

SENQU

MUNICIPALITY

**MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK**

2025/2026 TO 2027/2028



SENQU
MUNICIPALITY

ANNUAL BUDGET OF
SENQU
MUNICIPALITY

2025/26 TO 2027/28
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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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, Councillors,

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,

As the Executive Mayor of Senqu Municipality, I would like to take this opportunity to welcome everyone present. It is my duty and privilege to present the 2025/2026 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.

As we unpack the 2025/2026 annual municipal budget, I would like to take this opportunity to provide some insight into how the municipality goes about compiling its annual financial budget. The municipal budget is compiled with prescriptive guidelines set by National Government. According to these prescripts, municipalities need to set a budget that is realistic, affordable and with municipal tariffs that are “cost-reflective”.



The term “cost-reflective” is essential in determining the revenue and applicable tariffs, and this needs to be applied across all services provided by the municipality. The municipality is mandated to provide specific services in terms of the Constitution, which includes the provision of basic services, the promotion of social and economic development, as well as ensuring the safety of its residents. The provision of these services come at a cost to the municipality and those costs need to be funded by way of either own funding (municipality generated revenue and loans), and grant funding from Provincial or National government.

For the 2025/26 financial year, the Municipality is proposing a total municipal budget of R579,39 million, of which operating expenditure makes up 75% and capital expenditure representing 25% of the total budget.

Our capital budget totals R147,59 million for the 2025/26 budget year, from which a total of 65,54 per cent, or R96,73 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.

Thank you to our residents for your support and growing together with us during our period in the office. The sustainable development of Senqu Municipality rests on this joint effort and we therefore look forward to continuing our successful partnership with you. We would like to remind our consumers, should they be unable to meet their obligations to the municipality, they should immediately engage with the municipality to make the necessary arrangements to settle any outstanding accounts.

I would also like to extend a special thank you to our Councillors and municipal staff for the incredible work they have put into compiling this budget during difficult financial times. The political and administrative leadership of Senqu Municipality commits to working together to implement this budget and continue providing service excellence and improving the quality of lives of all our people.

I thank you.

Enkosi!



1.2 Council Resolutions

(The following resolutions must be taken at the draft budget tabling. 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 draft annual budget of the municipality for the financial year 2025/26 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 draft 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 2025:
 - 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 plan for 2025/2025 FY
 - 2.6. the Revenue Enhancement Strategy for the 2025/2025 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 2025 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

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the approved Integrated Development Plan. The budget was made possible through continuous consultation with the local community, the relevant government departments and the internal departments of the Municipality to ensure that the priorities are properly aligned and addressed.

GDP growth is projected to average 1.8 per cent from 2025 to 2027, up from 1.2 per cent in the preceding three years. Faster growth depends largely on maintaining macroeconomic stability, the continued implementation of structural economic reforms, improving state capabilities and supporting higher infrastructure investment.

During 2024, headline inflation has cooled to its lowest rate in over three years, supported by lower food and transport prices. Headline inflation is projected to stabilise around the midpoint of the 3–6 per cent inflation target range in the medium term.

Even though confidence of the consumers has been uplifted by the improved economy, households are still struggling to pay municipal accounts and that has a negative impact on municipal own revenues.

Despite these challenges, the municipality is in a healthy financial position, however, it needs to at least stabilise 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.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2025/26 Medium-term Revenue and Expenditure Framework:

Consolidated Overview of the 2025/26 MTREF (R'000)

R thousand	Adjustments Budget	Budget Year	Budget Year +1	Budget Year +2
	2024/25	2025/26	2026/27	2027/28
Total Operating Revenue	364 306	362 692	361 115	372 106
Total Operating Expenditure	459 556	431 802	448 920	463 017
<i>Surplus/(Deficit) for the year</i>	(95 250)	(69 110)	(87 804)	(90 910)
Total Capital Revenue recognised	68 745	50 858	46 487	48 549
<i>Surplus/(Deficit) for the year</i>	(26 505)	(18 251)	(41 318)	(42 361)

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.



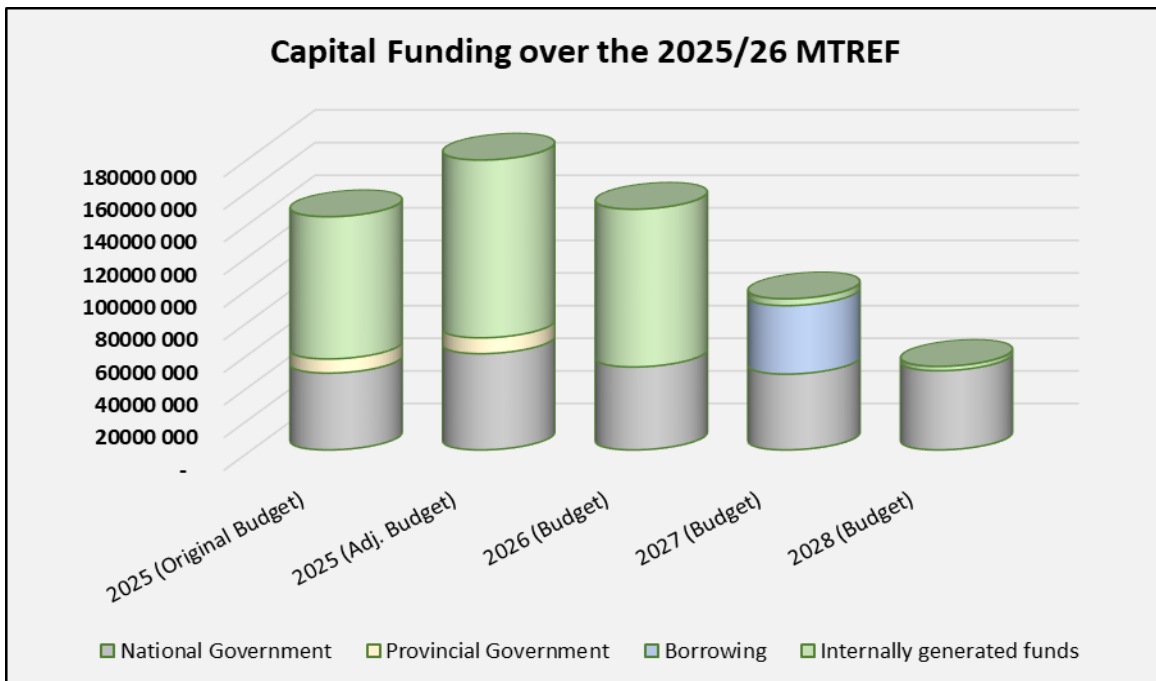
The municipality remains committed to a large capital program with a significant portion funded by grants from National Government.

Total Capital Funding of the 2025/26 MTREF (R'000)

Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2025/26	2026/27	2027/28
Funded by:								
National Government	24 572	29 883	35 062	47 100	59 023	50 858	46 487	48 549
Provincial Government	-	-	8 248	8 684	9 722	-	-	-
Transfers recognised - capital	24 572	29 883	43 310	55 783	68 745	50 858	46 487	48 549
Borrowing	-	-	-	-	-	-	42 000	-
Internally generated funds	11 414	5 434	39 209	87 207	108 985	96 732	4 139	2 651
	35 986	35 317	82 519	142 990	177 730	147 590	92 625	51 200

The capital budget of R147,59 million for 2025/26 is 16,96 per cent less when compared to the 2024/25 Adjustment Budget. The capital program decrease to R92,63 million in 2026/27 and decrease further to R51,20 million in 2027/28. This movement in the capital budget is directly related to the movement in proposed expenditure to be financed from internally generated funds.

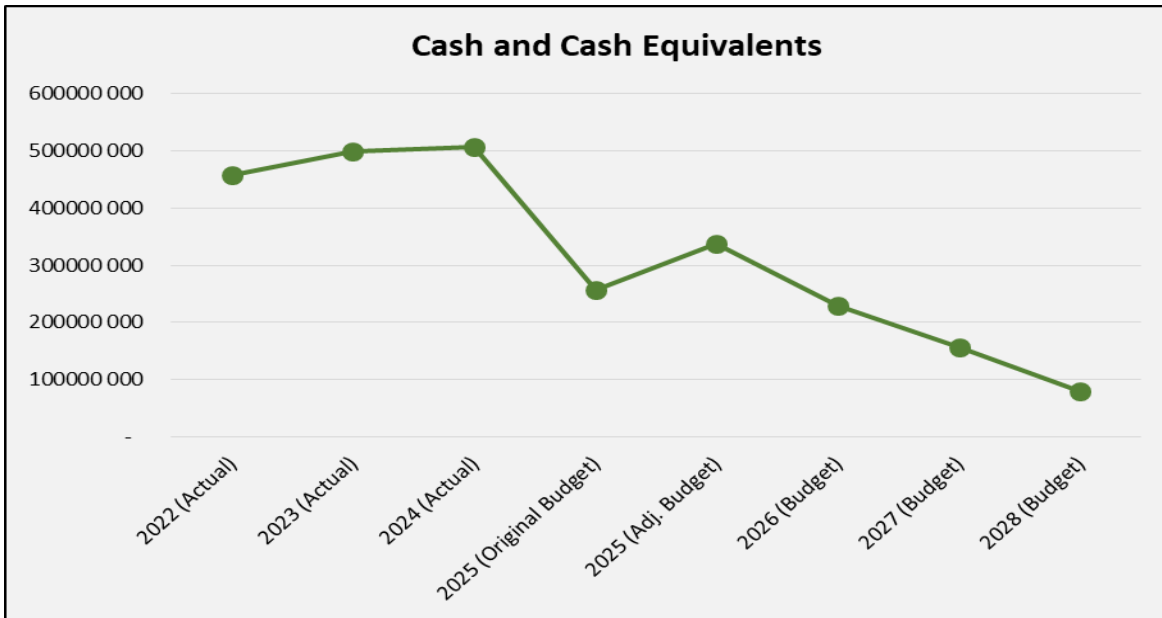
A large portion of the capital budget will be funded from own revenue (R103,52 million or 35,52%) over the MTREF with anticipated borrowings of R42 million in the 2026/27 financial year. The portion of the capital budget funded from National Government Grants amounts to R145,89 million (50,06%) over 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 and viability 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 in the following graph:



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 R159,39 million during 2025/2026 and by R72,94 million and R75,97 million during 2026/2027 and 2027/2028 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:

Summary of available funding for capital program

Description	2021/22	2022/23	2023/24	Current Year 2024/25		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2025/26	2026/27	2027/28
Net Cash from/(used) Operating Activities	52 793	75 988	91 701	10 584	4 914	(10 107)	(20 314)	(23 067)
Funding Available	24 572	34 366	43 310	55 783	68 745	50 858	46 487	48 549
Capital Program	(35 986)	(35 317)	(82 519)	(142 990)	(177 730)	(147 590)	(92 625)	(51 200)
Surplus/(Shortfall)	41 379	75 037	52 492	(76 623)	(104 072)	(106 839)	(66 453)	(25 719)

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.

1.3.1 Financial Viability

Financial viability is imperative to ensure that high quality services are delivered to the community on a sustainable manner. In order to achieve financial viability, the municipal budget is guided by the approved long-term financial plan of the municipality.

The municipality further assesses their viability on the model jointly developed by Swartland Municipality and the Western Cape Provincial Treasury. This model assesses 10 key ratios that is considered the most important indicators when assessing the long term viability of the municipality. A weighting is attached to each indicator that will eventually provide the municipality with a viability score out of 100. The municipality should always strive for the maximum score of 100. Any score below 100 will be indicative of “sustainability cracks” that could eventually negatively impact on service delivery in the municipal area.

The 10 indicators, along with the proposed benchmark and weight are included in the following table:

ITEM	Bench- mark	Viability Weight	Std 1	Measure ment 1	Std 2	Measure ment 2	Std 3	Measure ment 3	Std 4	Measure ment 4	Std 5	Measure ment 5
Acid Test Ratio	2	10	2	10	1.5	8	1	5	0.5	2	-	0
Payment Level (Excluding write-off of bad debts)	> 95%	15	95%	15	90%	11	85%	6	80%	3	75%	0
Cash Generated from Operations as % of Revenue	> 20%	8	20%	8	15%	6	10%	4	5%	2	0%	0
Purchase of PPE as % of Cash Generated	< 100%	8	100%	8	110%	6	120%	4	135%	2	150%	0
Cost Coverage (Excluding Unspent Grants)	4	15	4	15	4	10	3	5	2	2	1	0
Debtors Turnover (days) (Before impairment)	< 45 days	2	75	2	90	1	110	0	130	0	150	0
Long-term debt as % of Revenue	< 40%	5	40%	5	50%	4	75%	3	95%	2	100%	0
Debt servicing cost to Revenue	< 7,5%	8	5%	8	7.50%	6	10%	4	12.50%	2	15%	0
Short-term debt as % of Cash	< 100%	4	50%	4	70%	3	80%	2	100%	1	125%	0
Cash Funded Budget over MTREF	> R0	25	Yes	25	No	0	0	0	0	0	0	0

The 10 indicators provide the municipality with an assessment of the following major areas:

- Revenue Management
- Expenditure Management
- Debtor and Creditor Management
- Cash Management
- Asset Management
- Funding and Reserve Strategy

All the indicators will be discussed below.

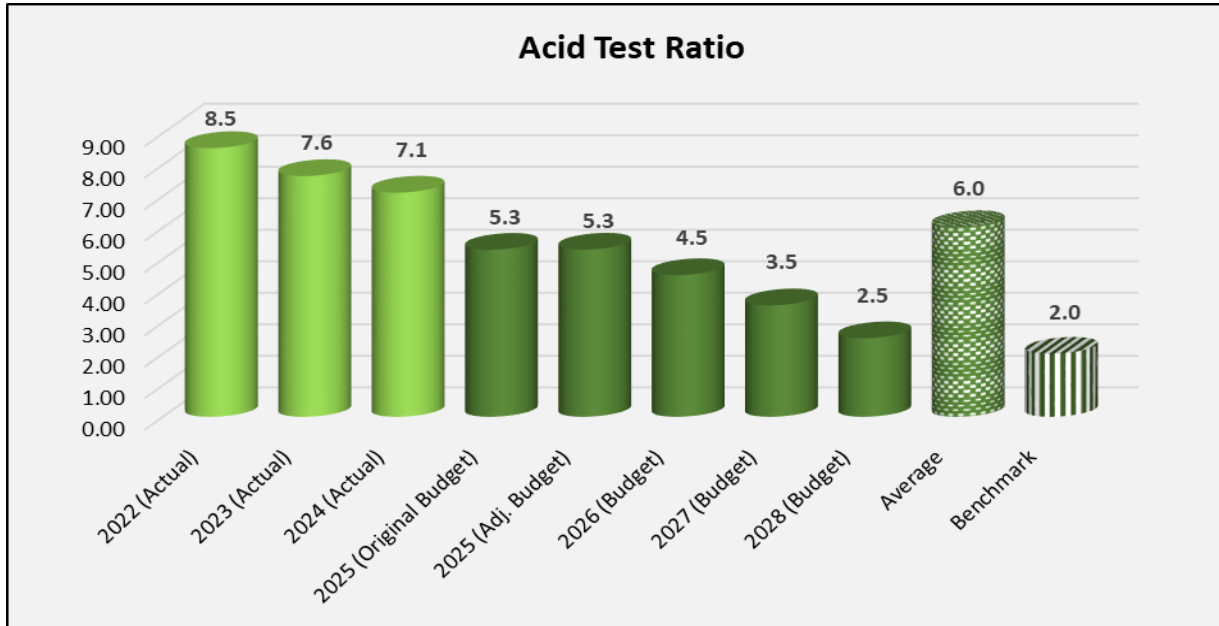
It should be noted that these ratios are based on the full implementation of the proposed capital and operating program and that revenue realise in line with the most recent actual audited results.



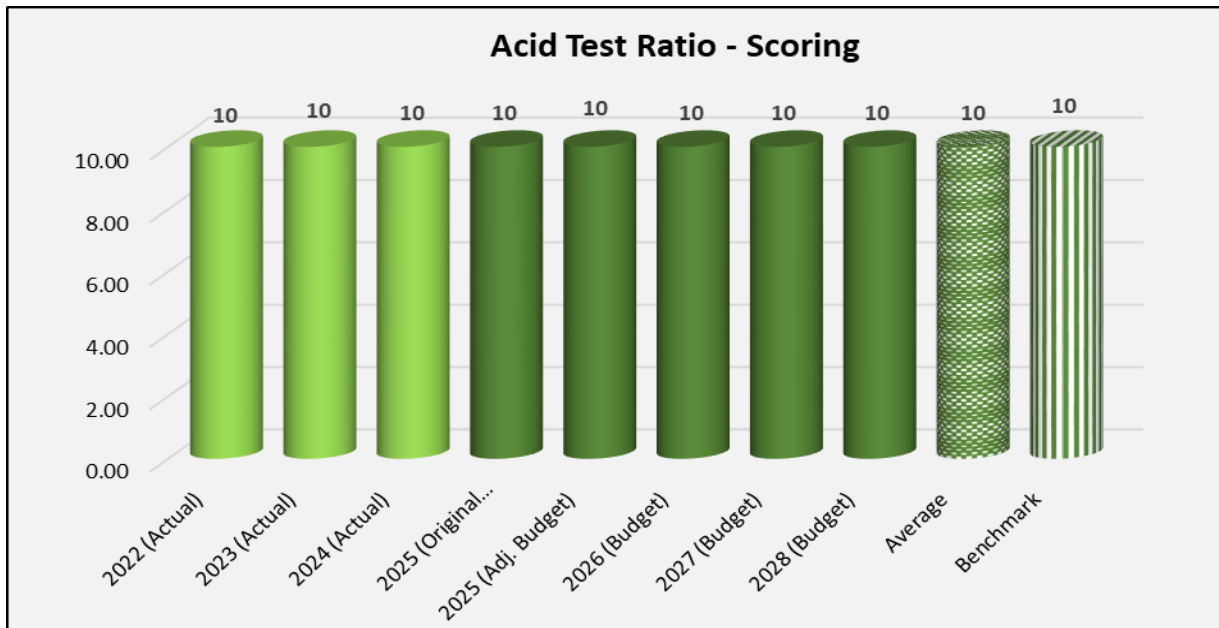
1.3.1.1 Acid Test Ratio

The acid test ratio provides an indication of the municipality’s ability to settle commitments if and when they become due. It is calculated as the ratio between current assets (excluding inventory) and current liabilities. A ratio of 2:1 is considered to be appropriate.

The downward trend can mainly be attributed to the decline in cash resources as discussed in the previous section of this report.



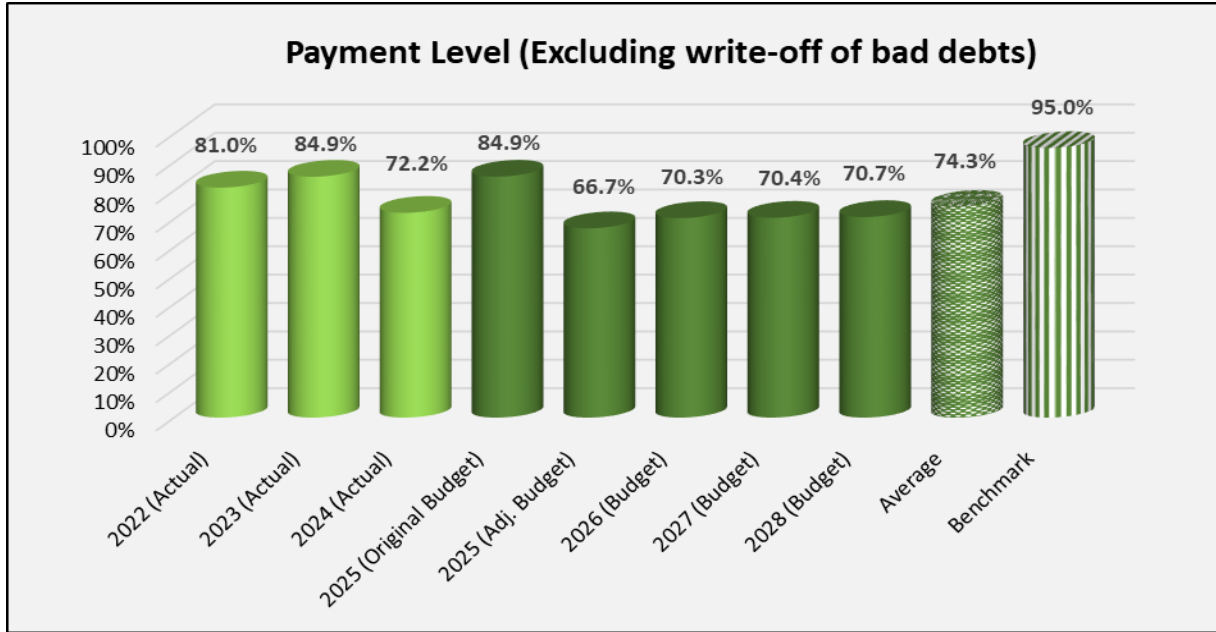
From a viability scoring out of 10 for this indicator, the following is allocated for this indicator:



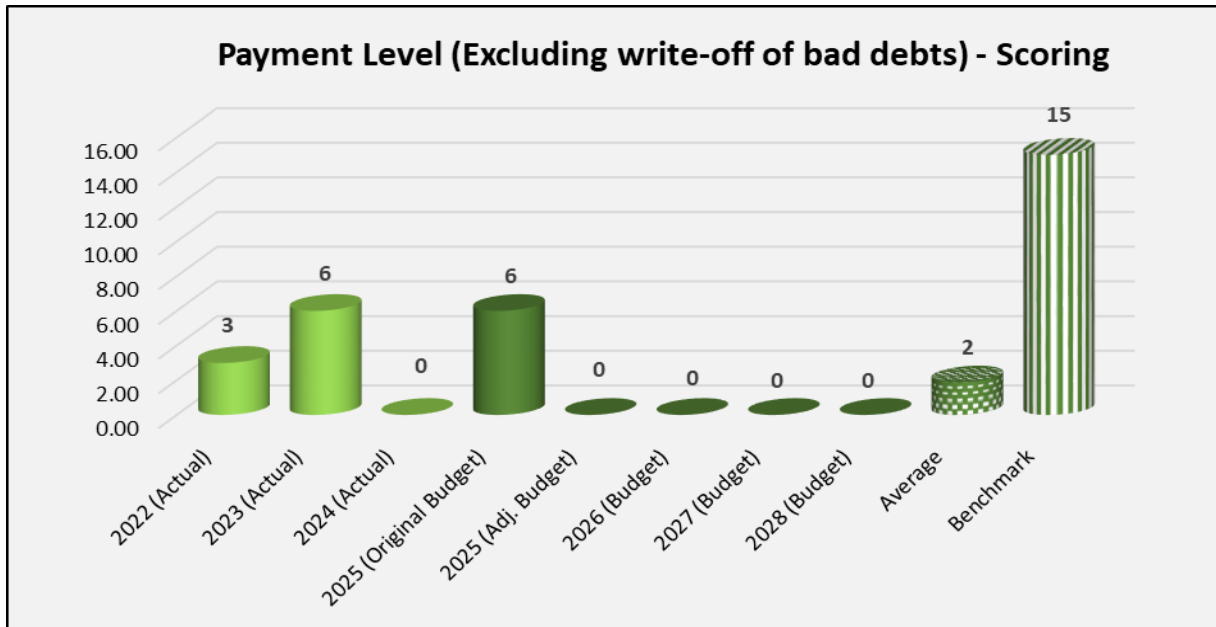


1.3.1.2 Payment Level

The payment level of the municipality remains fairly consistent throughout the entire period under review. 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.



The following score is allocated to this indicator:

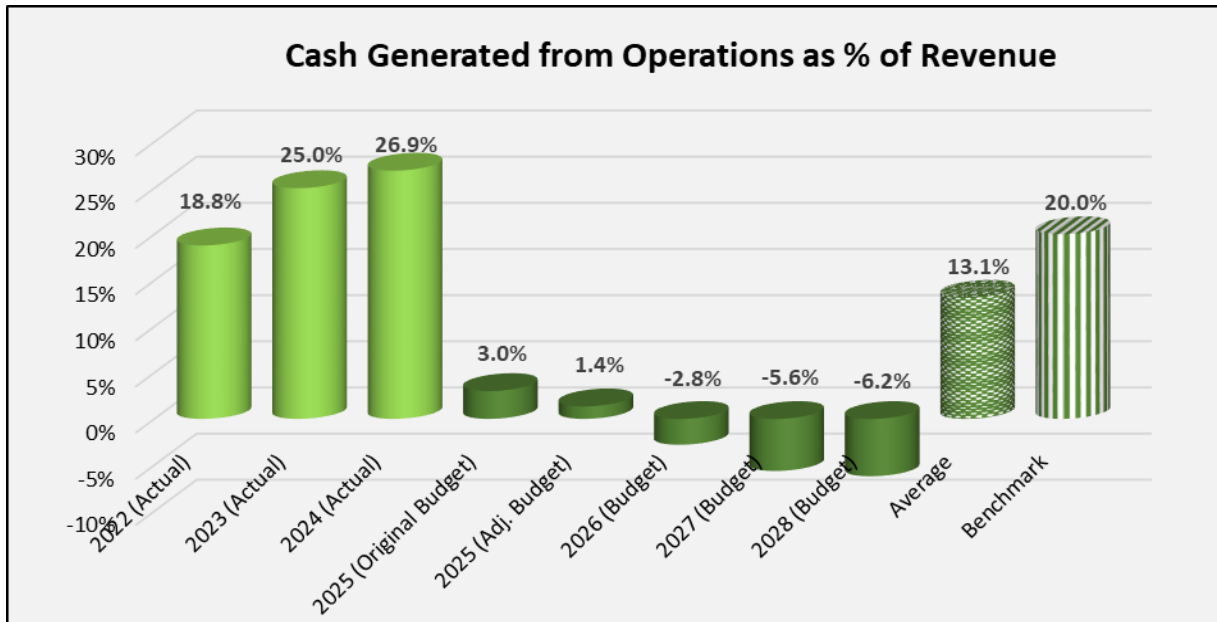




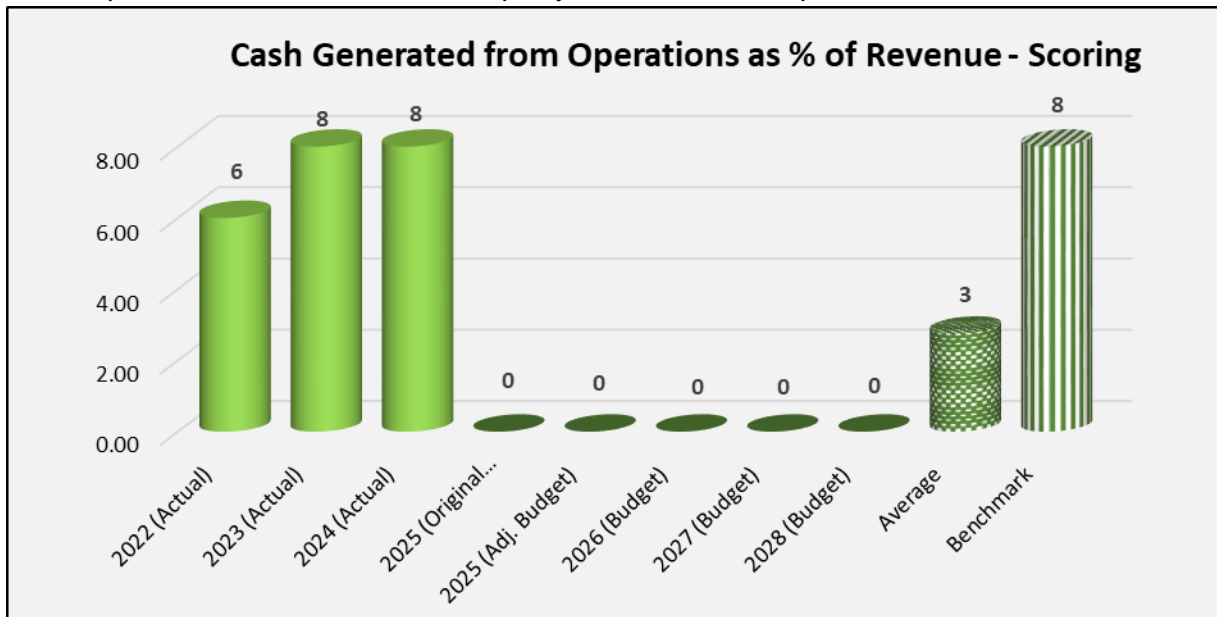
1.3.1.3 Cash Generated from Operations as % of Revenue

The ratio indicates the ability to convert revenue raised into cash. The trend is more an indication of the municipality’s inability to pass on increases in major expenditure line items (ie Employee Related Costs, Bulk Purchases etc) to the consumer in the form of tariff and rates increases.

A ratio of 20% (Cash generated by operations vs Revenue) is deemed to be appropriate. It is quite evident that the municipality is not generating appropriate levels of cash that will enable the municipality to contribute to the capital program of the municipality. Municipality should explore options to cut back on operating expenditure to improve this indicator.



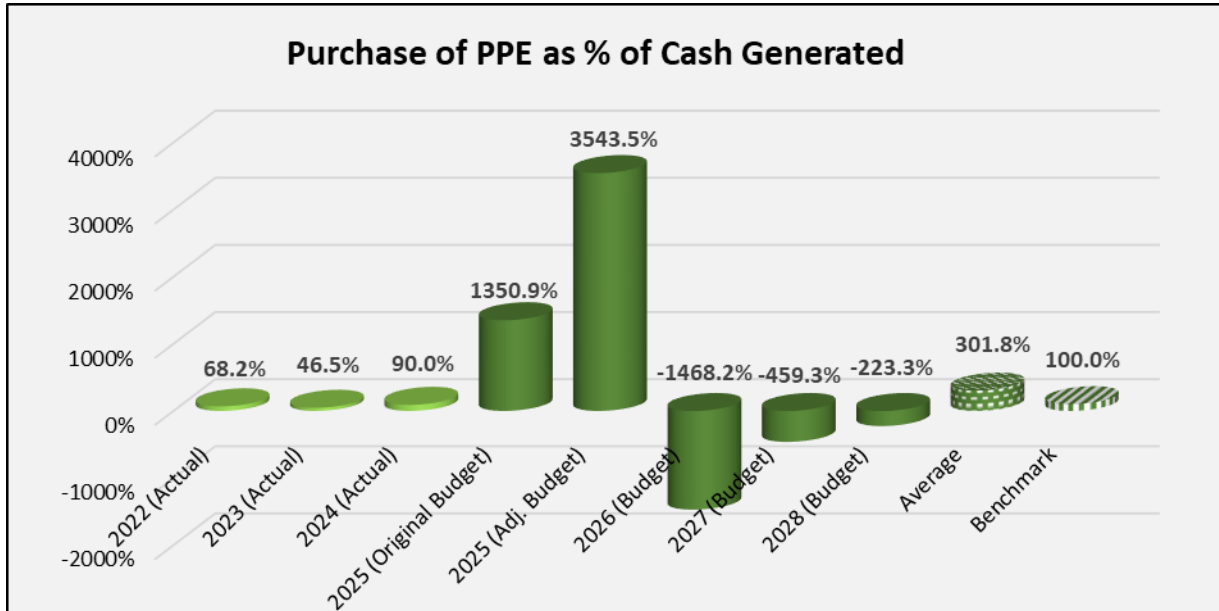
From a possible score of 8, the municipality will score limited points over the MTREF.



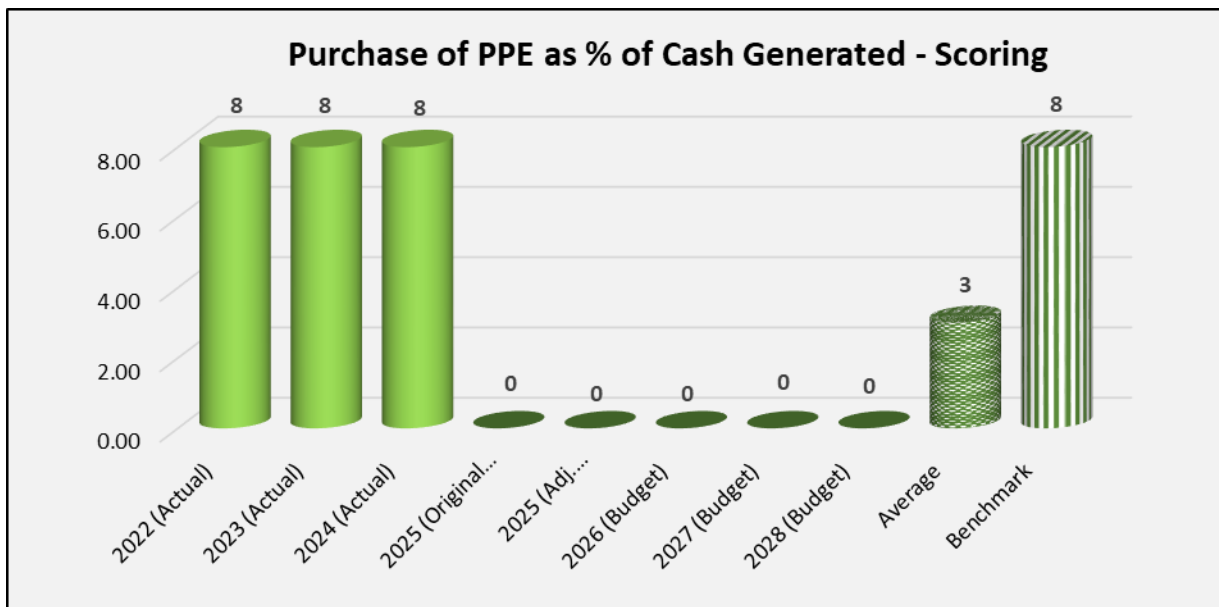


1.3.1.4 Purchase of PPE as % of Cash Generated

This indicator measures the ability of the municipality’s operations to generated sufficient cash to fund the capital program of the municipality. Any ratio in excess of 100% entails that insufficient cash is generated to meet the proposed capital outflow. Any shortfall will need to be financed using accumulated cash reserves or new external financing in the form of loans. As discussed in the previous section of this report, the capital program is placing enormous pressure on the accumulated cash reserves of the municipality.



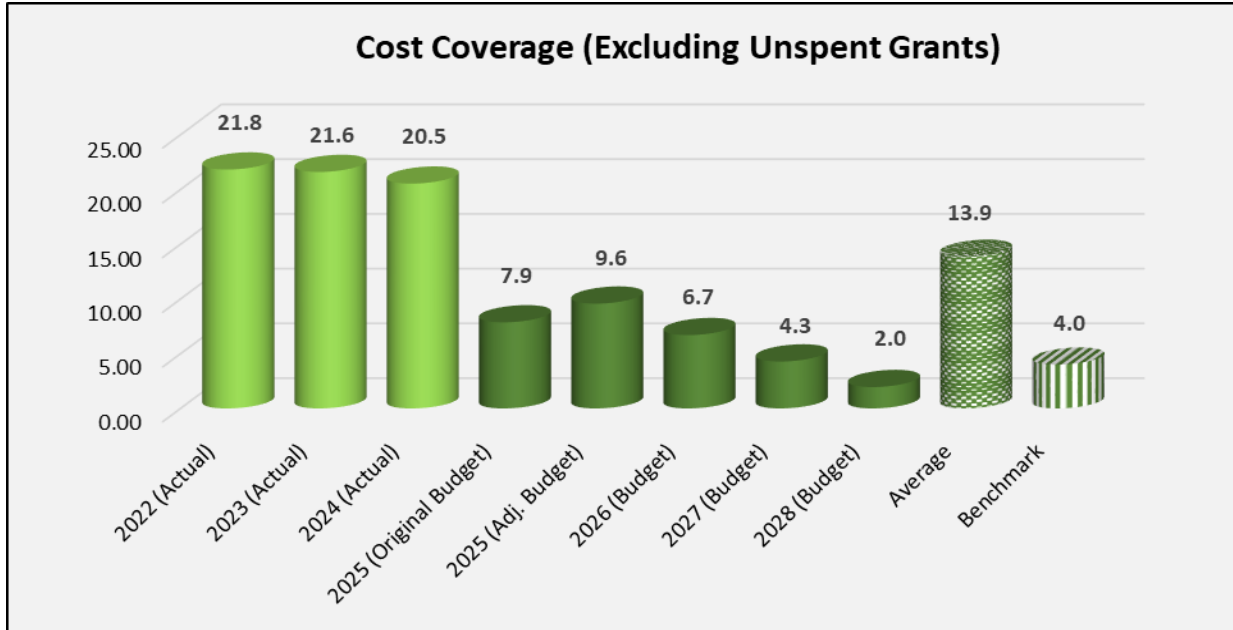
This indicator does not contribute to the financial viability scoring of the municipality and should be addressed.



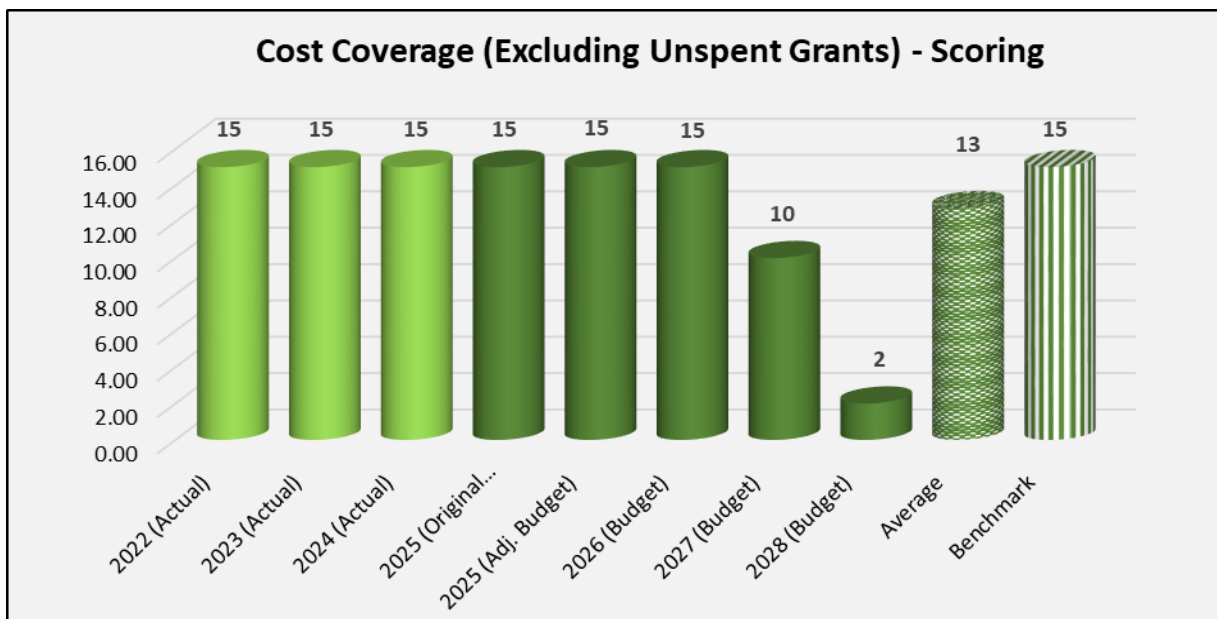


1.3.1.5 Cost Coverage

This ratio measures the amount of months' operating expenditure for which cash is available. This indicator will also provide a good indication of how the municipality will be able to react to financial "shock/setbacks" that is beyond the control of the municipality (for example - National Treasury delays the payments of grants or a sudden drop in payment levels from consumers/rate payers). The guidelines provided by National Treasury indicate that a level of 1 to 3 months is considered to be acceptable.



The downward trend is in line with the projected decline in cash resources over the MTREF.

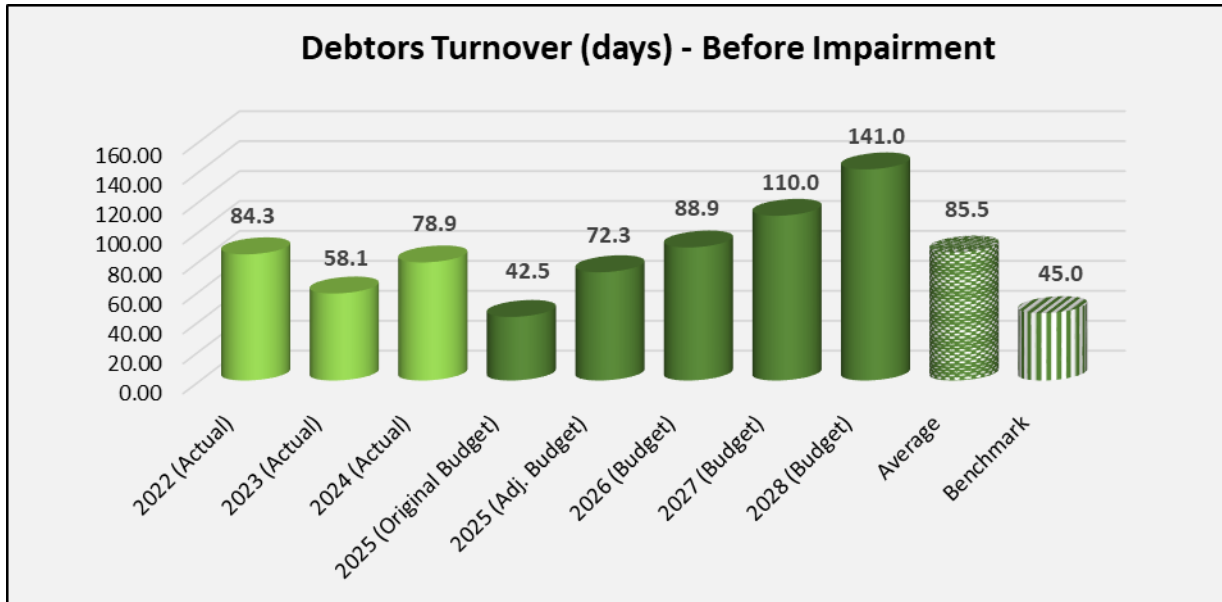




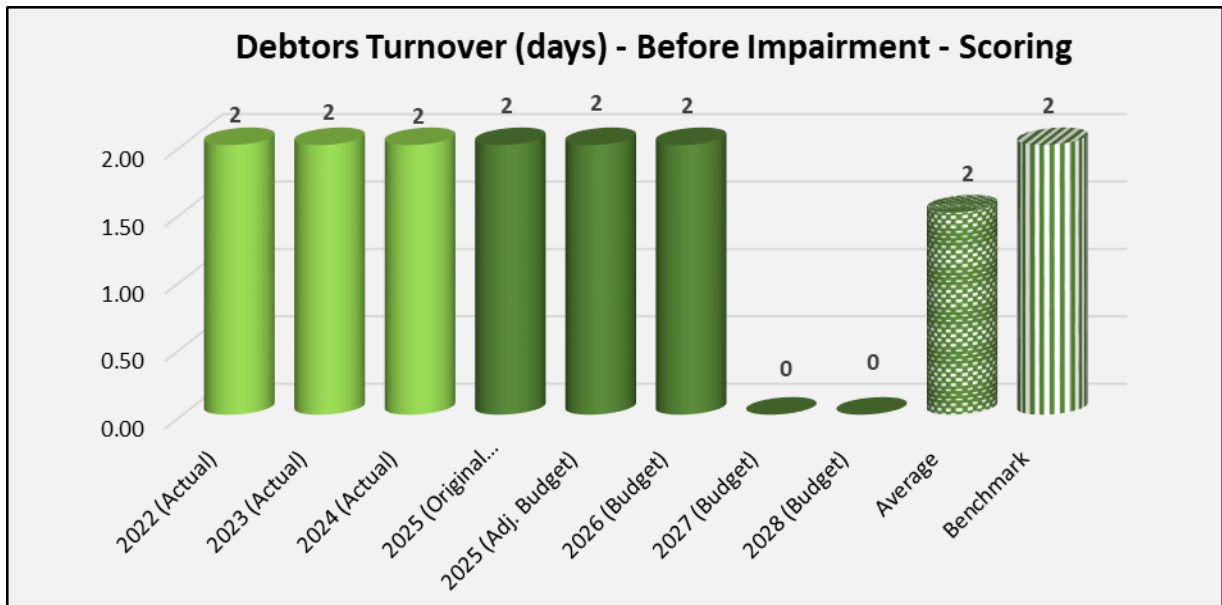
1.3.1.6 Debtor Turnover Days

In short, the indicator provides an indication of how many days it takes to convert billed revenue into cash. Thus, it is a good indicator of how credit control and debt collection measures are being implemented at the municipality. It also provides an indication of the municipality’s write off policy.

Improved debt collection procedures and processes could significantly improve this focus area.



A total score of only 2 is available for this indicator.

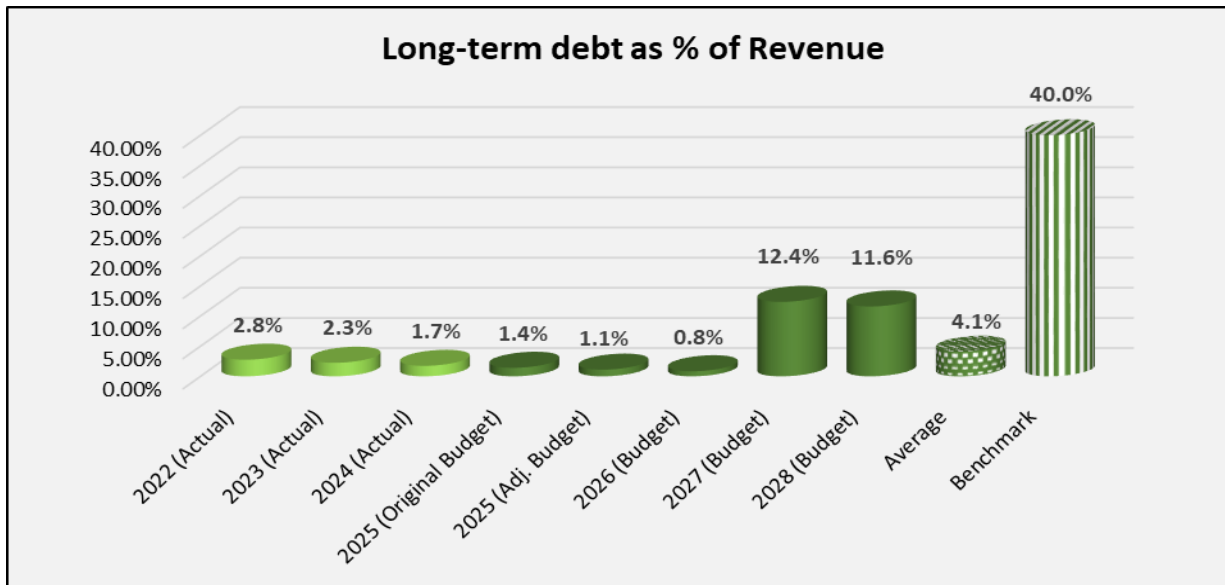




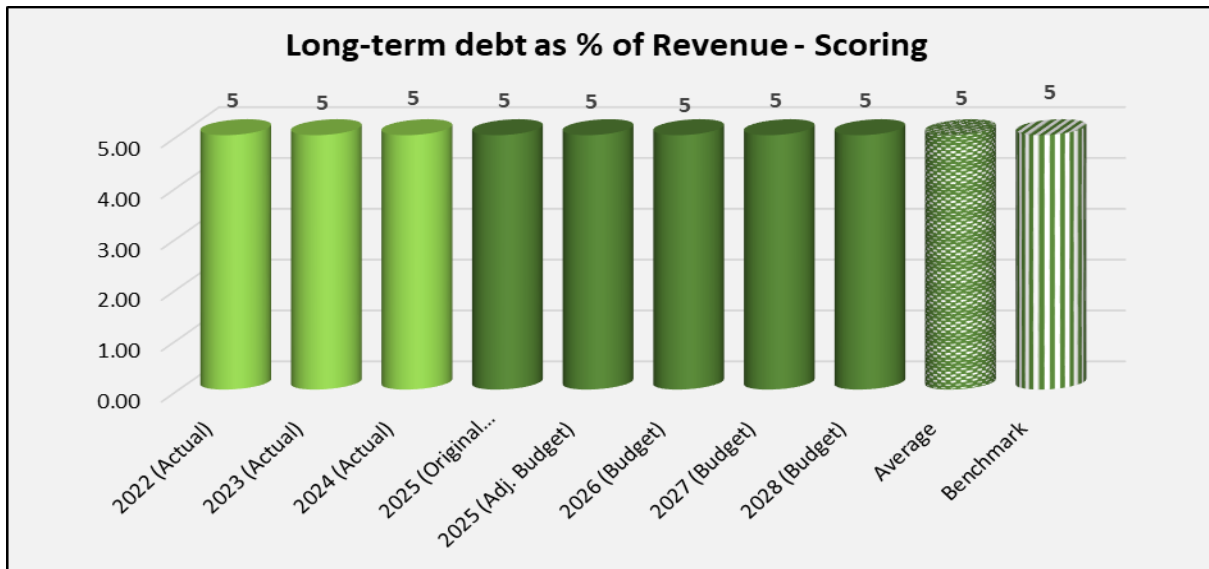
1.3.1.7 Long Term Debt as % of Revenue

External borrowing is an important part of the funding model of the municipality. Not only does it instantly provide the municipality with relatively inexpensive capital to fast-track service delivery and infrastructure backlogs, but it also ensures that the user of the infrastructure pay for the use over the lifetime of the asset.

This indicator provides the municipality with a debt ceiling – the maximum level of external borrowing that the municipality will be able to accommodate in the in the statement of financial position before the “affordability” factor becomes a concern.



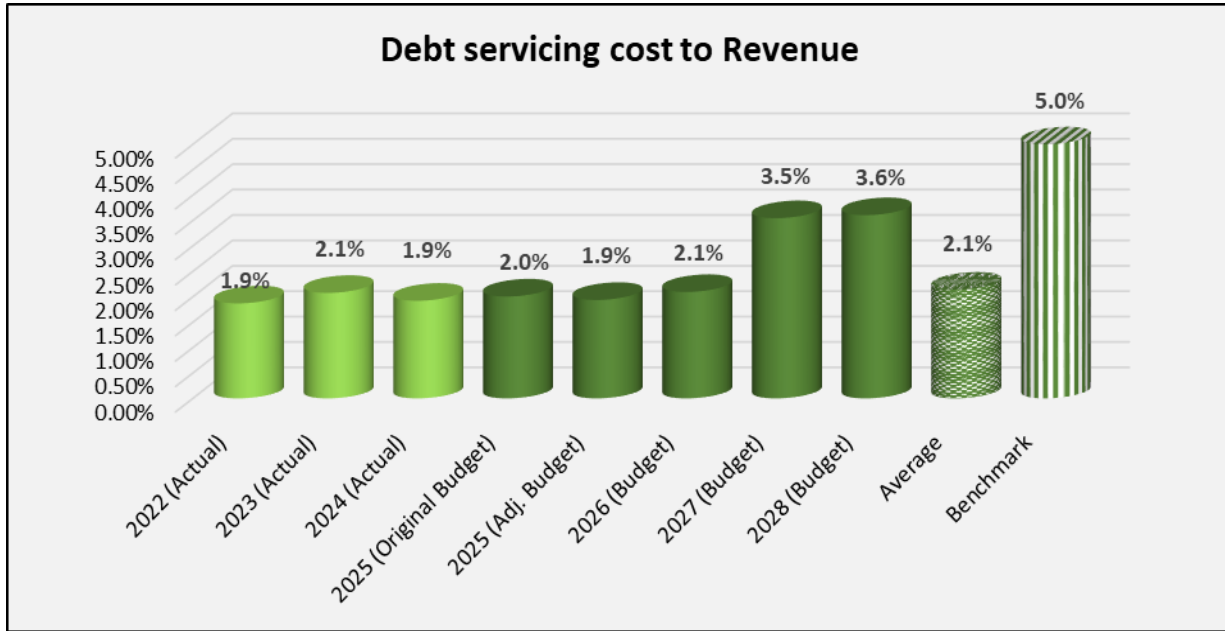
After the anticipated annuity loan of R42 million in 2026/2027, the municipality will still be operating well below the debt ceiling of 40%.



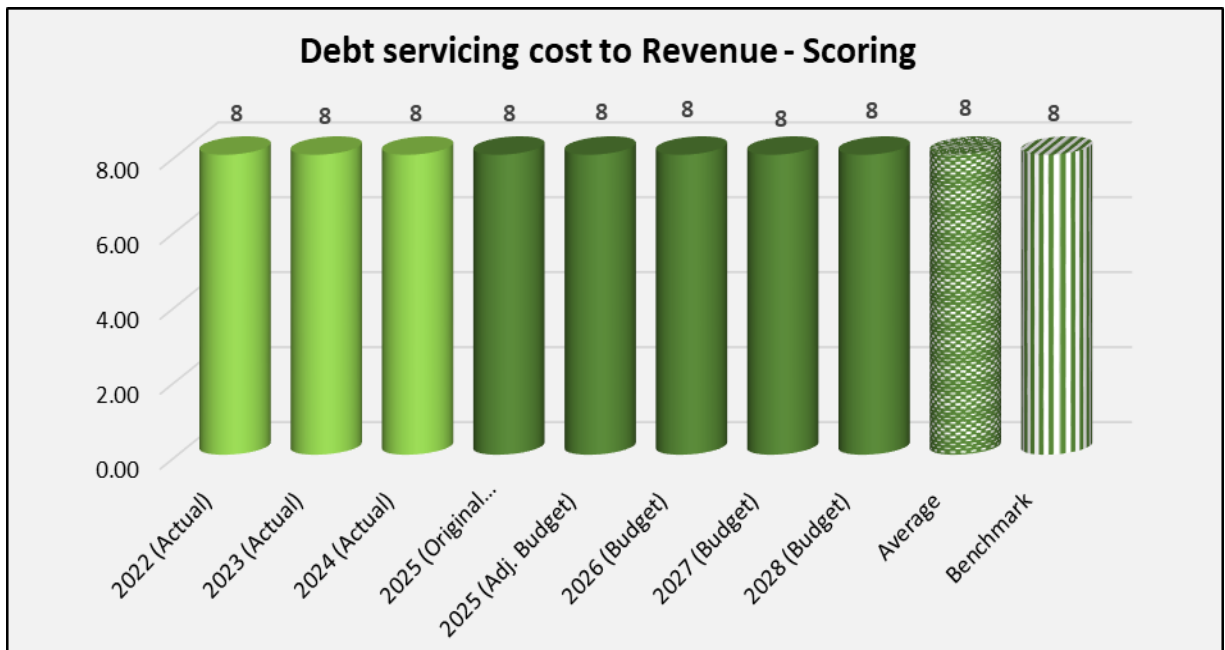


1.3.1.8 Debt Servicing Cost to Revenue

This indicator measure the portion of revenue spent on the repayment of borrowing and should be reviewed in conjunction with the debt ceiling indicator in section 1.3.1.7. It is projected that the municipality will be well below the limit of 5% throughout the period under review.



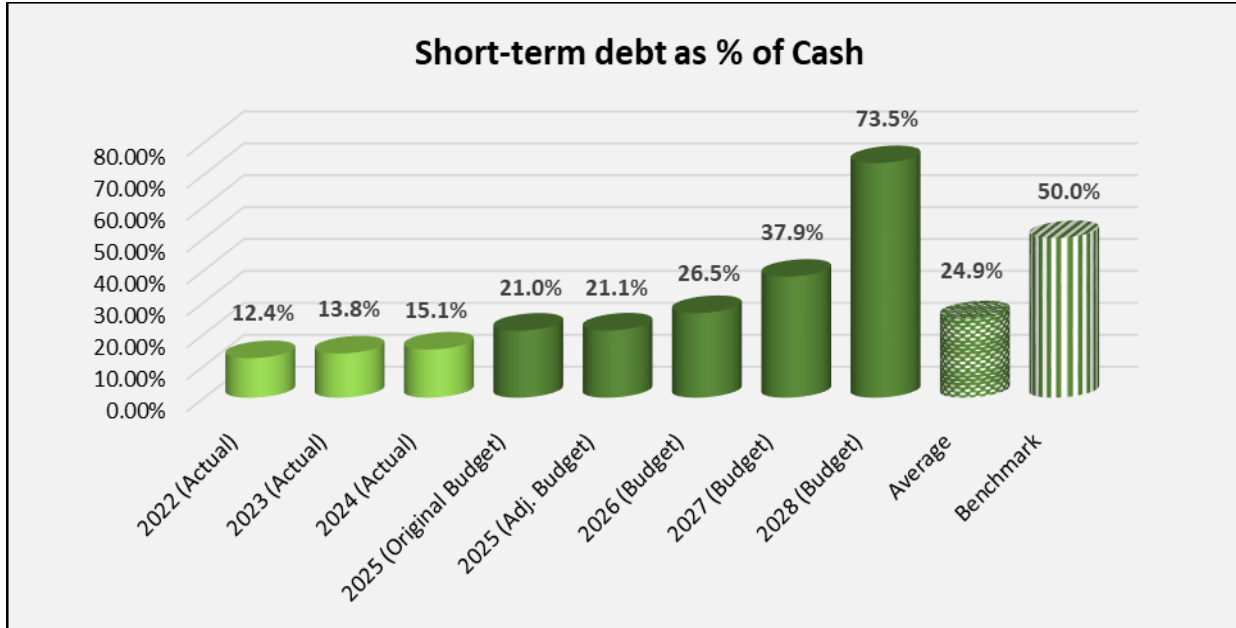
From a possible score of 8, the municipality will be allocated a full score in all periods under review.





1.3.1.9 Short Term Debt as % of Cash

This indicator provides a measure of the municipality’s ability to settle short term liabilities when they become due and payable. A level below 50% is considered to be acceptable.



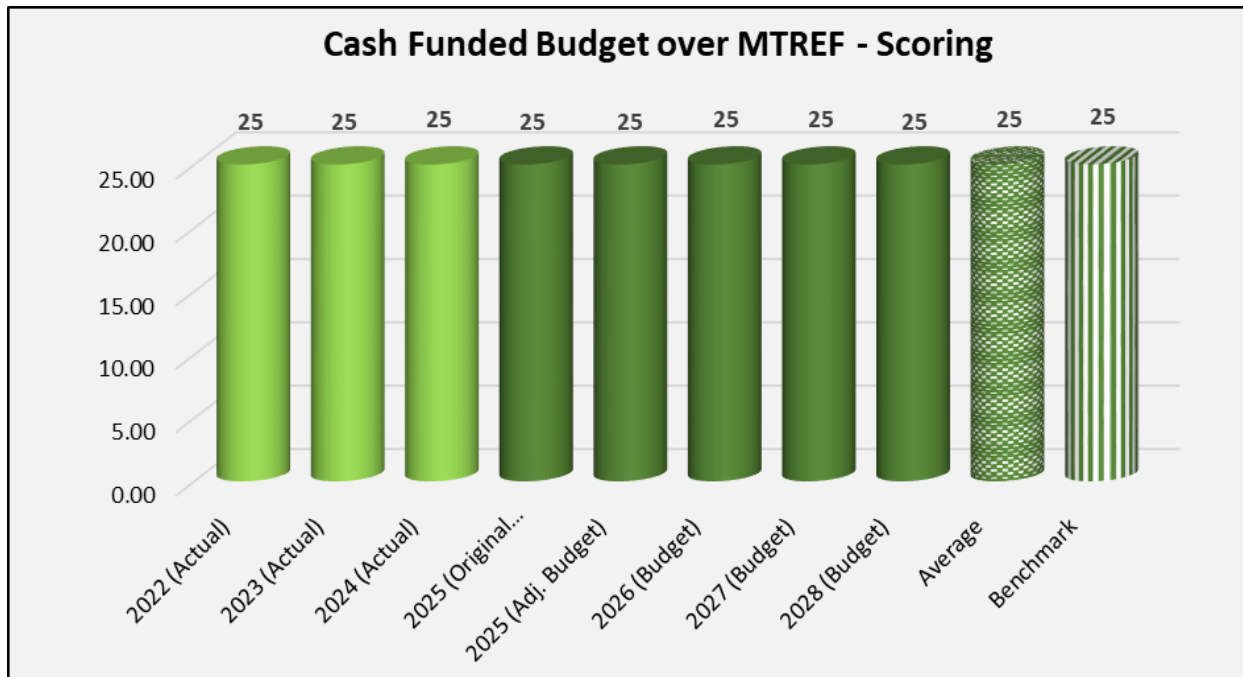
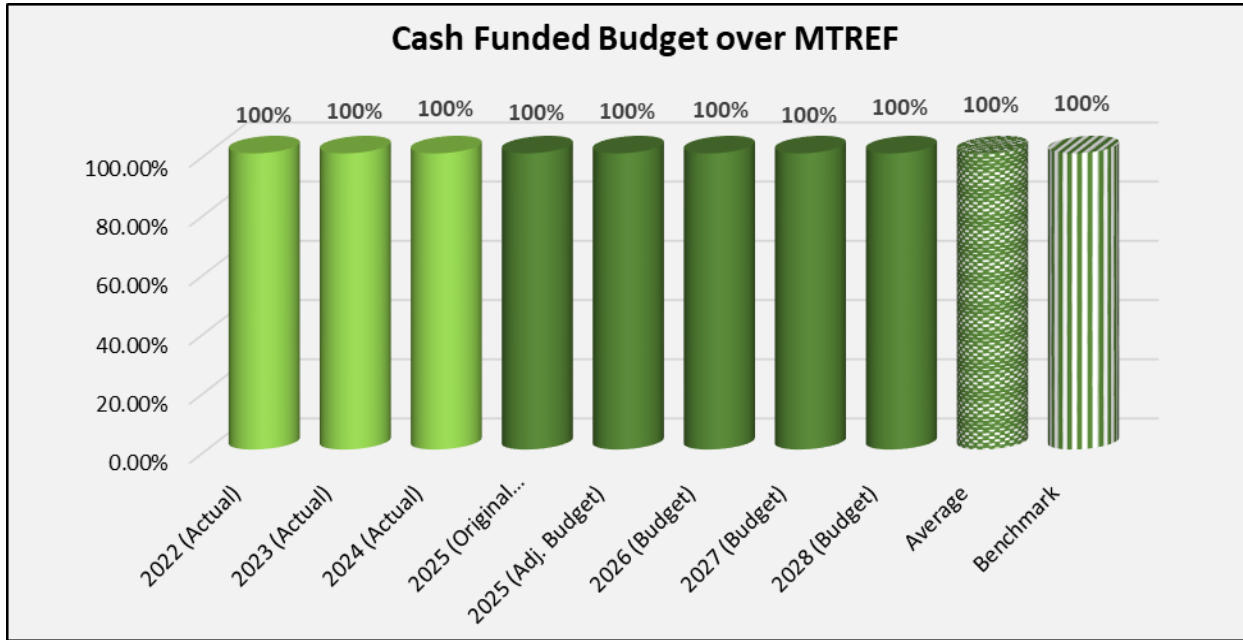
Similar to the Acid Test Ratio (Section 1.3.1.1) and the Cost coverage (Section 1.3.1.5), this ratio is negatively affected by the declining trend in cash and cash equivalents.





1.3.1.10 Cash Funded Budget over the MTREF

A cash funded budget is arguably the most important indicator for a credible budget that is aligned to the funding requirement in MFMA Section 18 and for this reason the indicator carries the largest weighting in the financial viability scoring model.





1.3.1.11 Total Viability Scoring

Based on the outcome of the 10 indicators above, it is expected that the viability scoring will regress over the MTREF when compared to the last audited year, being 2023/24. This decline can mainly be attributed to the projected decline in cash reserves resulting from a full implementation of the operating and capital budget. The municipality should strive to implement spending programs that contribute to an upward trend in the total viability scoring.



Despite the many challenges identified in this report, the municipality will still be in a position to present a cash funded budget by 2027/2028.



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 2025/26 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source

Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2025/26	2026/27	2027/28
Revenue								
Exchange Revenue								
Service charges - Electricity	48 684	44 526	56 838	62 647	65 221	72 331	76 671	81 271
Service charges - Waste Management	8 420	9 117	8 639	10 658	10 080	10 484	10 903	11 394
Sale of Goods and Rendering of Services	162	110	404	291	463	452	470	491
Agency services	1 200	1 204	1 047	1 538	929	966	1 004	1 050
Interest earned from Receivables	3 075	4 752	5 815	5 659	5 412	5 228	5 854	6 117
Interest earned from Current and Non Current Assets	17 806	32 209	43 068	31 509	37 656	32 162	27 338	23 237
Rent on Land	–	0	50	3	47	34	35	37
Rental from Fixed Assets	1 482	1 475	1 763	1 751	1 944	1 989	2 069	2 163
Licence and permits	1 256	1 301	1 226	1 508	2 272	2 363	2 458	2 568
Operational Revenue	551	549	551	805	479	498	518	542
Non-Exchange Revenue								
Property rates	15 497	17 331	18 603	17 901	19 201	19 969	20 767	21 702
Fines, penalties and forfeits	476	915	929	589	208	172	225	236
Transfer and subsidies - Operational	179 409	188 852	199 773	214 655	217 314	213 404	210 012	218 384
Interest	1 201	1 720	2 000	1 880	2 580	2 383	2 790	2 916
Gains on disposal of Assets	–	–	961	–	500	257	–	–
Other Gains	832	5 635	2 970	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	280 052	309 696	344 638	351 394	364 306	362 692	361 115	372 106



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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2025/26	2026/27	2027/28
Revenue by Vote								
Vote 1 - Executive & Council	11	264	-	7 550	7 550	7 990	7 948	8 308
Vote 2 - Planning & Development	10 121	6 953	8 180	11 238	11 637	10 099	10 468	9 909
Vote 3 - Corporate Services	2 469	2 663	3 665	1 851	2 107	2 192	2 279	2 382
Vote 4 - Budget & Treasury	199 618	230 071	252 154	166 542	174 683	169 373	165 374	167 516
Vote 5 - Road Transport	30 389	39 091	48 328	60 505	73 717	56 719	44 250	46 211
Vote 6 - Waste Water Management	-	-	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	-	-	-
Vote 8 - Health	-	-	-	-	-	-	-	-
Vote 9 - Community & Social Services	1 592	1 569	1 599	1 695	3 912	3 934	4 008	4 094
Vote 10 - Sport & Recreation	2	1	0	2	2	8	8	8
Vote 11 - Public Safety	43	59	138	163	147	128	133	139
Vote 12 - Electricity	49 580	50 113	59 500	103 756	107 180	111 955	121 166	127 777
Vote 13 - Waste Management	10 799	13 277	14 383	53 875	52 116	51 153	51 967	54 312
Vote 14 - Water	-	-	-	-	-	-	-	-
Vote 15 - Other	-	-	-	-	-	-	-	-
Total Revenue by Vote	304 623	344 062	387 948	407 178	433 051	413 551	407 602	420 656



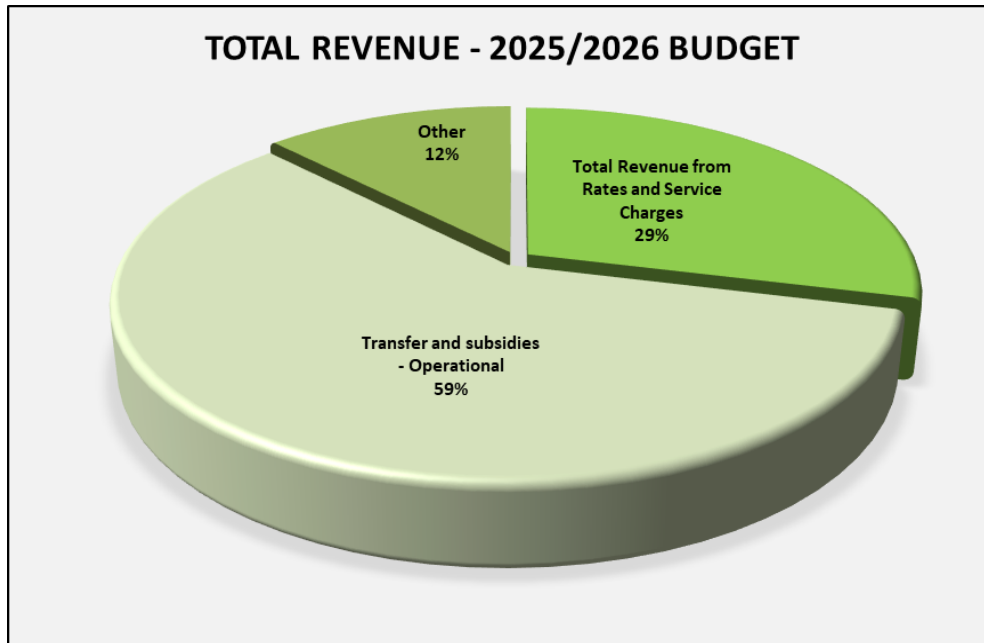
Percentage growth in revenue base by main revenue source

Description R thousand	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework					
	Adjusted	%	Budget Year	%	Budget Year	%	Budget Year	%
	Budget		2025/26		2026/27		2027/28	
Revenue								
Exchange Revenue								
Service charges - Electricity	65 221	17.9%	72 331	19.9%	76 671	21.2%	81 271	21.8%
Service charges - Waste Management	10 080	2.8%	10 484	2.9%	10 903	3.0%	11 394	3.1%
Sale of Goods and Rendering of Services	463	0.1%	452	0.1%	470	0.1%	491	0.1%
Agency services	929	0.3%	966	0.3%	1 004	0.3%	1 050	0.3%
Interest earned from Receivables	5 412	1.5%	5 228	1.4%	5 854	1.6%	6 117	1.6%
Interest earned from Current and Non Current Assets	37 656	10.3%	32 162	8.9%	27 338	7.6%	23 237	6.2%
Rent on Land	47	0.0%	34	0.0%	35	0.0%	37	0.0%
Rental from Fixed Assets	1 944	0.5%	1 989	0.5%	2 069	0.6%	2 163	0.6%
Licence and permits	2 272	0.6%	2 363	0.7%	2 458	0.7%	2 568	0.7%
Operational Revenue	479	0.1%	498	0.1%	518	0.1%	542	0.1%
Non-Exchange Revenue								
Property rates	19 201	5.3%	19 969	5.5%	20 767	5.8%	21 702	5.8%
Fines, penalties and forfeits	208	0.1%	172	0.0%	225	0.1%	236	0.1%
Transfer and subsidies - Operational	217 314	59.7%	213 404	58.8%	210 012	58.2%	218 384	58.7%
Interest	2 580	0.7%	2 383	0.7%	2 790	0.8%	2 916	0.8%
Gains on disposal of Assets	500	0.1%	257	0.1%	-	0.0%	-	0.0%
Other Gains	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Revenue (excluding capital transfers and contributions)	364 306	100%	362 692	100%	361 115	100%	372 106	100%
Total Revenue from Rates and Service Charges	96 446	26.5%	104 773	28.9%	110 411	30.6%	116 529	31.3%

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 26 and 31 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 56% 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):

Operating Transfers and Grant Receipts

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
RECEIPTS:					
<u>Operating Transfers and Grants</u>					
National Government:	209 848	212 403	208 129	206 587	215 924
Local Government Equitable Share	189 174	189 174	188 084	187 115	195 569
Finance Management	1 700	1 700	1 800	2 000	2 100
Nat Gov: Councillor Remuneration	7 550	7 550	7 990	7 948	8 308
Municipal Infrastructure Grant (MIG)	9 529	9 529	8 197	8 875	9 268
EPWP Incentive	1 620	1 620	2 058	-	-
Integrated National Electrification Programme	276	276	-	650	679
Municipal Disaster Recovery Grant	-	2 555	-	-	-
Provincial Government:	1 500	2 106	2 106	2 106	2 106
Libraries	1 500	2 106	2 106	2 106	2 106
Total Operating Transfers and Grants	211 348	214 509	210 235	208 693	218 030
<u>Capital Transfers and Grants</u>					
National Government:	47 100	64 133	38 935	46 487	48 549
Municipal Infrastructure Grant (MIG)	45 260	45 260	38 935	42 155	44 022
Integrated National Electrification Programme	1 839	1 839	-	4 331	4 527
Municipal Disaster Recovery Grant	-	17 033	-	-	-
Total Capital Transfers and Grants	47 100	64 133	38 935	46 487	48 549
TOTAL RECEIPTS OF TRANSFERS & GRANTS	258 448	278 642	249 170	255 180	266 579



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 2025/26 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 R18,91 million in 2025/2026 decreasing to R16,45 million in 2027/2028.

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 2025/26 financial year are as follows:

Comparison of proposed rates to be levied for the 2025/26 financial year

No	Tariff Code	Property Category	Rate Ratio (to residential rate)	Tariff 2024/2025 " R "	Tariff 2025/2026 " R "
01	RES001	Residential properties	1: 1	0.009346	0.009720
02	IND001	Industrial properties	1: 1,33	0.012430	0.012927
03	BUS001	Business and Commercial properties	1: 1,30	0.012150	0.012636
04	AGR001	Agricultural properties used for Agricultural Purpose	1: 0,25	0.002336	0.002430
05	AGR002	Agricultural Properties used for Industrial Purposes	1: 1,33	0.012430	0.012927
06	AGR003	Agricultural Properties used for Eco- Tourism, Conversation, Trading In or Hunting of Game	1: 0,25	0.002336	0.002430
07	AGR004	Agricultural Properties not used for Any Purpose/ Purpose Unknown to Municipality	1: 0,25	0.002336	0.002430
08	AGR005	Agricultural Properties used for Business and Commercial Purposes	1: 1,30	0.012150	0.012636
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	0.012150	0.012636
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	0.012150	0.012636
13	PSP004	State/ Owned Properties that Provide Regional/ Municipal District- Wide Services	1: 1,30	0.012150	0.012636
14	PSP005	State/ Owned Properties that Provide Provincial/ National Services	1: 1,30	0.012150	0.012636
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	0:01,5	0.014019	0.014579

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) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2024/25, bulk electricity costs increased by 12.7 per cent, a slight decrease as compared to 15.0 per cent in the 2023/24 municipal financial year. Given the absence of an approved tariff increase by Eskom and no approval of Eskom tariff application available yet for the 2025/26 financial year, municipalities are cautioned to not only use the National Treasury Cost Reflective Tariff Tool, but also to do the Cost of Supply Study as prescribed by NERSA.

Electricity Surplus/(Deficit)

Description	Current year 2025 (Adj. Budget)	2026 (Budget)	2027 (Budget)	2028 (Budget)
Revenue - Electricity	107 180 142	111 955 485	121 166 410	127 776 740
Expenditure - Electricity	99 782 636	100 235 029	104 897 542	109 569 863
Surplus/(Deficit)	7 397 506	11 720 457	16 268 869	18 206 877
Gross Profit %	6.9%	10.5%	13.4%	14.2%

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:



Comparison between current electricity charges and increases

DESCRIPTION	Tariff 2024/2025 "R"	Tariff 2025/2026 "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)	218.29	245.57
Energy Charge – per Unit (kWh) (351 - 600kWh)	317.42	357.10
Energy Charge – per Unit (kWh) (> 600kWh)	373.80	420.53
Domestic (Pre-paid metering) single phase 0-60 AMP NONE FBS	-	-
Basic / Availability Charge – per month	-	-
Energy Charge – per Unit (kWh) (1 – 50kWh)	169.74	190.95
Energy Charge – per Unit (kWh) (51 – 350kWh)	218.29	245.57
Energy Charge – per Unit (kWh) (351 - 600kWh)	317.42	357.10
Energy Charge – per Unit (kWh) (> 600kWh)	373.80	420.53
Domestic (Pre-paid metering) three phase 0-60 AMP	-	-
Basic / Availability Charge – per month	-	-
Energy Charge – per Unit (kWh) (1 – 50kWh)	172.28	193.82
Energy Charge – per Unit (kWh) (51 – 350kWh)	221.58	249.28
Energy Charge – per Unit (kWh) (351 - 600kWh)	348.59	392.17
Energy Charge – per Unit (kWh) (> 600kWh)	381.00	428.63
Domestic : Demand 0 -60 Amp (Credit Metering)	-	-
Basic / Availability Charge -per month	277.86	312.59
Energy Charge – per Unit (kWh) (1 – 50kWh)	169.74	190.95
Energy Charge – per Unit (kWh) (51 – 350kWh)	213.67	240.38
Energy Charge – per Unit (kWh) (351 - 600kWh)	306.74	345.08
Energy Charge – per Unit (kWh) (> 600kWh)	356.66	401.24
Domestic : Demand 60 Amp + (Credit Metering)	-	-
Basic / Availability Charge -per month	655.93	737.92
Energy Charge – per Unit (kWh) (1 – 50kWh)	169.74	190.95
Energy Charge – per Unit (kWh) (51 – 350kWh)	213.67	240.38
Energy Charge – per Unit (kWh) (351 - 600kWh)	306.74	345.08
Energy Charge – per Unit (kWh) (> 600kWh)	356.66	401.24
Commercial (Pre -paid metering) 0 -60 AMP - Single Phase	-	-
Energy Charge -per Unit (KWh) consumed	377.48	424.66
Commercial (Pre -paid metering) 0 -60 AMP - Three Phase	-	-
Energy Charge -per Unit (KWh) consumed	390.53	439.34
Commercial: Small / Medium - (Credit Metering) 0-60 AMP	-	-
Basic / Availability Charge - per month	812.45	914.01
Energy Charge - per unit (KWh) consumed	314.53	353.85
Commercial: Large - (Credit Metering) 0 to undifined AMP	-	-
Basic / Availability Charge - per month	2 371.91	2 668.40
Energy Charge - per unit (KWh) consumed	317.07	356.70
Network / Demand Charge - per unit (KVA) consumed	128.43	144.49
Farms 0 to undifined AMP	-	-
Basic / Availability Charge per month	796.27	895.81
Energy Charge -per Unit (KWh) consumed	307.59	346.04
Network Demand Charge - (KVA) per Unit	126.93	142.79
Consumer Deposits (to be paid prior to connection)	-	-
Domestic / Residential	3 130.96	3 522.33
Business / Commercial (Small / Medium): 0 - 60 Amp	7 827.39	8 805.81
Business / Commercial / Industrial: 60 -150 Amp	21 394.90	24 069.26
Businesses / Commercial / Industrial: 150 Amp +	39 137.21	44 029.36
Other	-	-
New Connection (to be paid in advance)	-	-
Re - connecting existing connection	782.78	880.63
Re - connecting (after default / dis-connection)	861.08	968.71
Test Meter (Not Refundable)	782.78	880.63
Illegal Connection or tempering of KWH Meter	6 485.89	7 296.62



1.4.4 Waste Removal and Impact of Tariff Increases

An average tariff increase of 6 per cent for refuse removal services from 1 July 2025 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.

Waste Management Surplus/(Deficit)

Description	Current year 2025 (Adj. Budget)	2026 (Budget)	2027 (Budget)	2028 (Budget)
Revenue - Waste Management	52 115 806	51 152 744	51 966 740	54 312 166
Expenditure - Waste Management	58 800 363	51 663 135	53 699 948	53 375 710
Surplus/(Deficit)	-6 684 558	-510 391	-1 733 208	936 456
Surplus/(Deficit) %	-12.8%	-1.0%	-3.3%	1.7%

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 2025:

Comparison between current waste removal fees and increases

	Tariff 2024/2025 " R"	Tariff 2025/2026 " R"
Domestic Consumers (per month for one removal per week)	189.63	201.00
Additional removal (per load or part thereof)	189.63	201.00
Commercial Consumers (per month for two removals per week)	405.84	430.19
Additional removal (per load or part thereof)	405.84	430.19
Public Service Purpose Departments (Schools, hotels, SAPS, prison, hospitals, etc) (per month for two removals per week)	2 406.34	2 550.72
Additional removal (per load or part thereof)	405.84	430.19
Garden Refuse (per load) (to be paid in advance)	405.84	430.19
Building Rubble (per load) (to be paid in advance)	703.58	745.79
Cleaning of erven	405.84	430.19
Penalty for Illegal Dumping		
MICRO Business Turnover < R20m	-	5 000.00
Small Business Turnover Between R20M -and R40M	-	15 000.00
Medium Business Turnover Over R 40M	-	50 000.00



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 2025/26 budget and MTREF (classified per main type of operating expenditure):

Summary of operating expenditure by standard classification item

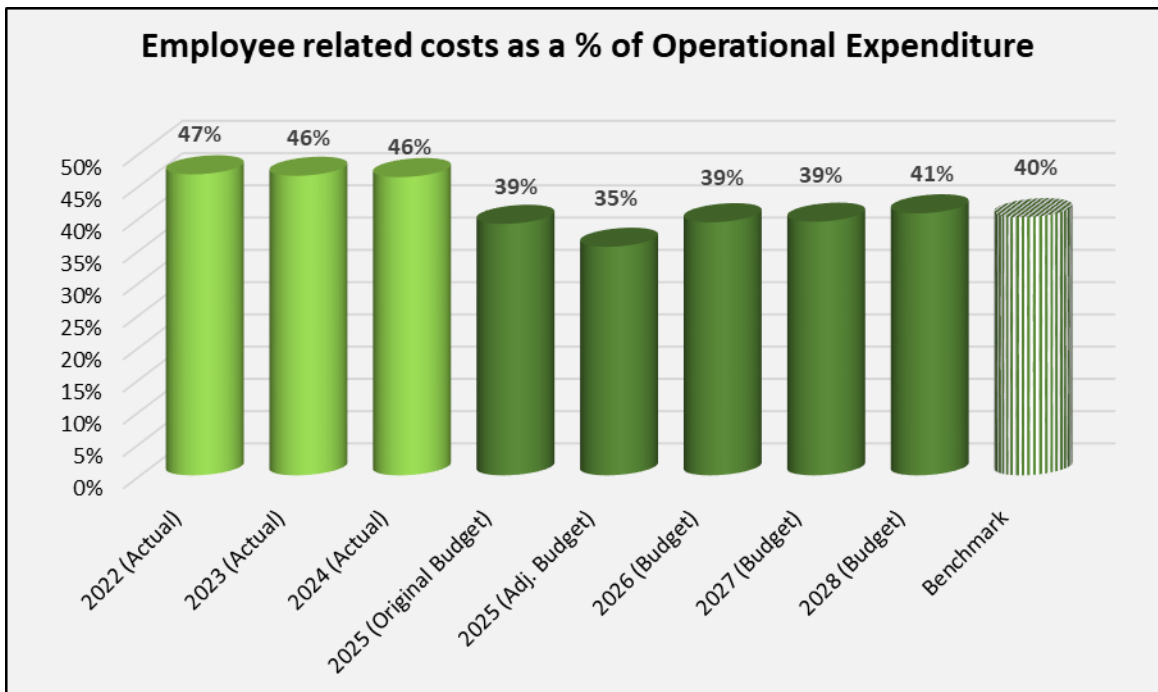
Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2025/26	2026/27	2027/28
Expenditure By Type								
Employee related costs	112 976	124 616	132 545	146 669	147 667	153 510	159 808	170 278
Remuneration of councillors	12 761	12 976	13 910	14 776	15 141	15 899	16 693	17 779
Bulk purchases - electricity	44 034	45 499	48 679	55 383	69 008	71 567	74 536	77 556
Inventory consumed	10 754	10 139	10 787	25 339	25 206	20 868	23 021	23 995
Debt impairment	11 028	14 497	17 464	15 983	18 338	18 913	18 906	16 449
Depreciation and amortisation	17 084	17 306	17 689	19 624	19 015	20 835	21 961	22 849
Interest	2 660	5 397	5 646	6 106	6 106	6 627	11 412	11 957
Contracted services	30 847	31 251	38 519	72 726	73 914	64 358	60 467	59 747
Transfers and subsidies	42	42	36	49	150	146	153	159
Irrecoverable debts written off	1 650	2 144	–	2 100	8 000	3 905	3 892	3 874
Operational costs	23 637	31 329	29 635	53 270	59 011	52 369	55 665	56 168
Losses on disposal of Assets	389	833	706	2 100	3 000	2 805	2 405	2 205
Other Losses	348	3	1 154	–	15 000	–	–	–
Total Expenditure	268 210	296 032	316 771	414 124	459 556	431 802	448 920	463 017

The budgeted allocation for employee related costs for the 2025/26 financial year totals R153,51 million, which equals 35,55 per cent of the total operating expenditure. This percentage is set to remain constant at 36 per cent over the MTREF.

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 average collection rate of 72 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 amortisation 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 R20,84 million for the 2025/26 financial year and equates to 4,83 per cent of the total operating expenditure. The appropriation increases to R22,85 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 1,53 per cent (R6,63 million) of operating expenditure excluding annual redemption for 2025/26. This percentage increase to 2,58 per cent in the two outer years of the MTREF as a result of the additional annuity loan of R42 million in 2026/27.

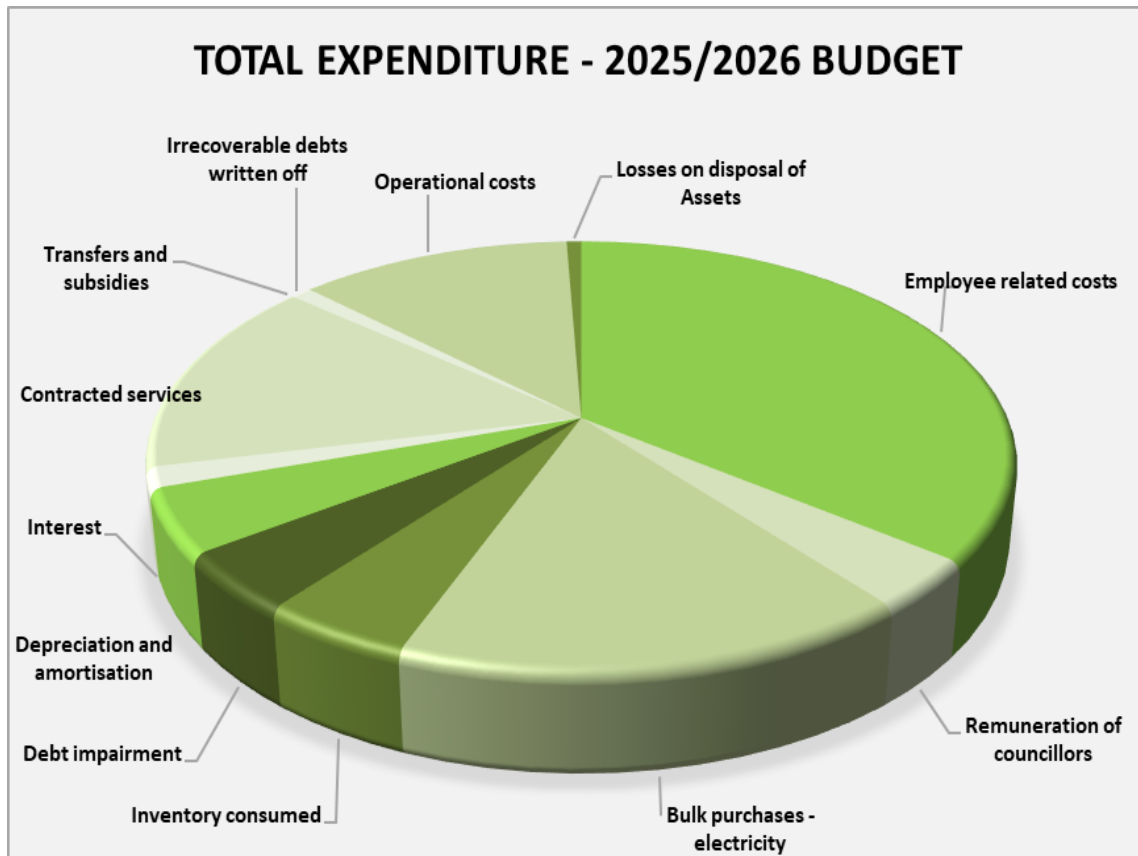
Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Although the municipality is not in control of the increase in the cost of bulk purchases, the municipality could still implement measures to reduce distribution losses as well as internal consumption. Electricity bulk purchases represents 16,57 per cent of expenditure for 2025/26 and this percentage increase over the MTREF to 16,75 per cent for 2027/28.

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. Approximately 25% of the Contracted Services for 2025/2026 relates to Repairs and Maintenance projects and a total of R47,07 million over the MTREF.

Operational Costs 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 2025/26 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)

Repairs and maintenance per asset class

Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs and Maintenance by Asset Class	13 978	11 619	10 868	27 477	26 200	24 156	23 872	24 340
<i>Roads Infrastructure</i>	3 710	4 593	2 276	7 726	5 648	5 876	6 219	6 522
<i>Storm water Infrastructure</i>	404	184	–	464	464	471	488	507
<i>Electrical Infrastructure</i>	821	548	599	2 552	2 065	1 647	2 120	2 170
<i>Solid Waste Infrastructure</i>	373	106	45	2 005	1 974	1 487	1 548	1 816
Infrastructure	5 308	5 431	2 920	12 747	10 150	9 481	10 375	11 015
<i>Community Facilities</i>	2 233	1 686	1 035	2 024	2 537	2 617	2 611	2 621
<i>Sport and Recreation Facilities</i>	375	166	100	446	416	377	390	368
Community Assets	2 608	1 851	1 135	2 470	2 953	2 993	3 001	2 989
<i>Revenue Generating</i>	–	–	–	438	260	459	468	466
Investment properties	–	–	–	438	260	459	468	466
<i>Operational Buildings</i>	1 268	613	830	2 385	2 067	2 664	2 467	2 565
Other Assets	1 268	613	830	2 385	2 067	2 664	2 467	2 565
<i>Furniture and Office Equipment</i>	356	458	259	924	1 057	1 067	1 113	1 110
<i>Machinery and Equipment</i>	1 905	1 135	1 582	2 363	2 122	2 000	1 825	1 880
<i>Transport Assets</i>	2 533	2 131	4 141	6 151	7 591	5 491	4 623	4 314
TOTAL EXPENDITURE OTHER ITEMS	31 062	28 925	28 557	47 101	45 214	44 991	45 833	47 189
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	59.4%	54.2%	70.0%	68.7%	14.9%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0.0%	0.0%	0.0%	432.6%	506.2%	496.0%	289.7%	33.4%
<i>R&M as a % of PPE & Investment Property</i>	2.7%	2.2%	1.8%	3.6%	3.5%	2.9%	2.7%	2.6%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	2.7%	2.2%	1.8%	14.6%	16.3%	15.4%	9.8%	3.5%

Currently the municipality is not achieving the target of 8% for Repairs and Maintenance as a % of PPE & Investment Property. It should however be noted that the municipality is currently not allocating items such as employee related cost utilised 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.

**Repairs and maintenance per expenditure item**

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
Repairs and Maintenance by Expenditure Item					
Inventory Consumed (Project Maintenance)	8 336	7 300	7 306	8 073	8 391
Contracted Services	18 659	18 433	16 356	15 288	15 427
Operational Costs	482	467	494	511	522
Total Repairs and Maintenance Expenditure	27 477	26 200	24 156	23 872	24 340

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 R12,13 million in 2025/26 and increase to R12,74 million and R13,40 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 Operational cost 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:

2025/26 Medium-term capital budget per vote

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand								
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 3 - Corporate Services	218	-	-	800	959	-	-	-
Vote 5 - Road Transport	5 456	10 649	30 309	96 217	117 875	106 618	63 618	7 641
Vote 6 - Waste Water Management	-	771	1 616	2 444	244	11 817	20 537	8 672
Vote 9 - Community & Social Services	6 645	9 032	3 835	6 000	8 156	5 374	-	9 709
Vote 10 - Sport & Recreation	-	310	6 905	12 710	25 832	3 100	-	-
Vote 11 - Public Safety	-	197	1 026	408	408	279	222	177
Vote 12 - Electricity	-	-	-	1 839	1 839	-	4 331	4 527
Vote 13 - Waste Management	16 473	11 226	4 076	-	-	-	-	18 000
Capital multi-year expenditure sub-total	28 792	32 185	47 767	120 418	155 314	127 188	88 709	48 726
Single-year expenditure to be appropriated								
Vote 1 - Executive & Council	20	776	209	656	336	99	-	-
Vote 3 - Corporate Services	3 748	1 034	899	11 352	2 818	6 443	-	-
Vote 4 - Budget & Treasury	640	1 045	1 775	1 898	1 743	1 199	1 007	881
Vote 5 - Road Transport	494	-	13 563	850	11 634	10 053	1 135	339
Vote 9 - Community & Social Services	859	-	-	730	730	78	-	-
Vote 11 - Public Safety	-	-	-	600	200	-	-	-
Vote 12 - Electricity	1 201	130	991	5 533	4 033	2 269	1 583	1 103
Vote 13 - Waste Management	233	147	17 314	953	923	261	191	152
Capital single-year expenditure sub-total	7 194	3 132	34 752	22 572	22 416	20 401	3 916	2 474
Total Capital Expenditure - Vote	35 986	35 317	82 519	142 990	177 730	147 590	92 625	51 200

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



Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CAPITAL EXPENDITURE								
Total Capital Expenditure	35 477	35 317	82 519	142 990	177 730	147 590	92 625	51 200
<i>Roads Infrastructure</i>	3 267	8 558	31 130	81 877	92 945	102 417	63 618	7 641
<i>Storm water Infrastructure</i>	2 160	–	552	2 444	244	11 817	20 537	8 672
<i>Electrical Infrastructure</i>	1 173	130	957	7 304	5 804	2 269	5 914	5 630
<i>Solid Waste Infrastructure</i>	16 473	11 226	4 076	–	–	–	–	18 000
Infrastructure	23 073	19 914	36 715	91 626	98 994	116 503	90 069	39 943
Community Facilities	6 070	5 013	4 861	7 008	8 764	5 653	222	9 886
Sport and Recreation Facilities	–	310	6 905	12 710	25 832	3 100	–	–
Community Assets	6 070	5 323	11 766	19 718	34 597	8 753	222	9 886
Operational Buildings	1 652	7 540	13 602	15 774	25 888	4 445	–	–
Housing	–	–	–	2 400	199	1 171	–	–
Other Assets	1 652	7 540	13 602	18 174	26 087	5 616	–	–
Licences and Rights	–	–	–	714	114	697	486	339
Intangible Assets	–	–	–	714	114	697	486	339
Computer Equipment	316	1 454	1 801	910	1 540	2 172	430	447
Furniture and Office Equipment	290	292	500	1 691	1 106	208	91	94
Machinery and Equipment	4 076	147	17 348	7 903	14 692	13 640	1 326	491
Transport Assets	–	646	788	2 253	601	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	35 477	35 317	82 519	142 990	177 730	147 590	92 625	51 200

With roads being one of the main economic drivers within the region, an amount of R102,42 million were budgeted for 2025/26 for road- and bridge projects and R173,68 million over the MTREF period. A total of R41,03 million over the MTREF is allocated to Storm water infrastructure projects and R13,81 million for electrical infrastructure projects.

A total of R18,00 million has been provided for Solid Waste Infrastructure projects over the MTREF.

The allocation to community assets amounts to R8,75 million for 2025/26 of which R0,88 million is allocated to cemeteries, R4,49 million towards community halls and facilities, R3,10 million towards Sports fields and R0,28 million towards other community facilities.

R5,61 million was allocated to municipal buildings for the 2025/26 financial year.



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 2025/26 budget and MTREF to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

MBRR Table A1 - Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands								
Financial Performance								
Property rates	15 497	17 331	18 603	17 901	19 201	19 969	20 767	21 702
Service charges	57 104	53 643	65 477	73 306	75 301	82 815	87 574	92 665
Investment revenue	17 806	32 209	43 068	31 509	37 656	32 162	27 338	23 237
Transfer and subsidies - Operational	179 409	188 852	199 773	214 655	217 314	213 404	210 012	218 384
Other own revenue	10 235	17 663	17 717	14 024	14 834	14 343	15 425	16 119
Total Revenue (excluding capital transfers and contributions)	280 052	309 696	344 638	351 394	364 306	362 692	361 115	372 106
Employee costs	112 976	124 616	132 545	146 669	147 667	153 510	159 808	170 278
Remuneration of councillors	12 761	12 976	13 910	14 776	15 141	15 899	16 693	17 779
Depreciation and amortisation	17 084	17 306	17 689	19 624	19 015	20 835	21 961	22 849
Interest	2 660	5 397	5 646	6 106	6 106	6 627	11 412	11 957
Inventory consumed and bulk purchases	54 788	55 638	59 466	80 722	94 214	92 435	97 557	101 551
Transfers and subsidies	42	42	36	49	150	146	153	159
Other expenditure	67 899	80 057	87 478	146 178	177 262	142 349	141 336	138 444
Total Expenditure	268 210	296 032	316 771	414 124	459 556	431 802	448 920	463 017
Surplus/(Deficit)	11 842	13 664	27 867	(62 730)	(95 250)	(69 110)	(87 804)	(90 910)
Transfers and subsidies - capital (monetary allocations)	24 572	34 366	43 310	55 783	68 745	50 858	46 487	48 549
Surplus/(Deficit) for the year	36 414	48 030	71 177	(6 946)	(26 505)	(18 251)	(41 318)	(42 361)
Capital expenditure & funds sources								
Capital expenditure	35 986	35 317	82 519	142 990	177 730	147 590	92 625	51 200
Transfers recognised - capital	24 572	29 883	43 310	55 783	68 745	50 858	46 487	48 549
Borrowing	-	-	-	-	-	-	42 000	-
Internally generated funds	11 414	5 434	39 209	87 207	108 985	96 732	4 139	2 651
Total sources of capital funds	35 986	35 317	82 519	142 990	177 730	147 590	92 625	51 200
Financial position								
Total current assets	484 445	526 781	544 608	286 844	376 638	272 949	209 078	146 291
Total non current assets	513 251	537 674	611 851	771 159	753 067	826 103	894 363	920 509
Total current liabilities	58 642	68 893	76 452	54 003	70 873	60 566	58 924	58 447
Total non current liabilities	35 621	50 641	54 381	61 288	59 710	65 452	112 800	118 997
Community wealth/Equity	903 434	944 920	1 025 627	942 712	999 122	973 035	931 717	889 356



Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands								
Cash flows								
Net cash from (used) operating	52 793	75 988	91 701	10 584	4 914	(10 107)	(20 314)	(23 067)
Net cash from (used) investing	(35 986)	(35 317)	(81 962)	(142 990)	(174 113)	(148 389)	(93 300)	(51 518)
Net cash from (used) financing	(833)	(852)	(845)	(842)	(875)	(893)	40 675	(1 389)
Cash/cash equivalents at the year end	458 013	497 832	506 726	257 141	336 652	228 433	155 493	79 519
Cash backing/surplus reconciliation								
Cash and investments available	458 013	497 832	506 726	257 141	336 652	228 433	155 493	79 519
Application of cash and investments	295 907	321 423	304 788	250 830	280 601	205 222	139 754	72 666
Balance - surplus (shortfall)	162 106	176 408	201 939	6 312	56 051	23 210	15 739	6 853
Asset management								
Asset register summary (WDV)	511 428	536 120	610 807	771 159	752 022	826 103	894 363	920 509
Depreciation	17 084	17 306	17 689	19 624	19 015	20 835	21 961	22 849
Renewal and Upgrading of Existing Assets	-	-	-	84 892	96 260	103 345	63 618	7 641
Repairs and Maintenance	13 978	11 619	10 868	27 477	26 200	24 156	23 872	24 340
Free services								
Cost of Free Basic Services provided	3 024	3 534	1 079	5 342	5 342	5 621	5 866	6 146
Revenue cost of free services provided	5 352	7 702	6 196	6 156	6 156	6 403	6 659	6 958
Households below minimum service level								
Energy:	-	-	8	9	9	-	-	-
Refuse:	-	-	50	53	53	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality’s budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality’s commitment to eliminating basic service delivery backlogs.
3. Financial management reforms 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:
 - a. The accumulated surplus is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality’s cash flow remains positive indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows a sharp decline over the MTREF. This will in turn result in a sharp decline in the CRR.



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

Functional Classification Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand								
Revenue - Functional								
Governance and administration	202 094	232 997	255 814	175 931	184 328	179 541	175 588	178 191
Executive and council	11	264	-	7 550	7 550	7 990	7 948	8 308
Finance and administration	202 083	232 733	255 814	168 381	176 778	171 552	167 640	169 883
Community and public safety	4 870	4 688	4 498	5 481	4 475	4 500	4 597	4 709
Community and social services	1 576	1 567	1 567	1 690	2 393	2 355	2 366	2 378
Sport and recreation	2	1	0	2	2	8	8	8
Public safety	3 291	3 120	2 931	3 789	2 079	2 138	2 223	2 323
Economic and environmental services	32 771	42 417	53 679	68 088	83 288	64 670	52 483	53 785
Planning and development	5 631	6 386	8 144	11 209	11 503	9 960	10 323	9 758
Road transport	27 140	36 031	45 535	56 879	71 785	54 709	42 160	44 027
Trading services	60 379	63 391	73 883	157 631	159 296	163 108	173 133	182 089
Energy sources	49 580	50 113	59 500	103 756	107 180	111 955	121 166	127 777
Waste management	10 799	13 277	14 383	53 875	52 116	51 153	51 967	54 312
Other	4 509	569	74	48	1 664	1 731	1 800	1 881
Total Revenue - Functional	304 623	344 062	387 948	407 178	433 051	413 551	407 602	420 656
Expenditure - Functional								
Governance and administration	97 702	112 718	127 598	161 981	191 435	168 548	175 538	181 448
Executive and council	25 146	31 003	36 279	37 737	48 028	50 018	52 598	53 466
Finance and administration	69 906	78 474	87 717	118 914	138 239	114 059	118 267	123 054
Internal audit	2 651	3 241	3 601	5 330	5 168	4 471	4 674	4 928
Community and public safety	26 064	26 891	27 917	32 026	33 950	34 723	36 169	38 123
Community and social services	17 463	18 595	18 611	20 862	22 649	23 056	24 096	25 356
Sport and recreation	1 658	1 462	2 400	2 998	2 956	3 034	3 157	3 294
Public safety	6 944	6 833	6 907	8 166	8 345	8 634	8 917	9 473
Economic and environmental services	39 187	43 432	45 978	71 407	66 059	67 229	69 723	71 437
Planning and development	16 551	19 006	20 015	33 993	31 166	31 614	29 057	29 024
Road transport	22 595	24 373	25 879	36 956	34 435	35 147	40 571	42 311
Environmental protection	40	53	83	458	458	468	96	102
Trading services	99 637	110 984	113 634	144 738	164 611	158 097	164 817	169 232
Energy sources	62 644	66 636	69 044	90 811	99 783	100 235	104 898	109 570
Waste water management	5 549	7 354	3 914	6 249	6 028	6 199	6 220	6 287
Waste management	31 444	36 995	40 677	47 678	58 800	51 663	53 700	53 376
Other	5 620	2 007	1 644	3 973	3 500	3 205	2 671	2 777
Total Expenditure - Functional	268 210	296 032	316 771	414 124	459 556	431 802	448 920	463 017
Surplus/(Deficit) for the year	36 414	48 030	71 177	(6 946)	(26 505)	(18 251)	(41 318)	(42 361)



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.



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

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote								
Vote 1 - Executive & Council	11	264	-	7 550	7 550	7 990	7 948	8 308
Vote 2 - Planning & Development	10 121	6 953	8 180	11 238	11 637	10 099	10 468	9 909
Vote 3 - Corporate Services	2 469	2 663	3 665	1 851	2 107	2 192	2 279	2 382
Vote 4 - Budget & Treasury	199 618	230 071	252 154	166 542	174 683	169 373	165 374	167 516
Vote 5 - Road Transport	30 389	39 091	48 328	60 505	73 717	56 719	44 250	46 211
Vote 9 - Community & Social Services	1 592	1 569	1 599	1 695	3 912	3 934	4 008	4 094
Vote 10 - Sport & Recreation	2	1	0	2	2	8	8	8
Vote 11 - Public Safety	43	59	138	163	147	128	133	139
Vote 12 - Electricity	49 580	50 113	59 500	103 756	107 180	111 955	121 166	127 777
Vote 13 - Waste Management	10 799	13 277	14 383	53 875	52 116	51 153	51 967	54 312
Total Revenue by Vote	304 623	344 062	387 948	407 178	433 051	413 551	407 602	420 656
Expenditure by Vote to be appropriated								
Vote 1 - Executive & Council	28 465	34 988	41 032	44 428	54 649	55 954	58 800	60 000
Vote 2 - Planning & Development	21 685	20 495	20 785	36 340	33 060	33 251	30 690	30 660
Vote 3 - Corporate Services	30 409	36 707	43 592	64 012	80 092	55 449	58 424	61 251
Vote 4 - Budget & Treasury	38 852	41 045	42 996	53 564	56 718	53 471	54 485	56 200
Vote 5 - Road Transport	29 280	30 999	31 171	43 157	40 805	45 360	51 218	53 550
Vote 6 - Waste Water Management	5 549	7 354	3 914	6 249	6 028	6 199	6 220	6 287
Vote 9 - Community & Social Services	17 966	19 144	19 546	22 922	24 690	25 067	25 204	26 571
Vote 10 - Sport & Recreation	1 658	1 462	2 400	2 998	2 956	3 034	3 157	3 294
Vote 11 - Public Safety	259	207	1 615	1 964	1 974	2 119	2 124	2 259
Vote 12 - Electricity	62 644	66 636	69 044	90 811	99 783	100 235	104 898	109 570
Vote 13 - Waste Management	31 444	36 995	40 677	47 678	58 800	51 663	53 700	53 376
Total Expenditure by Vote	268 210	296 032	316 771	414 124	459 556	431 802	448 920	463 017
Surplus/(Deficit) for the year	36 414	48 030	71 177	(6 946)	(26 505)	(18 251)	(41 318)	(42 361)

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.



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

Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand								
Revenue								
Exchange Revenue								
Service charges - Electricity	48 684	44 526	56 838	62 647	65 221	72 331	76 671	81 271
Service charges - Waste Management	8 420	9 117	8 639	10 658	10 080	10 484	10 903	11 394
Sale of Goods and Rendering of Services	162	110	404	291	463	452	470	491
Agency services	1 200	1 204	1 047	1 538	929	966	1 004	1 050
Interest earned from Receivables	3 075	4 752	5 815	5 659	5 412	5 228	5 854	6 117
Interest earned from Current and Non Current Assets	17 806	32 209	43 068	31 509	37 656	32 162	27 338	23 237
Rent on Land	-	0	50	3	47	34	35	37
Rental from Fixed Assets	1 482	1 475	1 763	1 751	1 944	1 989	2 069	2 163
Licence and permits	1 256	1 301	1 226	1 508	2 272	2 363	2 458	2 568
Operational Revenue	551	549	551	805	479	498	518	542
Non-Exchange Revenue								
Property rates	15 497	17 331	18 603	17 901	19 201	19 969	20 767	21 702
Fines, penalties and forfeits	476	915	929	589	208	172	225	236
Transfer and subsidies - Operational	179 409	188 852	199 773	214 655	217 314	213 404	210 012	218 384
Interest	1 201	1 720	2 000	1 880	2 580	2 383	2 790	2 916
Gains on disposal of Assets	-	-	961	-	500	257	-	-
Other Gains	832	5 635	2 970	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	280 052	309 696	344 638	351 394	364 306	362 692	361 115	372 106
Expenditure								
Employee related costs	112 976	124 616	132 545	146 669	147 667	153 510	159 808	170 278
Remuneration of councillors	12 761	12 976	13 910	14 776	15 141	15 899	16 693	17 779
Bulk purchases - electricity	44 034	45 499	48 679	55 383	69 008	71 567	74 536	77 556
Inventory consumed	10 754	10 139	10 787	25 339	25 206	20 868	23 021	23 995
Debt impairment	11 028	14 497	17 464	15 983	18 338	18 913	18 906	16 449
Depreciation and amortisation	17 084	17 306	17 689	19 624	19 015	20 835	21 961	22 849
Interest	2 660	5 397	5 646	6 106	6 106	6 627	11 412	11 957
Contracted services	30 847	31 251	38 519	72 726	73 914	64 358	60 467	59 747
Transfers and subsidies	42	42	36	49	150	146	153	159
Irrecoverable debts written off	1 650	2 144	-	2 100	8 000	3 905	3 892	3 874
Operational costs	23 637	31 329	29 635	53 270	59 011	52 369	55 665	56 168
Losses on disposal of Assets	389	833	706	2 100	3 000	2 805	2 405	2 205
Other Losses	348	3	1 154	-	15 000	-	-	-
Total Expenditure	268 210	296 032	316 771	414 124	459 556	431 802	448 920	463 017
Surplus/(Deficit)	11 842	13 664	27 867	(62 730)	(95 250)	(69 110)	(87 804)	(90 910)
Transfers and subsidies - capital (monetary allocations)	24 572	34 366	43 310	55 783	68 745	50 858	46 487	48 549
Surplus/(Deficit) for the year	36 414	48 030	71 177	(6 946)	(26 505)	(18 251)	(41 318)	(42 361)

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.



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

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand								
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 3 - Corporate Services	218	-	-	800	959	-	-	-
Vote 5 - Road Transport	5 456	10 649	30 309	96 217	117 875	106 618	63 618	7 641
Vote 6 - Waste Water Management	-	771	1 616	2 444	244	11 817	20 537	8 672
Vote 9 - Community & Social Services	6 645	9 032	3 835	6 000	8 156	5 374	-	9 709
Vote 10 - Sport & Recreation	-	310	6 905	12 710	25 832	3 100	-	-
Vote 11 - Public Safety	-	197	1 026	408	408	279	222	177
Vote 12 - Electricity	-	-	-	1 839	1 839	-	4 331	4 527
Vote 13 - Waste Management	16 473	11 226	4 076	-	-	-	-	18 000
Capital multi-year expenditure sub-total	28 792	32 185	47 767	120 418	155 314	127 188	88 709	48 726
Single-year expenditure to be appropriated								
Vote 1 - Executive & Council	20	776	209	656	336	99	-	-
Vote 3 - Corporate Services	3 748	1 034	899	11 352	2 818	6 443	-	-
Vote 4 - Budget & Treasury	640	1 045	1 775	1 898	1 743	1 199	1 007	881
Vote 5 - Road Transport	494	-	13 563	850	11 634	10 053	1 135	339
Vote 9 - Community & Social Services	859	-	-	730	730	78	-	-
Vote 11 - Public Safety	-	-	-	600	200	-	-	-
Vote 12 - Electricity	1 201	130	991	5 533	4 033	2 269	1 583	1 103
Vote 13 - Waste Management	233	147	17 314	953	923	261	191	152
Capital single-year expenditure sub-total	7 194	3 132	34 752	22 572	22 416	20 401	3 916	2 474
Total Capital Expenditure - Vote	35 986	35 317	82 519	142 990	177 730	147 590	92 625	51 200
Capital Expenditure - Functional								
Governance and administration	4 625	2 855	2 884	14 706	5 856	7 741	1 007	881
Executive and council	20	776	209	656	336	99	-	-
Finance and administration	4 605	2 079	2 674	14 050	5 520	7 642	1 007	881
Community and public safety	7 504	9 539	11 766	34 892	60 226	13 198	222	9 886
Community and social services	7 504	9 032	3 835	6 200	8 356	5 374	-	9 709
Sport and recreation	-	310	6 905	12 710	25 832	3 100	-	-
Public safety	-	197	1 026	15 982	26 037	4 724	222	177
Economic and environmental services	5 950	10 649	43 873	82 093	104 079	112 226	64 754	7 980
Road transport	5 950	10 649	43 873	82 093	104 079	112 226	64 754	7 980
Trading services	17 907	12 275	23 997	10 769	7 039	14 347	26 642	32 453
Energy sources	1 201	130	991	7 372	5 872	2 269	5 914	5 630
Water management	-	-	1 616	-	-	-	-	-
Waste water management	-	771	21 390	2 444	244	11 817	20 537	8 672
Waste management	16 706	11 373	-	953	923	261	191	18 152
Other	-	-	-	530	530	78	-	-
Total Capital Expenditure - Functional	35 986	35 317	82 519	142 990	177 730	147 590	92 625	51 200
Funded by:								
National Government	24 572	29 883	35 062	47 100	59 023	50 858	46 487	48 549
Provincial Government	-	-	8 248	8 684	9 722	-	-	-
Transfers recognised - capital	24 572	29 883	43 310	55 783	68 745	50 858	46 487	48 549
Borrowing	-	-	-	-	-	-	42 000	-
Internally generated funds	11 414	5 434	39 209	87 207	108 985	96 732	4 139	2 651
Total Capital Funding	35 986	35 317	82 519	142 990	177 730	147 590	92 625	51 200



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.



MBRR Table A6 - Budgeted Financial Position

Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand								
ASSETS								
Current assets								
Cash and cash equivalents	458 013	497 832	506 726	257 141	336 652	228 433	155 493	79 519
Trade and other receivables from exchange transactions	16 650	13 955	24 314	17 230	27 556	32 497	40 804	52 320
Receivables from non-exchange transactions	4 033	7 581	7 346	5 740	6 208	5 848	6 610	8 281
Inventory	751	608	673	608	673	673	673	673
VAT	4 999	6 805	5 498	6 125	5 498	5 498	5 498	5 498
Other current assets	-	0	51	-	51	-	-	-
Total current assets	484 445	526 781	544 608	286 844	376 638	272 949	209 078	146 291
Non current assets								
Investment property	46 309	47 272	48 397	47 272	48 397	48 397	48 397	48 397
Property, plant and equipment	464 991	488 518	562 362	722 738	703 494	777 023	844 826	870 664
Intangible assets	128	330	48	1 149	131	684	1 140	1 448
Other non-current assets	1 823	1 554	1 044	-	1 044	-	-	-
Total non current assets	513 251	537 674	611 851	771 159	753 067	826 103	894 363	920 509
TOTAL ASSETS	997 697	1 064 454	1 156 460	1 058 004	1 129 704	1 099 052	1 103 441	1 066 800
LIABILITIES								
Current liabilities								
Financial liabilities	904	923	943	964	964	987	1 465	1 538
Consumer deposits	1 821	1 885	1 949	2 098	2 017	2 088	2 161	2 236
Trade and other payables from exchange transactions	10 295	12 010	18 102	16 297	26 341	24 410	22 178	20 513
Trade and other payables from non-exchange transactions	23 655	27 075	27 925	11 785	20 507	13 250	11 932	11 578
Provision	21 967	27 001	27 534	22 859	21 044	19 831	21 188	22 583
Total current liabilities	58 642	68 893	76 452	54 003	70 873	60 566	58 924	58 447
Non current liabilities								
Financial liabilities	6 844	5 920	4 978	4 014	4 014	3 027	43 150	41 613
Provision	28 777	27 489	30 124	32 319	33 084	36 142	39 359	42 748
Other non-current liabilities	-	17 231	19 278	24 955	22 612	26 283	30 291	34 636
Total non current liabilities	35 621	50 641	54 381	61 288	59 710	65 452	112 800	118 997
TOTAL LIABILITIES	94 262	119 534	130 833	115 291	130 583	126 017	171 724	177 444
NET ASSETS	903 434	944 920	1 025 627	942 712	999 122	973 035	931 717	889 356
COMMUNITY WEALTH/EQUITY								
Accumulated surplus/(deficit)	559 179	579 266	669 125	621 049	660 052	694 414	710 294	724 195
Reserves and funds	344 255	365 654	356 502	321 663	339 070	278 621	221 423	165 161
TOTAL COMMUNITY WEALTH/EQUITY	903 434	944 920	1 025 627	942 712	999 122	973 035	931 717	889 356



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:
 - Trade and other receivables from exchange transactions;
 - Receivables from non-exchange transactions;
 - Inventory;
 - Property, plant and equipment;
 - Financial liabilities;
 - Trade and other payables from exchange transactions;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.



MBRR Table A7 - Budgeted Cash Flow Statement

Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	12 446	13 342	16 011	14 030	14 921	15 518	16 139	16 865
Service charges	49 493	48 290	49 801	57 456	55 269	61 164	64 794	68 651
Other revenue	6 829	5 606	3 550	6 106	5 855	8 623	6 261	6 543
Transfers and Subsidies - Operational	171 501	184 102	200 396	211 348	214 509	210 235	208 693	218 030
Transfers and Subsidies - Capital	20 664	41 916	42 516	47 100	64 133	38 935	46 487	48 549
Interest	18 263	32 980	44 088	39 048	42 006	36 378	32 042	28 153
Payments								
Suppliers and employees	(225 815)	(249 596)	(264 025)	(358 348)	(391 059)	(380 228)	(389 776)	(404 935)
Interest	(545)	(610)	(600)	(6 106)	(570)	(585)	(4 802)	(4 765)
Transfers and Subsidies	(42)	(42)	(36)	(49)	(150)	(146)	(153)	(159)
NET CASH FROM/(USED) OPERATING ACTIVITIES	52 793	75 988	91 701	10 584	4 914	(10 107)	(20 314)	(23 067)
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	557	-	-	-	-	-
Payments								
Capital assets	(35 986)	(35 317)	(82 519)	(142 990)	(174 113)	(148 389)	(93 300)	(51 518)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(35 986)	(35 317)	(81 962)	(142 990)	(174 113)	(148 389)	(93 300)	(51 518)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Borrowing long term/refinancing	-	-	-	-	-	-	42 000	-
Increase (decrease) in consumer deposits	54	64	64	100	68	71	73	76
Payments								
Repayment of borrowing	(887)	(917)	(909)	(942)	(943)	(964)	(1 398)	(1 465)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(833)	(852)	(845)	(842)	(875)	(893)	40 675	(1 389)
NET INCREASE/ (DECREASE) IN CASH HELD	15 974	39 819	8 895	(133 248)	(170 075)	(159 389)	(72 940)	(75 974)
Cash/cash equivalents at the year begin:	442 039	458 013	497 832	390 389	506 726	387 822	228 433	155 493
Cash/cash equivalents at the year end:	458 013	497 832	506 726	257 141	336 652	228 433	155 493	79 519

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.



MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand								
Cash and investments available								
Cash/cash equivalents at the year end	458 013	497 832	506 726	257 141	336 652	228 433	155 493	79 519
Cash and investments available:	458 013	497 832	506 726	257 141	336 652	228 433	155 493	79 519
Application of cash and investments								
Unspent conditional transfers	23 655	27 075	27 925	11 785	20 507	13 250	11 932	11 578
Other working capital requirements	(8 359)	(7 284)	(6 786)	(2 281)	367	(6 093)	(14 402)	(26 269)
Other provisions	21 967	27 001	27 534	22 859	21 044	19 831	21 188	22 583
Reserves to be backed by cash/investments	258 644	274 632	256 115	218 467	238 683	178 235	121 036	64 774
Total Application of cash and investments:	295 907	321 423	304 788	250 830	280 601	205 222	139 754	72 666
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	162 106	176 408	201 939	6 312	56 051	23 210	15 739	6 853
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	162 106	176 408	201 939	6 312	56 051	23 210	15 739	6 853

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.



MBRR Table A9 - Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand								
CAPITAL EXPENDITURE								
<u>Total New Assets</u>	35 477	35 317	82 519	58 098	81 470	44 245	29 007	43 559
<i>Roads Infrastructure</i>	3 267	8 558	31 130	785	300	244	-	-
<i>Storm water Infrastructure</i>	2 160	-	552	2 444	244	11 817	20 537	8 672
<i>Electrical Infrastructure</i>	1 173	130	957	7 304	5 804	2 269	5 914	5 630
<i>Solid Waste Infrastructure</i>	16 473	11 226	4 076	-	-	-	-	18 000
Infrastructure	23 073	19 914	36 715	10 534	6 349	14 330	26 451	32 302
Community Facilities	6 070	5 013	4 861	6 408	6 308	5 653	222	9 886
Sport and Recreation Facilities	-	310	6 905	12 710	25 832	3 100	-	-
Community Assets	6 070	5 323	11 766	19 118	32 140	8 753	222	9 886
Operational Buildings	1 652	7 540	13 602	14 974	24 929	4 445	-	-
Other Assets	1 652	7 540	13 602	14 974	24 929	4 445	-	-
Licences and Rights	-	-	-	714	114	697	486	339
Intangible Assets	-	-	-	714	114	697	486	339
Computer Equipment	316	1 454	1 801	910	1 540	2 172	430	447
Furniture and Office Equipment	290	292	500	1 691	1 106	208	91	94
Machinery and Equipment	4 076	147	17 348	7 903	14 692	13 640	1 326	491
Transport Assets	-	646	788	2 253	601	-	-	-
<u>Total Renewal of Existing Assets</u>	-	-	-	71 084	70 404	88 262	42 000	-
<i>Roads Infrastructure</i>	-	-	-	68 684	67 949	87 091	42 000	-
Infrastructure	-	-	-	68 684	67 949	87 091	42 000	-
Community Facilities	-	-	-	-	2 256	-	-	-
Community Assets	-	-	-	-	2 256	-	-	-
Housing	-	-	-	2 400	199	1 171	-	-
Other Assets	-	-	-	2 400	199	1 171	-	-
<u>Total Upgrading of Existing Assets</u>	-	-	-	13 809	25 855	15 082	21 618	7 641
<i>Roads Infrastructure</i>	-	-	-	12 409	24 696	15 082	21 618	7 641
Infrastructure	-	-	-	12 409	24 696	15 082	21 618	7 641
Community Facilities	-	-	-	600	200	-	-	-
Community Assets	-	-	-	600	200	-	-	-
Operational Buildings	-	-	-	800	959	-	-	-
Other Assets	-	-	-	800	959	-	-	-
<u>Total Capital Expenditure</u>	35 477	35 317	82 519	142 990	177 730	147 590	92 625	51 200
<i>Roads Infrastructure</i>	3 267	8 558	31 130	81 877	92 945	102 417	63 618	7 641
<i>Storm water Infrastructure</i>	2 160	-	552	2 444	244	11 817	20 537	8 672
<i>Electrical Infrastructure</i>	1 173	130	957	7 304	5 804	2 269	5 914	5 630
<i>Solid Waste Infrastructure</i>	16 473	11 226	4 076	-	-	-	-	18 000
Infrastructure	23 073	19 914	36 715	91 626	98 994	116 503	90 069	39 943
Community Facilities	6 070	5 013	4 861	7 008	8 764	5 653	222	9 886
Sport and Recreation Facilities	-	310	6 905	12 710	25 832	3 100	-	-
Community Assets	6 070	5 323	11 766	19 718	34 597	8 753	222	9 886
Operational Buildings	1 652	7 540	13 602	15 774	25 888	4 445	-	-
Housing	-	-	-	2 400	199	1 171	-	-
Other Assets	1 652	7 540	13 602	18 174	26 087	5 616	-	-
Licences and Rights	-	-	-	714	114	697	486	339
Intangible Assets	-	-	-	714	114	697	486	339
Computer Equipment	316	1 454	1 801	910	1 540	2 172	430	447
Furniture and Office Equipment	290	292	500	1 691	1 106	208	91	94
Machinery and Equipment	4 076	147	17 348	7 903	14 692	13 640	1 326	491
Transport Assets	-	646	788	2 253	601	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	35 477	35 317	82 519	142 990	177 730	147 590	92 625	51 200



Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand								
ASSET REGISTER SUMMARY - PPE (WDV)	511 428	536 120	610 807	771 159	752 022	826 103	894 363	920 509
<i>Roads Infrastructure</i>	116 123	117 774	142 846	240 030	228 078	292 562	347 029	345 192
<i>Storm water Infrastructure</i>	49 795	48 599	47 968	50 199	45 862	54 911	73 060	79 486
<i>Electrical Infrastructure</i>	25 033	23 752	23 386	27 712	27 435	23 959	27 936	31 564
<i>Solid Waste Infrastructure</i>	50 076	60 231	62 869	63 144	60 553	59 972	58 270	74 500
Infrastructure	241 027	250 356	277 069	381 085	361 928	431 403	506 295	530 743
Community Assets	56 659	59 698	64 659	86 082	96 409	97 934	95 368	102 354
Investment properties	46 309	47 272	48 397	47 272	48 397	48 397	48 397	48 397
Other Assets	113 247	124 987	147 336	161 167	157 767	154 132	152 939	151 693
<i>Intangible Assets</i>	128	330	48	1 149	131	684	1 140	1 448
<i>Computer Equipment</i>	1 517	2 263	3 306	4 224	4 087	5 936	5 560	5 168
<i>Furniture and Office Equipment</i>	1 064	997	1 212	2 425	1 993	987	629	255
<i>Machinery and Equipment</i>	16 351	14 965	13 920	46 929	26 131	32 164	30 977	28 858
<i>Transport Assets</i>	5 350	5 066	22 687	10 641	23 006	22 035	20 627	19 162
<i>Land</i>	29 776	30 185	32 174	30 185	32 174	32 432	32 432	32 432
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	511 428	536 120	610 807	771 159	752 022	826 103	894 363	920 509
EXPENDITURE OTHER ITEMS	31 062	28 925	28 557	47 101	45 214	44 991	45 833	47 189
<u>Depreciation</u>	17 084	17 306	17 689	19 624	19 015	20 835	21 961	22 849
<u>Repairs and Maintenance by Asset Class</u>	13 978	11 619	10 868	27 477	26 200	24 156	23 872	24 340
<i>Roads Infrastructure</i>	3 710	4 593	2 276	7 726	5 648	5 876	6 219	6 522
<i>Storm water Infrastructure</i>	404	184	-	464	464	471	488	507
<i>Electrical Infrastructure</i>	821	548	599	2 552	2 065	1 647	2 120	2 170
<i>Solid Waste Infrastructure</i>	373	106	45	2 005	1 974	1 487	1 548	1 816
Infrastructure	5 308	5 431	2 920	12 747	10 150	9 481	10 375	11 015
<i>Community Facilities</i>	2 233	1 686	1 035	2 024	2 537	2 617	2 611	2 621
<i>Sport and Recreation Facilities</i>	375	166	100	446	416	377	390	368
Community Assets	2 608	1 851	1 135	2 470	2 953	2 993	3 001	2 989
<i>Revenue Generating</i>	-	-	-	438	260	459	468	466
Investment properties	-	-	-	438	260	459	468	466
<i>Operational Buildings</i>	1 268	613	830	2 385	2 067	2 664	2 467	2 565
Other Assets	1 268	613	830	2 385	2 067	2 664	2 467	2 565
<i>Furniture and Office Equipment</i>	356	458	259	924	1 057	1 067	1 113	1 110
<i>Machinery and Equipment</i>	1 905	1 135	1 582	2 363	2 122	2 000	1 825	1 880
<i>Transport Assets</i>	2 533	2 131	4 141	6 151	7 591	5 491	4 623	4 314
TOTAL EXPENDITURE OTHER ITEMS	31 062	28 925	28 557	47 101	45 214	44 991	45 833	47 189
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	59.4%	54.2%	70.0%	68.7%	14.9%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0.0%	0.0%	0.0%	432.6%	506.2%	496.0%	289.7%	33.4%
<i>R&M as a % of PPE & Investment Property</i>	2.7%	2.2%	1.8%	3.6%	3.5%	2.9%	2.7%	2.6%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	2.7%	2.2%	1.8%	14.6%	16.3%	15.4%	9.8%	3.5%

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 the target of 8 per cent for Repairs and Maintenance as a % of PPE, as discussed in section 1.5.1 of this report.



MBRR Table A10 - Basic Service Delivery Measurement

Description	2021/22	2022/23	2023/24	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets								
Energy:								
Electricity (at least min.service level)	-	-	46 051	48 814	48 814	54 184	60 144	66 760
Electricity - prepaid (min.service level)	-	-	3 663	3 883	3 883	4 310	4 784	5 311
<i>Minimum Service Level and Above sub-total</i>	-	-	49 714	52 697	52 697	58 494	64 928	72 070
Other energy sources	-	-	8 303	8 801	8 801	9 769	10 844	12 037
<i>Below Minimum Service Level sub-total</i>	-	-	8 303	8 801	8 801	9 769	10 844	12 037
Total number of households	-	-	58 017	61 498	61 498	68 263	75 772	84 107
Refuse:								
Removed at least once a week	-	-	8 251	8 746	8 746	9 096	9 460	9 838
<i>Minimum Service Level and Above sub-total</i>	-	-	8 251	8 746	8 746	9 096	9 460	9 838
Using communal refuse dump	-	-	49 929	52 924	52 924	55 041	57 243	59 533
<i>Below Minimum Service Level sub-total</i>	-	-	49 929	52 924	52 924	55 041	57 243	59 533
Total number of households	-	-	58 180	61 670	61 670	64 137	66 703	69 371
Cost of Free Basic Services provided - Formal Settlements (R'000)								
Electricity/other energy (50kwh per indigent household per month)	-	-	-	896	896	997	1 057	1 120
Refuse (removed once a week for indigent households)	3 024	3 534	1 079	4 446	4 446	4 624	4 809	5 026
Total cost of FBS provided	3 024	3 534	1 079	5 342	5 342	5 621	5 866	6 146
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)	5 352	7 702	6 196	6 156	6 156	6 403	6 659	6 958
Total revenue cost of subsidised services provided	5 352	7 702	6 196	6 156	6 156	6 403	6 659	6 958



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 2024) 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 2024.

Key dates applicable to the process were:



IDP and Service Delivery and Budget Implementation Plan

Time Frames	Mayor and Council	Administration - Municipality
<p>July 2024 – December 2024</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 4 July 2024</p> <p>IDP Rep Forum to discuss process plan and review analysis 23 July 2024</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 31 July 2024. MFMA s 21,22, 23; MSA s 34, Ch 4 as amended</p> <p>IDP & Budget Steering Committee to discuss departmental issues and develop draft objectives, strategies and project proposals 12 December 2024</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 2024</p>
<p>January 2025</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>



Time Frames	Mayor and Council	Administration - Municipality
<p>February 2025</p>	<p>Alignment Meeting to discuss project proposals and budgets with sector departments 12 - 13 February 2025</p> <p>IDP and Budget Steering Committee 21 February 2025</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 2025</p>	<p>IDP Rep Forum to discuss draft IDP 18 March 2025</p> <p>IDP & Budget Steering Committee meeting to develop draft high level SDBIP 24 March 2025</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 28 March 2025</p>	<p>Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March MFMA s 42</p>
<p>April – May 2025</p>	<p>Public hearings on the budget 9 April to 9 May 2025, 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 discuss SDBIP and budget submissions 13 May 2025</p> <p>IDP Rep Forum to discuss draft PMS targets 20 May 2025</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, 30 May 2025. 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 30 May 2025 MFMA s 16, 24, 26, 53</p> <p>IDP submitted to Mec of Local Government 9 June 2025</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 2025 MFMA s 75, 87</p>
<p>June – July 2025</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 27 June 2025.</p> <p>Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The Mayor submits the approved SDBIP and performance agreements to Council 27 June 2025, MEC for local government and makes public within 14 days after approval 7 July 2025. 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 (13 June 2025). 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 2025/26 MTREF, based on the approved 2024/25 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 will be carried out during April 2025. During this process, members of the community will be given the opportunity to provide inputs and comments on the draft budget presented to them. The comments and inputs will be reviewed and where viable, the proposed changes will be incorporated into the final budget to be approved by Council in May 2025.

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 2025/26 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.

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

Strategic Objective	Goal	Goal Code	Current Year	2025/26 Medium Term Revenue & Expenditure Framework		
			2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
To ensure that the traffic section operates effectively and efficiently	TRAFFIC	BSD01	1 932	2 010	2 090	2 184
To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE	BSD02	63 949	54 709	42 160	44 027
To ensure effective management and maintenance of indoor recreational community facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES	BSD03	241	201	210	219
To ensure effective management, construction and maintenance of cemeteries and pauper burials	CEMETRIES AND PAUPER BURIAL	BSD04	27	28	29	31
To construct, maintain, identify, establish and upgrade existing urban sportsfields	SPORTS	BSD05	2	8	8	8
To provide library services to all residents	LIBRARIES	BSD06	2 125	2 126	2 127	2 128
To create a healthy and sustainable environment by maintaining and developing public open spaces	PARKS AND PUBLIC OPEN SPACES	BSD07	-	-	-	-
To maintain and control the municipal commonage / To maintain and effectively operate the pounds	LICENSING AND CONTROL OF ANIMALS	BSD08	1 665	1 707	1 775	1 855
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	52 116	51 153	51 967	54 312
That all registered indigent households receive free basic electricity and refuse removal	FREE BASIC SERVICES	BSD10	(6 156)	(6 403)	(6 659)	(6 958)
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	107 180	111 955	121 166	127 777
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	7 550	7 990	7 948	8 308
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	13	14	14



EC142 Senqu - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)						
Strategic Objective	Goal	Goal Code	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
To promote responsible tourism and arts and heritage through continued support to local initiatives	TOURISM	LED01	146	152	158	165
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	180 803	175 738	171 993	174 433
To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget development and submission requirements	BUDGET COMPILATION	MFMV05	36	38	39	41
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	234	244	254	265
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	1 860	1 935	2 012	2 103
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	1 962	1 750	1 435	476
To ensure capital Infrastructure management and reporting	PMU REPORTING	MTID14	9 529	8 197	8 875	9 268
Total Revenue (excluding capital transfers and contributions)			425 216	413 551	407 602	420 656



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

Strategic Objective	Goal	Goal Code	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
To ensure that the traffic section operates effectively and efficiently	TRAFFIC	BSD01	9 228	9 678	10 096	10 653
To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE	BSD02	35 696	36 803	41 955	43 519
To ensure effective management and maintenance of indoor recreational community facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES	BSD03	16 606	17 207	17 921	18 905
To ensure effective management, construction and maintenance of cemeteries and pauper burials	CEMETRIES AND PAUPER BURIAL	BSD04	2 488	2 340	2 436	2 482
To construct, maintain, identify, establish and upgrade existing urban sportsfields	SPORTS	BSD05	2 883	2 957	3 077	3 213
To provide library services to all residents	LIBRARIES	BSD06	3 424	3 425	3 647	3 826
To create a healthy and sustainable environment by maintaining and developing public open spaces	PARKS AND PUBLIC OPEN SPACES	BSD07	532	544	175	184
To maintain and control the municipal commonage / To maintain and effectively operate the pounds	LICENSING AND CONTROL OF ANIMALS	BSD08	3 942	4 092	3 581	3 801
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	43 310	41 804	43 400	42 920
That all registered indigent households receive free basic electricity and refuse removal	FREE BASIC SERVICES	BSD10	14 599	12 134	12 739	13 397
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	91 002	91 252	95 447	99 615
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	1 369	1 388	1 444	1 535
To ensure compliance with all legislated deadlines such as MFMA & MSA IDP and budget dates	COMPLIANCE	GGPP02	-	-	-	-
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	52 767	54 174	56 925	58 073
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	9 775	6 537	7 468	7 825
To ensure that the HIV & Aids strategy is implemented through HIV & Aids Council meetings and public participation / To ensure that targeted groups such as the elderly, people with disabilities, youth and women are developed and included in government activities / To increase the participation of youth in government activities through the Mayoral Cup and youth festival	MAINSTREAMING	GGPP05	3 214	691	737	766
To promote responsible tourism and arts and heritage through continued support to local initiatives	TOURISM	LED01	1 755	1 593	1 583	1 560
To promote and attract development in the local economy through implementation of the LED strategy	LOCAL ECONOMIC DEVELOPMENT	LED02	14 716	11 488	11 242	11 323



Strategic Objective	Goal	Goal Code	Current Year	2025/26 Medium Term Revenue & Expenditure Framework		
			2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
To promote the growth of BBEE and local contractors through supply chain management processes / To ensure that bid committees function in accordance with scm legislation / To comply with the MFMA prescriptions of supply chain management	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING)	MFMV01	4 303	4 392	4 602	4 861
To ensure monitoring of Municipal Assets per Department through regular asset checks and reporting / To ensure compliance by developing and maintaining a fully GRAP compliant asset register	ASSET MANAGEMENT	MFMV02	3 771	3 431	3 567	3 784
To ensure the financial viability of the municipality by applying the Cogla 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	34 010	31 201	31 238	31 837
To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget development and submission requirements	BUDGET COMPILATION	MFMV05	2 030	2 071	2 146	2 168
To develop and submit S 71 reports as per MFMA guidelines and prescripts	REPORTING	MFMV06	3 992	3 672	3 826	3 996
To ensure an continually secure, effective and efficient ICT service through implementation of ICT policies and plans and upgrading of ICT equipment	IT	MFMV07	11 108	11 032	11 463	11 884
To develop and implement an effective HR strategy / To develop, adopt and implement the workplace skills plan (WSDP)	SKILLS DEVELOPMENT	MTID01	4 066	3 291	3 600	4 106
To develop and implement the employment equity plan as per the set targets	EMPLOYMENT EQUITY	MTID02	-	-	-	-
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	9 249	9 466	9 950	10 479
To ensure the physical and mental well being of employees through the implantation of an employee wellness programme	EMPLOYEE WELLNESS PROGRAMME	MTID04	446	617	741	757
To ensure that all Senqu buildings and staff adhere to and implement OHS legislation	OCCUPATIONAL HEALTH AND SAFETY	MTID05	903	856	798	817
To ensure that the Municipality implements sound management controls in order to mitigate against unnecessary litigation	LEGAL SERVICES	MTID07	5 666	5 609	5 899	6 140
To review and implement departmental policies, procedures, procedure manuals and bylaws annually	POLICIES AND BY	MTID08	8	8	8	8
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	32 969	17 849	18 281	19 100
To ensure that Municipal information is kept secure and filed and archived according to legislation	RECORDS MANAGEMENT	MTID10	12 686	12 834	13 385	14 121
To ensure that a system of departmental and individual performance management system is implemented	PERFORMANCE MANAGEMENT AND REPORTING	MTID11	10 922	10 084	10 412	10 886
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	11 438	12 711	10 345	9 423
To ensure capital Infrastructure management and reporting	PMU REPORTING	MTID14	4 683	4 570	4 787	5 055
Total Expenditure			459 556	431 802	448 920	463 017



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

Strategic Objective	Goal	Goal Code	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
To ensure that the traffic section operates effectively and efficiently	TRAFFIC	BSD01	16 717	4 445	-	-
To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE	BSD02	71 579	112 226	64 754	7 980
To ensure effective management and maintenance of indoor recreational community facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES	BSD03	7 056	4 491	-	-
To ensure effective management, construction and maintenance of cemeteries and pauper burials	CEMETRIES AND PAUPER BURIAL	BSD04	1 100	884	-	9 709
To construct, maintain, identify, establish and upgrade existing urban sportsfields	SPORTS	BSD05	21 469	3 100	-	-
To maintain and control the municipal commonage / To maintain and effectively operate the pounds	LICENSING AND CONTROL OF ANIMALS	BSD08	938	357	222	177
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	909	261	191	18 152
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	1 924	2 269	5 914	5 630
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	191	99	-	-
To promote and attract development in the local economy through implementation of the LED strategy	LOCAL ECONOMIC DEVELOPMENT	LED02	-	11 817	20 537	8 672
To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget development and submission requirements	BUDGET COMPILATION	MFMV05	2 039	1 199	1 007	881
To develop and submit S 71 reports as per MFMA guidelines and prescripts	REPORTING	MFMV06	901	-	-	-
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	698	4 686	-	-
To ensure that Municipal information is kept secure and filed and archived according to legislation	RECORDS MANAGEMENT	MTID10	1 038	1 757	-	-
Total Capital Expenditure			126 560	147 590	92 625	51 200



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 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Vote 3 - Corporate Services					
Function 1 - Buildings					
Sub-function 1 - Other Buildings					
<i>Construction of Change rooms - Lady Grey</i>	Completion of project	959	-	-	-
Sub-function 2 - Staff Housing					
<i>Renovation of the Mayoral House</i>	Completion of project	-	1 171	-	-
<i>Renovation of the MM's House</i>	Completion of project	298	-	-	-
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	-	244	-	-



Description	Unit of measurement	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Sub-function 2 - Surfaced Roads					
<i>New Rest Construction - Paving</i>	Completion of project to the specification of the engineers	-	12 084	21 618	7 641
<i>Construction of interlock paved streets in Khewzi Naledi (Steve Tswele) W 14</i>	Completion of project to the specification of the engineers	16 673	2 998	-	-
<i>Rehabilitation of Roads & Stormwater in Mokhesi Ward 8</i>	Completion of project to the specification of the engineers	16 745	19 280	-	-
<i>Rehabilitation of Roads & Stormwater in Ward 10</i>	Completion of project to the specification of the engineers	-	18 304	21 000	-
<i>Rehabilitation of Roads & Stormwater in Lady Grey Ward 14</i>	Completion of project to the specification of the engineers	1 500	18 304	21 000	-
<i>Rehabilitation of Roads & Stormwater in Barkly East Ward 15 & 16</i>	Completion of project to the specification of the engineers	13 573	19 280	-	-
<i>Reconstruction of 4,5 km gravel roads and stormwater channels in Zava, Mdlokovana and Thaba Kolo (Ward 13)</i>	Completion of project to the specification of the engineers	3 683	-	-	-
<i>Reconstruction of Roads_KwaNtoyi, Zwelitsha - Ward 12</i>	Completion of project to the specification of the engineers	3 064	-	-	-
<i>Reconstruction of Roads_Ntabamhlophe - Ward 05</i>	Completion of project to the specification of the engineers	3 652	-	-	-
<i>Repairing of 5,2 km gravel roads and stormwater channels in Ward 1: Ndofela, Bikizana and Mbobo</i>	Completion of project to the specification of the engineers	1 694	3 952	-	-
<i>Repairing of 6 km gravel roads and stormwater channels in Ward 17: Sunduza, Bensonville, Jozana nek</i>	Completion of project to the specification of the engineers	1 838	4 288	-	-
<i>Repairing of 4,5 km gravel roads and stormwater channels in Ward 9: Joveleni, Hinana and Voyizana</i>	Completion of project to the specification of the engineers	1 578	3 683	-	-
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	16 717	4 445	-	-
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	-	11 817	20 537	8 672
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	2 256	-	-	-
<i>Herschel Community Hall</i>	Completion of project to the specification of the engineers	4 800	4 491	-	-
Function 2 - Cemeteries					
Sub-function 1 - Cemeteries					
<i>Fencing of existing cemeteries at Joveleni, Hinana and Voyizana</i>	Completion of project to the specification of the engineers	1 100	-	-	-
<i>Lady Grey and Herschel Cemetery Layout Plans (EIA) (W13 & 14)</i>	Completion of project to the specification of the engineers	-	884	-	-
<i>Lady Grey and Herschel Cemeteries</i>	Completion of project to the specification of the engineers	-	-	-	9 709
Vote10 - Sport & Recreation					
Function 1 - Sport Facilities					
Sub-function 1 - Sport Facilities					
<i>Construction of Blue-Gums Sportsfield</i>	Fully functional sport facilities	21 469	3 100	-	-



Description	Unit of measurement	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
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		2 269	1 583	1 103
<i>Electrification of Households at Mountain View Ward 10</i>	Completion of project to the specification of the engineers	1 924	-	4 331	4 527
<i>Ward 14 Reroute of LV Overhead Line with Street Lights for Lulama Location</i>	Completion of project to the specification of the engineers	-	-	-	-
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		-	-	18 000



The following table sets out the municipalities main performance objectives and benchmarks for the 2025/26 MTREF. (Derived from the National Treasury formats)

MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Borrowing Management</u>					
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.5%	1.8%	2.9%	2.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.9%	2.1%	3.5%	3.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	1014.8%	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	6.0	4.5	3.5	2.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	6.0	4.5	3.5	2.5
Liquidity Ratio	Monetary Assets/Current Liabilities	5.9	4.3	3.3	2.3
<u>Revenue Management</u>					
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	92.6%	92.6%	92.1%	91.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		92.6%	92.1%	91.9%	91.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	16.7%	16.7%	16.9%	16.9%
<u>Creditors Management</u>					
Creditors to Cash and Investments		4.0%	6.9%	8.7%	14.9%
<u>Other Indicators</u>					
Employee costs	Employee costs/(Total Revenue - capital revenue)	40.6%	42.3%	44.3%	45.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	44.8%	46.7%	48.9%	50.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7.2%	6.7%	6.6%	6.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	6.9%	7.6%	9.2%	9.4%
<u>IDP regulation financial viability indicators</u>					
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	8.4	10.8	12.2	12.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	16.1%	14.3%	14.4%	15.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	12.8	7.6	5.0	2.5



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 2025/26 MTREF:

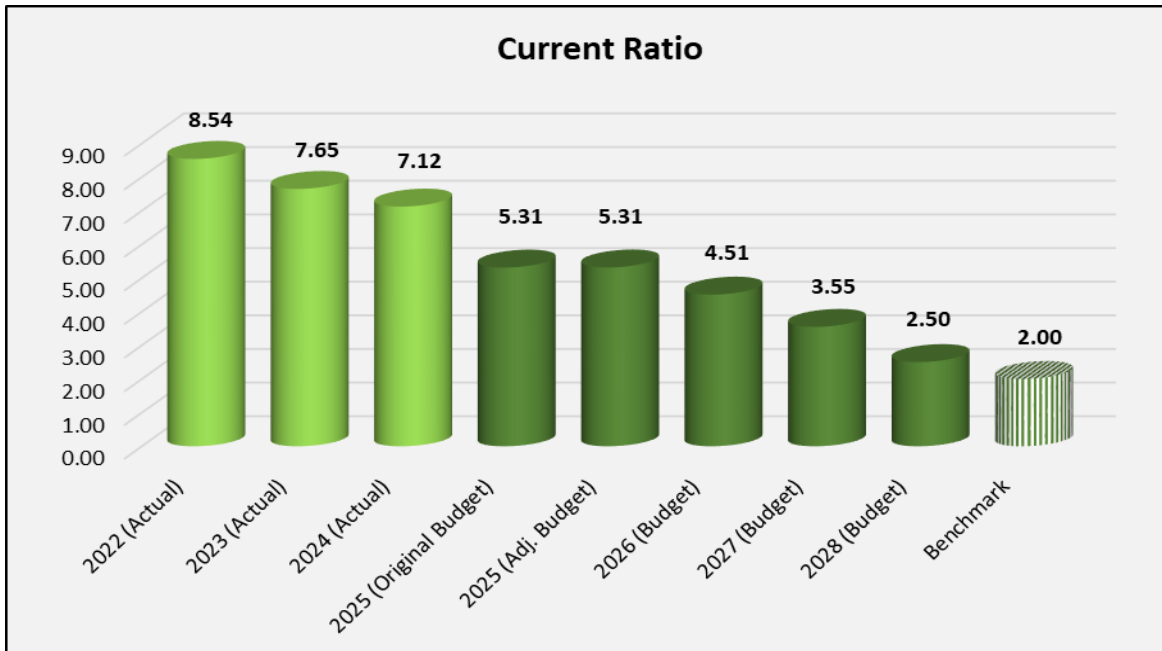
- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. The cost of borrowing increased from 1,8 per cent to 2,9 per cent after the inclusion of the R42 million annuity loan in the 2026/27 financial year.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality intend to borrow an amount of R42 million in the 2026/27 financial year.

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, as discussed earlier in this report.



- 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 2025/26 financial year the ratio is 4,3 and this ratio is projected to decline to 2,3 in 2027/28. 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 increase from 42,3 per cent to 45,8 per cent over the MTREF. 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.

List of all budget related policies

<u>Policy Name</u>	<u>Date Reviewed</u>	<u>Amendments Made</u>
Asset Management and Insurance Policy	March 2025	Yes
Borrowing & Funding & Reserves Policy	March 2025	Yes
Cash Management Banking Investment Policy	March 2025	Yes
Credit Control & Debt Collection Policy	March 2025	Yes
Free Basic Services & Indigent Subsidy Support Policy	March 2025	Yes
Property Rates & Valuation Policy	March 2025	Yes
Supply Chain Management Policy	March 2025	Yes
Tariff & Services Policy	March 2025	Yes



<u>Policy Name</u>	<u>Date Reviewed</u>	<u>Amendments Made</u>
Virement Policy	March 2025	Yes
Cost Containment Policy	March 2025	Yes
Liquidity Policy	March 2025	Yes
Debt Incentive Scheme Policy	March 2025	Yes
Debt Write-off Policy	March 2025	Yes
Municipal Corporate ICT Governance Framework Policy	March 2025	Yes
ICT Strategic Plan	March 2025	Yes
Vehicle Allowance Policy	March 2025	Yes
Subsistence and Travelling Policy	March 2025	Yes
Fleet Management Policy	March 2025	Yes
Budget & IDP Policy	March 2025	Yes
Revenue Enhancement Strategy	March 2025	Yes
Strategic Procurement Framework	March 2025	Yes
Long term Financial Planning Policy	March 2025	Yes

* The majority of the amendments made to the policies listed above includes minor changes such as approval dates.

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 (if any) be adopted with the approval of the 2025/26 MTREF.

2.4 Overview of budget assumptions

Certain broad assumptions had been made on which the budget is based for the MTREF. These assumptions are based on external factors but also internal trends and factors. These assumptions provide a framework for setting priorities, determining service levels and allocating limited financial resources. This section provides a summary of the assumptions used in preparing the budget for the 2025/26 MTREF period.

2.4.1 External factors

Local government has a vital role to play in turning around the economy. In many areas of the country, municipal finances are under pressure.

The National Treasury has lowered its 2024 economic growth forecast to 1.1 per cent, from the 1.3 per cent projected in the 2024 Budget Review, weighed down by stop-start economic growth and stubborn inflation in the first half of the year. The economy has since strengthened in response to the suspension of power cuts since March 2024, improved confidence following the formation of the government of national unity in June, better than-expected inflation outcomes in recent months and reduced borrowing costs. All these factors are expected to continue to support the economy over the period ahead.

GDP growth is projected to average 1.8 per cent from 2025 to 2027, up from 1.2 per cent in the preceding three years.

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 2025/26 MTREF.

Table 1: Macroeconomic performance and projections, 2023 - 2028

Fiscal year	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Forecast		
CPI Inflation	6.0%	4.4%	4.3%	4.6%	4.4%

Source: National Treasury Budget Review 2025.

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

2.4.3 Credit rating outlook

Fitch’s credit rating for South Africa was last reported at BB- with a stable outlook. In general, a credit rating is used by sovereign wealth funds, pension funds, and other investors to gauge the creditworthiness of South Africa, thus having a significant impact on the country’s borrowing costs. Standard & Poor’s credit rating for South Africa stands at BB- with stable outlook.

Interest rates for borrowing and investment of funds

As of March 2025, the repo rate in South Africa is 7.75% and the prime lending rate is 11.25%, following a recent cut of 25 basis points by the South African Reserve Bank.

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 average collection rate in the cash collected from consumers expressed as a percentage of the amount billed and is currently 72%. 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 personnel budget is calculated by reviewing the individual posts that are currently filled on the municipal organogram, as well as previous years' expenditure on the salary budget. Provision is also made for the filling of vacant and new posts during the 2025/26 financial year.

The salary and wage collective agreement were signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024 and municipalities were expected to implement the agreement with immediate effect as from 1 July 2024.

In respect of the 2025/26 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2025, an increase based on the average CPI percentage for the period 1 February 2024 until 31 January 2025, plus 0.75 per cent. The publications of Statistics South Africa shall be used to determine the average CPI.

In case the average CPI percentage for the period 1 February 2025 until 31 January 2026 is less than 4 per cent, it will be deemed to be 4 per cent, and if the average CPI percentage for this period is higher than 7 per cent, it will be deemed to be 7 per cent.

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 83 per cent is achieved on operating expenditure and 62 per cent on the capital programme for the 2023/24 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:

Operating revenue over medium-term

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework					
	Adjusted	%	Budget Year	%	Budget Year	%	Budget Year	%
	Budget		2025/26		2026/27		2027/28	
Revenue								
Exchange Revenue								
Service charges - Electricity	65 221	17.9%	72 331	19.9%	76 671	21.2%	81 271	21.8%
Service charges - Waste Management	10 080	2.8%	10 484	2.9%	10 903	3.0%	11 394	3.1%
Sale of Goods and Rendering of Services	463	0.1%	452	0.1%	470	0.1%	491	0.1%
Agency services	929	0.3%	966	0.3%	1 004	0.3%	1 050	0.3%
Interest earned from Receivables	5 412	1.5%	5 228	1.4%	5 854	1.6%	6 117	1.6%
Interest earned from Current and Non Current Assets	37 656	10.3%	32 162	8.9%	27 338	7.6%	23 237	6.2%
Rent on Land	47	0.0%	34	0.0%	35	0.0%	37	0.0%
Rental from Fixed Assets	1 944	0.5%	1 989	0.5%	2 069	0.6%	2 163	0.6%
Licence and permits	2 272	0.6%	2 363	0.7%	2 458	0.7%	2 568	0.7%
Operational Revenue	479	0.1%	498	0.1%	518	0.1%	542	0.1%
Non-Exchange Revenue								
Property rates	19 201	5.3%	19 969	5.5%	20 767	5.8%	21 702	5.8%
Fines, penalties and forfeits	208	0.1%	172	0.0%	225	0.1%	236	0.1%
Transfer and subsidies - Operational	217 314	59.7%	213 404	58.8%	210 012	58.2%	218 384	58.7%
Interest	2 580	0.7%	2 383	0.7%	2 790	0.8%	2 916	0.8%
Gains on disposal of Assets	500	0.1%	257	0.1%	–	0.0%	–	0.0%
Other Gains	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Total Revenue (excluding capital transfers and contributions)	364 306	100%	362 692	100%	361 115	100%	372 106	100%
Total Revenue from Rates and Service Charges	96 446	26.5%	104 773	28.9%	110 411	30.6%	116 529	31.3%



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.

MBRR SA15 – Detail Investment Information

Investment type	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand				
Parent municipality				
Deposits - Bank	302 926	205 362	132 975	56 486
Total:	302 926	205 362	132 975	56 486

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	130 812	6 902	(80 000)	–	57 714
Standard Bank 38 848 606 6 - 001	13 512	733	–	–	14 245
Standard Bank 38 848 916 2 - 002	158 602	24 528	(230 000)	180 275	133 404
					–
TOTAL INVESTMENTS AND INTEREST	302 926		(310 000)	180 275	205 362



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).

MBRR Table A7 - Budget cash flow statement

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates	14 030	14 921	15 518	16 139	16 865
Service charges	57 456	55 269	61 164	64 794	68 651
Other revenue	6 106	5 855	8 623	6 261	6 543
Transfers and Subsidies - Operational	211 348	214 509	210 235	208 693	218 030
Transfers and Subsidies - Capital	47 100	64 133	38 935	46 487	48 549
Interest	39 048	42 006	36 378	32 042	28 153
Payments					
Suppliers and employees	(358 348)	(391 059)	(380 228)	(389 776)	(404 935)
Interest	(6 106)	(570)	(585)	(4 802)	(4 765)
Transfers and Subsidies	(49)	(150)	(146)	(153)	(159)
NET CASH FROM/(USED) OPERATING ACTIVITIES	10 584	4 914	(10 107)	(20 314)	(23 067)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments					
Capital assets	(142 990)	(174 113)	(148 389)	(93 300)	(51 518)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(142 990)	(174 113)	(148 389)	(93 300)	(51 518)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Borrowing long term/refinancing	-	-	-	42 000	-
Increase (decrease) in consumer deposits	100	68	71	73	76
Payments					
Repayment of borrowing	(942)	(943)	(964)	(1 398)	(1 465)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(842)	(875)	(893)	40 675	(1 389)
NET INCREASE/ (DECREASE) IN CASH HELD	(133 248)	(170 075)	(159 389)	(72 940)	(75 974)
Cash/cash equivalents at the year begin:	390 389	506 726	387 822	228 433	155 493
Cash/cash equivalents at the year end:	257 141	336 652	228 433	155 493	79 519



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.

MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
<u>Cash and investments available</u>					
Cash/cash equivalents at the year end	257 141	336 652	228 433	155 493	79 519
Cash and investments available:	257 141	336 652	228 433	155 493	79 519
<u>Application of cash and investments</u>					
Unspent conditional transfers	11 785	20 507	13 250	11 932	11 578
Other working capital requirements	(2 281)	367	(6 093)	(14 402)	(26 269)
Other provisions	22 859	21 044	19 831	21 188	22 583
Reserves to be backed by cash/investments	218 467	238 683	178 235	121 036	64 774
Total Application of cash and investments:	250 830	280 601	205 222	139 754	72 666
Surplus / (shortfall)	6 312	56 051	23 210	15 739	6 853

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 currently 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.

MBRR SA10 – Funding compliance measurement

Description	MFMA section	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funding measures						
Cash/cash equivalents at the year end - R'000	18(1)b	257 141	336 652	228 433	155 493	79 519
Cash + investments at the yr end less applications - R'000	18(1)b	6 312	56 051	23 210	15 739	6 853
Cash year end/monthly employee/supplier payments	18(1)b	8.5	11.1	7.6	5.0	2.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(6 946)	(26 505)	(18 251)	(41 318)	(42 361)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	2.5%	(2.4%)	2.8%	(0.6%)	(0.4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	80.9%	76.9%	79.6%	77.2%	77.2%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	17.5%	19.4%	18.4%	17.5%	14.4%
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%	91.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a			106.1%	100.5%	100.1%
Current consumer debtors % change - incr(decr)	18(1)a	(27.4%)	47.0%	13.6%	23.7%	27.8%
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)	3.6%	3.5%	2.7%	2.6%	0.0%
Asset renewal % of capital budget	20(1)(vi)	49.7%	39.6%	59.8%	45.3%	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 2025/26 MTREF shows R228,43 million, R155,49 million and R79,52 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 7,6 for 2025/26, 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

MBRR SA19 - Expenditure on transfers and grant programmes

Description	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
EXPENDITURE:						
<u>Operating expenditure of Transfers and Grants</u>						
National Government:	210 348	212 337	211 315	210 617	207 198	215 924
Local Government Equitable Share	189 174	189 174	189 174	188 084	187 115	195 569
Finance Management	1 700	1 700	1 700	1 800	2 000	2 100
Nat Gov: Councillor Remuneration	7 550	7 550	7 550	7 990	7 948	8 308
Municipal Infrastructure Grant (MIG)	9 529	9 529	9 529	8 197	8 875	9 268
EPWP Incentive	1 620	1 620	1 620	2 058	–	–
Neighbourhood Development Grant	500	700	700	700	610	–
Integrated National Electrification Programme	276	276	276	–	650	679
Municipal Disaster Recovery Grant	–	1 788	766	1 788	–	–
Provincial Government:	4 307	4 978	4 978	2 787	2 814	2 460
Libraries	1 500	2 106	2 106	2 106	2 106	2 106
Greenest Municipality	414	759	759	–	–	–
Herschel Housing Grant	1 090	655	655	681	708	354
Municipal Disaster Relief Grant	1 303	1 458	1 458	–	–	–
Total operating expenditure of Transfers and Grants:	214 655	217 314	216 292	213 404	210 012	218 384
<u>Capital expenditure of Transfers and Grants</u>						
National Government:	47 100	59 023	52 210	50 858	46 487	48 549
Municipal Infrastructure Grant (MIG)	45 260	45 260	45 260	38 935	42 155	44 022
Integrated National Electrification Programme	1 839	1 839	1 839	–	4 331	4 527
Municipal Disaster Recovery Grant	–	11 923	5 110	11 923	–	–
Provincial Government:	8 684	9 722	9 722	–	–	–
Municipal Disaster Relief Grant	8 684	9 722	9 722	–	–	–
Total capital expenditure of Transfers and Grants	55 783	68 745	61 932	50 858	46 487	48 549
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	270 438	286 059	278 224	264 262	256 498	266 933



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

Description	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
<u>Operating transfers and grants:</u>						
National Government:						
Balance unspent at beginning of the year	1 510	2 010	2 010	3 099	610	-
Current year receipts	209 848	212 403	212 403	208 129	206 587	215 924
Conditions met - transferred to revenue	210 348	212 337	211 315	210 617	207 198	215 924
Conditions still to be met - transferred to liabilities	1 010	2 077	3 099	610	-	-
Provincial Government:						
Balance unspent at beginning of the year	13 582	16 193	16 193	13 321	12 640	11 932
Current year receipts	1 500	2 106	2 106	2 106	2 106	2 106
Conditions met - transferred to revenue	4 307	4 978	4 978	2 787	2 814	2 460
Conditions still to be met - transferred to liabilities	10 775	13 321	13 321	12 640	11 932	11 578
Total operating transfers and grants revenue	214 655	217 314	216 292	213 404	210 012	218 384
Total operating transfers and grants - CTBM	11 785	15 398	16 420	13 250	11 932	11 578
<u>Capital transfers and grants:</u>						
National Government:						
Balance unspent at beginning of the year	-	-	-	11 923	-	-
Current year receipts	47 100	64 133	64 133	38 935	46 487	48 549
Conditions met - transferred to revenue	47 100	59 023	52 210	50 858	46 487	48 549
Conditions still to be met - transferred to liabilities	-	5 110	11 923	-	-	-
Provincial Government:						
Balance unspent at beginning of the year	8 684	9 722	9 722	-	-	-
Current year receipts	-	-	-	-	-	-
Conditions met - transferred to revenue	8 684	9 722	9 722	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-
Total capital transfers and grants revenue	55 783	68 745	61 932	50 858	46 487	48 549
Total capital transfers and grants - CTBM	-	5 110	11 923	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	270 438	286 059	278 224	264 262	256 498	266 933
TOTAL TRANSFERS AND GRANTS - CTBM	11 785	20 507	28 343	13 250	11 932	11 578



2.7 Allocations and Grants made by the municipality

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

Allocations and Grants made by the municipality

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
<u>Cash Transfers to Organisations</u>					
<i>Grants and donations in aid</i>	49	150	146	153	159
Total Cash Transfers To Organisations	49	150	146	153	159
TOTAL CASH TRANSFERS AND GRANTS	49	150	146	153	159



2.8 Councilor and employee benefits

MBRR SA22 - Summary of councilor and staff benefits

Summary of Employee and Councilor remuneration R thousand	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Councillors (Political Office Bearers plus Other)</u>					
Basic Salaries and Wages	13 101	13 514	14 190	14 899	15 868
Cellphone Allowance	1 674	1 628	1 709	1 794	1 911
Sub Total - Councillors	14 776	15 141	15 899	16 693	17 779
% increase	6.2%	2.5%	5.0%	5.0%	6.5%
<u>Senior Managers of the Municipality</u>					
Basic Salaries and Wages	10 974	11 670	12 137	12 622	13 443
Pension and UIF Contributions	13	12	13	13	14
Performance Bonus	2 382	2 400	2 496	2 596	2 765
Motor Vehicle Allowance	823	1 541	1 603	1 667	1 775
Cellphone Allowance	314	278	289	301	321
Housing Allowances	241	353	367	381	406
Other benefits and allowances	-	0	0	0	0
Payments in lieu of leave	296	334	411	427	455
Acting and post related allowance	-	243	252	262	279
Sub Total - Senior Managers of Municipality	15 044	16 831	17 568	18 270	19 458
% increase	15.0%	11.9%	4.4%	4.0%	6.5%
<u>Other Municipal Staff</u>					
Basic Salaries and Wages	93 406	91 829	95 502	99 322	105 778
Pension and UIF Contributions	14 964	15 073	15 676	16 303	17 362
Medical Aid Contributions	7 982	7 982	8 301	8 633	9 194
Overtime	2 993	3 012	3 133	3 258	3 470
Performance Bonus	2 052	2 190	2 278	2 369	2 523
Motor Vehicle Allowance	2 867	3 168	3 295	3 426	3 649
Cellphone Allowance	1 153	1 099	1 143	1 188	1 266
Housing Allowances	259	237	246	256	273
Other benefits and allowances	42	45	46	48	51
Payments in lieu of leave	2 965	3 561	3 640	3 786	4 032
Long service awards	432	432	481	528	575
Post-retirement benefit obligations	1 880	1 880	1 860	2 064	2 268
Acting and post related allowance	629	329	342	356	379
Sub Total - Other Municipal Staff	131 625	130 836	135 943	141 538	150 820
% increase	10.2%	(0.6%)	3.9%	4.1%	6.6%
Total Parent Municipality	161 445	162 809	169 409	176 502	188 057
	10.2%	0.8%	4.1%	4.2%	6.5%
TOTAL SALARY, ALLOWANCES & BENEFITS	161 445	162 809	169 409	176 502	188 057
% increase	10.2%	0.8%	4.1%	4.2%	6.5%
TOTAL MANAGERS AND STAFF	146 669	147 667	153 510	159 808	170 278

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

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	Total Package
Rand per annum					
<u>Councillors</u>					
Speaker	939 605	–	50 341	–	989 947
Chief Whip	730 110	–	50 341	–	780 451
Executive Mayor	1 074 152	–	50 341	–	1 124 493
Deputy Executive Mayor	–	–	–	–	–
Executive Committee	1 798 225	–	201 365	–	1 999 590
Total for all other councillors	9 647 524	–	1 356 499	–	11 004 023
Total Councillors	14 189 616	–	1 708 888		15 898 503
<u>Senior Managers of the Municipality</u>					
Municipal Manager (MM)	2 839 341	82 746	297 599	482 429	3 702 114
Chief Finance Officer	1 479 916	125 316	149 760	174 717	1 929 709
Technical Services	1 657 890	65 695	892 338	438 165	3 054 088
Community and Social Services	2 295 206	65 695	54 513	667 000	3 082 413
Corporate and Support Services	1 987 709	23 673	515 539	400 276	2 927 198
Development and Town Planning Services	1 876 661	60 156	601 964	333 385	2 872 167
Total Senior Managers of the Municipality	12 136 723	423 281	2 511 712	2 495 973	17 567 688
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	26 326 339	423 281	4 220 600	2 495 973	33 466 192



MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers Number	2023/24			Current Year 2024/25			Budget Year 2025/26		
	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	34	-	34
Municipal employees									
Municipal Manager and Senior Managers	-	2	4	6	2	4	6	2	4
Other Managers	-	18	2	22	22	-	22	22	-
Professionals	-	38	2	48	48	-	48	48	-
<i>Finance</i>	-	15	-	15	15	-	15	15	-
<i>Other</i>	-	23	2	33	33	-	33	33	-
Technicians	-	19	-	21	21	-	21	21	-
<i>Spatial/town planning</i>	-	2	-	2	2	-	2	2	-
<i>Information Technology</i>	-	2	-	2	2	-	2	2	-
<i>Roads</i>	-	1	-	1	1	-	1	1	-
<i>Electricity</i>	-	4	-	4	4	-	4	4	-
<i>Refuse</i>	-	4	-	4	4	-	4	4	-
<i>Other</i>	-	6	-	8	8	-	8	8	-
Clerks (Clerical and administrative)	-	59	-	53	53	-	53	53	-
Service and sales workers	-	7	2	6	6	-	6	6	-
Plant and Machine Operators	-	22	3	22	22	-	22	22	-
Elementary Occupations	-	108	-	118	118	-	118	118	-
TOTAL PERSONNEL NUMBERS	-	273	47	330	292	38	330	292	38
% increase				-	7.0%	(19.1%)	-	-	-
Total municipal employees headcount									
Finance personnel headcount	-	40	-	-	-	-	-	40	-
Human Resources personnel headcount	-	5	-	-	-	-	-	5	-

2.9 Monthly targets for revenue, expenditure and cash flow



MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Revenue															
Exchange Revenue															
Service charges - Electricity	8 680	7 956	6 510	5 063	5 063	4 340	5 063	5 063	5 063	5 063	6 510	7 956	72 331	76 671	81 271
Service charges - Waste Management	874	874	874	874	874	874	874	874	874	874	874	874	10 484	10 903	11 394
Sale of Goods and Rendering of Services	54	50	41	32	32	27	32	32	32	32	41	50	452	470	491
Agency services	80	80	80	80	80	80	80	80	80	80	80	80	966	1 004	1 050
Interest earned from Receivables	436	436	436	436	436	436	436	436	436	436	436	436	5 228	5 854	6 117
Interest earned from Current and Non Current Assets	2 680	2 680	2 680	2 680	2 680	2 680	2 680	2 680	2 680	2 680	2 680	2 680	32 162	27 338	23 237
Rent on Land	3	3	3	3	3	3	3	3	3	3	3	3	34	35	37
Rental from Fixed Assets	166	166	166	166	166	166	166	166	166	166	166	166	1 989	2 069	2 163
Licence and permits	197	197	197	197	197	197	197	197	197	197	197	197	2 363	2 458	2 568
Operational Revenue	60	55	45	35	35	30	35	35	35	35	45	55	498	518	542
Non-Exchange Revenue															
Property rates	7 312	1 151	1 151	1 151	1 151	1 151	1 151	1 151	1 151	1 151	1 151	1 151	19 969	20 767	21 702
Fines, penalties and forfeits	14	14	14	14	14	14	14	14	14	14	14	14	172	225	236
Transfer and subsidies - Operational	82 351	-	5 329	-	-	68 656	-	-	53 352	-	-	3 716	213 404	210 012	218 384
Interest	199	199	199	199	199	199	199	199	199	199	199	199	2 383	2 790	2 916
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	257	257	-	-
Total Revenue (excluding capital transfers and contributions)	103 105	13 860	17 723	10 929	10 929	78 852	10 929	10 929	64 281	10 929	12 394	17 833	362 692	361 115	372 106
Expenditure															
Employee related costs	11 342	11 311	11 248	11 185	11 185	11 154	11 185	11 185	11 185	11 185	11 248	30 096	153 510	159 808	170 278
Remuneration of councillors	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	15 899	16 693	17 779
Bulk purchases - electricity	8 588	7 872	6 441	5 010	5 010	4 294	5 010	5 010	5 010	5 010	6 441	7 872	71 567	74 536	77 556
Inventory consumed	2 504	2 295	1 878	1 461	1 461	1 252	1 461	1 461	1 461	1 461	1 878	2 295	20 868	23 021	23 995
Debt impairment	-	-	-	-	-	9 457	-	-	-	-	-	-	9 457	18 913	16 449
Depreciation and amortisation	-	-	-	-	-	10 418	-	-	-	-	-	10 418	20 835	21 961	22 849
Interest	-	-	292	-	-	-	-	-	292	-	-	6 042	6 627	11 412	11 957
Contracted services	7 723	7 079	5 792	4 505	4 505	3 861	4 505	4 505	4 505	4 505	5 792	7 079	64 358	60 467	59 747
Transfers and subsidies	-	-	-	-	-	-	-	-	146	-	-	-	146	153	159
Irrecoverable debts written off	-	-	-	-	-	1 952	-	-	-	-	-	1 952	3 905	3 892	3 874
Operational costs	6 284	5 761	4 713	3 666	3 666	3 142	3 666	3 666	3 666	3 666	4 713	5 761	52 369	55 665	56 168
Losses on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	2 805	2 805	2 405	2 205
Total Expenditure	37 766	35 643	31 690	27 151	27 151	46 855	27 151	27 151	27 590	27 151	31 397	85 102	431 802	448 920	463 017
Surplus/(Deficit)	65 339	(21 783)	(13 967)	(16 223)	(16 223)	31 997	(16 223)	(16 223)	36 690	(16 223)	(19 003)	(67 269)	(69 110)	(87 804)	(90 910)
Transfers and subsidies - capital (monetary allocations)	-	-	11 923	15 574	-	11 681	-	-	11 681	-	-	-	50 858	46 487	48 549
Surplus/(Deficit) for the year	65 339	(21 783)	(2 044)	(649)	(16 223)	43 677	(16 223)	(16 223)	48 371	(16 223)	(19 003)	(67 269)	(18 251)	(41 318)	(42 361)



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

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Revenue by Vote															
Vote 1 - Executive & Council	3 356	-	-	-	-	2 637	-	-	1 997	-	-	-	7 990	7 948	8 308
Vote 2 - Planning & Development	31	28	2 073	19	19	2 066	19	19	2 758	19	24	3 026	10 099	10 468	9 909
Vote 3 - Corporate Services	192	189	184	179	179	177	179	179	179	179	184	189	2 192	2 279	2 382
Vote 4 - Budget & Treasury	57 662	4 034	4 483	4 033	4 033	41 777	4 033	4 033	32 736	4 033	4 033	4 484	169 373	165 374	167 516
Vote 5 - Road Transport	177	175	14 396	15 739	164	12 769	164	164	12 462	164	170	175	56 719	44 250	46 211
Vote 9 - Community & Social Services	157	156	680	151	151	676	151	151	677	151	153	683	3 934	4 008	4 094
Vote 10 - Sport & Recreation	1	1	1	1	1	1	1	1	1	1	1	1	8	8	8
Vote 11 - Public Safety	11	11	11	10	10	10	10	10	10	10	11	11	128	133	139
Vote 12 - Electricity	24 618	8 131	6 684	5 237	5 237	16 900	5 237	5 237	14 621	5 237	6 684	8 131	111 955	121 166	127 777
Vote 13 - Waste Management	16 899	1 135	1 135	1 135	1 135	13 521	1 135	1 135	10 518	1 135	1 135	1 135	51 153	51 967	54 312
Total Revenue by Vote	103 105	13 860	29 646	26 503	10 929	90 533	10 929	10 929	75 961	10 929	12 394	17 833	413 551	407 602	420 656
Expenditure by Vote to be appropriated															
Vote 1 - Executive & Council	5 142	4 955	4 582	4 209	4 209	4 112	4 209	4 209	4 209	4 209	4 582	7 328	55 954	58 800	60 000
Vote 2 - Planning & Development	3 031	2 897	2 629	2 360	2 360	2 289	2 360	2 360	2 507	2 360	2 629	5 468	33 251	30 690	30 660
Vote 3 - Corporate Services	5 475	5 124	4 618	3 720	3 720	4 299	3 720	3 720	3 916	3 720	4 422	8 994	55 449	58 424	61 251
Vote 4 - Budget & Treasury	4 525	4 293	3 831	3 368	3 368	6 098	3 368	3 368	3 368	3 368	3 831	10 682	53 471	54 485	56 200
Vote 5 - Road Transport	3 147	3 009	2 735	2 460	2 460	7 522	2 460	2 460	2 460	2 460	2 735	11 450	45 360	51 218	53 550
Vote 6 - Waste Water Management	324	313	292	271	271	937	271	271	271	271	292	2 413	6 199	6 220	6 287
Vote 9 - Community & Social Services	2 017	1 949	1 813	1 676	1 676	2 481	1 676	1 676	1 676	1 676	1 813	4 936	25 067	25 204	26 571
Vote 10 - Sport & Recreation	199	194	184	174	174	433	174	174	174	174	184	796	3 034	3 157	3 294
Vote 11 - Public Safety	182	179	174	168	168	166	168	168	168	168	174	234	2 119	2 124	2 259
Vote 12 - Electricity	10 125	9 331	7 841	6 157	6 157	9 826	6 157	6 157	6 254	6 157	7 744	18 330	100 235	104 898	109 570
Vote 13 - Waste Management	3 600	3 397	2 992	2 587	2 587	8 692	2 587	2 587	2 587	2 587	2 992	14 470	51 663	53 700	53 376
Total Expenditure by Vote	37 766	35 643	31 690	27 151	27 151	46 855	27 151	27 151	27 590	27 151	31 397	85 102	431 802	448 920	463 017
Surplus/(Deficit)	65 339	(21 783)	(2 044)	(649)	(16 223)	43 677	(16 223)	(16 223)	48 371	(16 223)	(19 003)	(67 269)	(18 251)	(41 318)	(42 361)



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

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional															
<i>Governance and administration</i>	61 209	4 222	4 666	4 211	4 211	44 590	4 211	4 211	34 912	4 211	4 216	4 672	179 541	175 588	178 191
Executive and council	3 356	-	-	-	-	2 637	-	-	1 997	-	-	-	7 990	7 948	8 308
Finance and administration	57 853	4 222	4 666	4 211	4 211	41 953	4 211	4 211	32 915	4 211	4 216	4 672	171 552	167 640	169 883
<i>Community and public safety</i>	215	211	729	194	194	716	194	194	721	194	202	737	4 500	4 597	4 709
Community and social services	26	24	548	19	19	544	19	19	545	19	22	551	2 355	2 366	2 378
Sport and recreation	1	1	1	1	1	1	1	1	1	1	1	1	8	8	8
Public safety	188	185	180	174	174	172	174	174	174	174	180	185	2 138	2 223	2 323
<i>Economic and environmental services</i>	15	14	16 287	15 583	9	14 664	9	9	15 047	9	12	3 011	64 670	52 483	53 785
Planning and development	14	13	2 060	9	9	2 057	9	9	2 749	9	11	3 010	9 960	10 323	9 758
Road transport	0	0	14 226	15 574	0	12 607	0	0	12 298	0	0	0	54 709	42 160	44 027
<i>Trading services</i>	41 518	9 265	7 819	6 372	6 372	30 422	6 372	6 372	25 139	6 372	7 819	9 265	163 108	173 133	182 089
Energy sources	24 618	8 131	6 684	5 237	5 237	16 900	5 237	5 237	14 621	5 237	6 684	8 131	111 955	121 166	127 777
Waste management	16 899	1 135	1 135	1 135	1 135	13 521	1 135	1 135	10 518	1 135	1 135	1 135	51 153	51 967	54 312
<i>Other</i>	150	148	145	142	142	141	142	142	142	142	145	148	1 731	1 800	1 881
Total Revenue - Functional	103 105	13 860	29 646	26 503	10 929	90 533	10 929	10 929	75 961	10 929	12 394	17 833	413 551	407 602	420 656
Expenditure - Functional															
<i>Governance and administration</i>	15 142	14 373	13 031	11 297	11 297	14 509	11 297	11 297	11 493	11 297	12 835	30 679	168 548	175 538	181 448
Executive and council	4 633	4 463	4 122	3 781	3 781	3 688	3 781	3 781	3 781	3 781	4 122	6 301	50 018	52 598	53 466
Finance and administration	10 114	9 529	8 556	7 191	7 191	10 501	7 191	7 191	7 387	7 191	8 360	23 655	114 059	118 267	123 054
Internal audit	395	381	353	324	324	320	324	324	324	324	353	723	4 471	4 674	4 928
<i>Community and public safety</i>	2 733	2 652	2 492	2 331	2 331	3 549	2 331	2 331	2 331	2 331	2 492	6 816	34 723	36 169	38 123
Community and social services	1 830	1 772	1 655	1 539	1 539	2 354	1 539	1 539	1 539	1 539	1 655	4 554	23 056	24 096	25 356
Sport and recreation	199	194	184	174	174	433	174	174	174	174	184	796	3 034	3 157	3 294
Public safety	704	687	653	618	618	762	618	618	618	618	653	1 465	8 634	8 917	9 473
<i>Economic and environmental services</i>	5 552	5 299	4 795	4 291	4 291	9 137	4 291	4 291	4 291	4 291	4 795	11 907	67 229	69 723	71 437
Planning and development	2 882	2 756	2 505	2 254	2 254	2 189	2 254	2 254	2 254	2 254	2 505	5 253	31 614	29 057	29 024
Road transport	2 625	2 502	2 256	2 010	2 010	6 926	2 010	2 010	2 010	2 010	2 256	6 520	35 147	40 571	42 311
Environmental protection	45	41	34	26	26	23	26	26	26	26	34	133	468	96	102
<i>Trading services</i>	14 049	13 042	11 125	9 015	9 015	19 455	9 015	9 015	9 112	9 015	11 028	35 213	158 097	164 817	169 232
Energy sources	10 125	9 331	7 841	6 157	6 157	9 826	6 157	6 157	6 254	6 157	7 744	18 330	100 235	104 898	109 570
Waste water management	324	313	292	271	271	937	271	271	271	271	292	2 413	6 199	6 220	6 287
Waste management	3 600	3 397	2 992	2 587	2 587	8 692	2 587	2 587	2 587	2 587	2 992	14 470	51 663	53 700	53 376
<i>Other</i>	291	276	247	217	217	205	217	217	364	217	247	488	3 205	2 671	2 777
Total Expenditure - Functional	37 766	35 643	31 690	27 151	27 151	46 855	27 151	27 151	27 590	27 151	31 397	85 102	431 802	448 920	463 017
Surplus/(Deficit)	65 339	(21 783)	(2 044)	(649)	(16 223)	43 677	(16 223)	(16 223)	48 371	(16 223)	(19 003)	(67 269)	(18 251)	(41 318)	(42 361)



MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year+1 2026/27	Budget Year+2 2027/28
R thousand															
Multi-year expenditure to be appropriated															
Vote 5 - Road Transport	10 957	15 096	12 013	5 994	5 058	13 363	3 850	8 908	6 598	7 037	12 135	5 609	106 618	63 618	7 641
Vote 6 - Waste Water Management	-	-	1 387	2 080	1 387	3 467	693	1 387	1 416	-	-	-	11 817	20 537	8 672
Vote 9 - Community & Social Services	1 123	1 123	898	898	1 333	-	-	-	-	-	-	-	5 374	-	9 709
Vote 10 - Sport & Recreation	1 240	930	930	-	-	-	-	-	-	-	-	-	3 100	-	-
Vote 11 - Public Safety	57	-	-	-	86	-	-	86	-	-	50	-	279	222	177
Vote 12 - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	4 331	4 527
Vote 13 - Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18 000
Capital multi-year expenditure sub-total	13 377	17 149	15 227	8 972	7 864	16 829	4 543	10 381	8 015	7 037	12 185	5 609	127 188	88 709	48 726
Single-year expenditure to be appropriated															
Vote 1 - Executive & Council	-	-	50	-	-	-	50	-	-	-	-	-	99	-	-
Vote 3 - Corporate Services	879	879	1 757	2 929	-	-	-	-	-	-	-	-	6 443	-	-
Vote 4 - Budget & Treasury	-	87	170	-	697	170	-	75	-	-	-	-	1 199	1 007	881
Vote 5 - Road Transport	5 885	3 923	-	244	-	-	-	-	-	-	-	-	10 053	1 135	339
Vote 9 - Community & Social Services	-	-	78	-	-	-	-	-	-	-	-	-	78	-	-
Vote 12 - Electricity	465	642	232	-	-	-	465	465	-	-	-	-	2 269	1 583	1 103
Vote 13 - Waste Management	120	120	-	22	-	-	-	-	-	-	-	-	261	191	152
Capital single-year expenditure sub-total	7 348	5 651	2 287	3 195	697	170	514	540	-	-	-	-	20 401	3 916	2 474
Total Capital Expenditure	20 725	22 799	17 515	12 167	8 561	16 999	5 058	10 920	8 015	7 037	12 185	5 609	147 590	92 625	51 200



MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional															
Governance and administration	879	966	1 977	2 929	697	170	50	75	-	-	-	-	7 741	1 007	881
Executive and council	-	-	50	-	-	-	50	-	-	-	-	-	99	-	-
Finance and administration	879	966	1 927	2 929	697	170	-	75	-	-	-	-	7 642	1 007	881
Community and public safety	3 753	4 275	2 717	898	1 418	-	-	86	-	-	50	-	13 198	222	9 886
Community and social services	1 123	1 123	898	898	1 333	-	-	-	-	-	-	-	5 374	-	9 709
Sport and recreation	1 240	930	930	-	-	-	-	-	-	-	-	-	3 100	-	-
Public safety	1 391	2 223	889	-	86	-	-	86	-	-	50	-	4 724	222	177
Economic and environmental services	15 508	16 797	11 124	6 238	5 058	13 363	3 850	8 908	6 598	7 037	12 135	5 609	112 226	64 754	7 980
Road transport	15 508	16 797	11 124	6 238	5 058	13 363	3 850	8 908	6 598	7 037	12 135	5 609	112 226	64 754	7 980
Trading services	584	761	1 619	2 102	1 387	3 467	1 158	1 852	1 416	-	-	-	14 347	26 642	32 453
Energy sources	465	642	232	-	-	-	465	465	-	-	-	-	2 269	5 914	5 630
Waste water management	-	-	1 387	2 080	1 387	3 467	693	1 387	1 416	-	-	-	11 817	20 537	8 672
Waste management	120	120	-	22	-	-	-	-	-	-	-	-	261	191	18 152
Other	-	-	78	-	-	-	-	-	-	-	-	-	78	-	-
Total Capital Expenditure - Functional	20 725	22 799	17 515	12 167	8 561	16 999	5 058	10 920	8 015	7 037	12 185	5 609	147 590	92 625	51 200
Funded by:															
National Government	9 469	9 449	8 682	3 582	3 044	5 279	693	2 595	2 625	2 417	2 417	604	50 858	46 487	48 549
Transfers recognised - capital	9 469	9 449	8 682	3 582	3 044	5 279	693	2 595	2 625	2 417	2 417	604	50 858	46 487	48 549
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	42 000	-
Internally generated funds	11 255	13 351	8 832	8 585	5 516	11 720	4 364	8 325	5 390	4 620	9 768	5 005	96 732	4 139	2 651
Total Capital Funding	20 725	22 799	17 515	12 167	8 561	16 999	5 058	10 920	8 015	7 037	12 185	5 609	147 590	92 625	51 200



MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Cash Receipts By Source													1		
Property rates	5 682	894	894	894	894	894	894	894	894	894	894	894	15 518	16 139	16 865
Service charges - electricity revenue	7 104	6 512	5 328	4 144	4 144	3 552	4 144	4 144	4 144	4 144	5 328	6 512	59 196	62 748	66 513
Service charges - refuse revenue	164	164	164	164	164	164	164	164	164	164	164	164	1 967	2 046	2 138
Rental of facilities and equipment	142	142	142	142	142	142	142	142	142	142	142	142	1 703	1 772	1 851
Interest earned - external investments	2 680	2 680	2 680	2 680	2 680	2 680	2 680	2 680	2 680	2 680	2 680	2 680	32 162	27 338	23 237
Interest earned - outstanding debtors	351	351	351	351	351	351	351	351	351	351	351	351	4 215	4 705	4 916
Fines, penalties and forfeits	2	2	2	2	2	2	2	2	2	2	2	2	29	39	40
Licences and permits	197	197	197	197	197	197	197	197	197	197	197	197	2 363	2 458	2 568
Agency services	80	80	80	80	80	80	80	80	80	80	80	80	966	1 004	1 050
Transfers and Subsidies - Operational	81 128	-	5 250	-	-	67 637	-	-	52 560	-	-	3 661	210 235	208 693	218 030
Other revenue	427	392	321	249	249	214	249	249	249	249	321	392	3 562	988	1 033
Cash Receipts by Source	97 959	11 415	15 409	8 904	8 904	75 913	8 904	8 904	61 464	8 904	10 160	15 076	331 917	327 930	338 242
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	9 128	11 923	-	8 942	-	-	8 942	-	-	-	38 935	46 487	48 549
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	42 000	-
Increase (decrease) in consumer deposits	6	6	6	6	6	6	6	6	6	6	6	6	71	73	76
Total Cash Receipts by Source	97 965	11 421	24 543	20 833	8 910	84 861	8 910	8 910	70 412	8 910	10 165	15 082	370 923	416 489	386 867
Cash Payments by Type															
Employee related costs	11 381	11 349	11 286	11 224	11 224	11 192	11 224	11 224	11 224	11 224	11 286	30 199	154 036	157 837	168 341
Remuneration of councillors	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	15 899	16 693	17 779
Interest	-	-	292	-	-	-	-	-	292	-	-	-	585	4 802	4 765
Bulk purchases - electricity	8 635	7 915	6 476	5 037	5 037	4 317	5 037	5 037	5 037	5 037	6 476	7 915	71 955	75 079	78 037
Acquisitions - water & other inventory	2 518	2 308	1 888	1 469	1 469	1 259	1 469	1 469	1 469	1 469	1 888	2 308	20 981	23 188	24 144
Contracted services	7 765	7 118	5 824	4 529	4 529	3 882	4 529	4 529	4 529	4 529	5 824	7 118	64 706	60 908	60 118
Transfers and subsidies - other	-	-	-	-	-	-	-	-	146	-	-	-	146	153	159
Other expenditure	6 318	5 792	4 739	3 686	3 686	3 159	3 686	3 686	3 686	3 686	4 739	5 792	52 652	56 071	56 517
Cash Payments by Type	37 941	35 807	31 830	27 269	27 269	25 135	27 269	27 269	27 708	27 269	31 538	(54 656)	380 960	394 731	409 859
Other Cash Flows/Payments by Type															
Capital assets	20 837	22 923	17 610	12 233	8 607	17 092	5 085	10 980	8 058	7 075	12 251	5 640	148 389	93 300	51 518
Repayment of borrowing	-	-	482	-	-	-	-	-	482	-	-	-	964	1 398	1 465
Total Cash Payments by Type	58 778	58 729	49 922	39 502	35 876	42 226	32 354	38 249	36 248	34 344	43 789	(49 017)	530 312	489 429	462 841
NET INCREASE/(DECREASE) IN CASH HELD	39 187	(47 309)	(25 379)	(18 669)	(26 966)	42 635	(23 444)	(29 338)	34 164	(25 434)	(33 623)	64 098	(159 389)	(72 940)	(75 974)
Cash/cash equivalents at the month/year begin:	387 822	427 009	379 700	354 321	335 652	308 687	351 322	327 878	298 540	332 704	307 270	273 647	387 822	228 433	155 493
Cash/cash equivalents at the month/year end:	427 009	379 700	354 321	335 652	308 687	351 322	327 878	298 540	332 704	307 270	273 647	337 745	228 433	155 493	79 519



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.



MBRR SA34a - Capital expenditure on new assets by asset class

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	23 073	19 914	36 715	10 534	6 349	1 924	14 330	26 451	32 302
Roads Infrastructure	3 267	8 558	31 130	785	300	-	244	-	-
<i>Roads</i>	3 267	8 558	31 130	135	-	-	244	-	-
<i>Road Structures</i>	-	-	-	650	300	-	-	-	-
Storm water Infrastructure	2 160	-	552	2 444	244	-	11 817	20 537	8 672
<i>Storm water Conveyance</i>	2 160	-	552	2 444	244	-	11 817	20 537	8 672
Electrical Infrastructure	1 173	130	957	7 304	5 804	1 924	2 269	5 914	5 630
<i>MV Networks</i>	1 173	130	957	1 839	1 839	-	-	4 331	4 527
<i>LV Networks</i>	-	-	-	5 465	3 965	1 924	2 269	1 583	1 103
Solid Waste Infrastructure	16 473	11 226	4 076	-	-	-	-	-	18 000
<i>Landfill Sites</i>	16 473	11 226	4 076	-	-	-	-	-	18 000
Community Assets	6 070	5 323	11 766	19 118	32 140	27 777	8 753	222	9 886
Community Facilities	6 070	5 013	4 861	6 408	6 308	6 308	5 653	222	9 886
<i>Halls</i>	-	-	3 618	4 900	4 800	4 800	4 491	-	-
<i>Cemeteries/Crematoria</i>	6 070	4 816	216	1 100	1 100	1 100	884	-	9 709
<i>Public Open Space</i>	-	197	1 026	408	408	408	279	222	177
Sport and Recreation Facilities	-	310	6 905	12 710	25 832	21 469	3 100	-	-
<i>Outdoor Facilities</i>	-	310	6 905	12 710	25 832	21 469	3 100	-	-
Other assets	1 652	7 540	13 602	14 974	24 929	16 717	4 445	-	-
Operational Buildings	1 652	7 540	13 602	14 974	24 929	16 717	4 445	-	-
<i>Municipal Offices</i>	1 652	7 540	13 602	14 974	24 929	16 717	4 445	-	-
Intangible Assets	-	-	-	714	114	-	697	486	339
Licences and Rights	-	-	-	714	114	-	697	486	339
<i>Computer Software and Applications</i>	-	-	-	714	114	-	697	486	339
Computer Equipment	316	1 454	1 801	910	1 540	1 987	2 172	430	447
Computer Equipment	316	1 454	1 801	910	1 540	1 987	2 172	430	447
Furniture and Office Equipment	290	292	500	1 691	1 106	322	208	91	94
Furniture and Office Equipment	290	292	500	1 691	1 106	322	208	91	94
Machinery and Equipment	4 076	147	17 348	7 903	14 692	9 418	13 640	1 326	491
Machinery and Equipment	4 076	147	17 348	7 903	14 692	9 418	13 640	1 326	491
Transport Assets	-	646	788	2 253	601	901	-	-	-
Transport Assets	-	646	788	2 253	601	901	-	-	-
Total Capital Expenditure on new assets	35 477	35 317	82 519	58 098	81 470	59 046	44 245	29 007	43 559



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

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	-	-	-	68 684	67 949	47 327	87 091	42 000	-
Roads Infrastructure	-	-	-	68 684	67 949	47 327	87 091	42 000	-
Roads	-	-	-	68 684	67 949	47 327	87 091	42 000	-
Community Assets	-	-	-	-	2 256	2 256	-	-	-
Community Facilities	-	-	-	-	2 256	2 256	-	-	-
Halls	-	-	-	-	2 256	2 256	-	-	-
Other assets	-	-	-	2 400	199	298	1 171	-	-
Housing	-	-	-	2 400	199	298	1 171	-	-
Staff Housing	-	-	-	2 400	199	298	1 171	-	-
Total Capital Expenditure on renewal of existing assets	-	-	-	71 084	70 404	49 881	88 262	42 000	-
Renewal of Existing Assets as % of total capex	0.0%	0.0%	0.0%	49.7%	39.6%	39.4%	59.8%	45.3%	0.0%
Renewal of Existing Assets as % of deprecn"	0.0%	0.0%	0.0%	362.2%	370.3%	254.2%	423.6%	191.2%	0.0%



MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	5 308	5 431	2 920	12 747	10 150	10 150	9 481	10 375	11 015
Roads Infrastructure	3 710	4 593	2 276	7 726	5 648	5 648	5 876	6 219	6 522
Roads	3 710	4 593	2 276	7 726	5 648	5 648	5 876	6 219	6 522
Storm water Infrastructure	404	184	-	464	464	464	471	488	507
Storm water Conveyance	404	184	-	464	464	464	471	488	507
Electrical Infrastructure	821	548	599	2 552	2 065	2 065	1 647	2 120	2 170
MV Networks	391	86	222	1 160	972	972	881	917	964
LV Networks	429	462	377	1 392	1 092	1 092	765	1 203	1 206
Solid Waste Infrastructure	373	106	45	2 005	1 974	1 974	1 487	1 548	1 816
Landfill Sites	177	106	45	1 884	1 852	1 852	1 363	1 419	1 628
Waste Transfer Stations	196	-	-	121	121	121	124	129	188
Community Assets	2 608	1 851	1 135	2 470	2 953	2 953	2 993	3 001	2 989
Community Facilities	2 233	1 686	1 035	2 024	2 537	2 537	2 617	2 611	2 621
Halls	1 164	768	189	730	801	801	756	784	793
Centres	4	56	28	43	43	43	141	45	47
Libraries	-	-	-	5	305	305	310	321	319
Cemeteries/Crematoria	869	832	818	1 156	1 298	1 298	1 318	1 366	1 364
Parks	15	-	-	16	16	16	16	16	17
Public Open Space	169	29	-	32	32	32	32	33	35
Public Ablution Facilities	12	-	-	28	28	28	29	30	30
Taxi Ranks/Bus Terminals	-	-	-	15	15	15	15	15	16
Sport and Recreation Facilities	375	166	100	446	416	416	377	390	368
Outdoor Facilities	375	166	100	446	416	416	377	390	368
Investment properties	-	-	-	438	260	260	459	468	466
Revenue Generating	-	-	-	438	260	260	459	468	466
Improved Property	-	-	-	438	260	260	459	468	466
Other assets	1 268	613	830	2 385	2 067	2 067	2 664	2 467	2 565
Operational Buildings	1 268	613	830	2 385	2 067	2 067	2 664	2 467	2 565
Municipal Offices	1 096	373	665	2 207	1 917	1 917	2 513	2 310	2 402
Stores	172	240	165	177	149	149	151	157	163
Furniture and Office Equipment	356	458	259	924	1 057	1 057	1 067	1 113	1 110
Furniture and Office Equipment	356	458	259	924	1 057	1 057	1 067	1 113	1 110
Machinery and Equipment	1 905	1 135	1 582	2 363	2 122	2 122	2 000	1 825	1 880
Machinery and Equipment	1 905	1 135	1 582	2 363	2 122	2 122	2 000	1 825	1 880
Transport Assets	2 533	2 131	4 141	6 151	7 591	7 591	5 491	4 623	4 314
Transport Assets	2 533	2 131	4 141	6 151	7 591	7 591	5 491	4 623	4 314
Total Repairs and Maintenance Expenditure	13 978	11 619	10 868	27 477	26 200	26 200	24 156	23 872	24 340
R&M as a % of PPE & Investment Property	2.7%	2.2%	1.8%	3.6%	3.5%	3.7%	2.9%	2.7%	2.6%
R&M as % Operating Expenditure	5.2%	3.9%	3.4%	6.6%	5.7%	5.7%	5.3%	5.5%	5.4%



MBRR SA34d - Depreciation by asset class

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Depreciation by Asset Class/Sub-class									
Infrastructure	10 714	10 917	10 831	12 036	11 735	12 036	12 337	12 913	13 430
Roads Infrastructure	7 079	6 892	6 058	7 598	6 664	7 598	7 788	8 151	8 478
<i>Roads</i>	7 079	6 892	6 058	7 598	6 664	7 598	7 788	8 151	8 478
Storm water Infrastructure	1 257	1 196	1 183	1 319	1 301	1 319	1 352	1 415	1 471
<i>Storm water Conveyance</i>	1 257	1 196	1 183	1 319	1 301	1 319	1 352	1 415	1 471
Electrical Infrastructure	1 330	1 391	1 385	1 534	1 455	1 534	1 572	1 645	1 711
<i>MV Networks</i>	1 105	1 169	1 164	1 288	1 222	1 288	1 321	1 382	1 438
<i>LV Networks</i>	225	222	222	245	233	245	251	263	274
Solid Waste Infrastructure	1 048	1 439	2 206	1 586	2 316	1 586	1 626	1 701	1 770
<i>Landfill Sites</i>	1 048	1 439	2 206	1 586	2 316	1 586	1 626	1 701	1 770
Community Assets	2 197	2 358	2 711	2 599	2 847	2 599	2 664	2 788	2 900
Community Facilities	1 758	1 918	2 271	2 114	2 384	2 114	2 167	2 268	2 359
<i>Halls</i>	851	872	890	962	935	962	986	1 032	1 073
<i>Cemeteries/Crematoria</i>	460	599	812	660	852	660	677	708	737
<i>Public Open Space</i>	60	60	183	67	192	67	68	72	74
<i>Taxi Ranks/Bus Terminals</i>	386	386	386	426	405	426	436	457	475
Sport and Recreation Facilities	439	440	440	485	462	485	497	520	541
<i>Outdoor Facilities</i>	439	440	440	485	462	485	497	520	541
Other assets	916	1 008	1 101	1 111	1 156	1 111	1 139	1 192	1 246
Operational Buildings	916	1 008	1 101	1 111	1 156	1 111	1 139	1 192	1 246
<i>Municipal Offices</i>	916	1 008	1 101	1 111	1 156	1 111	1 139	1 192	1 246
Intangible Assets	58	61	29	89	30	89	31	31	30
Licences and Rights	58	61	29	89	30	89	31	31	30
<i>Computer Software and Applications</i>	58	61	29	89	30	89	31	31	30
Computer Equipment	660	683	723	751	759	751	770	806	839
Computer Equipment	660	683	723	751	759	751	770	806	839
Furniture and Office Equipment	389	381	310	419	325	419	429	449	468
Furniture and Office Equipment	389	381	310	419	325	419	429	449	468
Machinery and Equipment	1 771	1 595	1 791	1 759	1 880	1 759	2 193	2 373	2 470
Machinery and Equipment	1 771	1 595	1 791	1 759	1 880	1 759	2 193	2 373	2 470
Transport Assets	377	303	193	859	282	859	1 271	1 408	1 465
Transport Assets	377	303	193	859	282	859	1 271	1 408	1 465
Total Depreciation	17 084	17 306	17 689	19 624	19 015	19 624	20 835	21 961	22 849



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

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	-	-	-	12 409	24 696	16 673	15 082	21 618	7 641
Roads Infrastructure	-	-	-	12 409	24 696	16 673	15 082	21 618	7 641
Roads	-	-	-	12 409	24 696	16 673	15 082	21 618	7 641
Community Assets	-	-	-	600	200	-	-	-	-
Community Facilities	-	-	-	600	200	-	-	-	-
Centres	-	-	-	600	200	-	-	-	-
Other assets	-	-	-	800	959	959	-	-	-
Operational Buildings	-	-	-	800	959	959	-	-	-
Municipal Offices	-	-	-	800	959	959	-	-	-
Total Capital Expenditure on upgrading of existing assets	-	-	-	13 809	25 855	17 632	15 082	21 618	7 641
<i>Upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	9.7%	14.5%	13.9%	10.2%	23.3%	14.9%
<i>Upgrading of Existing Assets as % of deprecn"</i>	0.0%	0.0%	0.0%	70.4%	136.0%	89.8%	72.4%	98.4%	33.4%

MBRR SA35 - Future financial implications of the capital budget

Full detail with regards to the future implications identified on the capital budget beyond the MTREF period is available in Table SA 35 accompanying this report.

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.

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.

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 2025/26 MTREF in May 2025, directly aligned and informed by the 2025/26 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 2025/26 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.



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, 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 _____

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