 664	702 940	770 655
TOTAL ASSETS	860 668	955 229	997 697	956 316	996 569	1 002 553	1 041 988	1 060 659
LIABILITIES								
Current liabilities								
Financial liabilities	870	887	904	923	923	943	964	987
Consumer deposits	1 665	1 766	1 821	2 015	2 015	2 136	2 264	2 400
Trade and other payables from exchange transactions	12 551	9 927	10 295	16 707	15 279	16 655	14 742	17 193
Trade and other payables from non-exchange transactions	15 072	35 013	23 655	12 312	13 805	12 769	12 769	12 769
Provision	14 864	16 323	21 967	19 129	19 578	20 526	21 718	22 958
Total current liabilities	45 023	63 916	58 642	51 087	51 600	53 028	52 456	56 308
Non current liabilities								
Financial liabilities	8 635	7 748	6 844	5 921	5 921	4 978	4 014	3 027
Provision	20 189	24 831	28 777	31 405	32 924	37 973	43 722	50 171
Total non current liabilities	28 824	32 579	35 621	37 326	38 845	42 950	47 736	53 198
TOTAL LIABILITIES	73 847	96 495	94 262	88 412	90 445	95 979	100 193	109 506
NET ASSETS	786 822	858 734	903 434	867 904	906 124	906 574	941 796	951 153
COMMUNITY WEALTH/EQUITY								
Accumulated surplus/(deficit)	717 757	781 410	817 823	501 788	480 369	505 135	565 532	622 790
Reserves and funds	69 065	77 324	85 611	366 116	425 755	401 439	376 263	328 363
TOTAL COMMUNITY WEALTH/EQUITY	786 822	858 734	903 434	867 904	906 124	906 574	941 796	951 153



Explanatory notes to Table A6 - Budgeted Financial Position

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



Table 24 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	9 448	10 150	12 446	11 002	12 007	13 029	13 715	14 418
Service charges	40 781	48 196	49 493	57 417	45 669	54 863	61 428	70 441
Other revenue	10 077	10 390	12 570	6 138	9 646	5 302	5 567	5 834
Transfers and Subsidies - Operational	158 445	201 714	171 501	192 227	189 065	199 394	208 903	201 969
Transfers and Subsidies - Capital	45 936	31 846	36 541	37 948	30 883	37 575	41 805	45 234
Interest	21 294	16 040	17 806	20 996	22 599	30 029	31 644	31 849
Payments								
Suppliers and employees	(202 604)	(207 254)	(247 484)	(300 569)	(289 218)	(315 476)	(305 115)	(333 562)
Interest	(831)	(595)	(545)	(2 900)	(3 451)	(3 802)	(4 229)	(4 747)
Transfers and Subsidies	(37)	-	(42)	(42)	(42)	(36)	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	82 509	110 487	52 284	22 217	17 159	20 877	53 718	31 437
CASH FLOWS FROM INVESTING ACTIVITIES								
Payments								
Capital assets	(43 358)	(19 158)	(35 477)	(73 295)	(77 677)	(82 881)	(91 663)	(89 705)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(43 358)	(19 158)	(35 477)	(73 295)	(77 677)	(82 881)	(91 663)	(89 705)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Increase (decrease) in consumer deposits	36	101	54	114	195	121	128	136
Payments								
Repayment of borrowing	(855)	(871)	(887)	(904)	(904)	(923)	(943)	(964)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(819)	(769)	(833)	(790)	(709)	(802)	(815)	(828)
NET INCREASE/ (DECREASE) IN CASH HELD	38 332	90 560	15 974	(51 869)	(61 228)	(62 807)	(38 759)	(59 096)
Cash/cash equivalents at the year begin:	313 095	351 479	442 039	374 482	458 013	396 785	333 979	295 219
Cash/cash equivalents at the year end:	351 427	442 039	458 013	322 614	396 785	333 979	295 219	236 123

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

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



Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
Cash and investments available								
Cash/cash equivalents at the year end	351 427	442 039	458 013	322 614	396 785	333 979	295 219	236 123
Cash and investments available:	351 427	442 039	458 013	322 614	396 785	333 979	295 219	236 123
Application of cash and investments								
Trade payables from Non-exchange transactions:								
Unspent conditional Grants	15 072	35 013	23 655	12 312	13 805	12 769	12 769	12 769
Other working capital requirements	(11 696)	(14 652)	(13 039)	(13 035)	(14 070)	(9 029)	(16 870)	(22 031)
Other provisions	14 864	16 323	21 967	19 129	19 578	20 526	21 718	22 958
Reserves to be backed by cash/investments	225 112	243 725	258 644	284 152	332 145	302 212	271 082	216 871
Total Application of cash and investments:	243 352	280 408	291 227	302 558	351 458	326 477	288 699	230 567
Surplus(shortfall)	108 076	161 631	166 786	20 056	45 327	7 501	6 521	5 556

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality’s budget must be “funded”. The municipality’s budget is cash-funded and thus in compliance with the requirements of the MFMA.
4. As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.



Table 26 MBRR Table A9 - Asset Management

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
CAPITAL EXPENDITURE								
Total New Assets	43 358	19 158	35 477	40 014	48 791	56 581	64 770	49 205
<i>Roads Infrastructure</i>	18 732	7 732	3 267	188	400	315	5 576	7 652
<i>Storm water Infrastructure</i>	-	-	2 160	5 640	3 640	7 200	10 600	5 000
<i>Electrical Infrastructure</i>	1 967	2 254	1 173	1 880	2 197	1 800	5 259	7 157
<i>Solid Waste Infrastructure</i>	8 925	3 871	16 473	10 412	9 954	2 700	4 160	20 843
Infrastructure	29 624	13 857	23 073	18 120	16 191	12 015	25 594	40 651
Community Facilities	2 426	1 869	6 070	7 802	12 539	8 370	4 300	600
Sport and Recreation Facilities	-	-	-	2 500	357	-	5 850	-
Community Assets	2 426	1 869	6 070	10 302	12 896	8 370	10 150	600
Operational Buildings	8 853	1 565	1 652	6 580	6 396	9 650	15 000	-
Other Assets	8 853	1 565	1 652	6 580	6 396	9 650	15 000	-
Licences and Rights	-	103	-	-	-	2 070	400	-
Intangible Assets	-	103	-	-	-	2 070	400	-
Computer Equipment	-	772	316	1 000	1 300	1 300	1 195	478
Furniture and Office Equipment	27	183	290	860	910	466	69	33
Machinery and Equipment	1 123	38	4 076	1 552	5 498	16 311	7 608	5 467
Transport Assets	1 304	771	-	1 600	5 600	6 400	4 753	1 977
Total Renewal of Existing Assets	-	-	-	10 115	6 348	2 050	-	-
<i>Roads Infrastructure</i>	-	-	-	1 880	1 880	-	-	-
Infrastructure	-	-	-	1 880	1 880	-	-	-
Community Facilities	-	-	-	8 235	4 468	2 050	-	-
Community Assets	-	-	-	8 235	4 468	2 050	-	-
Total Upgrading of Existing Assets	-	-	-	23 166	22 539	24 250	26 893	40 500
<i>Roads Infrastructure</i>	-	-	-	15 040	15 477	20 350	26 433	40 500
<i>Solid Waste Infrastructure</i>	-	-	-	6 928	5 964	2 700	-	-
Infrastructure	-	-	-	21 968	21 440	23 050	26 433	40 500
Community Facilities	-	-	-	-	400	400	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	460	-
Community Assets	-	-	-	-	400	400	460	-
Operational Buildings	-	-	-	1 198	698	800	-	-
Other Assets	-	-	-	1 198	698	800	-	-
Total Capital Expenditure	43 358	19 158	35 477	73 295	77 677	82 881	91 663	89 705
<i>Roads Infrastructure</i>	18 732	7 732	3 267	17 108	17 757	20 665	32 009	48 152
<i>Storm water Infrastructure</i>	-	-	2 160	5 640	3 640	7 200	10 600	5 000
<i>Electrical Infrastructure</i>	1 967	2 254	1 173	1 880	2 197	1 800	5 259	7 157
<i>Solid Waste Infrastructure</i>	8 925	3 871	16 473	17 340	15 917	5 400	4 160	20 843
Infrastructure	29 624	13 857	23 073	41 968	39 511	35 065	52 027	81 151
Community Facilities	2 426	1 869	6 070	16 037	17 407	10 820	4 300	600
Sport and Recreation Facilities	-	-	-	2 500	357	-	6 310	-
Community Assets	2 426	1 869	6 070	18 537	17 764	10 820	10 610	600
Operational Buildings	8 853	1 565	1 652	7 778	7 094	10 450	15 000	-
Other Assets	8 853	1 565	1 652	7 778	7 094	10 450	15 000	-
Licences and Rights	-	103	-	-	-	2 070	400	-
Intangible Assets	-	103	-	-	-	2 070	400	-
Computer Equipment	-	772	316	1 000	1 300	1 300	1 195	478
Furniture and Office Equipment	27	183	290	860	910	466	69	33
Machinery and Equipment	1 123	38	4 076	1 552	5 498	16 311	7 608	5 467
Transport Assets	1 304	771	-	1 600	5 600	6 400	4 753	1 977
TOTAL CAPITAL EXPENDITURE - Asset class	43 358	19 158	35 477	73 295	77 677	82 881	91 663	89 705



Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
ASSET REGISTER SUMMARY - PPE (WDV)	476 823	483 940	511 428	598 506	570 615	632 664	702 940	770 655
<i>Roads Infrastructure</i>	122 205	119 935	116 123	134 158	124 176	136 036	159 028	197 929
<i>Storm water Infrastructure</i>	51 784	48 892	49 795	52 777	52 103	56 917	65 176	67 867
<i>Electrical Infrastructure</i>	23 164	25 249	25 033	26 431	25 820	26 154	29 887	35 458
<i>Solid Waste Infrastructure</i>	30 738	34 274	50 076	76 881	66 702	70 947	73 905	93 499
Infrastructure	227 891	228 351	241 027	290 247	268 800	290 054	327 997	394 753
Community Assets	53 100	52 869	56 659	90 370	72 095	80 493	88 585	86 566
Investment properties	46 031	45 488	46 309	45 488	46 309	46 309	46 309	46 309
Other Assets	96 018	104 505	113 247	114 938	119 370	128 810	142 760	141 668
Intangible Assets	175	186	128	64	66	2 072	2 405	2 336
Computer Equipment	1 885	1 906	1 517	1 808	2 117	2 689	3 127	2 817
Furniture and Office Equipment	1 448	1 142	1 064	3 097	1 561	1 597	1 220	788
Machinery and Equipment	15 251	13 638	16 351	15 393	19 971	34 329	39 906	43 261
Transport Assets	6 015	6 080	5 350	7 325	10 550	16 534	20 855	22 383
Land	29 008	29 776	29 776	29 776	29 776	29 776	29 776	29 776
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	476 823	483 940	511 428	598 506	570 615	632 664	702 940	770 655
EXPENDITURE OTHER ITEMS	27 576	28 826	31 062	41 712	37 074	39 825	36 666	41 887
Depreciation	18 475	18 548	17 084	19 661	18 113	18 833	19 587	20 370
Repairs and Maintenance by Asset Class	9 101	10 278	13 978	22 051	18 961	20 992	17 079	21 517
<i>Roads Infrastructure</i>	1 842	2 100	3 710	7 709	7 049	7 704	6 864	8 086
<i>Storm water Infrastructure</i>	272	289	404	487	322	442	319	479
<i>Electrical Infrastructure</i>	1 212	600	821	985	865	1 007	928	1 200
<i>Solid Waste Infrastructure</i>	60	155	373	625	625	1 903	1 998	2 111
Infrastructure	3 387	3 143	5 308	9 807	8 862	11 055	10 109	11 875
Community Facilities	1 108	1 655	2 233	2 751	2 594	2 101	1 835	2 581
Sport and Recreation Facilities	351	188	375	442	442	330	218	304
Community Assets	1 459	1 843	2 608	3 193	3 036	2 430	2 053	2 885
Non-revenue Generating	-	-	-	119	119	218	329	518
Investment properties	-	-	-	119	119	218	329	518
Operational Buildings	704	617	1 268	3 010	1 605	1 974	627	903
Other Assets	704	617	1 268	3 010	1 605	1 974	627	903
Furniture and Office Equipment	297	372	356	650	630	615	395	568
Machinery and Equipment	1 427	2 015	1 905	2 321	1 998	2 106	1 741	2 258
Transport Assets	1 826	2 287	2 533	2 950	2 710	2 595	1 826	2 509
TOTAL EXPENDITURE OTHER ITEMS	27 576	28 826	31 062	41 712	37 074	39 825	36 666	41 887
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	45.4%	37.2%	31.7%	29.3%	45.1%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0.0%	0.0%	0.0%	169.3%	159.5%	139.6%	137.3%	198.8%
<i>R&M as a % of PPE & Investment Property</i>	1.9%	2.1%	2.7%	3.7%	3.3%	3.3%	2.4%	2.8%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	1.9%	2.1%	2.7%	9.2%	8.4%	7.5%	6.3%	8.1%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal and upgrade of existing assets, as well as spending on repairs and maintenance by asset class in line with the mSCOA classifications.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations for the 2023/24 MTREF.



Table 27 MBRR Table A10 - Basic Service Delivery Measurement

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets								
Energy:								
Electricity (at least min.service level)	35 801	37 949	-	42 640	42 640	46 051	47 432	48 381
Electricity - prepaid (min.service level)	1 368	1 450	-	3 392	3 392	3 663	3 599	4 030
<i>Minimum Service Level and Above sub-total</i>	37 169	39 399	-	46 032	46 032	49 714	51 031	52 412
Other energy sources	8 460	8 967	-	8 967	8 967	8 303	8 061	7 071
<i>Below Minimum Service Level sub-total</i>	8 460	8 967	-	8 967	8 967	8 303	8 061	7 071
Total number of households	45 629	48 366	-	54 999	54 999	58 017	59 092	59 483
Refuse:								
Removed at least once a week	5 871	6 223	-	6 992	6 992	8 251	8 829	9 005
<i>Minimum Service Level and Above sub-total</i>	5 871	6 223	-	6 992	6 992	8 251	8 829	9 005
Removed less frequently than once a week	-	-	-	-	-	-	-	-
Using communal refuse dump	41 099	43 565	-	48 950	48 950	49 929	50 927	51 436
<i>Below Minimum Service Level sub-total</i>	41 099	43 565	-	48 950	48 950	49 929	50 927	51 436
Total number of households	46 970	49 788	-	55 942	55 942	58 180	59 756	60 442
Cost of Free Basic Services provided - Formal Settlements (R'000)								
Electricity/other energy (50kwh per indigent household per month)	-	-	-	719	719	867	995	1 171
Refuse (removed once a week for indigent households)	-	3 179	3 024	4 922	4 022	4 235	4 442	4 651
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)								
Total cost of FBS provided	-	3 179	3 024	5 640	4 740	5 102	5 437	5 822
Highest level of free service provided per household								
Property rates (R value threshold)	60 000	60 000	60 000	60 000	60 000	60 000	60 000	60 000
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50
Refuse (average litres per week)	140	140	140	140	140	140	140	140
Revenue cost of subsidised services provided (R'000)								
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	3 253	3 978	5 352	2 568	5 568	5 863	6 151	6 440
Total revenue cost of subsidised services provided	3 253	3 978	5 352	2 568	5 568	5 863	6 151	6 440



Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

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

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

2.1.1 IDP and Service Delivery and Budget Implementation Plan

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

The Mayor tabled in Council the required the IDP and budget time schedule in July 2022

Key dates applicable to the process were:



Table 28 IDP and Service Delivery and Budget Implementation Plan

Time Frames	Mayor and Council	Administration - Municipality
<p>July 2022 – December 2022</p>	<p>Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process MFMA s 53</p> <p>IDP & Budget Steering Committee Meeting to discuss draft IDP & Budget process plan 27 July 2022</p> <p>Integrated Participatory Planning Forum to discuss process plan and review analysis 10 August 2022</p> <p>Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year 30 August 2022. MFMA s 21,22, 23; MSA s 34, Ch 4 as amended</p> <p>Council finalises tariff (rates and service charges) policies for next financial year MSA s 74, 75</p>	<p>Accounting officers and senior officials of municipality begin planning for next three-year budget MFMA s 68, 77</p> <p>Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements by 21 December 2022</p>
<p>January 2023</p>		<p>Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January) MFMA s 36</p>
<p>February 2023</p>	<p>IDP and Budget Steering Committee 24 February 2023</p>	<p>Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report</p> <p>Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year MFMA s 37(2)</p>
<p>March 2023</p>	<p>IPPF to discuss draft IDP 28 March 2023</p> <p>IDP & Budget Steering Committee meeting to develop draft high level SDBIP 24 March 2023</p> <p>Mayor tables municipality budget, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year MFMA s 16, 22, 23, 87; MSA s 34 31 March 2023</p>	<p>Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March MFMA s 42</p>



Time Frames	Mayor and Council	Administration - Municipality
<p>April – May 2023</p>	<p>Public hearings on the budget 12 April to 12 May 2023, and Council debate. Council considers views of the local community, NT, PT, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration MFMA s 23, 24; MSA Ch 4 as amended</p> <p>IDP & Budget Steering Committee meeting to conclude SDBIP and budget submissions 16 May 2023</p> <p>IPPF to discuss high level SDBIP 23 May 2023</p> <p>Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc MFMA s 21</p> <p>Council to consider approval of budget and plans at least 30 days before start of budget year, 31 May 2023. MFMA s 23, 24; MSA Ch 4 as amended</p> <p>Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year 31 May 2023 MFMA s 16, 24, 26, 53</p> <p>IDP submitted to Mec of Local Government 10 June 2023</p>	<p>Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed MFMA s 22 & 37; MSA Ch 4 as amended</p> <p>Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year</p> <p>Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature</p> <p>Accounting officers of Municipality publishes adopted budget and plans 10 June 2023 MFMA s 75, 87</p>
<p>June – July 2023</p>	<p>Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. 28 June 2023.</p> <p>The Mayor submits the approved SDBIP and performance agreements to Council 28 July 2023, MEC for local government and makes public within 14 days after approval 7 August 2023. MFMA s 53; MSA s 38-45, 57(2)</p> <p>Council must finalise a system of delegations. MFMA s 59, 79, 82; MSA s 59-65</p>	<p>Accounting officer submits to the Mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA (14 June 2023). MFMA s 69; MSA s 57</p>



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

The IDP has been taken into a business and financial planning process leading up to the 2023/24 MTREF, based on the approved 2022/23 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

2.1.2 Community Consultation

A full consultation process was carried out during April 2023. During this process, members of the community was given the opportunity to provide inputs and comments on the draft budget presented to them. The comments and inputs were reviewed and where viable, the proposed changes were incorporated into the final budget to be approved by Council at the end of May 2023.

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 2023/24 MTREF has therefore been directly informed by the IDP process and the following tables provide the reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 29 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand						
To ensure that the traffic section operates effectively and efficiently	TRAFFIC	BSD01	3 396	3 529	3 702	3 876
To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE	BSD02	1 667	1 206	12	13
To ensure effective management and maintenance of indoor recreational community facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES	BSD03	125	133	139	146
To ensure effective management, construction and maintenance of cemeteries and pauper burials	CEMETRIES AND PAUPER BURIAL	BSD04	16	22	23	25
To construct, maintain, identify, establish and upgrade existing urban sportsfields	SPORTS	BSD05	2	2	2	2
To provide library services to all residents	LIBRARIES	BSD06	1 510	1 508	1 509	1 509
To maintain and control the municipal commonage / To maintain and effectively operate the pounds	LICENSING AND CONTROL OF ANIMALS	BSD08	75	85	89	93
To improve the quality of life for residents by increasing the % of households receiving basic refuse collection/ To reduce waste through awareness campaigns/To effectively manage and reduce waste	WASTE MANAGEMENT	BSD09	47 213	49 343	51 982	51 165
That all registered indigent households receive free basic electricity and refuse removal	FREE BASIC SERVICES	BSD10	(5 568)	(5 863)	(6 151)	(6 440)
To maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment in order to reduce losses and ensure compliance/To reduce Senqu electricity backlogs by assisting Eskom with electrification of rural areas as identified by Council.	ELECTRICITY AND STREET LIGHTING	BSD11	87 265	98 671	108 908	118 629
To ensure quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report / To ensure that Council and ExCo meetings are held quarterly and to track Council resolutions taken / To ensure good governance through the monitoring of the implementation of the OPCAR and Audit action plan	OVERSIGHT	GGPP03	6 797	7 167	7 563	7 267
To promote interactive communication with customers around service delivery issues / To ensure regular participation of the public and interaction with the public through the public participation plan, Imbizos and meetings such as IPPF etc	CUSTOMER CARE & PUBLIC PARTICIPATION	GGPP04	12	12	12	13



Strategic Objective	Goal	Goal Code	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand						
To promote responsible tourism and arts and heritage through continued support to local initiatives	TOURISM	LED01	330	330	-	-
To ensure the financial viability of the municipality by applying the Cogta prescribed ratios for debt coverage, outstanding service debtors to revenue and cost coverage / To expand and protect the municipal revenue base by providing accurate bills for services rendered / To annually report on the % of the Municipality's budget actually spent on capital projects identified a particular financial year in terms of the Municipality's IDP	FINANCIAL MANAGEMENT	MFMV03	149 785	157 983	166 446	163 266
To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget development and submission requirements	BUDGET COMPILATION	MFMV05	37	39	41	43
To ensure that the organisational structure of the Municipality is aligned to its present and future staffing needs and requirements / To ensure effective management of staff and policy and procedure processes through job descriptions, leave management and clock in systems	RECRUITMENT, SELECTION AND EMPLOYEE MANAGEMENT	MTID03	200	198	208	218
To ensure that municipal buildings and assets are maintained and secured/To provide office space and parking by building new offices and renovating existing buildings	BUILDINGS	MTID09	1 692	1 649	1 730	1 811
To ensure that Municipal information is kept secure and filed and archived according to legislation	RECORDS MANAGEMENT	MTID10	15	15	16	16
To develop a new SDF and implement SPLUMA regulations / To ensure adherence to town planning and building control legislation /To manage urbanisation of existing urban areas	SPATIAL PLANNING	MTID12	1 637	1 634	46	48
To ensure capital Infrastructure management and reporting	PMU REPORTING	MTID14	7 579	7 910	8 252	8 608
Total Revenue (excluding capital transfers and contributions)			303 785	325 572	344 529	350 307



Table 30 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand						
To ensure that the traffic section operates effectively and efficiently	TRAFFIC	BSD01	7 774	8 162	8 226	8 970
To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE	BSD02	34 513	36 299	35 315	38 747
To ensure effective management and maintenance of indoor recreational community facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES	BSD03	14 490	14 533	14 954	16 454
To ensure effective management, construction and maintenance of cemeteries and pauper burials	CEMETRIES AND PAUPER BURIAL	BSD04	1 654	1 758	1 396	1 730
To construct, maintain, identify, establish and upgrade existing urban sportsfields	SPORTS	BSD05	1 632	1 568	1 501	1 653
To provide library services to all residents	LIBRARIES	BSD06	2 562	2 646	2 690	2 906
To create a healthy and sustainable environment by maintaining and developing public open spaces	PARKS AND PUBLIC OPEN SPACES	BSD07	118	268	165	203
To maintain and control the municipal commonage / To maintain and effectively operate the pounds	LICENSING AND CONTROL OF ANIMAL	BSD08	3 120	3 193	3 178	3 343
To improve the quality of life for residents by increasing the % of households receiving basic refuse collection/ To reduce waste through awareness campaigns/To effectively manage and reduce waste	WASTE MANAGEMENT	BSD09	28 466	30 320	30 453	32 718
That all registered indigent households receive free basic electricity and refuse removal	FREE BASIC SERVICES	BSD10	21 865	23 187	24 398	29 607
To maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment in order to reduce losses and ensure compliance/To reduce Senqu electricity backlogs by assisting Eskom with electrification of rural areas as identified by Council.	ELECTRICITY AND STREET LIGHTING	BSD11	63 188	71 141	77 879	87 144
To promote and instil good governance practices within Senqu municipality	RISK & FRAUD PREVENTION	GGPP01	715	798	773	817
To ensure quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report/ To ensure that Council and ExCo meetings are held quarterly and to track Council resolutions taken / To ensure good governance through the monitoring of the implementation of the OPCAR and Audit action plan	OVERSIGHT	GGPP03	36 732	39 629	38 824	40 713
To promote interactive communication with customers around service delivery issues / To ensure regular participation of the public and interaction with the public through the public participation plan, Imbizos and meetings such as IPPF etc	CUSTOMER CARE & PUBLIC PARTICIPATION	GGPP04	5 845	5 719	5 088	6 182
To promote the mainstreaming and upliftment of HIV and AIDS, women and children, youth, people with disabilities and the elderly into municipal Socio-Economic Programmes and Projects	MAINSTREAMING	GGPP05	1 022	1 865	1 138	1 438
To promote responsible tourism and arts and heritage through continued support to local initiatives	TOURISM	LED01	1 403	888	870	1 013
To promote and attract development in the local economy through implementation of the LED strategy	LOCAL ECONOMIC DEVELOPMENT	LED02	8 152	10 881	3 795	4 921



Strategic Objective	Goal	Goal Code	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand						
To ensure the efficient and effective procurement of goods and services	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING)	MFMV01	3 853	3 239	3 328	3 637
To ensure monitoring of Municipal Assets per Department through regular asset checks and reporting	ASSET MANAGEMENT	MFMV02	3 889	4 060	4 262	4 492
To ensure the financial viability of the municipality by applying the Cogta prescribed ratios for debt coverage, outstanding service debtors to revenue and cost coverage / To expand and protect the municipal revenue base by providing accurate bills for services rendered / To annually report on the % of the Municipality's budget actually spent on capital projects identified a particular financial year in terms of the Municipality's IDP	FINANCIAL MANAGEMENT	MFMV03	29 940	29 874	30 092	33 962
To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget development and submission requirements	BUDGET COMPILATION	MFMV05	2 414	2 198	1 459	2 164
To develop and submit S 71 reports as per MFMA guidelines and prescripts	REPORTING	MFMV06	3 046	2 528	2 261	2 704
To ensure an continually secure, effective and efficient ICT service through implementation of ICT policies and plans and upgrading of ICT equipment	IT	MFMV07	8 974	7 152	6 272	7 786
To develop and implement an effective HR strategy / To develop, adopt and implement the workplace skills plan (WSDP) / To submit the skills plan and annual training report as legislated	SKILLS DEVELOPMENT	MTID01	1 820	1 663	2 018	2 127
To ensure that the organisational structure of the Municipality is aligned to its present and future staffing needs and requirements / To ensure effective management of staff and policy and procedure processes through job descriptions, leave management and clock in systems	RECRUITMENT, SELECTION AND EMPLOYEE MANAGEMENT	MTID03	7 254	7 588	6 084	6 167
To ensure the physical and mental well-being of employees through the implementation of an employee wellness programme	EMPLOYEE WELLNESS PROGRAMME	MTID04	521	488	355	522
To ensure that all Senqu buildings and staff adhere to and implement OHS legislation	OCCUPATIONAL HEALTH AND SAFETY	MTID05	540	474	335	497
To ensure that the Municipality implements sound management controls in order to mitigate against unnecessary litigation	LEGAL SERVICES	MTID07	3 351	4 006	2 535	2 848
To review and implement departmental policies, procedures, procedure manuals and bylaws annually	POLICIES AND BY-LAWS	MTID08	245	213	3	4
To ensure that municipal buildings and assets are maintained and secured	BUILDINGS	MTID09	9 897	15 242	8 664	8 965
To ensure that Municipal information is kept secure and filed and archived according to legislation	RECORDS MANAGEMENT	MTID10	10 961	10 272	10 185	10 878
To ensure that a system of departmental and individual performance management system is implemented	PERFORMANCE MANAGEMENT AND REPORTING	MTID11	7 842	7 742	7 865	8 251
To develop a new SDF and implement SPLUMA regulations / To ensure adherence to town planning and building control legislation / To manage urbanisation of existing urban areas	SPATIAL PLANNING	MTID12	6 973	7 992	9 962	8 176
To ensure capital infrastructure management and reporting	PMU REPORTING	MTID14	4 387	5 111	4 793	4 448
Total Expenditure			339 160	362 697	351 113	386 184



Table 31 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand						
To ensure that the traffic section operates effectively and efficiently	TRAFFIC	BSD01	6 396	9 650	15 000	-
To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	ROADS BRIDGES AND TRANSPORT	BSD02	18 032	20 730	32 009	48 152
To ensure effective management and maintenance of indoor recreational community facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES	BSD03	8 368	7 900	-	-
To ensure effective management, construction and maintenance of cemeteries and pauper burials	CEMETRIES AND PAUPER BURIAL	BSD04	7 969	1 440	3 500	-
To construct, maintain, identify, establish and upgrade existing urban sportsfields	SPORTS	BSD05	357	-	6 310	-
To maintain and control the municipal commonage / To maintain and effectively operate the pounds	LICENSING AND CONTROL OF ANIMAL	BSD08	1 270	1 580	830	610
To improve the quality of life for residents by increasing the % of households receiving basic refuse collection/ To reduce waste through awareness campaigns/To effectively manage and reduce waste	WASTE MANAGEMENT	BSD09	16 380	16 770	9 649	23 527
To maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment in order to reduce losses and ensure compliance/To reduce Senqu electricity backlogs by assisting Eskom with electrification of rural areas as identified by Council.	ELECTRICITY AND STREET LIGHTING	BSD11	2 257	1 865	5 328	7 230
To undertake risk assessments and develop risk plans to combat or mitigate risk where possible / To implement the fraud prevention policy	RISK & FRAUD PREVENTION	GGPP01	-	720	400	-
To ensure quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report/ To ensure that Council and ExCo meetings are held quarterly and to track Council resolutions taken / To ensure good governance through the monitoring of the implementation of the OPCAR and Audit action plan	OVERSIGHT	GGPP03	1 600	1 885	30	30
To promote and attract development in the local economy through implementation of the LED strategy	Local Economic Development	LED02	3 640	7 200	10 600	5 000
To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget development and submission requirements	BUDGET COMPILATION	MFMV05	1 575	1 561	1 195	478
To develop and submit S 71 reports as per MFMA guidelines and prescripts	REPORTING	MFMV06	4 000	6 000	4 753	1 977
To ensure that the organisational structure of the Municipality is aligned to its present and future staffing needs and requirements / To ensure effective management of staff and policy and procedure processes through job descriptions, leave management and clock in systems	RERUITMENT,SELECTION AND EMPLOYEE MANAGEMENT	MTID03	-	72	-	-
To ensure that municipal buildings and assets are maintained and secured	BUILDINGS	MTID09	5 464	3 864	1 209	1 451
To ensure that Municipal information is kept secure and filed and archived according to legislation	RECORDS MANAGEMENT	MTID10	369	1 645	850	1 250
Total Capital Expenditure			77 677	82 881	91 663	89 705



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.

Table 32 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Vote 3 - Corporate Services					
Function 1 - Buildings					
Sub-function 1 - Other Buildings					
<i>Construction of Change rooms - Lady Grey</i>	Completion of project	-	800	-	-
Vote5 - Road Transport					
Function 1 - Roads					
Sub-function 1 - Access Roads					
<i>Tienbank Access to Property (180 Properties)</i>	Completion of project to the specification of the engineers	400	315	-	-
Sub-function 2 - Surfaced Roads					
<i>New Rest Construction - Paving</i>	Completion of project to the specification of the engineers	3 454	4 500	10 000	33 000
<i>Construction of interlock paved streets in Khewzi Naledi (Steve Tswete) W 14</i>	Completion of project to the specification of the engineers	12 023	15 850	16 433	7 500
<i>Resurface of existing paved roads (asphalt) & upgrade of storm water in Barkly East.</i>	Completion of project to the specification of the engineers	-	-	2 576	5 152
Function 2 - Road Structures					
Sub-function 1 - Bridges					
<i>Transwilger Bridge</i>	Completion of project to the specification of the engineers	1 880	-	-	-
<i>Construction of a pedestrian bridge between Esilindini and Frans (W12)</i>	Completion of project to the specification of the engineers	-	-	3 000	2 500
Function 3 - Road and Traffic Regulation					
Sub-function 1 - Municipal Offices					
<i>Driving Licence and Testing Centre Sterkspruit</i>	Completion of project to the specification of the engineers	6 396	9 650	15 000	-



Description	Unit of measurement	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Vote 6 - Waste Water Management					
Function 1 - Storm water					
Sub-function 1 - Storm water Conveyance					
<i>Lining, fencing and upgrading of primary storm water channel through Khwezi Naledi and upgrade of two motor bridges..</i>	Completion of project to the specification of the engineers	3 640	7 200	10 600	5 000
Vote9 - Community & Social Services					
Function 1 - Community Halls					
Sub-function 1 - Buildings					
<i>Renovations (Barkly East Town Hall)</i>	Renovation of the hall to specifications	4 468	2 050	-	-
<i>Herschel Community Hall</i>	Completion of project to the specification of the engineers	3 900	5 850	-	-
Function 2 - Cemeteries					
Sub-function 1 - Cemeteries					
<i>Construction of New Cemetery in Barkly East</i>	Completion of project to the specification of the engineers	7 362	-	-	-
<i>Fencing of existing cemeteries at Joveleni, Hinana and Voyizana</i>	Completion of project to the specification of the engineers	307	720	-	-
<i>Lady Grey and Herschel Cemetery Layout Plans (EIA) (W13 & 14)</i>	Completion of project to the specification of the engineers	300	720	3 500	-
Vote10 - Sport & Recreation					
Function 1 - Sport Facilities					
Sub-function 1 - Sport Facilities					
<i>Construction of Blue-Gums Sportsfield</i>	Fully functional sport facilities	357	-	5 850	-
<i>Upgrading at Khwezi Naledi Stadium and electricity upgrade</i>	Fully functional sport facilities	-	-	460	-
Vote11 - Public Safety					
Function 1 - Public Safety					
Sub-function 1 - Pounds					
<i>Construction of Animal Pound in Lady Grey Ward 14</i>	Fully functional animal pound	400	400	-	-
Vote12 - Electricity					
Function 1 - Electricity distribution					
Sub-function 1 - Infrastructure					
<i>Pre-Paid Electricity Meters</i>	Completion of project to the specification of the engineers	2 197	1 800	2 650	2 809
<i>DOE Projects - Pre Engineering Costs - Rural Connections</i>	Completion of project to the specification of the engineers	-	-	2 609	4 348
Vote13 - Waste Management					
Function 1 - Refuse					
Sub-function 1 - Waste sites Infrastructure					
<i>Solid Waste Site - Sterkspruit</i>	Completion of project to satisfy specifications of the engineers	-	1 350	3 660	20 843
<i>Solid Waste Site - Herschel</i>	Completion of project to satisfy specifications of the engineers	1 916	-	-	-
<i>Solid Waste Site - Rossouw</i>	Completion of project to satisfy specifications of the engineers	7 837	-	-	-
<i>Upgrading of Existing Solid Waste Site in Lady Grey</i>	Completion of project to satisfy specifications of the engineers	5 964	2 700	-	-
Function 1 - Refuse					
Sub-function 1 - Waste sites Infrastructure					
<i>Construction of Transfer Station in Rhodes</i>	Completion of project to satisfy specifications of the engineers	200	1 350	500	-



The following table sets out the municipalities main performance objectives and benchmarks for the 2023/24 MTREF. (Derived from the National Treasury formats)

Table 33 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Borrowing Management</u>					
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.3%	1.3%	1.5%	1.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.4%	1.5%	1.5%	1.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>					
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>					
Current Ratio	Current assets/current liabilities	8.3	7.0	6.5	5.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	8.3	7.0	6.5	5.2
Liquidity Ratio	Monetary Assets/Current Liabilities	8.1	6.8	6.3	5.0
<u>Revenue Management</u>					
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	93.5%	93.5%	94.4%	93.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		93.5%	94.4%	93.7%	92.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17.8%	16.8%	16.0%	15.9%
<u>Creditors Management</u>					
Creditors to Cash and Investments		1.9%	2.9%	2.9%	4.9%
<u>Other Indicators</u>					
Employee costs	Employee costs/(Total Revenue - capital revenue)	40.7%	40.0%	39.6%	40.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	46.0%	45.3%	44.8%	46.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.2%	6.4%	5.0%	6.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.1%	7.0%	6.9%	7.2%
<u>IDP regulation financial viability indicators</u>					
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	13.2	10.0	10.5	10.7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	12.3%	11.3%	10.6%	10.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	17.0	13.0	11.8	8.7



Performance indicators and benchmarks

2.2.1.1 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, Senqu 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 have formed part of the compilation of the 2023/24 MTREF:

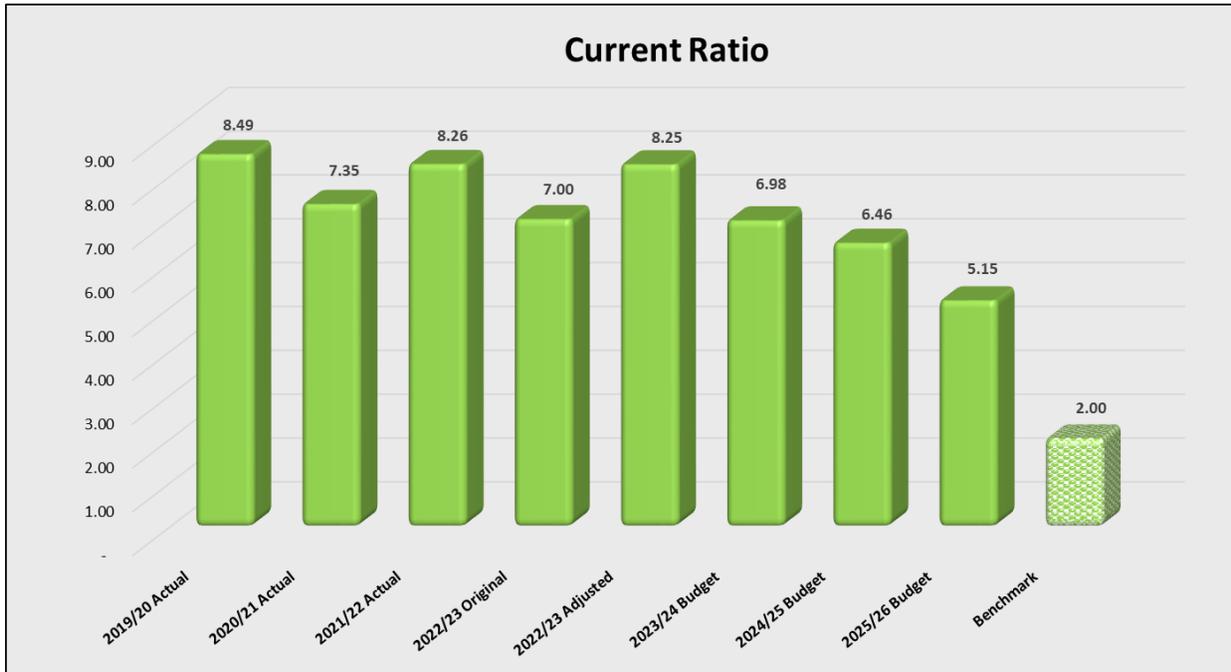
- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has remain constant between 1,3 and 1,5 per cent over the MTREF.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality does not intend borrowing any money during the MTREF period.

2.2.1.2 Safety of Capital

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

2.2.1.3 Liquidity

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



- The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2023/24 financial year the ratio is 6,8 and this ratio is projected to decline to 5 in 2025/26. Although these ratios are still considered to be healthy, the municipality should put in place measures to stem the downward trend in the liquidity ratio.

2.2.1.4 Revenue Management

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

2.2.1.5 Creditors Management

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

2.2.1.6 Other Indicators

- Employee costs as a percentage of operating revenue remains more or less constant over the MTREF between 39,6 and 40,90 per cent. As discussed previously in this report, the employee related costs at the municipality is slightly above the industry norms and the room for any upward adjustments are very restricted.
- Repairs and maintenance as percentage of operating revenue is increasing slightly over the MTREF. The expenditure on repairs and maintenance is well below acceptable levels, but the actual cost will only be determined when a costing system is implemented.

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

The Municipality’s budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies as well as by-laws. As per section 21 of the MFMA, all budget related policies were reviewed and in certain cases amended. Municipal by-laws were also reviewed during the year, but no amendments were made.

Table 34 - List of all budget related policies

<u>Policy Name</u>	<u>Date Reviewed</u>	<u>Amendments Made</u>
Asset Management and Insurance Policy	March 2023	No
Borrowing & Funding & Reserves Policy	March 2023	No
Cash Management Banking Investment Policy	March 2023	No
Credit Control & Debt Collection Policy	March 2023	No
Free Basic Services & Indigent Subsidy Support Policy	March 2023	No
Property Rates & Valuation Policy	March 2023	No
Supply Chain Management Policy	March 2023	Yes
Tariff & Services Policy	March 2023	No



<u>Policy Name</u>	<u>Date Reviewed</u>	<u>Amendments Made</u>
Virement Policy	March 2023	No
Cost Containment Policy	March 2023	Yes
Liquidity Policy	March 2023	No
Debt Incentive Scheme Policy	March 2023	No
Debt Write-off Policy	March 2023	No
Municipal Corporate ICT Governance Framework Policy	March 2023	Yes
ICT Strategic Plan	March 2023	No
Vehicle Allowance Policy	March 2023	No
Subsistence and Travelling Policy	March 2023	No
Fleet Management Policy	March 2023	No
Budget & IDP Policy	March 2023	No
Revenue Enhancement Strategy	March 2023	Yes
Strategic Procurement Framework	March 2023	Yes

2.3.1 Challenges

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

2.3.2 Financial Implications

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

2.3.3 Legal Implications

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



2.3.4 Recommendations

That the Committee Members take note of the Review of all the Budget Related Policies and that the amendments be adopted with the approval of the 2023/24 MTREF.

2.4 Overview of budget assumptions

2.4.1 External factors

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

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

2.4.2 General inflation outlook and its impact on the municipal activities

The inflation outlook for South Africa is indicated below and has been taken into consideration in the compilation of the 2023/24 MTREF.

Table 1: Macroeconomic performance and projections, 2021 - 2026

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

2.4.3 Credit rating outlook

Standard & Poor's credit rating for South Africa stands at BB- with stable outlook.

Interest rates for borrowing and investment of funds

The South African Reserve Bank raised its benchmark repo rate by 50 bps to 7.75% at its March 2023 meeting. It was the 9th consecutive rate hike since policy normalization started in November 2021, bringing borrowing costs to the highest since May 2009.



2.4.4 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as 80 per cent of annual billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.4.5 Growth or decline in tax base of the municipality

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

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

2.4.6 Salary increases

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution are used for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 (5.4 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023) and 2024 (4.8 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023).

2.4.7 Impact of national, provincial and local policies

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

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



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

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

It is estimated that a spending rate of at least 84 per cent is achieved on operating expenditure and 44 per cent on the capital programme for the 2021/22 MTREF of which performance has been factored into the cash flow budget.

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:

Table 35 Operating revenue over medium-term

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework					
	Adjusted	%	Budget Year	%	Budget Year	%	Budget Year	%
	Budget		2023/24		2024/25		2025/26	
Revenue								
Exchange Revenue								
Service charges - Electricity	51 940	17.1%	61 638	18.9%	69 449	20.2%	80 333	22.9%
Service charges - Waste Management	9 640	3.2%	10 151	3.1%	10 648	3.1%	11 149	3.2%
Sale of Goods and Rendering of Services	122	0.0%	128	0.0%	134	0.0%	140	0.0%
Agency services	1 513	0.5%	1 540	0.5%	1 615	0.5%	1 691	0.5%
Interest earned from Receivables	4 496	1.5%	4 419	1.4%	4 636	1.3%	4 854	1.4%
Interest earned from Current and Non Current Assets	22 599	7.4%	23 819	7.3%	25 129	7.3%	25 029	7.1%
Rent on Land	–	0.0%	3	0.0%	3	0.0%	3	0.0%
Rental from Fixed Assets	1 814	0.6%	1 778	0.5%	1 865	0.5%	1 953	0.6%
Licence and permits	1 351	0.4%	1 433	0.4%	1 503	0.4%	1 573	0.4%
Operational Revenue	742	0.2%	767	0.2%	804	0.2%	842	0.2%
Non-Exchange Revenue								
Property rates	16 190	5.3%	17 048	5.2%	17 884	5.2%	18 724	5.3%
Fines, penalties and forfeits	70	0.0%	74	0.0%	78	0.0%	81	0.0%
Transfer and subsidies - Operational	191 732	63.1%	200 984	61.7%	208 903	60.6%	201 969	57.7%
Interest	1 576	0.5%	1 791	0.6%	1 878	0.5%	1 967	0.6%
Total Revenue (excluding capital transfers and contributions)	303 785	100%	325 572	100%	344 529	100%	350 307	100%
Total Revenue from Rates and Service Charges	77 770	25.6%	88 837	27.3%	97 981	28.4%	110 206	31.5%



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

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.

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

Table 36 MBRR SA15 – Detail Investment Information

Investment type	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand				
Parent municipality				
Deposits - Bank	390 971	303 867	275 175	230 467
Total	390 971	303 867	275 175	230 467

Table 37 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality					
Standard Bank 38 848 973 1 - 005	87 966	4 398	-	-	-
Standard Bank 38 848 606 6 - 001	9 483	596	-	-	10 079
Standard Bank 38 848 916 2 - 002	293 522	18 825	(279 724)	168 800	201 423
TOTAL INVESTMENTS AND INTEREST	390 971		(279 724)	168 800	303 867

2.5.2 Cash Flow Management

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

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

Table 38 MBRR Table A7 - Budget cash flow statement

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates	11 002	12 007	13 029	13 715	14 418
Service charges	57 417	45 669	54 863	61 428	70 441
Other revenue	6 138	9 646	5 302	5 567	5 834
Transfers and Subsidies - Operational	192 227	189 065	199 394	208 903	201 969
Transfers and Subsidies - Capital	37 948	30 883	37 575	41 805	45 234
Interest	20 996	22 599	30 029	31 644	31 849
Payments					
Suppliers and employees	(300 569)	(289 218)	(315 476)	(305 115)	(333 562)
Interest	(2 900)	(3 451)	(3 802)	(4 229)	(4 747)
Transfers and Subsidies	(42)	(42)	(36)	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	22 217	17 159	20 877	53 718	31 437
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments					
Capital assets	(73 295)	(77 677)	(82 881)	(91 663)	(89 705)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(73 295)	(77 677)	(82 881)	(91 663)	(89 705)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Increase (decrease) in consumer deposits	114	195	121	128	136
Payments					
Repayment of borrowing	(904)	(904)	(923)	(943)	(964)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(790)	(709)	(802)	(815)	(828)
NET INCREASE/ (DECREASE) IN CASH HELD	(51 869)	(61 228)	(62 807)	(38 759)	(59 096)
Cash/cash equivalents at the year begin:	374 482	458 013	396 785	333 979	295 219
Cash/cash equivalents at the year end:	322 614	396 785	333 979	295 219	236 123

2.5.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

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

Table 39 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand					
Cash and investments available					
Cash/cash equivalents at the year end	322 614	396 785	333 979	295 219	236 123
Cash and investments available:	322 614	396 785	333 979	295 219	236 123
Application of cash and investments					
Trade payables from Non-exchange transactions:					
Unspent conditional Grants	12 312	13 805	12 769	12 769	12 769
Other working capital requirements	(13 035)	(14 070)	(9 029)	(16 870)	(22 031)
Other provisions	19 129	19 578	20 526	21 718	22 958
Reserves to be backed by cash/investments	284 152	332 145	302 212	271 082	216 871
Total Application of cash and investments:	302 558	351 458	326 477	288 699	230 567
Surplus(shortfall)	20 056	45 327	7 501	6 521	5 556

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

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

- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors.

High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be at least 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations. The municipality's levels are for 13 months.

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

2.5.4 Funding compliance measurement

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

Table 40 MBRR SA10 – Funding compliance measurement

Description	MFMA section	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funding measures						
Cash/cash equivalents at the year end - R'000	18(1)b	322 614	396 785	333 979	295 219	236 123
Cash + investments at the yr end less applications - R'000	18(1)b	20 056	45 327	7 501	6 521	5 556
Cash year end/monthly employee/supplier payments	18(1)b	13.7	17.0	13.0	11.8	8.7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	2 796	2 690	450	35 221	9 358
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	16.7%	(18.7%)	8.2%	4.3%	6.5%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	74.6%	75.3%	72.6%	73.0%	73.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	15.9%	18.3%	16.4%	15.5%	14.3%
Capital payments % of capital expenditure	18(1)c,19	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt legislated/gazetted allocations	18(1)a			100.7%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	49.2%	(18.8%)	26.9%	25.7%	25.3%
Long term receivables % change - incr(decr)	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	3.7%	3.3%	2.4%	2.8%	0.0%
Asset renewal % of capital budget	20(1)(vi)	13.8%	8.2%	2.5%	0.0%	0.0%



2.5.4.1 *Cash/cash equivalent position*

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

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable. This could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2023/24 MTREF shows R333,98 million, R295,22 million and R236,12 million for each respective financial year.

2.5.4.2 *Cash plus investments less application of funds*

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

2.5.4.3 *Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. The ratio is at 13, well above the benchmark indicators.

2.5.4.4 *Surplus/deficit excluding depreciation offsets*

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

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



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

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

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue.

2.5.4.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyze 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 an 80 per cent performance target, the cash flow statement has been conservatively determined. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.5.4.7 Debt impairment expense as a percentage of billable revenue

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

2.5.4.8 Capital payments percentage of capital expenditure

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

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

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



2.5.4.10 Consumer debtors change (Current and Non-current)

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

2.5.4.11 Repairs and maintenance expenditure level

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

2.5.4.12 Asset renewal/rehabilitation expenditure level

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

2.6 Expenditure on grants and reconciliations of unspent funds

Table 41 MBRR SA19 - Expenditure on transfers and grant programmes

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand					
EXPENDITURE:					
<u>Operating expenditure of Transfers and Grants</u>					
National Government:	188 807	188 512	198 064	207 403	200 469
Local Government Equitable Share	170 328	170 328	179 593	189 497	182 104
Finance Management	1 650	1 650	1 700	1 700	1 838
Nat Gov: Councillor Remuneration	6 797	6 797	7 167	7 563	7 267
Municipal Infrastructure Grant (MIG)	7 874	7 579	7 910	8 252	8 608
EPWP Incentive	1 658	1 658	1 194	-	-
Neighbourhood Development Grant	500	500	500	-	-
Integrated National Electrification Programme	-	-	-	391	652
Provincial Government:	3 420	3 220	2 920	1 500	1 500
Libraries	1 500	1 500	1 500	1 500	1 500
EPWP	330	330	330	-	-
Greenest Municipality	500	300	-	-	-
Herschel Housing Grant	1 090	1 090	1 090	-	-
Total operating expenditure of Transfers and Grants:	192 227	191 732	200 984	208 903	201 969
<u>Capital expenditure of Transfers and Grants</u>					
National Government:	37 948	38 065	37 575	41 805	45 234
Municipal Infrastructure Grant (MIG)	37 948	38 065	37 575	39 196	40 886
Integrated National Electrification Programme	-	-	-	2 609	4 348
Total capital expenditure of Transfers and Grants	37 948	38 065	37 575	41 805	45 234
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	230 175	229 797	238 559	250 708	247 203

Table 42 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand					
Operating transfers and grants:					
National Government:					
Balance unspent at beginning of the year	2 010	3 087	1 510	1 510	1 510
Current year receipts	188 307	186 935	197 564	207 403	200 469
Conditions met - transferred to revenue	188 807	188 512	197 564	207 403	200 469
Conditions still to be met - transferred to liabilities	1 510	1 510	1 510	1 510	1 510
Provincial Government:					
Balance unspent at beginning of the year	12 125	13 361	12 295	11 259	11 259
Current year receipts	2 330	2 130	1 830	1 500	1 500
Conditions met - transferred to revenue	3 653	3 220	2 867	1 500	1 500
Conditions still to be met - transferred to liabilities	10 802	12 271	11 259	11 259	11 259
Total operating transfers and grants revenue	192 460	191 732	200 431	208 903	201 969
Total operating transfers and grants - CTBM	12 312	13 781	12 769	12 769	12 769
Capital transfers and grants:					
National Government:					
Balance unspent at beginning of the year	-	7 182	-	-	-
Current year receipts	37 948	30 883	37 575	41 805	45 234
Conditions met - transferred to revenue	37 948	38 065	37 575	41 805	45 234
Conditions still to be met - transferred to liabilities	-	-	-	-	-
Total capital transfers and grants revenue	37 948	38 065	37 575	41 805	45 234
Total capital transfers and grants - CTBM	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	230 408	229 797	238 006	250 708	247 203
TOTAL TRANSFERS AND GRANTS - CTBM	12 312	13 781	12 769	12 769	12 769



2.7 Allocations and Grants made by the municipality

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

Table 43 Allocations and Grants made by the municipality

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand					
Cash Transfers to Organisations					
<i>Grants and donations in aid</i>	42	42	36	-	-
Total Cash Transfers To Organisations	42	42	36	-	-
TOTAL CASH TRANSFERS AND GRANTS	42	42	36	-	-
TOTAL TRANSFERS AND GRANTS	42	42	36	-	-



2.8 Councilor and employee benefits

Table 44 MBRR SA22 - Summary of councilor and staff benefits

Summary of Employee and Councilor remuneration	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand					
Councillors (Political Office Bearers plus Other)					
Basic Salaries and Wages	13 599	14 299	15 057	15 795	16 537
Cellphone Allowance	1 977	1 677	1 766	1 853	1 940
Other benefits and allowances	220	220	231	243	254
Sub Total - Councillors	15 796	16 196	17 055	17 890	18 731
% increase	23.8%	2.5%	5.3%	4.9%	4.7%
Senior Managers of the Municipality					
Basic Salaries and Wages	10 802	11 331	11 943	12 517	13 117
Pension and UIF Contributions	14	15	16	17	18
Performance Bonus	2 139	2 244	2 365	2 478	2 597
Cellphone Allowance	158	166	175	184	192
Payments in lieu of leave	186	195	206	215	226
Sub Total - Senior Managers of Municipality	13 300	13 951	14 705	15 411	16 150
% increase	0.1%	4.9%	5.4%	4.8%	4.8%
Other Municipal Staff					
Basic Salaries and Wages	82 469	82 469	86 923	91 095	95 467
Pension and UIF Contributions	12 036	12 036	12 686	13 295	13 933
Medical Aid Contributions	7 665	7 665	8 079	8 466	8 873
Overtime	81	81	85	89	94
Performance Bonus	909	909	958	1 004	1 053
Cellphone Allowance	1 164	1 164	1 227	1 286	1 348
Housing Allowances	359	359	379	397	416
Other benefits and allowances	171	171	181	189	198
Payments in lieu of leave	2 695	2 695	2 841	2 977	3 120
Long service awards	408	379	419	459	503
Post-retirement benefit obligations	1 610	1 748	1 842	1 931	2 024
Sub Total - Other Municipal Staff	109 567	109 677	115 620	121 189	127 028
% increase	9.9%	0.1%	5.4%	4.8%	4.8%
Total Parent Municipality	138 663	139 825	147 379	154 490	161 910
	10.3%	0.8%	5.4%	4.8%	4.8%
TOTAL SALARY, ALLOWANCES & BENEFITS	138 663	139 825	147 379	154 490	161 910
% increase	10.3%	0.8%	5.4%	4.8%	4.8%
TOTAL MANAGERS AND STAFF	122 867	123 629	130 324	136 600	143 178



Table 45 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits	Salary	Contributions	Allowances	Performance Bonuses	Total Package
Rand per annum					
<u>Councillors</u>					
Speaker	924 836	-	68 046	-	992 882
Chief Whip	164 403	-	68 046	-	232 449
Executive Mayor	1 156 793	-	68 046	-	1 224 839
Executive Committee	2 354 701	-	272 188	-	2 626 889
Total for all other councillors	10 456 248	-	1 521 359	-	11 977 606
Total Councillors	15 056 981	-	1 997 684	-	17 054 665
<u>Senior Managers of the Municipality</u>					
Municipal Manager (MM)	2 458 479	81 733	-	562 914	3 103 126
Chief Finance Officer	1 910 525	37 628	58 399	418 758	2 425 311
Technical Services	2 177 255	24 910	58 399	291 689	2 552 253
Community and Social Services	1 835 485	2 874	-	403 931	2 242 290
Corporate and Support Services	1 599 242	34 006	-	338 946	1 972 194
Development and Town Planning Services	1 962 354	40 420	58 399	348 450	2 409 623
Total Senior Managers of the Municipality	11 943 340	221 571	175 197	2 364 688	14 704 797
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	27 000 320	221 571	2 172 882	2 364 688	31 759 462



Table 46 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers Number	2021/22			Current Year 2022/23			Budget Year 2023/24		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	-	-	34	-	-	34	-	-	34
Municipal employees									
Municipal Manager and Senior Managers	-	-	5	-	-	5	-	-	5
Other Managers	-	16	1	-	16	1	-	16	1
Professionals	-	35	-	-	35	-	-	35	-
Finance	-	11	-	-	11	-	-	11	-
Other	-	24	-	-	24	-	-	24	-
Technicians	-	21	-	-	21	-	-	21	-
Spatial/town planning	-	2	-	-	2	-	-	2	-
Information Technology	-	2	-	-	2	-	-	2	-
Roads	-	1	-	-	1	-	-	1	-
Electricity	-	3	-	-	3	-	-	3	-
Refuse	-	6	-	-	6	-	-	6	-
Other	-	7	-	-	7	-	-	7	-
Clerks (Clerical and administrative)	-	59	-	-	59	-	-	59	-
Service and sales workers	-	7	-	-	7	-	-	7	-
Plant and Machine Operators	-	23	-	-	23	-	-	23	-
Elementary Occupations	-	115	-	-	115	-	-	115	-
TOTAL PERSONNEL NUMBERS	-	276	40	-	276	40	-	276	40
% increase				-	-	-	-	-	-
Total municipal employees headcount									
Human Resources personnel headcount	-	37	1	-	37	1	-	37	1

2.9 Monthly targets for revenue, expenditure and cash flow



Table 47 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Revenue															
Exchange Revenue															
Service charges - Electricity	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	61 638	69 449	80 333
Service charges - Waste Management	846	846	846	846	846	846	846	846	846	846	846	846	10 151	10 648	11 149
Sale of Goods and Rendering of Services	9	9	9	9	9	9	13	13	13	13	13	13	128	134	140
Agency services	128	128	128	128	128	128	128	128	128	128	128	128	1 540	1 615	1 691
Interest earned from Receivables	368	368	368	368	368	368	368	368	368	368	368	368	4 419	4 636	4 854
Interest earned from Current and Non Current Assets	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	23 819	25 129	25 029
Rent on Land	0	0	0	0	0	0	0	0	0	0	0	0	3	3	3
Rental from Fixed Assets	130	130	130	130	130	130	166	166	166	166	166	166	1 778	1 865	1 953
Licence and permits	113	113	113	113	113	113	126	126	126	126	126	126	1 433	1 503	1 573
Operational Revenue	63	63	63	63	63	63	65	65	65	65	65	65	767	804	842
Non-Exchange Revenue															
Property rates	7 502	868	868	868	868	868	868	868	868	868	868	868	17 048	17 884	18 724
Fines, penalties and forfeits	6	6	6	6	6	6	6	6	6	6	6	6	74	78	81
Transfer and subsidies - Operational	72 079	-	-	-	4 502	64 162	-	-	58 026	-	-	2 216	200 984	208 903	201 969
Interest	149	149	149	149	149	149	149	149	149	149	149	149	1 791	1 878	1 967
Total Revenue (excluding capital transfers and contributions)	88 515	9 802	9 802	9 802	14 304	73 964	9 857	9 857	67 883	9 857	9 857	12 073	325 572	344 529	350 307
Expenditure															
Employee related costs	10 860	10 860	10 860	10 860	10 860	10 860	10 860	10 860	10 860	10 860	10 860	10 860	130 324	136 600	143 178
Remuneration of councillors	1 421	1 421	1 421	1 421	1 421	1 421	1 421	1 421	1 421	1 421	1 421	1 421	17 055	17 890	18 731
Bulk purchases - electricity	6 128	6 128	5 728	5 328	4 728	4 528	4 328	4 528	4 728	5 128	5 128	5 128	61 537	69 352	78 160
Inventory consumed	1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	18 820	17 049	21 470
Debt impairment	-	-	-	-	-	7 181	-	-	-	-	-	7 381	14 562	15 153	15 767
Depreciation and amortisation	-	-	-	-	-	9 417	-	-	-	-	-	9 417	18 833	19 587	20 370
Interest	-	-	248	-	-	-	-	-	248	-	-	3 306	3 802	4 229	4 747
Contracted services	4 122	4 569	5 884	6 530	5 712	5 298	4 896	5 243	4 489	4 508	3 949	3 854	59 055	37 648	41 959
Transfers and subsidies	-	-	-	36	-	-	-	-	-	-	-	-	36	-	-
Operational costs	3 884	4 478	5 072	4 391	3 200	2 412	2 297	2 297	2 297	2 115	2 115	2 115	36 672	31 805	40 182
Losses on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	2 000	2 000	1 800	1 620
Total Expenditure	27 984	29 025	30 782	30 136	27 490	42 685	25 371	25 918	25 612	25 601	25 042	47 051	362 697	351 113	386 184
Surplus/(Deficit)	60 531	(19 223)	(20 981)	(20 334)	(13 186)	31 279	(15 514)	(16 061)	42 271	(15 744)	(15 185)	(34 978)	(37 125)	(6 584)	(35 876)
Transfers and subsidies - capital (monetary allocations)	2 854	2 854	5 917	3 117	4 729	2 154	1 642	4 442	1 642	4 442	1 942	1 842	37 575	41 805	45 234
Surplus/(Deficit) for the year	63 385	(16 369)	(15 064)	(17 217)	(8 457)	33 432	(13 872)	(11 619)	43 912	(11 302)	(13 243)	(33 136)	450	35 221	9 358



Table 48 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Revenue by Vote															
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	7 167	-	-	-	7 167	7 563	7 267
Vote 2 - Planning & Development	1	1	1	1	2 199	1 613	6	6	3 811	6	6	2 221	9 874	8 298	8 656
Vote 3 - Corporate Services	145	145	145	145	145	145	167	167	167	167	167	167	1 874	1 966	2 058
Vote 4 - Budget & Treasury	53 087	3 005	3 005	3 005	3 644	40 576	3 006	3 006	30 805	3 006	3 006	3 006	152 158	160 337	156 869
Vote 5 - Road Transport	3 143	3 143	6 205	3 405	5 503	2 443	1 943	4 743	2 652	4 743	2 243	2 143	42 309	42 911	44 775
Vote 9 - Community & Social Services	6	6	6	6	1 186	6	22	22	342	22	22	22	1 665	1 673	1 681
Vote 10 - Sport & Recreation	0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Vote 11 - Public Safety	7	7	7	7	7	7	7	7	7	7	7	7	83	88	92
Vote 12 - Electricity	19 545	5 229	5 229	5 229	5 229	17 720	5 229	5 229	14 342	5 229	5 229	5 229	98 671	111 517	122 977
Vote 13 - Waste Management	15 434	1 119	1 119	1 119	1 119	13 609	1 119	1 119	10 231	1 119	1 119	1 119	49 343	51 982	51 165
Total Revenue by Vote	91 369	12 656	15 718	12 918	19 033	76 118	11 499	14 299	69 525	14 299	11 799	13 914	363 147	386 334	395 542
Expenditure by Vote to be appropriated															
Vote 1 - Executive & Council	3 681	3 681	3 681	4 102	3 927	3 749	3 659	3 639	3 639	3 457	3 377	3 771	44 365	42 166	44 348
Vote 2 - Planning & Development	1 834	2 054	2 583	2 958	2 392	2 392	1 882	2 456	2 283	2 032	1 869	1 865	26 599	26 470	25 132
Vote 3 - Corporate Services	3 464	3 691	4 072	3 494	3 781	4 700	3 981	3 694	3 430	3 542	3 245	4 186	45 278	34 948	38 435
Vote 4 - Budget & Treasury	3 296	3 890	4 610	5 407	4 106	5 162	3 021	3 046	3 121	3 121	3 156	4 975	46 911	45 880	52 536
Vote 5 - Road Transport	2 712	2 712	2 712	2 331	2 331	6 775	2 331	2 331	2 331	2 331	2 331	7 975	39 202	37 795	41 955
Vote 6 - Waste Water Management	496	496	496	494	494	1 187	494	494	494	494	494	2 187	8 319	8 149	8 796
Vote 9 - Community & Social Services	1 644	1 644	1 795	1 481	1 481	2 227	1 481	1 481	1 481	1 481	1 481	2 227	19 901	19 824	21 892
Vote 10 - Sport & Recreation	95	95	95	95	95	352	95	95	95	95	95	352	1 652	1 580	1 743
Vote 11 - Public Safety	90	90	90	90	90	90	90	90	90	90	90	90	1 080	1 104	1 207
Vote 12 - Electricity	8 021	8 021	7 711	6 526	5 926	9 714	5 526	5 726	6 016	6 326	6 326	12 897	88 735	97 181	109 646
Vote 13 - Waste Management	2 650	2 650	2 939	3 158	2 867	6 338	2 812	2 867	2 634	2 634	2 579	6 526	40 656	36 016	40 494
Total Expenditure by Vote	27 984	29 025	30 782	30 136	27 490	42 685	25 371	25 918	25 612	25 601	25 042	47 051	362 697	351 113	386 184
Surplus/(Deficit)	63 385	(16 369)	(15 064)	(17 217)	(8 457)	33 432	(13 872)	(11 619)	43 912	(11 302)	(13 243)	(33 136)	450	35 221	9 358



Table 49 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Revenue - Functional															
<i>Governance and administration</i>	53 232	3 151	3 151	3 151	3 790	40 721	3 171	3 171	38 137	3 171	3 171	3 171	161 188	169 852	166 181
Executive and council	-	-	-	-	-	-	-	-	7 167	-	-	-	7 167	7 563	7 267
Finance and administration	53 232	3 151	3 151	3 151	3 790	40 721	3 171	3 171	30 970	3 171	3 171	3 171	154 021	162 290	158 914
<i>Community and public safety</i>	301	301	301	301	1 481	301	329	329	649	329	329	329	5 278	5 463	5 649
Community and social services	6	6	6	6	1 186	6	21	21	341	21	21	21	1 664	1 672	1 680
Sport and recreation	0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Public safety	295	295	295	295	295	295	307	307	307	307	307	307	3 613	3 790	3 968
<i>Economic and environmental services</i>	2 857	2 857	5 919	3 119	7 084	3 767	1 650	4 450	6 165	4 450	1 950	4 066	48 336	47 519	49 568
Planning and development	1	1	1	1	1 869	1 613	8	8	3 813	8	8	2 223	9 556	8 310	8 669
Road transport	2 855	2 855	5 918	3 118	5 215	2 155	1 643	4 443	2 352	4 443	1 943	1 843	38 780	39 208	40 899
<i>Trading services</i>	34 980	6 348	6 348	6 348	6 348	31 328	6 348	6 348	24 573	6 348	6 348	6 348	148 014	163 499	174 141
Energy sources	19 545	5 229	5 229	5 229	5 229	17 720	5 229	5 229	14 342	5 229	5 229	5 229	98 671	111 517	122 977
Waste management	15 434	1 119	1 119	1 119	1 119	13 609	1 119	1 119	10 231	1 119	1 119	1 119	49 343	51 982	51 165
<i>Other</i>	0	0	0	0	330	0	0	0	0	0	0	0	331	1	2
Total Revenue - Functional	91 369	12 656	15 718	12 918	19 033	76 118	11 499	14 299	69 525	14 299	11 799	13 914	363 147	386 334	395 542
Expenditure - Functional															
<i>Governance and administration</i>	10 439	11 260	12 359	13 000	11 811	13 608	10 658	10 375	10 186	10 116	9 775	12 930	136 517	122 955	135 278
Executive and council	2 985	2 985	2 985	3 406	3 231	3 041	2 963	2 942	2 942	2 760	2 681	3 063	35 985	35 434	36 952
Finance and administration	7 162	7 983	9 082	9 303	8 288	10 266	7 403	7 141	6 952	7 064	6 802	9 565	97 009	84 168	94 665
Internal audit	292	292	292	292	292	301	292	292	292	292	292	301	3 523	3 353	3 662
<i>Community and public safety</i>	2 409	2 409	2 409	2 154	2 154	3 182	2 154	2 154	2 154	2 154	2 154	3 382	28 870	28 942	31 929
Community and social services	1 580	1 580	1 580	1 416	1 416	2 162	1 416	1 416	1 416	1 416	1 416	2 162	18 977	19 088	21 139
Sport and recreation	95	95	95	95	95	352	95	95	95	95	95	352	1 652	1 580	1 743
Public safety	734	734	734	643	643	668	643	643	643	643	643	868	8 242	8 274	9 047
<i>Economic and environmental services</i>	3 836	4 056	4 735	4 632	4 104	8 519	3 593	4 168	3 994	3 743	3 580	8 992	57 952	56 324	58 362
Planning and development	1 765	1 985	2 514	2 852	2 324	2 318	1 813	2 387	2 214	1 963	1 800	1 791	25 727	25 613	24 133
Road transport	2 068	2 068	2 068	1 777	1 777	6 198	1 777	1 777	1 777	1 777	1 777	7 198	32 040	30 625	34 116
Environmental protection	3	3	153	3	3	3	3	3	3	3	3	3	185	86	113
<i>Trading services</i>	11 167	11 167	11 146	10 178	9 287	17 238	8 832	9 087	9 144	9 454	9 399	21 609	137 710	141 346	158 936
Energy sources	8 021	8 021	7 711	6 526	5 926	9 714	5 526	5 726	6 016	6 326	6 326	12 897	88 735	97 181	109 646
Waste water management	496	496	496	494	494	1 187	494	494	494	494	494	2 187	8 319	8 149	8 796
Waste management	2 650	2 650	2 939	3 158	2 867	6 338	2 812	2 867	2 634	2 634	2 579	6 526	40 656	36 016	40 494
<i>Other</i>	134	134	134	170	134	138	134	134	134	134	134	138	1 648	1 546	1 680
Total Expenditure - Functional	27 984	29 025	30 782	30 136	27 490	42 685	25 371	25 918	25 612	25 601	25 042	47 051	362 697	351 113	386 184
Surplus/(Deficit)	63 385	(16 369)	(15 064)	(17 217)	(8 457)	33 432	(13 872)	(11 619)	43 912	(11 302)	(13 243)	(33 136)	450	35 221	9 358



Table 50 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Multi-year expenditure to be appropriated															
Vote 3 - Corporate Services	-	-	200	200	200	200	-	-	-	-	-	-	800	-	-
Vote 5 - Road Transport	2 863	2 863	2 863	2 863	2 863	3 087	2 017	2 017	2 017	2 017	2 317	2 217	30 000	47 009	48 152
Vote 6 - Waste Water Management	600	600	600	600	600	600	600	600	600	600	600	600	7 200	10 600	5 000
Vote 9 - Community & Social Services	693	693	1 675	1 675	983	983	120	720	600	600	600	-	9 340	3 500	-
Vote 10 - Sport & Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	6 310	-
Vote 11 - Public Safety	270	270	270	270	-	-	-	-	-	-	-	-	1 080	800	600
Vote 12 - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	2 609	4 348
Vote 13 - Waste Management	675	675	675	675	169	439	439	439	439	439	169	169	5 400	4 160	20 843
Capital multi-year expenditure sub-total	5 100	5 100	6 283	6 283	4 814	5 308	3 175	3 775	3 655	3 655	3 685	2 985	53 820	74 987	78 942
Single-year expenditure to be appropriated															
Vote 1 - Executive & Council	68	468	-	-	915	915	240	-	-	-	-	-	2 605	430	30
Vote 3 - Corporate Services	1 109	1 145	3 406	220	231	1 470	220	1 481	59	1 318	59	59	10 781	6 813	4 678
Vote 4 - Budget & Treasury	587	87	500	300	87	-	-	-	-	-	-	-	1 561	1 195	478
Vote 5 - Road Transport	79	79	144	79	-	-	-	-	-	-	-	-	380	-	-
Vote 9 - Community & Social Services	-	-	50	50	-	-	-	-	-	-	-	-	100	30	10
Vote 11 - Public Safety	200	200	-	-	-	-	-	-	-	-	-	-	400	-	-
Vote 12 - Electricity	150	150	215	150	150	150	150	150	150	150	150	150	1 865	2 719	2 882
Vote 13 - Waste Management	-	120	2 800	50	2 800	-	-	2 800	-	2 800	-	-	11 370	5 489	2 685
Capital single-year expenditure sub-total	2 193	2 249	7 115	849	4 183	2 535	610	4 431	209	4 268	209	209	29 061	16 676	10 763
Total Capital Expenditure	7 293	7 349	13 397	7 132	8 997	7 844	3 786	8 206	3 865	7 923	3 895	3 195	82 881	91 663	89 705



Table 51 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Multi-year expenditure to be appropriated															
Vote 3 - Corporate Services	-	-	200	200	200	200	-	-	-	-	-	-	800	-	-
Vote 5 - Road Transport	2 863	2 863	2 863	2 863	2 863	3 087	2 017	2 017	2 017	2 017	2 317	2 217	30 000	47 009	48 152
Vote 6 - Waste Water Management	600	600	600	600	600	600	600	600	600	600	600	600	7 200	10 600	5 000
Vote 9 - Community & Social Services	693	693	1 675	1 675	983	983	120	720	600	600	600	-	9 340	3 500	-
Vote 10 - Sport & Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	6 310	-
Vote 11 - Public Safety	270	270	270	270	-	-	-	-	-	-	-	-	1 080	800	600
Vote 12 - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	2 609	4 348
Vote 13 - Waste Management	675	675	675	675	169	439	439	439	439	439	169	169	5 400	4 160	20 843
Capital multi-year expenditure sub-total	5 100	5 100	6 283	6 283	4 814	5 308	3 175	3 775	3 655	3 655	3 685	2 985	53 820	74 987	78 942
Single-year expenditure to be appropriated															
Vote 1 - Executive & Council	68	468	-	-	915	915	240	-	-	-	-	-	2 605	430	30
Vote 3 - Corporate Services	1 109	1 145	3 406	220	231	1 470	220	1 481	59	1 318	59	59	10 781	6 813	4 678
Vote 4 - Budget & Treasury	587	87	500	300	87	-	-	-	-	-	-	-	1 561	1 195	478
Vote 5 - Road Transport	79	79	144	79	-	-	-	-	-	-	-	-	380	-	-
Vote 9 - Community & Social Services	-	-	50	50	-	-	-	-	-	-	-	-	100	30	10
Vote 11 - Public Safety	200	200	-	-	-	-	-	-	-	-	-	-	400	-	-
Vote 12 - Electricity	150	150	215	150	150	150	150	150	150	150	150	150	1 865	2 719	2 882
Vote 13 - Waste Management	-	120	2 800	50	2 800	-	-	2 800	-	2 800	-	-	11 370	5 489	2 685
Capital single-year expenditure sub-total	2 193	2 249	7 115	849	4 183	2 535	610	4 431	209	4 268	209	209	29 061	16 676	10 763
Total Capital Expenditure	7 293	7 349	13 397	7 132	8 997	7 844	3 786	8 206	3 865	7 923	3 895	3 195	82 881	91 663	89 705



Table 52 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Receipts By Source																
Property rates	5 733	663	663	663	663	663	663	663	663	663	663	663	13 029	13 715	14 418	
Service charges - electricity revenue	3 925	3 925	3 925	3 925	3 925	3 925	3 925	3 925	3 925	3 925	3 925	3 925	47 105	53 262	61 857	
Service charges - refuse revenue	646	646	646	646	646	646	646	646	646	646	646	646	7 758	8 166	8 585	
Rental of facilities and equipment	99	99	99	99	99	99	127	127	127	127	127	127	1 359	1 430	1 504	
Interest earned - external investments	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	23 819	25 129	25 029	
Interest earned - outstanding debtors	518	518	518	518	518	518	518	518	518	518	518	518	6 210	6 514	6 820	
Fines, penalties and forfeits	6	6	6	6	6	6	6	6	6	6	6	6	74	78	81	
Licences and permits	113	113	113	113	113	113	126	126	126	126	126	126	1 433	1 503	1 573	
Agency services	128	128	128	128	128	128	128	128	128	128	128	128	1 540	1 615	1 691	
Transfers and Subsidies - Operational	71 509	-	-	-	4 466	63 655	-	-	57 567	-	-	2 198	199 394	208 903	201 969	
Other revenue	73	73	73	73	73	73	76	76	76	76	76	76	897	941	985	
Cash Receipts by Source	84 736	8 158	8 158	8 158	12 624	71 812	8 201	8 201	65 768	8 201	8 201	10 399	302 617	321 257	324 512	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	13 475	-	-	-	842	11 995	-	-	10 848	-	-	414	37 575	41 805	45 234	
Increase (decrease) in consumer deposits	10	10	10	10	10	10	10	10	10	10	10	10	121	128	136	
Total Cash Receipts by Source	98 222	8 168	8 168	8 168	13 476	83 818	8 211	8 211	76 626	8 211	8 211	10 824	340 313	363 190	369 882	
Cash Payments by Type																
Employee related costs	10 386	10 386	10 386	10 386	10 386	10 386	10 386	10 386	10 386	10 386	10 386	10 386	124 628	129 958	135 789	
Remuneration of councillors	1 421	1 421	1 421	1 421	1 421	1 421	1 421	1 421	1 421	1 421	1 421	1 421	17 055	17 890	18 731	
Interest	-	-	248	-	-	-	-	-	248	-	-	3 306	3 802	4 229	4 747	
Bulk purchases - electricity	6 080	6 080	5 683	5 286	4 691	4 493	4 294	4 493	4 691	5 088	5 088	5 088	61 056	70 204	77 106	
Acquisitions - water & other inventory	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	18 673	17 258	21 181	
Contracted services	4 090	4 534	5 838	6 479	5 667	5 256	4 858	5 202	4 454	4 473	3 918	3 824	58 593	38 110	41 393	
Transfers and subsidies - other	-	-	-	36	-	-	-	-	-	-	-	-	36	-	-	
Other expenditure	3 756	4 331	4 906	4 248	3 095	2 333	2 222	2 222	2 222	2 046	2 046	2 046	35 471	31 695	39 362	
Cash Payments by Type	27 290	28 308	30 039	29 412	26 817	25 445	24 737	25 280	24 978	24 970	24 415	27 626	319 315	309 344	338 308	
Other Cash Flows/Payments by Type																
Capital assets	7 293	7 349	13 397	7 132	8 997	7 844	3 786	8 206	3 865	7 923	3 895	3 195	82 881	91 663	89 705	
Repayment of borrowing	-	-	462	-	-	-	-	-	462	-	-	-	923	943	964	
Total Cash Payments by Type	34 582	35 656	43 897	36 544	35 813	33 289	28 522	33 486	29 305	32 893	28 310	30 821	403 120	401 950	428 977	
NET INCREASE/(DECREASE) IN CASH HELD	63 639	(27 489)	(35 730)	(28 376)	(22 338)	50 529	(20 311)	(25 275)	47 321	(24 682)	(20 098)	(19 998)	(62 807)	(38 759)	(59 096)	
Cash/cash equivalents at the month/year begin:	396 785	460 425	432 936	397 206	368 830	346 492	397 021	376 710	351 435	398 756	374 075	353 976	396 785	333 979	295 219	
Cash/cash equivalents at the month/year end:	460 425	432 936	397 206	368 830	346 492	397 021	376 710	351 435	398 756	374 075	353 976	333 979	333 979	295 219	236 123	



2.10 Contracts having future budgetary implications

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

2.11 Capital expenditure details

The following five tables present details of the Municipality's capital expenditure program, firstly on new assets, then the renewal of assets, then the repair and maintenance of assets, then the depreciation per asset class and finally the upgrade of assets.



Table 53 MBRR SA34a - Capital expenditure on new assets by asset class

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
Capital expenditure on new assets by Asset Class/Sub-class								
Infrastructure	29 624	13 857	23 073	18 120	16 191	12 015	25 594	40 651
Roads Infrastructure	18 732	7 732	3 267	188	400	315	5 576	7 652
<i>Roads</i>	18 732	7 384	3 267	188	400	315	2 576	5 152
<i>Road Structures</i>	-	349	-	-	-	-	3 000	2 500
Storm water Infrastructure	-	-	2 160	5 640	3 640	7 200	10 600	5 000
<i>Storm water Conveyance</i>	-	-	2 160	5 640	3 640	7 200	10 600	5 000
Electrical Infrastructure	1 967	2 254	1 173	1 880	2 197	1 800	5 259	7 157
<i>MV Networks</i>	1 678	2 041	1 173	-	-	-	2 609	4 348
<i>LV Networks</i>	289	213	-	1 880	2 197	1 800	2 650	2 809
Solid Waste Infrastructure	8 925	3 871	16 473	10 412	9 954	2 700	4 160	20 843
<i>Landfill Sites</i>	8 925	3 871	16 473	9 212	9 754	1 350	3 660	20 843
<i>Waste Transfer Stations</i>	-	-	-	1 200	200	1 350	500	-
Community Assets	2 426	1 869	6 070	10 302	12 896	8 370	10 150	600
Community Facilities	2 426	1 869	6 070	7 802	12 539	8 370	4 300	600
<i>Halls</i>	-	133	-	893	3 900	5 850	-	-
<i>Centres</i>	1 730	-	-	-	-	-	-	-
<i>Cemeteries/Crematoria</i>	105	1 737	6 070	6 559	7 969	1 440	3 500	-
<i>Public Open Space</i>	590	-	-	350	670	1 080	800	600
Sport and Recreation Facilities	-	-	-	2 500	357	-	5 850	-
<i>Outdoor Facilities</i>	-	-	-	2 500	357	-	5 850	-
Other assets	8 853	1 565	1 652	6 580	6 396	9 650	15 000	-
Operational Buildings	8 853	1 565	1 652	6 580	6 396	9 650	15 000	-
<i>Municipal Offices</i>	8 853	1 565	1 652	6 580	6 396	9 650	15 000	-
Intangible Assets	-	103	-	-	-	2 070	400	-
Licences and Rights	-	103	-	-	-	2 070	400	-
<i>Computer Software and Applications</i>	-	103	-	-	-	2 070	400	-
Computer Equipment	-	772	316	1 000	1 300	1 300	1 195	478
Computer Equipment	-	772	316	1 000	1 300	1 300	1 195	478
Furniture and Office Equipment	27	183	290	860	910	466	69	33
Furniture and Office Equipment	27	183	290	860	910	466	69	33
Machinery and Equipment	1 123	38	4 076	1 552	5 498	16 311	7 608	5 467
Machinery and Equipment	1 123	38	4 076	1 552	5 498	16 311	7 608	5 467
Transport Assets	1 304	771	-	1 600	5 600	6 400	4 753	1 977
Transport Assets	1 304	771	-	1 600	5 600	6 400	4 753	1 977
Total Capital Expenditure on new assets	43 358	19 158	35 477	40 014	48 791	56 581	64 770	49 205



Table 54 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on renewal of existing assets by Asset Class/Sub-class								
Infrastructure	-	-	-	1 880	1 880	-	-	-
Roads Infrastructure	-	-	-	1 880	1 880	-	-	-
Road Structures	-	-	-	1 880	1 880	-	-	-
Community Assets	-	-	-	8 235	4 468	2 050	-	-
Community Facilities	-	-	-	8 235	4 468	2 050	-	-
Halls	-	-	-	8 235	4 468	2 050	-	-
Total Capital Expenditure on renewal of existing assets	-	-	-	10 115	6 348	2 050	-	-
Renewal of Existing Assets as % of total capex	0.0%	0.0%	0.0%	13.8%	8.2%	2.5%	0.0%	0.0%
Renewal of Existing Assets as % of deprechn"	0.0%	0.0%	0.0%	51.4%	35.0%	10.9%	0.0%	0.0%



Table 55 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
Repairs and maintenance expenditure by Asset Class/Sub-class								
Infrastructure	3 387	3 143	5 308	9 807	8 862	11 055	10 109	11 875
Roads Infrastructure	1 842	2 100	3 710	7 709	7 049	7 704	6 864	8 086
Roads	1 842	2 100	3 710	7 709	7 049	7 704	6 864	8 086
Storm water Infrastructure	272	289	404	487	322	442	319	479
Storm water Conveyance	272	289	404	487	322	442	319	479
Electrical Infrastructure	1 212	600	821	985	865	1 007	928	1 200
MV Networks	688	408	391	484	214	550	412	602
LV Networks	525	192	429	501	651	457	517	598
Solid Waste Infrastructure	60	155	373	625	625	1 903	1 998	2 111
Landfill Sites	60	77	177	326	326	1 629	1 891	2 033
Waste Transfer Stations	-	78	196	299	299	274	107	77
Community Assets	1 459	1 843	2 608	3 193	3 036	2 430	2 053	2 885
Community Facilities	1 108	1 655	2 233	2 751	2 594	2 101	1 835	2 581
Halls	601	832	1 164	1 528	1 381	957	1 067	1 497
Centres	-	-	4	66	66	41	45	65
Libraries	-	-	-	5	15	5	3	5
Cemeteries/Crematoria	493	823	869	930	910	1 013	660	927
Parks	7	-	15	16	16	15	11	16
Public Open Space	8	-	169	173	173	30	18	27
Public Ablution Facilities	-	-	12	22	22	27	21	29
Taxi Ranks/Bus Terminals	-	-	-	12	12	14	11	15
Sport and Recreation Facilities	351	188	375	442	442	330	218	304
Outdoor Facilities	351	188	375	442	442	330	218	304
Investment properties	-	-	-	119	119	218	329	518
Non-revenue Generating	-	-	-	119	119	218	329	518
Improved Property	-	-	-	119	119	218	329	518
Other assets	704	617	1 268	3 010	1 605	1 974	627	903
Operational Buildings	704	617	1 268	3 010	1 605	1 974	627	903
Municipal Offices	448	435	1 096	2 777	1 332	1 679	415	584
Stores	257	183	172	234	274	295	212	319
Furniture and Office Equipment	297	372	356	650	630	615	395	568
Furniture and Office Equipment	297	372	356	650	630	615	395	568
Machinery and Equipment	1 427	2 015	1 905	2 321	1 998	2 106	1 741	2 258
Machinery and Equipment	1 427	2 015	1 905	2 321	1 998	2 106	1 741	2 258
Transport Assets	1 826	2 287	2 533	2 950	2 710	2 595	1 826	2 509
Transport Assets	1 826	2 287	2 533	2 950	2 710	2 595	1 826	2 509
Total Repairs and Maintenance Expenditure	9 101	10 278	13 978	22 051	18 961	20 992	17 079	21 517
R&M as a % of PPE & Investment Property	1.9%	2.1%	2.7%	3.7%	3.3%	3.3%	2.4%	2.8%
R&M as % Operating Expenditure	4.0%	4.3%	5.2%	6.4%	5.6%	6.2%	4.7%	6.1%



Table 56 MBRR SA34d - Depreciation by asset class

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
Depreciation by Asset Class/Sub-class								
Infrastructure	11 463	11 466	10 714	11 773	11 361	11 812	12 284	12 775
Roads Infrastructure	8 503	8 361	7 079	9 101	7 504	7 804	8 117	8 441
Roads	8 503	8 361	7 079	9 101	7 504	7 804	8 117	8 441
Storm water Infrastructure	1 398	1 218	1 257	1 005	1 332	1 386	1 441	1 499
Storm water Conveyance	1 398	1 218	1 257	1 005	1 332	1 386	1 441	1 499
Electrical Infrastructure	996	1 130	1 330	1 211	1 410	1 466	1 525	1 586
MV Networks	780	904	1 105	969	1 172	1 218	1 267	1 318
LV Networks	216	226	225	242	238	248	258	268
Solid Waste Infrastructure	566	757	1 048	456	1 114	1 155	1 201	1 249
Landfill Sites	566	757	1 048	456	1 114	1 155	1 201	1 249
Community Assets	2 124	2 159	2 197	2 313	2 328	2 422	2 518	2 619
Community Facilities	1 685	1 719	1 758	1 841	1 863	1 937	2 015	2 096
Halls	778	812	851	870	902	938	975	1 014
Cemeteries/Crematoria	460	460	460	493	488	507	528	549
Public Open Space	60	60	60	65	64	67	69	72
Taxi Ranks/Bus Terminals	386	386	386	414	409	426	443	460
Sport and Recreation Facilities	439	440	439	471	466	484	503	524
Outdoor Facilities	439	440	439	471	466	484	503	524
Other assets	853	974	916	919	971	1 010	1 050	1 092
Operational Buildings	853	974	916	919	971	1 010	1 050	1 092
Municipal Offices	853	974	916	919	971	1 010	1 050	1 092
Intangible Assets	90	91	58	28	62	64	67	69
Licences and Rights	90	91	58	28	62	64	67	69
Computer Software and Applications	90	91	58	28	62	64	67	69
Computer Equipment	753	762	660	878	700	728	757	788
Computer Equipment	753	762	660	878	700	728	757	788
Furniture and Office Equipment	599	511	389	548	413	429	447	464
Furniture and Office Equipment	599	511	389	548	413	429	447	464
Machinery and Equipment	2 308	2 257	1 771	2 414	1 878	1 953	2 031	2 112
Machinery and Equipment	2 308	2 257	1 771	2 414	1 878	1 953	2 031	2 112
Transport Assets	286	328	377	789	400	416	432	450
Transport Assets	286	328	377	789	400	416	432	450
Total Depreciation	18 475	18 548	17 084	19 661	18 113	18 833	19 587	20 370

Table 57 MBRR SA34e - Capital expenditure on the upgrade of existing assets by asset class

Description	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class								
Infrastructure	-	-	-	21 968	21 440	23 050	26 433	40 500
Roads Infrastructure	-	-	-	15 040	15 477	20 350	26 433	40 500
<i>Roads</i>	-	-	-	15 040	15 477	20 350	26 433	40 500
Solid Waste Infrastructure	-	-	-	6 928	5 964	2 700	-	-
<i>Landfill Sites</i>	-	-	-	6 928	5 964	2 700	-	-
Community Assets	-	-	-	-	400	400	460	-
Community Facilities	-	-	-	-	400	400	-	-
<i>Centres</i>	-	-	-	-	400	400	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	460	-
<i>Outdoor Facilities</i>	-	-	-	-	-	-	460	-
Other assets	-	-	-	1 198	698	800	-	-
Operational Buildings	-	-	-	1 198	698	800	-	-
<i>Municipal Offices</i>	-	-	-	1 198	698	800	-	-
Total Capital Expenditure on upgrading of existing assets	-	-	-	23 166	22 539	24 250	26 893	40 500
<i>Upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	31.6%	29.0%	29.3%	29.3%	45.1%
<i>Upgrading of Existing Assets as % of deprecn"</i>	0.0%	0.0%	0.0%	117.8%	124.4%	128.8%	137.3%	198.8%

Table 58 MBRR SA35 - Future financial implications of the capital budget

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

Table 59 MBRR SA36 - Detailed capital budget per municipal vote

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

Table 60 MBRR SA37 - Projects delayed from previous financial year/s

No projects delayed from previous financial years were identified on the capital budget over the MTREF period.

Table 61 MBRR SA38 - Consolidated detailed operational projects

Full detail with regards to the Consolidated detailed operational is available in Table SA 38 accompanying this report.



2.12 Legislation compliance status

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

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and employs on average seven interns every year, undergoing training in various divisions of the Financial Services Department, Risk management and Internal audit unit.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detailed SDBIP document will be finalised after approval of the 2022/24 MTREF in May 2023, directly aligned and informed by the 2023/24 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies
Budget related policies were reviewed and updated, if so required, for final submission with the approval of the 2023/24 MTREF.



2.13 Other supporting documents

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

2.14 Service Delivery Standards

Below is the Schedule of Service Delivery Standards for Senqu Municipality.



Table 62 Schedule of Service Delivery Standards

Standard	Description	Ref	Year C-2	Year C-1	Year C-0	Current year			Service Level
			Actual Outcome	Actual Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	
Solid Waste Removal									
	Premise based removal (Residential Frequency)								
	Premise based removal (Business Frequency)								
	Bulk Removal (Frequency)								
	Removal Bags provided(Yes/No)								
	Garden refuse removal Included (Yes/No)								
	Street Cleaning Frequency in CBD								
	Street Cleaning Frequency in areas excluding CBD								
	How soon are public areas cleaned after events (24hours/48hours/longer)								
	Clearing of illegal dumping (24hours/48hours/longer)								
	Recycling or environmentally friendly practices(Yes/No)								
	Licensed landfill site(Yes/No)								
Electricity Service									
	What is your electricity availability percentage on average per month?								
	Do your municipality have a ripple control in place that is operational? (Yes/No)								
	How much do you estimate is the cost saving in utilizing the ripple control system?								
	What is the frequency of meters being read? (per month, per year)								
	Are estimated consumption calculated at consumption over (two month's/three month's/longer period)								
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)								
	Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)								
	Are accounts normally calculated on actual readings? (Yes/no)								
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)								
	How long does it take to replace faulty meters? (days)								
	Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)								
	How effective is the action plan in curbing line losses? (Good/Bad)								
	How soon does the municipality provide a quotation to a customer upon a written request? (days)								
	How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)								
	How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)								
	How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)								
Road Infrastructure Services									
	Time taken to repair a single pothole on a major road? (Hours)								
	Time taken to repair a single pothole on a minor road? (Hours)								
	Time taken to repair a road following an open trench service crossing? (Hours)								
	Time taken to repair walkways? (Hours)								
Property valuations									
	How long does it take on average from completion to the first account being issued? (one month/three months or longer)								
	Do you have any special rating properties? (Yes/No)								



Standard	Description	Ref	Year C-2	Year C-1	Year C-0	Current year			Service Level
			Actual Outcome	Actual Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	
Financial Management									
	Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)								
	Are the financial statement outsourced? (Yes/No)								
	Are there Council adopted business process restructuring the flow and management of documentation feeding to Trial Balance?								
	How long does it take for an Tax/Invoice to be paid from the date it has been received?								
	Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?								
Administration									
	Reaction time on enquiries and requests?								
	Time to respond to a verbal customer enquiry or request? (working days)								
	Time to respond to a written customer enquiry or request? (working days)								
	Time to resolve a customer enquiry or request? (working days)								
	What percentage of calls are not answered? (5%,10% or more)								
	How long does it take to respond to voice mails? (hours)								
	Does the municipality have control over locked enquiries? (Yes/No)								
	Is there a reduction in the number of complaints or not? (Yes/No)								
	How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)								
	How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?								
Community safety and licensing services									
	How long does it take to register a vehicle? (minutes)								
	How long does it take to renew a vehicle license? (minutes)								
	How long does it take to issue a duplicate registration certificate vehicle? (minutes)								
	How long does it take to de-register a vehicle? (minutes)								
	How long does it take to renew a drivers license? (minutes)								
	What is the average reaction time of the fire service to an incident? (minutes)								
	What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)								
	What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)								
Economic development									
	How many economic development projects does the municipality drive?								
	How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?								
	What percentage of the projects have created sustainable job security?								
	Does the municipality have any incentive plans in place to create a conducive environment for economic development? (Yes/No)								
Other Service delivery and communication									
	Is a information package handed to the new customer? (Yes/No)								
	Does the municipality have training or information sessions to inform the community? (Yes/No)								
	Are customers treated in a professional and humanly manner? (Yes/No)								



2.15 Municipal Manager’s quality certificate

I, Acting Municipal Manager of Senqu 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 _____

Acting Municipal Manager of Senqu Municipality

Signature _____

Date _____



Part 3 – Appendices

3.1 Appendix A – A-schedules

Attached

3.2 Appendix B – Annual Procurement Plan

Attached