

**FINAL MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE
FINANCIAL YEAR**

2024/2025

Acronyms and abbreviations

BSC	Budget Steering Committee
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DoRA	Division of Revenue Act
EXCO	Executive Committee
FBS	Free basic services
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
IBT	Inclining Block Tariff
IDP	Integrated Development Plan
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act (56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
mSCOA	Municipal Standard Charts of Account
MTBPS	Medium Term Budget Policy Statement
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator of South Africa
NDP	National Development Plan, 2030
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget Implementation Plan

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1.1 Mayor's Report (Budget speech)

- Honourable Speaker of Council,
- Members of the Executive Committee,
- Ikosi Ndabezitha Mahlangu,
- Whip of Council,
- Honourable Councillors,
- The Municipal Manager and Management,
- Members of the Media,
- Distinguished Guests,
- Community Members in the Public Gallery,
- Ladies and Gentlemen,

Good morning,

Madam Speaker....

INTRODUCTION

I am once again honoured to stand before you this morning and to table before this Council the Final 2024/2025 Integrated Development Plan (IDP)/ Budget.

Madam Speaker, according to two prominent economists, Messrs the late Alberto Alesina and Dani Rodrik, *"A crude distinction between economics and politics would be that economics is concerned with expanding the pie while politics is about distributing it"*.

The point, Madam Speaker, is that the size and quality of our Municipal pie is what informs, and ultimately determines, the realisation of our political imperative of redistribution.

Our mission over the past 30 years has been to restore both social and economic justice to our communities, and to decisively address the inequality that was the hallmark of systemic discrimination and dispossession.

The plans and budgets we have tabled since 1994, have been about securing the goal of growing the economy, so that we can do more to address the inequalities and deprivation that still scar our society and undermine the promise of democracy.

This year we mark three decades of respect for and promotion of human rights. It is a confirmation of our constitutional imperatives to ensure that the dignity of our people is restored by delivering quality services.

LEGISLATIVE REQUIREMENT

The Constitution of the Republic of South Africa (sections 152 and 153) outlines the objectives of local government, which are to:

1. Provide democratic and accountable government for communities;
2. Provide basic services in a sustainable manner;
3. Promote socio-economic development;
4. To give priority to the basic needs of communities; and
5. Encourage the involvement of communities in matters of local government.

To this end, municipalities are required to plan and facilitate development in an integrated manner, ensuring that resources are utilised efficiently and effectively to alleviate poverty and inequality, to provide basic services, and to promote sustainable development.

Speaker, section 34 of the Municipal Systems Act (32 of 2000) mandates the Municipality to develop a five-year Strategic Plan referred to as the Integrated Development Plan (IDP) and to review it annually.

Both the Integrated Development Plan (IDP) and Budget of the Municipality are Municipal Strategic Plans. Whilst the IDP outlines developmental priorities and objectives within a Municipality, the Budget articulates yearly service delivery and budget targets, which must further be broken down to manageable timeframes linked to deliverables within the year.

It ensures that, across all departments, our intentions on how we spend all our money in terms of both Operating Expenditure (opex) and Capital Expenditure (capex), are available for public scrutiny and correction where required.

Furthermore, in terms of the Municipal Finance Management Act (MFMA), a local government

must submit a draft budget to the public for its consideration and comment before a final budget can be presented to the Council.

In compiling this final budget and IDP, we have followed the process prescribed by legislation and adhered to the guidelines stipulated by the National Treasury.

This is an important legislative requirement.

LOCAL ECONOMIC OUTLOOK

Honourable Speaker,

The tabling of this final IDP/Budget comes at the time our country (and the world) is going through some unprecedented economical challenges. These challenges have been brought by various factors including the ongoing geo-political conflicts that we are currently witnessing.

Ladies and gentlemen, over the last few years, we have witnessed a steady decline in our economy, with very minimal tangible growth, stagflation risks, high unemployment and rising prices.

As a Municipality, we are not immune to all these challenges.

Speaker, the tourism industry remains the main driver of our Municipal local economy and by far the largest contributor to the local economic development.

The Tourism Infrastructure such as roads, bridges, water supply, sewers, electrical grids, and tele-communications (including Internet connectivity and broadband access) serves as the backbone of our local economy and should therefore be supported.

The value chain of the tourism sector such as agriculture and entertainment industry should also be supported.

Speaker, we must continue with our plans to support township economy as that is one area which will assist in addressing youth empowerment and unemployment. We remain committed to supporting the collaboration and relationship between our tourism establishment and various township businesses.

Our challenge is that the size of the Municipal pie is not growing fast enough to meet our developmental needs.

Honourable Speaker;

The Municipality has been able to continue with the provision of basic and essential services throughout these difficult times.

Ladies and gentlemen, I would like to spend some time highlighting some of the projects that our Municipality will be embarking on under this current administration as a way of bringing development and economic growth in our town.

CURRENT AND FUTURE PROJECTS

MUNICIPAL INFRASTRUCTURE GRANT (MIG) 2024/2025

Upgrading of the Bela Bela Municipal land fill site phase 1 (Ward 2), this is a multi-year project with an amount of R 14 319 140 budgeted for the 2024/2025 financial year. The landfill site has reached a saturation point, and as such there is a need for the new land fill site.

Development of sports facilities in Masakhane (ward 9), this is a single year project with an amount of R 2 551 589 budgeted for the 2024/2025 financial year. The community of Masakhane, in particular the youth, need this recreation facility. We have seen the challenges that are brought by having a non-active youth. We believe that by creating these types of facilities, we will be contributing to the fight against substance abuse and crime.

ACCESS ROADS

Accessible road infrastructure is a critical component of economic growth and social development in our communities.

It provides the required impetus for the quicker movement of goods, services and of our people.

Honourable Speaker, The MIG allocation for the 2024/2025 financial year amounts to R 28 150 400 million and the amount will be split in various infrastructure projects, which will include construction of roads, paving and bulk storm water.

Speaker, the **Construction of road paving and bulk storm water in Bela Bela in extension X8- (phase 5)**, is a multi-year project with an amount of R 3 415 794 budgeted for the 2024/2025 financial year.

The Construction of road paving and storm water in Bela Bela in extension 5 – (phase 1), is also a multi-year project with an amount of R 4 777 685 budgeted for the 2024/2025 financial year.

In addition, there is the **Construction of road paving and storm water in Rapotokwane – (phase 1)** , which is also a multi-year project with an amount of R 2 586 192 budgeted for the 2024/2025 financial year.

The Development of the new cemetery at Pienaarsrivier, is a multi-year project, and an amount of R 500 000 has been budgeted for the 2024/2025 financial year. The community of Pienaarsrivier drive long distances to bury their loved ones in Bela Bela. Soon, this inconvenience will be an issue of the past.

WATER SERVICES INFRASTRUCTURE GRANT (WSIG) 2024/2025

We also have the water services grant which will assist in addressing the water and sanitation challenges.

Upgrading of the Leseding sewer pump station (ward 6). This is a multi-year project with an amount of R 8 992 582 budgeted for the 2024/2025 financial year for the refurbishment and/or upgrading.

Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2&6). This is also a multi-year project with an amount of R 14 926 629 budgeted for the 2024/2025 financial year.

Speaker, the Upgrading of the Settlers Sewer Pump Station (Ward 2), is a multi-year project with an amount of R 10 000 000 budgeted for the 2024/2025 financial year.

In addition, the Upgrading of the Bela-Bela Water Treatment Works (Ward 1), is a multi-year project with an amount of R 3 000 000 budgeted for the 2024/2025 financial year.

Water Supply Source Augmentation and the construction of the water reticulation network in Tsakane (Ward 7). This is a new multi-year project and an amount of R 2 500 000 has been budgeted for the 2024/2025 financial year.

Construction of Water Booster Pump Station and Upgrading of a Steel Elevated Water Tank in Ext 8 (Ward 4). This is a new multi-year project, and an amount of R 5 580 789 is budgeted for the 2024/2025 financial year.

INTERGARATED NATIONAL ELECTRIFICATION PROGRAMME (INEP) 2024/2025

ELECTRICITY

Honourable Speaker, we remain convinced that access to electricity remains central to the Bela Bela Local Economic Development.

In this regard, we are proud to confirm the **Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station**.

This is a new multi-year project, with an amount of **R20 315 000** budgeted for the 2024/2025 financial year.

The full allocation will fund the construction of the Bela Bela electricity sub-station.

The construction of this new sub-station will assist in increasing the capacity and in turn, allow for new developments, new business establishment and attract investment.

In addition, our Municipality will receive a much needed reprieve from the construction of this new sub-station which will assist in supplying all other areas within the Bela Bela Local Municipality.

Currently, one of the biggest challenges that the municipality is facing, is its capacity on the network, as certain areas could not be electrified until this sub-station is constructed.

Honourable Speaker, I must mention that just recently, SALGA awarded our Municipality a trophy in appreciation for the 100% MIG spending.

Honourable members,

The Municipality is fully committed to oversee the successful finalisation of all approved projects under its infrastructure grants, which have been allocated for the 2024/2025 financial year.

Programme Director, in line with inflation and the general increase in the cost of living, the Municipality has had to also adjust its tariffs as follows:

THE TARIFF INCREASES ARE AS FOLLOWS:

1. Property rates – 4,9%

2. Water – 4,9%
3. Service Charges – 4,9%
4. Sundry Revenue – 4,9%
5. Electricity – 15,1% (NERSA percentage used pending cost of study report)

Honourable Speaker,

We have shown our commitment as the Municipality to include empowerment programs for the Youth, Women and Persons with Disabilities.

We also went an extra mile with the relevant stakeholders to ensure that our Elderly Citizens have access to available government programs aimed at addressing their needs.

Speaker, earlier this month, we co-hosted and partook in the launch of the local forum for people with disabilities which was launched by the Limpopo Provincial government.

In its Youth Development endeavors, the Municipality has prioritized the implementation of educational programs that will foster a culture of learning and result in a self-reliant society that will contribute in the general development of our town.

The partnership between the Bela Bela Local Municipality, the Development Bank of Southern Africa (DBSA) and AMANDLA Social Enterprises Non-Profit Organization (AMANDLA) for the development of a Development Precinct (DLAB) at the Bela Bela Old Township to holistically address the challenges that young people are facing.

I am happy to report that AMANDLA has started to operate, and our community is already benefiting from its program.

In addition, the office of the Mayor has embarked on a program to visits the schools within our Municipal jurisdiction to encourage the learners to excel in their academic programs, and further offer our support through partnership with various formations.

Honourable Speaker,

While this Council is aware that we have limited resources to address all the challenges facing

our community, it is also important to bear in mind that this Budget seeks to manage the balance between our priorities.

It is up to this Council, its leadership and the leadership in the administration to deliver outcomes with the resources we have.

Speaker, of the total budget, the vast majority goes towards the direct provision of services, which means that while we are creating the conditions for business to thrive, we understand that we can only succeed as a town if we provide for all of our residents, no matter their socio-economic backgrounds.

In conclusion Speaker, allow me to remind the house that the purpose of this Council sitting is to table the final Integrated Development/ Budget/PMS Plan for the financial year 2024/2025.

I therefore present Item MC 121/03/2024 to MC 122/03/2024 for Council' s consideration and adoption.

Honourable Speaker, I thank you!

1.2 Council Resolutions

MC156/05/2024

FINAL INTEGRATED DEVELOPMENT PLAN & ANNUAL BUDGET (MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2024/2025).

RESOLVED

- 1. THAT** council approves the Final budget and Final IDP Document (MTREF) for 2024/2025 financial year and indicative for the projected outer years 2025/26 and 2026/27 as set out in the annual budget tables in respect of the following schedules:

1.1 A Schedule and Supporting Tables as per Municipal Budget and Reporting regulations (MBRR).

1.2 Council approves and adopt the final IDP Document -Annexure A for the 2024/25 financial year.

1.3 Council approves and adopt the final Tariff Book for services as per Annexure B with effect from 1 July 2024.

1.4 Council take note that tariffs in respect of Electricity increase is still subject to final approval by NERSA and that after NERSA issue the document, the tariffs will be updated based on the formal letter.

1.5 Council Approves and adopt the Procurement Plan for the 2024/25 financial year as per Annexure C

1.6 Council Approves and adopt the Strategic Risk Register for the 2024/25 financial year as per Annexure D

1.7 Council Approves and adopt the mSCOA road map as required in terms of the mSCOA regulations and guidelines issued by National Treasury- Annexure E

1.8 Council Approves and adopt the Budget funding Plan for the 2024/25 financial year as per Annexure F

1.9 The council of Bela-Bela Local Municipality, acting in terms of Section 75A of the local Government systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2024 the following budget related Policies:

- (i) Property Rates Policy
- (ii) Credit Control and Debt Collection Policy
- (iii) Budget Implementation and Monitoring Policy
- (iv) Supply Chain Management Policy
- (v) Indigent Management Policy
- (vi) Funding Reserves Policy
- (vii) Cash Management and Investment Policy
- (viii) Policy on Long term financial planning
- (ix) Principles and Policy on Tariffs
- (x) Borrowing Framework Policy
- (xi) Assets Management Policy
- (xii) Policy on Infrastructure Investment and Capital Projects
- (xiii) Prioritisation Model for Capital Assets Investment

- (xiv) Policy on provision for doubtful debts and writing off irrecoverable debts.
- (xv) Property rates by-law
- (xvi) Indigents support by-law
- (xvii) Credit control and debt collection by-law
- (xviii) Cost Containment Policy
- (xix) Expenditure Management Policy

2. THAT council approves the following tariff increases as set out in the 2024/2025 final Tariff Book

- (i) Property rates tariff for all classes of property will be increased by 3%.
- (ii) Refuse and Sanitation rates increased by 4.9%
- (iii) Water tariff estimated to be increased by 4.9%
- (iv) Electricity tariff be increased by 11.43% subject to NERSA approval.
- (v) Sundry Tariffs increased by 4.9%

3. THAT council approves the final 2024/2025 annual budget (MTREF) 's operating revenue budget of R 594 467 million for the 2024/2025 financial year as well as for the two outer years as depicted in table 2: Table A1 Budget Summary above.

4. THAT Council approves the final 2024/2025 annual budget (MTREF) 's operating expenditure budget of R571 456 million for the 2024/2025 financial year as well as for the outer years as depicted in above table 2: Table A1 Budget Summary.

5. THAT Council approves the 2024/2025 annual budget (MTREF)'s capital expenditure of R113 294 million (R81 274 grant funded and R 16 010 million own funded) as well as two outer year's expenditure as set out in above table 6: Table A5 Budgeted Capital Expenditure by vote, functional classification and funding.

6. THAT Council takes note that the tabled 2024/2025 operating budget realizes a budgeted surplus of R 23 011 million as reflected in table 2: Table A1 Budget Summary above.

7. THAT Council takes note of the total cost to municipality expenses for the salaries, allowances and benefits of The Mayor, Speaker, Chief Whip, Executive committee members, Subcommittee chairpersons, Ordinary councilors, Municipal Manager, Chief Financial Officer and other Senior managers as set out in the 2024/2025 annual budget (MTREF) report.

8. THAT a copy of the Final Annual Budget be submitted to National Treasury and Provincial Treasury.

9. THAT a copy of the Final IDP document be submitted to the office of MEC for Co-operative Governance Human Settlement and Traditional Affairs for comments within 10 days of its adoption as stipulated by the legislation – section 32 (1) (a) of the Systems Act, 2000.

10. THAT the progress on the implementation of the budget funding plan be submitted to Council on quarterly basis.

1.3 Executive Summary

The 2024/25 Medium Term Revenue and Expenditure Framework (MTREF) Budget document deals with the operating budget, tariffs, capital budget and funding sources to ensure that Bela-Bela Local Municipality renders services to the local Municipality in a financially sustainable manner.

The process of developing the municipality's annual budget is mostly guided by the strategic thrust and operational priorities of Bela-Bela's Integrated Development Plan (IDP) as well as the MTREF that sets out the expected annual revenue and projected expenditure for the budget year under consideration, plus the outer years.

National Treasury issued Circular number 126 on 07 December 2023 and subsequently Circular 128 on 08 March 2024, to provide guidance to municipalities with their compilation of the 2024/25 Medium Term Revenue and Expenditure Framework (MTREF). The circulars are linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (mSCOA) and strive to support municipalities' budget preparation processes so that the minimum requirements are achieved, previous budget circulars must also be considered in the preparation of the budget. A great emphasis is on ensuring that municipal budgets are funded, revenue management is optimized, assets are managed efficiently, supply chain management processes are adhered to, mSCOA is implemented correctly and that audit findings are addressed.

In terms of Circular 128, the South African economy is forecasted to grow by an average of 1.6 per cent over the next three years. This represents a slight improvement over the 1.4 per cent average that was anticipated at the time of the 2023 MTBPS.

Macroeconomic performance and projections, 2022 – 2027

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

Source: Municipal Budget Circular for the 2024/25 MTREF 07 December 2023

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.

The National Treasury projects real economic growth of 0.6 per cent in 2023, this is lower than the anticipated growth of 0.8 per cent forecasted in the 2023 MTBPS. This is due to weaker than expected outcomes in the third quarter of 2023. Real GDP growth is expected to improve to 1.6 per cent from 2024 to 2026.

Headline inflation is expected to slow down from an average of 6 per cent in 2023/2024 to 4.9 per cent in 2024/2025 and 4.6 per cent in 2025/2026 and 2026/2027 respectively. This is as energy and food price shocks are expected to gradually stabilize. Headline inflation is projected to return towards the mid-point of the 3 to 6 per cent target range in 2025.

The main risks to the economic outlook are weaker global growth and risks to the domestic outlook, however, the national government is working on measures to mitigate these risks.

The Service Delivery and Budget Implementation Plan (SDBIP) give effect to the IDP and the budget of the municipality. It is an expression of the objectives of the Municipality in quantifiable outcomes that will be implemented by the administration for the financial period from 1 July 2024 to 30 June 2025 (Municipality's financial year). It includes the service delivery targets and

performance indicators for each quarter which is linked to the performance agreements of senior management. It therefore facilitates oversight over financial and non- financial performance of the municipality and allows the Municipal Manager to monitor the performance of the Senior Managers, the Mayor/Council to monitor the performance of the Municipal Manager, and the Community to monitor the performance of the Municipality as a whole. The process of cascading performance agreements to all employees of the municipality in terms of the Staff Regulation as promulgated in Government Gazette 45281 is being finalized.

Performance Report and Annual Financial Statements (AFS) for the 2022/23 financial year were duly prepared as required in terms of Section 121 and 122 of the Municipal Financial Management Act number 56 of 2003 (MFMA). The municipality prepared the AFS in-house with the assistance of Waterberg District Municipality. Consultants were however used in the compilation of the fixed asset register as the municipality has limited capacity in that respect. The 2022/23 annual financial statements and the performance report were submitted to the Auditor General of South Africa (AGSA) on 31 August 2023 for audit as stipulated in section 126(1)(a) of MFMA.

The AGSA conducted the statutory audit of the municipality from 01 September 2023 to 30 November 2023 as stipulated in section 126(3) of MFMA. The municipality obtained a qualified audit opinion for 2022/23. Of important note is that, significantly fewer audit findings were issued during 2022/23 audit than in the prior year although the same opinion was maintained.

A detailed Audit Action Plan has been compiled to address 2022/203 audit findings. Weekly Audit Action Plan Steering Committee meetings are held to monitor progress on the implementation of the Audit Action Plan resolutions/Actions.

The municipality was also pro-active in preparing the nine months interim financial statements in-house, these have been submitted to the internal audit office and the audit committee for review. Furthermore, the municipality has prepared a process plan in respect of the preparation of annual financial statements for 2023/2024 financial year. The above-mentioned initiatives are undertaken in an effort to improve the municipality's audit outcomes for the 2023/2024 financial year going forward.

The Municipality also embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. A critical review was also undertaken of noncore expenditure and 'nice to have' items and which led to implementation of cost containment measures. Fixed term service providers contracts are continually reviewed with a view to reduce the monthly fixed costs.

Before compilation of the 2024/25 to 2026/2027 planning and budget process, a review to the municipality's service delivery priorities were done. Strategic planning sessions where planning of the 2024/2025 budget was held during February 2024. The compilation of the 2024/25 budget was further guided by prescribed budget legislative, policy frameworks and budget circulars.

Section 24 (1) of the MFMA stipulates that the municipal council must consider the approval of the annual budget at least 30 days before the start of the budget year (by 31 May).

Section 24 (2) stipulates that the annual budget must be approved before the start of the budget year by the adoption by the council of a resolution.

The annual budget of Bela-Bela Local Municipality was approved by the municipal council on 24 May 2024 through resolution number MC156/05/2024 as stated in section 1.2 above.

Explanations are provided where increases are greater/less than the projected CPI of 4.9%

Legislative Requirements

The MTREF for 2024/25 was compiled in accordance with the requirements of the relevant legislation, of which the following are the most important –

- The Constitution of the Republic of South Africa, Act 108 of 1996;
- The Municipal Structures Act, Act 117 of 1998;
- The Municipal Systems Act, Act 32 of 2000;
- The Municipal Finance Management Act, Act 56 of 2003;
- The Municipal Budget and Reporting Regulations promulgated on 17 April 2009;
- and
- The 2023 Division of Revenue Act.

The following budget principles and guidelines were considered for the compilation of the 2024/25 MTREF-

- National Treasury's MFMA Circulars number 126, 128 and previously issued circulars were used as guidelines in the compilation of the 2024/2025 MTREF;
- Headline inflation predictions;
- National outcomes and priorities as contained in the NDP, MTBPS, the President's State of the Nation Address and the 2024 national budget;
- NERSA guidelines;
- The priorities and targets in relation to the key strategic focus areas as determined in the IDP;
- The 2023/2024 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baseline for the 2024/2025 annual budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective and should take into account the need to address infrastructure backlogs. In this vein, the municipality appointed specialists to remodel the water, electricity and sanitation tariffs to be cost reflective;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- An assessment of the relative human resources capacity to implement the Budget;
- The need to enhance the municipality's revenue base;
- All conditional grants should always be cash backed;
- Cash flow projections should be strictly maintained to ensure the municipality's ability to meet its obligations; and
- Implementation of Cost Containment measures to prioritise service delivery and infrastructure maintenance related expenditure, and limit non-essential expenditure;

During the compilation of 2024/2025 MTREF Municipality determined few challenges which will have an impact on the revenue and expenditure projections as follows:

- The on-going difficulties in the national and local economy;
- Maintaining revenue collection rates at the targeted levels (National norm being 95%);
- Loadshedding having a direct impact on electricity sales due to decreased demand and consumption

- The increasing debtor balance as a result of non-payment;
- Aging and insufficiently funded maintenance for water, roads and electricity infrastructure;
- Reprioritisation of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the Municipality's cash position into account;
- The increased cost of bulk water and electricity (due to tariff increases from Magalies Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable;
- Insufficient Capital Replacement Reserve, impacting on the Municipality's ability to fund capital expenditure from internal sources; and

1.3.1. Budget Overview for the 2024/25 MTREF

This section provides an overview of Bela-Bela Local Municipality's 2024/25 to 2026/27 MTREF. It focuses on the billing and revenue environment of the Municipality; the expenditure framework includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of the municipality. As mentioned in the preceding paragraph, this budget continues to be assessed by both National and Provincial Treasuries during consultation and thereafter for:

- Credibility – revenue and expenditure estimates are realistic;
- Relevance – to the legislation (compliance), IDP and national government priorities; and
- Sustainability – the revenue, expenditure and cash flow estimates are achievable over the short to medium term.

1.3.1.1. Budget related By-Laws

Constitution of the republic gives Local Councils powers to pass laws in a form of By-Laws. By-Laws are local laws that are only applicable in the Jurisdiction of the Local Municipality.

Tariffs By-Law

The tariff By-Law give the Municipality powers to levy tariffs as outlined on the Municipal Systems Act. Tariffs that are levied by the Municipality includes the following services:

- Electricity services
- Water services
- Sanitation services
- Waste removal
- Cemetery services
- Other sundry tariffs as listed on the tariff book.

There only major change is the re-modelling of the electricity tariffs which will be based on the outcome of the Cost of Supply Studies as required by NERSA for tariff approval. Other tariffs will increase in line with the projected CPI as per Circular 126 and 128.

Property Rates By-Law

Property By-Law is adopted in terms of Local Government: Municipal Property Rates Act, 2004 to give effect to the implementation of its property rates policy; the by-laws may differentiate between the different categories of properties and different categories of owners of properties liable for the payment of rates.

Indigent's By-Law

The main objective of the Indigent By-Law is to ensure that the poor households within the Municipal jurisdiction get access to basic services. The by law also paves a way for the council to approve the Indigent policy which outlines the qualification criteria and the quantity of free basic services that approved consumers will receive on a monthly basis.

Credit control and debt collection By-Law

The credit control and debt collection by-law give the Municipal Council power to Final a Credit Control and Debt collection policy which guides the municipality on the frequency of billing for the services rendered, closing dates of accounts payments. The By-Laws also gives the Municipality powers to disconnect services in the event of misuse or non-payment.

1.3.1.2. Budget related policies

Council has a role to approve policies that are used on the running of the Municipality. Policies are used for the smooth running of administration. The Municipal budget related policies are as follows:

- Credit Control and Debt Collection Policy
- Property Rates Policy
- Assets Management Policy
- Indigent Policy
- Borrowing framework policy
- Budget Implementation and Monitoring Policy
- Cash Management and Investment Policy
- Funding Reserves Policy
- Prioritisation Model for Capital Assets Investment
- Policy on Infrastructure Investment and Capital Projects
- Policy on Long Term Financial Planning
- Policy on Provision for doubtful debts and writing off of irrecoverable debts
- Principles and Policy on Tariffs
- Petty Cash Policy
- Supply Chain Management Policy
- Tariff policy
- Cost Containment Policy

The Cost Containment Policy has been incorporated into the list of the municipality's Budget related policies with effect from July 2024 after its adoption by municipal council.

1.3.1.3. Operating Revenue Framework

Despite financial challenges experienced by Bela-Bela Local Municipality, the council intends to continue improving the quality of services provided to its citizens and generate the required revenue levels without creating heavy burden to the community. In these tough economic times, strong revenue management is fundamental to the financial sustainability of the municipality. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices and trade-off must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The Municipality's revenue strategy is built around the following key components:

- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality
- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure at least 95% annual collection rate for property rates and other key service charges;
- Continuous engagements with key stakeholders, particularly farmers and business, to collect outstanding debt and improve current collection levels;

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

Table 1: Summary of revenue classified by main revenue source

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousands										
<u>Financial Performance</u>										
Property rates	79 461	81 022	108 940	142 475	139 482	139 482	87 682	121 077	126 646	138 060
Service charges	178 992	189 393	190 056	205 488	206 818	206 818	198 783	253 529	265 192	283 348
Investment revenue	95	189	1 432	1 600	1 900	1 900	2 252	2 350	2 458	2 569
Transfer and subsidies - Operational	119 288	109 019	122 766	134 330	135 419	135 419	133 703	144 449	147 870	153 591
Other own revenue	41 034	64 324	83 522	71 976	73 268	73 268	42 881	73 062	76 423	79 871
Total Revenue (excluding capital transfers and contributions)	418 870	443 947	506 717	555 869	556 887	556 887	465 301	594 467	618 589	657 438
Employee costs	151 948	152 101	144 059	173 234	176 114	176 114	133 553	177 222	185 374	193 902
Remuneration of councillors	7 509	7 248	7 835	8 481	8 805	8 805	8 185	9 236	9 661	10 096
Depreciation and amortisation	37 706	51 160	48 137	38 000	38 000	38 000	18 143	39 862	41 696	43 572
Interest	4 618	8 597	21 336	15 000	15 000	15 000	835	17 000	17 782	18 582
Inventory consumed and bulk purchases	110 768	151 075	138 363	187 474	177 826	177 826	140 052	196 364	223 884	244 551
Transfers and subsidies	—	—	—	—	—	—	—	—	—	—
Other expenditure	308 157	113 580	114 909	120 815	124 015	124 015	73 697	131 771	134 762	141 016
Total Expenditure	620 705	483 761	474 638	543 004	539 759	539 759	374 465	571 456	613 159	651 719
Surplus/(Deficit)	(201 836)	(39 814)	32 079	12 865	17 128	17 128	90 836	23 011	5 430	5 719
Transfers and subsidies - capital (monetary allocations)	73 298	69 232	83 245	84 518	90 035	90 035	64 997	93 465	101 375	100 674
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(128 537)	29 418	115 324	97 383	107 164	107 164	155 833	116 476	106 805	106 393
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	(128 537)	29 418	115 324	97 383	107 164	107 164	155 833	116 476	106 805	106 393
<u>Capital expenditure & funds sources</u>										
Capital expenditure	80 590	57 010	70 208	92 693	88 638	88 638	70 291	97 284	88 152	86 729
Transfers recognised - capital	76 461	71 249	56 747	84 518	78 292	78 292	62 768	81 274	88 152	86 729
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	4 151	(14 834)	13 271	8 175	10 346	10 346	7 522	16 010	—	—
Total sources of capital funds	80 612	56 415	70 018	92 693	88 638	88 638	70 291	97 284	88 152	86 729
<u>Financial position</u>										
Total current assets	112 209	203 484	269 976	256 376	267 504	267 504	385 902	502 980	552 020	600 860
Total current liabilities	926 080	1 110 356	1 154 208	1 017 259	1 013 534	1 013 534	1 206 492	1 268 922	1 313 685	1 368 677
Total non current liabilities	310 331	276 357	281 699	298 641	296 264	296 264	285 795	365 244	387 456	409 230
TOTAL COMMUNITY WEALTH/EQUITY	89 957	124 758	150 942	298 641	83 515	83 515	150 942	194 901	202 440	210 326
	638 001	912 725	991 544	83 515	901 260	901 260	1 155 657	1 211 757	1 275 808	1 349 981
<u>Cash flows</u>										
Net cash from (used) operating	328 111	174 839	216 368	36 782	38 262	38 262	98 059	90 474	91 870	88 399
Net cash from (used) investing	(70 870)	(64 795)	(77 848)	(90 738)	(90 738)	(90 738)	(83 571)	(77 542)	(68 609)	(66 248)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the year end	257 240	121 974	153 131	17 067	18 546	18 546	25 163	33 558	56 820	78 972
<u>Cash backing/surplus reconciliation</u>										
Non current Investments	18 366	214	7 438	414	516	516	26 051	—	0	0
Statutory requirements	(175 802)	(81 650)	(31 134)	(42 238)	(38 426)	(38 426)	118 118	127 385	152 310	176 481
Balance - surplus (shortfall)	194 168	81 864	38 572	42 652	38 942	38 942	(92 067)	(127 385)	(152 310)	(176 481)
<u>Asset management</u>										
Asset register summary (WDV)	825 421	1 039 227	1 066 474	916 434	925 717	925 717	—	1 184 500	1 225 379	1 281 787
Depreciation	37 706	36 496	45 399	38 000	38 000	38 000	—	39 862	41 696	43 572
Renewal and Upgrading of Existing Assets	16 337	(11 384)	39 123	71 197	67 341	67 341	—	46 655	29 394	42 628
Repairs and Maintenance	17 380	6 779	7 418	15 045	14 856	14 856	—	14 630	15 303	16 116
<u>Free services</u>										
Cost of Free Basic Services provided	25 022	31 611	32 066	34 714	34 714	34 714	—	44 407	46 450	48 843
Revenue cost of free services provided	30 587	32 856	39 980	47 602	47 602	47 602	—	47 833	50 033	54 638
<u>Households below minimum service level</u>										
Water: Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—

Table 1: Summary of revenue classified by main revenue source

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.

Bela-Bela Local Municipal budget is financed through realistically anticipated revenue streams.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise of 63% of the total revenue mix.

The municipality anticipates generating total operating revenue of R594.467 million or 6.75% more than the 2023/2024 adjustments budget revenue of R556.887 million.

Included in the total operating revenue are operating grants to an amount of R144.449 million. Most of the operating grants are allocations to the municipality in terms of the Division of Revenue Act, while the remaining portion related to transfers the municipality is entitled from other organs of the state such as Local Government SETA. Total operating grants represents 24.3% of the total operating revenue budget. This clearly indicates that the municipality is not heavily grant dependent as it can generate sufficient cash inflows from service charges and property rates to fund its own operations. The municipality's own generated revenue constitute 75.70 % of the total revenue mix.

Capital grants increased from R90.035 million in 2023/24 adjustments budget to R93.465 million in 2024/2025.

Overall services charges revenue increased by 23% from the 2023/2024 adjusted budget. The increase was driven by the inclusion of Extension 9 on the billing system and the collection of actual water readings from Masakhane and Pienaarsriviers (previously readings were not taken, and estimated consumption was billed). These factors will result in significant revenue increase.

Details analysis of revenue sources

Property rates revenue is budgeted to decrease by 13%, from R139.483 million in the 2023/2024 fiscal year to R121.077 million in 2024/2025. The year-to-date actual property rates revenue for 2023/2024 is R79.330 million as at the end of April 2024. The municipality therefore decided that the adjustment budget of R139.483 million was an overstatement, thus it cannot be utilized as a baseline for the 2024/2025 property rates budget as this would not result in revenue that is realistic and achievable (in line with [Circular 28, issued by National Treasury on 12 December 2005](#)). The municipality established that R121.077 million is a more realistic and achievable property rates revenue based on the outcomes of the most recent supplementary valuation roll and the property rates tariffs. The loss of revenue resulting from the recent demarcation of certain properties outside the municipal territory and the Section 78 outcome exempting certain properties from the imposition of property rates were also taken into consideration.

Service Charges-Electricity is anticipated to increase by 20.21% due to the inclusion of extension 9 on the billing system thereby increasing electricity sales. Additionally, NERSA approved an increase of 11.43% for electricity tariffs after the municipality concluded the Cost of Supply Studies. Noteworthy is that electricity revenue has a positive year-to-date variance

of 9% as at end of April 2024 implying that the municipality is earning more electricity revenue than originally anticipated in the budget. The budget amount was arrived at by applying the new tariffs to the annualized actual consumption in the current year. The municipality is confident that the budgeted electricity revenue of R160.362 million is reasonable, realistic, and achievable in the 2024/2025 based on empirical evidence as discussed above.

Service Charges-Water is anticipated to increase by 46%. Including the projected CPI increase of 4.9% on the tariffs, as per MFMA Circular 128, water revenue will increase by R19 million more than previous financial year. Extension 9 has been added on the billing module and meter readers vacancies have been filled. Readings for Masakhane and Pienaarsrevier have been estimated over the years, but actual readings have now been taken starting from February 2024 and this will result in revenue increase.

Sanitation and refuse revenue are projected to increase by 1%, the municipality adopted a conservative budgeting approach in determining all the budget figures in arriving at a realistic and achievable revenue budget considering year to date actuals in 2023/24 financial year.

Sale of goods and services decreases by 17%, the municipality considered the actual revenue in respect of sale of goods and service as of 30 April 2024. This revenue item has a variance of negative 22% as at the end of April 2022 and this implies that the adjustments budget of R1.791 million was over estimated and cannot be relied on as reasonable baseline for determining a realistic and achievable budget amount for sale of goods and services in 2024/2025. It would be against budget principles to blindly apply 4.9% increase to the adjustment budget. The annualized actual revenue was utilized as the baseline for the sale of goods and services budget in 2024/2025. Additionally, these revenue sources are predominately consumption based which are due to the external factors such as economic conditions of the potential consumers.

Agency services revenue increases by 4.9% in line with the projected CPI as per MFMA Circular 128.

Interest earned from Receivables is anticipated to increase by 21.3%. Despite the municipality's best efforts in implementing measures to improve the collection rate, the debtors balance has been consistently growing, as a result more interest is charged on municipal accounts in arrears. As of the end of April 2024, the revenue earned is R10.431 million while the adjusted budget is R9.170 million which reflects a variance of 37%. The implication is that more consumers are falling behind on their municipal accounts due to broad economic difficulties. Hence the municipality is anticipating earning more interest than the projected CPI. The annualized actual revenue was utilized to determine the interest earned from Receivables budget in 2024/2025.

Interest earned from Current and Non-Current Assets (i.e. bank and investments) increases by 23.7%, the municipality earned more interest than the adjusted budget as of the end of April 2024. The municipality concluded that the adjusted budget amount is too low and is not reflective of the municipality's financial status henceforth. The adjusted budget amount is too low and an increase above the projected CPI is necessary to budget for realistic revenues in 2024/25. The annualized actual revenue was utilized as the baseline for the interest earned from Current and Non-Current Assets budget in 2024/2025. The municipality will continue to implement good cash management principles to ensure that a positive cash balance is maintained, and substantial interest revenue is earned.

Rental from fixed Assets decreases by 22.4% to achieve a realistic budget. Year-to-date actuals as at end of April 2024 indicate that only 66% of the 2023/24 budget was realised. This implies that the adjusted budget amount over estimated and cannot be considered to be a reasonable baseline for the 2024/2025 rental revenue budget. Rather the annualized actual revenue was utilized as the baseline for the rental budget for 2024/25.

Operational revenue increases by 5.5% which is slightly higher than the projected CPI. This is based on the amount the municipality is likely to earn in the 2024/25 financial year. Additionally, these revenue sources are predominately consumption based which are due to the external factors such as economic conditions of the potential consumers.

Licenses and permits increases by 4.9% in line with the projected CPI as per MFMA Circular 128.

Operational Transfers and Subsidies increase by 6.7 % in line with the Division of Revenue Bill published in Government Gazette No. 50099 of 8 February 2024.

Table 2: Property rates tariffs

RATING CATEGORY	2023/2024	2024/2025
	R/c	R/c
BUSINESS & COMMERCIAL	0.0180	(0.0185)
AGRICULTURAL	0.0035	(0.0036)
FARMS RESIDENTIAL	0.0144	(0.0148)
VACANT LAND	0.0180	(0.0185)
INDUSTRIAL	0.0180	(0.0185)
MUNICIPAL PROPERTY	0.0180	(0.0185)
PRIVATE OPEN SPACE	0.0144	(0.0148)
PUBLIC OPEN SPACE	0.0133	(0.0137)
PROPERTIES USED FOR PUBLIC BENEFIT ACTIVITIES	0.0035	(0.0036)
RESIDENTIAL	0.0144	(0.0148)
STATE-OWNED PROPERTY	0.0180	(0.0185)
ILLEGAL USE	0.0190	(0.0196)

Table 2: Property rates tariffs

The approved increase of 3% for property rates are in the rand for 2024/2025 the financial year.

Rates Exemptions and Rebates

All residential properties shall be granted R50 000 exemption on the market value and rebate of 10%. Indigents households shall be granted 100% rebate on property rates i.t.o Indigent Policy. Farms used for residential purpose shall be granted a R50 000 exemption on market value and further rebate of 30%. Bona Fide Farmers shall be granted rebate of 55% The council shall grant additional rebate of 30% to pensioners/disabled persons i.t.o Property Rates Policy.

Service charge: Electricity

With the Cost of Supply Studies finalized, NERSA has approved the increase of 11.43% in respect of electricity tariffs.

Indigent Subsidy related to electricity is 50kwh free on prepaid electricity i.t.o Indigent Policy.

Table 3: Electricity

DESCRIPTION	2023/2024			DESCRIPTION	2024/2025		
	Basic charge	Capacity charge	Energy charge		Basic Charge	Capacity Charge	Energy Charge
	Rand/ Month	R/ Amp/m	c/kWh		Rand/ Month	R/ Amp/m	c/kWh
Domestic Household Prepaid (Indigents)	0	0	254.4	Domestic Prepaid (Indigents)	0	0	283.48
Domestic Household Prepaid	0	0	254.4	Domestic Prepaid	0	0	283.48
Domestic Household Conventional	0	0	254.4	Domestic Conventional	0	0	283.48
Business Tariffs							
	Basic Charges	Capacity Charge	Energy Charge		Basic Charge	Capacity Charge	Energy Charge
General Tariffs: Government, Business	Rand/month	R/Amp/m	c/kWh	General Tariffs: Government, Business	Rand/month	R/Amp/m	c/kWh
General Tariffs Prepaid 30 Amp	0.00	0.00	326.74	General Tariffs Prepaid 30 Amp	0.00	0.00	364.09
General Tariffs Prepaid > 30Amp 1 Phase	92.65	25.42	220.07	General Tariffs Prepaid > 30Amp 1 Phase	103.24	28.33	245.22
General Tariffs Conventional Business and Government				General Tariffs Conventional Business and Government			
Single Phase:	92.65	25.42	220.07	Single Phase:	103.24	28.33	245.22
Three Phase:	138.99	27.32	207.19	Three Phase:	154.88	30.44	230.87
Reseller/Distributor Tariffs							
Industrial Tariffs							
	Basic Charge	Demand Charge	Energy Charge		Basic Charge	Demand Charge	Energy Charge
	Rand/month	R/KVA/M	c/kWh		Rand/Month	R/KVA/m	c/kWh
Low Voltage	2147.6	230.42	189.54	Low Voltage	2159.03	256.76	211.20
Medium Voltage	5088.4	264.94	186.92	Medium Voltage	5670.00	295.22	208.28
Agricultural Tariffs							
Agricultural Tariffs (Prepaid and Conventional)				Agricultural Tariffs (Prepaid and Conventional)			
	Basic Charges	Capacity Charge	Energy Charge		Basic Charge	Capacity Charge	Energy Charge
	Rand/month	R/Amp/m	c/kWh		Rand/month	R/Amp/m	c/kWh

Low Voltage	277.95	25.42	220.07	Low Voltage	309.72	28.33	245.22
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Table 3: Electricity

Table 4: Water tariffs (Variable cost)

The increase on water is in line with Magalies Water tariff increase. The approved increase for the financial year 2024/25 is 4.9%. The resulted increase is in line with the projected CPI of 2024/25 budget year.

The variable cost components are as follows:

Range	2023/2024		2024/2025	
	Rand		Rand	
	Residential, Churches, School, PBO,	Commercial, Government, hotels, Resorts and Other	Residential, Churches, School, PBO,	Commercial, Government, hotels, Resorts and Other
	Hospitals – State		Hospitals – State	
	Rate (R/kl)	Rate (R/kl)	Rate (R/kl)	Rate (R/kl)
0 kl - 30 kl	20.18	30.28	21.17	31.76
31 kl - 50 kl	24.21	36.33	25.40	38.11
51 kl - 80 kl	29.06	43.59	30.48	45.73
81kl – 100kl	31.94	47.94	33.51	50.29
101kl – 130kl	31.94	47.94	33.51	50.29
131kl – 210kl	31.94	47.94	33.51	50.29
211kl – more	31.94	47.94	33.51	50.29

Table 4: Water tariffs (Variable cost)

Table 5: Water tariffs (Fixed costs)

2023/2024		2024/2025	
Rand		Rand	
Residential, Churches, School, PBO,	Commercial, Government, hotels, Resorts and Other	Residential,	Commercial,
Hospitals - State		Churches, School,	Government, hotels, Resorts and Other
		PBO,	
		Hospitals - State	
Rate per meter	Rate per meter	Rate per meter	Rate per meter
106.34	165.78	111.55	173.90

Table 5: Water tariffs (Fixed costs)

Table 6: Flat Rates (Rural RDP Standard for residential households)

2023/2024	2024/2025
Rand	Rand
300	314

Table 6: Flat Rates (Rural RDP Standard for residential households)

Sewerage (Sanitation)

The proposed increase in sanitation tariff for 2024/25 MTREF is 4.9%.

Table 7: Sanitation tariffs

DESCRIPTION	2023/2024	2024/2025
	Rand	Rand
a) Residential/Flats/ Security Villages	249	261
b) Commercial/Government/Resorts/Hotels and Other	498	522
c) Churches/Schools/PBO	249	261
d) Hospitals – State	249	261
e) Hospitals – Private	498	522

Table 7: Sanitation tariffs

Indigents households shall be granted full subsidy (100%) on sanitation charges in terms of the Indigent Policy

Refuse (Solid Waste)

The proposed increase on refuse for 2024/25 financial year is 4.9%.

Table 8: Refuse tariffs

DESCRIPTION	2023/2024	2024/2025
	Rand	Rand
a) Residential		
Smaller than 800m ²	94	99
Larger than 800m ²	218	229
b) Commercial	435	456
c) Security Villages (per container)	4261	4470
d) Churches	218	229
e) Schools – State	435	456
f) Hospitals – State	435	456

Table 8: Refuse tariffs

NB: -CENTS ROUNDED OFF
-FLATS ARE CHARGED RESIDENTIAL TARIFFS

Indigents households shall be granted full subsidy (100%) on refuse charges in terms of terms Indigent Policy

Sundry Service

The proposed sundry tariff increase for 2023/2024 is 4.9%

Table 9: Cemetery

Description	2023/2024		2024/2025	
Item	Adults (per grave)	Children (per grave)	Adults (per grave)	Children (per grave)
	Rands	Rands	Rands	Rands
a) Cemetery A	1580	1488	1657	1561
b) Cemetery B	1580	1488	1657	1561
c) Cemetery C	1580	1488	1657	1561
d) Cemetery D (Muslim Section)	1580	1488	1657	1561
e) Cemetery E	707	576	742	604
f) Cemetery F (Masakhane)	707	576	742	604
g) Non-Residents	2951	2654	3096	2784
h) To open grave for second burial	770		808	
i) Booking on Friday for same weekend	982		1030	
j) Exhumation	982		1030	
k) Burial of Ashes	770		808	
l) Tombstones (permission)	394		413	
m) Enlarging of graves (double graves compulsory)	Double applicable tariff per section		Double applicable tariff per section	
n) Use of TLB for burial purposes	224		235	

Table 9: Cemetery

NB: Cent rounded off.

NB: Booking of graves can be done from Mondays- Thursdays between 08h00 and 16h00, Fridays between 08:00 and 12:00 for burials taking place on the immediate weekend. There will be an additional fee of R838 charged for bookings made on Friday after 12:00 for burials taking place on the immediate weekend.

Conclusion remarks on tariffs

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were considered to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs, and other charges as low as possible. Municipalities must justify in their budget documentation all increases more than CPI. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment and community unrest.

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 utilised 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.

Grants

Bela-Bela Local Municipality had in the past financial period met all condition as per the allocated grant. The municipality further anticipate implementing proposed 2024/2025 projects within the time frame as stipulated in the grant conditions.

The following table provides a breakdown of the various capital and operating grants and subsidies allocated to the municipality over the medium term:

Table 10: Transfers and Grant Receipts (2024/25)

Grant Allocation				
Operational Grants				
Grant Description	Grant Type	Budget Year 2024/25	Budget Year +1 2024/26	Budget Year +2 2026/27
Equitable Share	DORA	R137 989 000	R144 215 000	R149 706 000
Local Government Financial Management Grant	DORA	R1 800 000	R1 900 000	R2 000 000
Expanded Public Works Programme Integrated Grant	DORA	R1 502 000	R -	R -
Municipal Infrastructure Grant	DORA	R1 481 600	R1 546 050	R1 665 900
LGSETA Mandatory Grant	Non-DORA	R200 000	R209 200	R218 614
LGSETA Discretionary Grant	Non-DORA	R1 476 000	R -	R -
Sub-total		R144 448 600	R147 870 250	R153 590 514
Capital Grants				
Grant Description	Grant Type	Budget Year 2024/25	Budget Year +1 2024/26	Budget Year +2 2026/27
Water Services Infrastructure Grant	DORA	R45 000 000	R55 000 000	R59 022 000
Municipal Infrastructure Grant	DORA	R28 150 400	R29 374 950	R31 652 100
Integrated National Electrification Programme Grant	DORA	R20 315 000	R17 000 000	R10 000 000
Energy Efficiency and Demand Side Management Grant	DORA	R -	R3 000 000	R5 000 000
Sub-total		R93 465 400	R104 374 950	R105 674 100
Total Grants		R237 914 000	R252 245 200	R259 264 614

Table 10: Transfers and Grant Receipts (2024/25)

Total operational grants allocation amount to R 144.449 million, included in this amount is 5% of the total Municipal Infrastructure Grant allocation to fund the administration costs of the PMU unit.

Operating grant dependence

Grant dependence ratio is sitting at 24.30% of total revenue of R594.467 million. The ratio measures the extent to which the municipality's total operating expenditure is funded through internally generated funds or borrowings. The rate of 24.30% indicates that municipality is not significantly grant dependent regarding funding of operations. The municipality currently has no borrowings.

Debt Management

Bela-Bela Local Municipality debtors' book have in the past financial year slight increased. Majority of Municipality debtor's book relate to debt over 180 days. Further reason for steady collection to reduce old debts which have become difficult to collect, relate to difficulties in locating or tracing some of the debtors.

The set collection rate during 2024/2025 is between 85%-95% of the projected bill revenue. Municipality had enforced the issue of credit control by making sure the credit control policy is fully implemented.

The Municipality has also promulgated the Credit Control and Debt Collection policy to strengthen the internal credit control and debt collection procedures through handing over of all debt over 60 days to the appointed debt collector. The debt collector is employed on a basis of performance and certain targets been agreed to between the service provider and the municipality. If these performance targets are not met, the municipality will have to enforce all penalty clauses to debt collectors.

Further plans to reduce debt

Below are the current implementation strategies and activities applied to intensify credit control measures to increase collection:

- Regular meetings held by team 95% collection rate to ensure implementation of weekly plans to improve and enhance revenue collection.
- Cut off lists segmented according to quick wins (Areas likely to pay, business accounts, accounts with clearance certificate requests)
- Perform verification on business and government accounts in Pienaarsriviers and Bela-Bela to ensure accuracy and completeness of billing
- Identify privately owned properties with arrears in farm areas such as Mabalingwe, Zebula, Elements golf estate etc. and offer them incentives outlined in the policy
- Perform periodic spot checks on low purchases
- Perform periodic spot checks for illegal connections
- Introduce daily cut-off targets for officials
- Handing over Debtors-book to attorneys

1.3.1.4. Operating Expenditure Framework

The following table is a high-level summary of the 2024/2025 budget and MTREF (classified per type of expenditure):

Description R thousand	### 1	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre- audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Expenditure											
Employee related costs	2	151 948	152 101	144 059	173 234	176 114	176 114	133 553	177 222	185 374	193 902
Remuneration of councillors		7 509	7 248	7 835	8 481	8 805	8 805	8 185	9 236	9 661	10 096
Bulk purchases - electricity	2	87 340	117 551	111 942	147 782	147 782	147 782	110 008	166 550	192 698	211 968
Inventory consumed	8	23 428	33 524	26 421	39 692	30 044	30 044	30 044	29 814	31 186	32 583
Debt impairment	3	-	17 445	19 055	-	14 000	14 000	-	14 686	15 362	16 053
Depreciation and amortization		37 706	51 160	48 137	38 000	38 000	38 000	18 143	39 862	41 696	43 572
Interest		4 618	8 597	21 336	15 000	15 000	15 000	835	17 000	17 782	18 582
Contracted services		39 081	39 777	40 062	49 708	57 259	57 259	38 018	56 493	57 985	60 818
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		66 603	50 013	14 365	14 000	-	-	-	-	-	-
Operational costs		32 911	31 338	37 891	57 106	52 755	52 755	35 679	58 593	59 323	61 957
Losses on disposal of Assets		290	60	1 662	-	-	-	-	-	-	-
Other Losses		169 273	-25 052	1 874	-	-	-	-	2 000	2 092	2 188
Total Expenditure		620 705	483 761	474 638	543 004	539 759	539 759	374 465	571 456	613 159	651 719

Table 11: High-level summary of the 2024/2025 budget and MTREF (classified per type of expenditure)

Table 11: Summary of operating expenditure by type

The total anticipated operating expenditure for 2024/25 financial year amounts to R571.456 million, this is an increase of 5.87% from the R539.759 million in the 2023/24 adjusted.

Some of the key features of the expenditure framework are:

- Depreciation and amortization expense is increased by 4.9% in line with the projected CPI.
- Interest was increased by 13.33% from the adjusted budget, while contracted services was reduced by negative 1.34% from the adjusted budget. Operational costs have increased by 11.07% from the 2023/2024 adjustment budget.
- Bulk Purchases-electricity increased by 12.7% linked to the tariff hike by regulators as outline in MFMA circular 126.
- Total employee related costs increase by 0.63%.
- Debt impairment increased with the projected CPI of 4.9%. Debt impairment methodology determined in terms of council policy. For detailed debt impairment methodology refer to the Credit Control and Debt collection policy.
- Balanced budget constraints (operating expenditure should not exceed operating revenue except for non-cash provisions) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;

Employee costs

The budgeted allocation for employee related costs for the 2023/2024 financial year totals R177.222 million, which equals 31% of the total operating expenditure. MFMA circular 71 sets the norm between 25% and 40% of the total operating expenditure. The municipality is therefore within the required norm range.

This leaves around 69% of operating expenditure available for other major service delivery expenditure items such as bulk water and electricity purchases, contracted services, and finance charges.

In the absence of a Salary and Wage Collection agreement, the municipality projects an increase of 4.9% in line with the CPI forecast in Circulars 126 and 128. Employee related costs comprise R144 534 129.78 in respect of currently filled positions, while R32 688 018.71 is allocated to fund vacant positions the municipality has prioritized to fill in the 2024/2025 year. In the absence of a Salary and Wage Collection agreement, the municipality has applied an increase of 4.9% on currently filled positions. Noteworthy is that the municipality experienced some delays in filling most of the vacant positions that were budgeted for in the 2023/2024 financial year. The budget for these vacant positions remains mostly unutilized as these will likely be filled in 2024/2025 financial year. Hence the 0.63% increase from the adjusted budget of R176.114 million to R177.222 million must not be looked at in isolation, the factors discussed above must also be considered. The most recent Salary and Wage Collective agreement comes to an end of the 2023/24 financial year and negotiations are currently underway.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). In this regard, the municipality projects an increase of 4.9% in line with the forecasted CPI in Circular 126 and 128.

Bulk Purchases

Electricity Bulk Purchases are increased by 12.7% as per the second-year increase envisaged in the Multi-Year Price Determination (MYPD 5) approved for Eskom.

Repairs and maintenance

The National Treasury Municipal Budget Circular number 66 for the 2011/2012 MTREF stated that municipalities must “secure the health of their asset base (especially the municipality’s revenue generating assets) by increasing spending on repairs and maintenance. The municipality has, over the last two financial years, struggled to increase the investment in repairs and maintenance due to cash flow challenges. Municipality to be able to be within the norm, this means will need to budget at least R101.355 million in single year which will therefore represent huge spending to be incurred in a single year, which is simply unaffordable for the municipality. An amount of R14.630 million is allocated for repairs and maintenance in the 2024/2025 financial year. It is acknowledged that the amount is insufficient, however, the municipality is currently developing strategies to build up cash reserves to fund repairs and maintenance of assets sufficiently and sustainably in the mid-term.

Finance charges/Interest

Finance charges mainly relate to the year-end provisions e.g., provision for rehabilitation of landfill site. This is a non-cash item. No interest payments are anticipated in the MTREF as the municipality is currently paying creditors with 30 days, the municipality is complying with the ESKOM Debt Relief which has resulted in interest charges being halted and payment of arrears being suspended with the possibility of write-off in the mid-term if compliance is maintained. The municipality is also complying with the payment arrangement it has with Magalies Water, interest charges on arrears are halted and the municipality will fully settle the outstanding debt in 2024/2025 in terms of the payment schedule of the agreement.

Contracted Services

Contracted service decreased from R57.259 million in the 2023/24 adjustments budget to R56.493 million in 2024/25, this a decline of 1.34%. The municipality is gradually building internal capacity to reduce reliance on consultants.

Contracted services amount to 9.89% of the total operational expenditure budget for 2024/25.

Contracted services are above the norm of 5% as advised by National Treasury. Despite efforts by Municipality to reduce this spending to an acceptable norm of 5%, the municipality has insufficient capacity to carry out certain functions that are currently being outsourced. Services such security, traffic fines management, compilation of fixed asset register etc. are still being outsourced for the municipality to function optimally. The municipality is gradually building internal capacity to reduce reliance on consultants. It is important to note that 2022/23 financial statements were compiled internally with the assistance of the Waterberg District Municipality. This is a step in the right direction is reducing reliance on consultants and reducing contracted services.

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. The number of households budgeted during the 2024/2025 MTREF is approximately 5000.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

The Municipality will provide free basic services as follows:

- Electricity – 50 kWh per month
- Water – 6 Kl per month
- Sanitation – 100% rebate
- Property rates – 100% Rebate
- Waste collection – 100% Rebate (four collections per month or once a week)

Depreciation

Depreciation for 2024/2025 is increased to R39.862 million from adjusted budget of R38 million. The increase was to ensure realistic estimate being achieved and avoid any unauthorized expenditure as experienced in the past financial years.

Inventory Consumed

A decrease of 0.76% is expected from an adjustment of R30.044 million to R29.814 million. The budget for water inventory was overestimated in the adjustment budget, this evidenced by a year-to-date variance of -27% as at the end of April 2024.

Other expenditure

Other expenditure was increased from R52.755 million in the 2023/24 adjusted budget to R58.593 million in the 2024/25 budget year, this represents an increase of 11.07% which is more than the projected CPI. The increase is necessary to improve service delivery in the local community.

1.3.1.5. Operating Surplus / Deficit

Table 12: Operating cash surplus/ deficit

Description R thousand	### 1	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre- audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Total Revenue (excluding capital transfers and contribution)		418 870	443 947	506 717	555 869	556 887	556 887	465 301	594 467	618 589	657 438
Total Expenditure		620 705	483 761	474 638	543 004	539 759	539 759	374 465	571 456	613 159	651 719
Surplus/(Deficit)		-201 836	-39 814	32 079	12 865	17 128	17 128	90 836	23 011	5 430	5 719
Transfers and subsidies - capital (monetary)	6	73 298	69 232	83 245	84 518	90 035	90 035	64 997	93 465	101 375	100 674
Surplus/(Deficit) for the year	1	-128 537	29 418	115 324	97 383	107 164	107 164	155 833	116 476	106 805	106 393

Table 12: Operating cash surplus/ deficit

Operational surplus for the 2024/25 is budgeted at R23.011 million excluding capital grants income. This is an increase of 34.35% from the 2023/24 budget of R17.128 million and it is mainly attributable to the improved revenue base on water service charges and electricity service charges as discussed above in the detailed analysis of revenue.

The total surplus including capital grants is projected at R116.476 million. The operating surplus will partially fund the acquisition of assets. The remaining surplus will be retained to build financial reserves that will be used for service delivery related programmes in the medium term.

1.4 Capital expenditure.

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

Table 13: 2024/25 Medium-Term Capital Budget per vote

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Capital Expenditure - Functional											
Governance and administration		2 858	594	1 312	850	1 346	1 346	910	3 500	-	-
Executive and council Finance and administration		-	-	-	-	-	-	-	-	-	-
Internal audit		2 858	594	1 312	850	1 346	1 346	910	3 500	-	-
		-	-	-	-	-	-	-	-	-	-
Community and public safety		6 919	6 135	-	4 900	4 023	4 023	3 583	3 064	2 609	7 391
Community and social services		6 919	6 135	-	-	43	43	-	685	2 609	7 391
Sport and recreation		-	(0)	-	4 800	3 892	3 892	3 583	2 219	-	-
Public safety		-	-	-	100	87	87	-	160	-	-
Housing Health		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		11 544	40 139	8 732	10 521	8 622	8 622	6 882	10 374	22 935	19 319
Planning and development		-	-	(130)	-	-	-	-	1 000	-	-
Road transport		11 544	40 139	8 862	10 521	8 622	8 622	6 882	9 374	22 935	19 319
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		59 270	10 141	60 164	76 422	74 647	74 647	58 915	80 347	62 609	60 019
Energy sources		11 227	1 321	12 279	7 000	8 133	8 133	6 357	25 665	14 783	8 696
Water management		26 790	29 345	1 665	25	5 317	5 317	3 094	11 435	26 529	35 738
Waste water management		21 253	21 032	29 532	55 950	50 368	50 368	39 921	30 195	21 297	15 586
Waste management		-	(41 557)	16 688	13 447	10 829	10 829	9 543	13 051	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	80 590	57 010	70 208	92 693	88 638	88 638	70 291	97 284	88 152	86 729
Funded by:											
National Government		76 461	71 249	56 747	84 518	78 292	78 292	62 768	81 274	88 152	86 729
Transfers recognised - capital	4	76 461	71 249	56 747	84 518	78 292	78 292	62 768	81 274	88 152	86 729
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		4 151	(14 834)	13 271	8 175	10 346	10 346	7 522	16 010	-	-
Total Capital Funding	7	80 612	56 415	70 018	92 693	88 638	88 638	70 291	97 284	88 152	86 729

Table 13: 2024/25 Medium-Term Capital Budget per vote

The total capital expenditure for 2024/25 is projected at R97.284 million. The total expenditure depicted on the table above is exclusive of VAT. The municipality is a registered VAT vendor, therefore capital expenditure will be capitalized exclusive of the related VAT. The municipality will claim the VAT back from SARS as input tax/VAT. The capital expenditure funding comprises R81.274 million capital grants and R16.010 million internally generated funds.

Tables 15 below details the municipality's three-year consolidated MIG infrastructure investment program for 2024/25 to 2026/27.

Municipal Infrastructure Grant (MIG) allocation of R29.632 million including PMU cost for 2023/2024 will be allocated as follows:

Table 14: Capital programme MIG

MIG FUNDING					
PROJECT DESCRIPTION	PROJECT TYPE	BUDGET TYPE	24/25 BUDGET	25/26 BUDGET	26/27 BUDGET
Upgrading of the Bela Bela Municipal landfill site Phase 1 (Ward 2)	New	Multi Year	R14 319 140.04		
Development of sports facilities in Masakhane (Ward 9)	New	Single Year	R2 551 589.21		
Construction of Road Paving and Bulk stormwater in Bela Bela X8 - Phase 4	New	Multi Year	R3 415 794.00	R10 440 664.92	R1 913 808.00
Construction of Road Paving and Stormwater in Bela Bela X5 - Phase 1	New	Multi Year	R4 777 685.38	R12 351 896.72	
Construction of Road Paving and Stormwater in Rapotokwane -Phase 1	New	Multi Year	R2 586 192.00	R3 582 388.36	R17 372 997.51
Develop New Cemetery - Pienaarsrivier	New	Multi Year	R500 000.00	R3 000 000.00	R8 500 000.00
Construction of Road Paving and Bulk stormwater in Masakhane - Phase 1	New	Multi Year			R2 929 492.02
Construction of Road Paving and Stormwater in Bela Bela X5 - Phase 2	New	Multi Year			R935 802.13
PMU Operational Costs	N/A	N/A	R1 481 600.00	R1 546 050.00	R1 665 900.00
DORA ALLOCATION			R29 632 000.00	R30 921 000.00	R33 318 000.00
TOTAL BUDGET			R29 632 000.00	R30 921 000.00	R33 318 000.00

Table 14: Capital programme MIG

Municipality is allocated R29.632 million on Municipal Infrastructure Grant (MIG), the municipality is allowed to utilize a maximum of 5% of the grant to fund the operational costs of the Project Management Unit. The municipality has allocated R1.482 million (5%) of the total grants for these operational costs.

Table 15: Capital Programme WSIG

WSIG FUNDING					
Project Description	Project Type	Budget Type	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Upgrading of the Leseding Sewer Pump Station (Ward 6)	Combination: Refurbishment/ Upgrading	Multi Year	8 992 582	-	-
Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2&6)	Upgrading	Multi Year	14 926 629	-	-
Upgrading of the Settlers Sewer Pump Station (Ward 2)	Upgrading	Multi Year	10 000 000	14 491 646	-
Upgrading of the Industrial outfall sewer line (Ward 2)	Upgrading	Multi Year	-	10 000 000	17 923 397
Upgrading of the Bela-Bela Water Treatment Works (Ward 1)	Upgrading	Multi Year	3 000 000	9 311 031	30 098 603
Water Supply Source Augmentation and the construction of the water reticulation network in Tsakane (Ward 7)	New	Multi Year	2 500 000	11 828 113	10 000 000

WSIG FUNDING					
Project Description	Project Type	Budget Type	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Construction of Water Booster Pump Station in Ext 8, 9 and 25 (Ward 2 & 4)	New	Multi Year	5 580 789	9 369 211	-
Replacement of Bulk Raw Water AC Pipeline from Lapa to Bela-Bela Water Treatment Works (Ward 1 & 9)	Upgrading	Multi Year	-	-	1 000 000
DORA ALLOCATION			45 000 000	55 000 000	59 022 000
TOTAL BUDGET			45 000 000	55 000 000	59 022 000

Table 15: Capital Programme WSIG

The above table depicts that capital projects amounting to R45 million will be funded by the Water Service Infrastructure Grant (WSIG). The grant is allocated for water and sanitation capital projects.

Table 16: INEP

ELECTRICAL PROJECTS - INEP FUNDING					
Project Description	Project Type	Budget Type	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station	New	Multi Year	R 20 315 000	R 17 000 000	R 10 000 000
DORA ALLOCATION			R 20 315 000	R 17 000 000	R 10 000 000
TOTAL BUDGET			R 20 315 000	R 17 000 000	R 10 000 000

Table 16: INEP

The table above table depicts that the full INEP allocated will fund the Construction of the Bela-Bela 132/11 kva 2X 20MVA Sub-station. The allocation for 2024/25 amounts to R20.315 million. Subsequent allocations for the medium term will also fund this project until completion thereof.

Table 17: OWN SOURCE

ACQUISITION OF ASSETS			
PROJECT DESCRIPTION	24/25 Budget	25/26 Budget	26/27 Budget
Waste Collection Equipment	R 599 999.85	R -	R -
Sound and lighting equipment	R 685 000.95	R -	R -
Cleaning Equipment	R 70 000.50	R -	R -
Commercial Park Development	R 999 999.75	R -	R -
Electricity meters	R 3 000 000.40	R -	R -
Drinking water quality testing kits and instruments	R 199 999.95	R -	R -
Computer Equipment	R 1 585 000.20	R -	R -
Furniture	R 390 000.15	R -	R -
Grass cutting and trees pruning equipment	R 249 999.65	R -	R -
Transformers and miniatures	R 1 999 999.50	R -	R -
Leak Detection Equipment	R 100 000.55	R -	R -
Heritage Assets	R 300 000.50	R -	R -
Equipment for traffic officers	R 100 000.00	R -	R -
Meter Reading Gadgets (2025)	R 370 000.00	R -	R -

ACQUISITION OF ASSETS			
PROJECT DESCRIPTION	24/25 Budget	25/26 Budget	26/27 Budget
Security Improvement (Revenue)	R 100 000.00	R -	R -
Pumps and motors	R 2 000 000.65	R -	R -
Water meters	R 199 999.95	R -	R -
Road marking machinery	R 60 000.10	R -	R -
Switch gear refurbishment	R 3 000 000.40	R -	R -
Total	R 16 010 003.05	R -	R -

Table 17: Own Source

Internally funded capital expenditure comprises mainly the acquisition of assets. The table above is a summary of the assets that will be acquired in 2024/25 through internally generated funds.

1.5 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2024/25 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes*.

Table 18: MBRR TableA1 - Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousands										
Financial Performance										
Property rates	79 461	81 022	108 940	142 475	139 482	139 482	87 682	121 077	126 646	138 060
Service charges	178 992	189 393	190 056	205 488	206 818	206 818	198 783	253 529	265 192	283 348
Investment revenue	95	189	1 432	1 600	1 900	1 900	2 252	2 350	2 458	2 569
Transfer and subsidies - Operational	119 288	109 019	122 766	134 330	135 419	135 419	133 703	144 449	147 870	153 591
Other own revenue	41 034	64 324	83 522	71 976	73 268	73 268	42 881	73 062	76 423	79 871
Total Revenue (excluding capital transfers and contributions)	418 870	443 947	506 717	555 869	556 887	556 887	465 301	594 467	618 589	657 438
Employee costs	151 948	152 101	144 059	173 234	176 114	176 114	133 553	177 222	185 374	193 902
Remuneration of councillors	7 509	7 248	7 835	8 481	8 805	8 805	8 185	9 236	9 661	10 096
Depreciation and amortisation	37 706	51 160	48 137	38 000	38 000	38 000	18 143	39 862	41 696	43 572
Interest	4 618	8 597	21 336	15 000	15 000	15 000	835	17 000	17 782	18 582
Inventory consumed and bulk purchases	110 768	151 075	138 363	187 474	177 826	177 826	140 052	196 364	223 884	244 551
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	308 157	113 580	114 909	120 815	124 015	124 015	73 697	131 771	134 762	141 016
Total Expenditure	620 705	483 761	474 638	543 004	539 759	539 759	374 465	571 456	613 159	651 719
Surplus/(Deficit)	(201 836)	(39 814)	32 079	12 865	17 128	17 128	90 836	23 011	5 430	5 719
Transfers and subsidies - capital (monetary allocations)	73 298	69 232	83 245	84 518	90 035	90 035	64 997	93 465	101 375	100 674
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(128 537)	29 418	115 324	97 383	107 164	107 164	155 833	116 476	106 805	106 393
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(128 537)	29 418	115 324	97 383	107 164	107 164	155 833	116 476	106 805	106 393
Capital expenditure & funds sources										
Capital expenditure	80 590	57 010	70 208	92 693	88 638	88 638	70 291	97 284	88 152	86 729
Transfers recognised - capital	76 461	71 249	56 747	84 518	78 292	78 292	62 768	81 274	88 152	86 729
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	4 151	(14 834)	13 271	8 175	10 346	10 346	7 522	16 010	-	-
Total sources of capital funds	80 612	56 415	70 018	92 693	88 638	88 638	70 291	97 284	88 152	86 729
Financial position										
Total current assets	112 209	203 484	269 976	256 376	267 504	267 504	385 902	502 980	552 020	600 860
Total non current assets	926 080	1 110 356	1 154 208	1 017 259	1 013 534	1 013 534	1 206 492	1 268 922	1 313 685	1 368 677
Total current liabilities	310 331	276 357	281 699	298 641	296 264	296 264	285 795	365 244	387 456	409 230
Total non current liabilities	89 957	124 758	150 942	83 515	83 515	83 515	150 942	194 901	202 440	210 326
TOTAL COMMUNITY WEALTH/EQUITY	638 001	912 725	991 544	891 479	901 260	901 260	1 155 657	1 211 757	1 275 808	1 349 981

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousands										
Cash flows										
Net cash from (used) operating	328 111	174 839	216 368	36 782	38 262	38 262	98 059	90 474	91 870	88 399
Net cash from (used) investing	(70 870)	(64 795)	(77 848)	(90 738)	(90 738)	(90 738)	(83 571)	(77 542)	(68 609)	(66 248)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	257 240	121 974	153 131	17 067	18 546	18 546	25 163	33 558	56 820	78 972
Cash backing/surplus reconciliation										
Non current Investments	18 366	214	7 438	414	516	516	26 051	–	0	0
Statutory requirements	(175 802)	(81 650)	(31 134)	(42 238)	(38 426)	(38 426)	118 118	127 385	152 310	176 481
Balance - surplus (shortfall)	194 168	81 864	38 572	42 652	38 942	38 942	(92 067)	(127 385)	(152 310)	(176 481)
Asset management										
Asset register summary (WDV)	825 421	1 039 227	1 066 474	916 434	925 717	925 717		1 184 500	1 225 379	1 281 787
Depreciation	37 706	36 496	45 399	38 000	38 000	38 000		39 862	41 696	43 572
Renewal and Upgrading of Existing Assets	16 337	(11 384)	39 123	71 197	67 341	67 341		46 655	29 394	42 628
Repairs and Maintenance	17 380	6 779	7 418	15 045	14 856	14 856		14 630	15 303	16 116
Free services										
Cost of Free Basic Services provided	25 022	31 611	32 066	34 714	34 714	34 714		44 407	46 450	48 843
Revenue cost of free services provided	30 587	32 856	39 980	47 602	47 602	47 602		47 833	50 033	54 638
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

Table 18: MBRR TableA1 - Budget Summary

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 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. The operating surplus/deficit (after total expenditure and before capital spending) is positive over the MTREF.
4. The MTREF for 2024/25 depicts a surplus of R23.011 million after taking non-cash (depreciation) item into consideration.

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

Functional Classification Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Revenue - Functional										
Governance and administration		209 444	209 328	295 820	331 298	329 905	329 905	317 876	330 823	350 449
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		209 444	209 328	295 820	331 298	329 905	329 905	317 876	330 823	350 449
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		23 073	37 969	8 259	7 165	7 206	7 206	7 531	7 878	8 232
Community and social services		469	578	536	523	565	565	564	590	617
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		22 604	37 391	7 723	6 642	6 642	6 642	6 967	7 288	7 616
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		26 117	28 007	31 047	31 284	29 259	29 259	30 914	32 262	34 720
Planning and development		1 961	2 181	3 370	2 516	2 415	2 415	2 764	2 887	3 068
Road transport		24 156	25 825	27 676	28 768	26 844	26 844	28 150	29 375	31 652
Environmental protection		–	–	–	–	–	–	–	–	–

Functional Classification Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Trading services		233 535	237 876	254 836	270 640	280 551	280 551	331 611	349 001	364 711
Energy sources		127 384	126 546	119 391	134 128	134 282	134 282	182 206	186 338	187 126
Water management		75 529	81 034	102 798	102 182	109 469	109 469	111 288	124 338	135 167
Waste water management		20 847	20 662	21 952	23 580	25 563	25 563	26 740	26 426	29 473
Waste management		9 776	9 633	10 696	10 750	11 238	11 238	11 377	11 900	12 946
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	492 168	513 179	589 962	640 387	646 923	646 923	687 932	719 964	758 112
Expenditure - Functional										
Governance and administration		350 754	160 287	174 329	166 040	171 157	171 157	176 376	184 534	193 040
Executive and council		11 118	16 972	24 571	30 498	31 960	31 960	29 385	30 737	32 204
Finance and administration		336 589	140 546	140 265	132 154	135 376	135 376	142 887	149 504	156 346
Internal audit		3 048	2 770	9 493	3 387	3 821	3 821	4 104	4 293	4 490
Community and public safety		50 208	64 654	57 363	55 701	55 813	55 813	55 690	56 680	59 240
Community and social services		21 720	21 166	37 651	32 085	32 918	32 918	32 990	32 937	34 406
Sport and recreation		-	-	527	2 883	2 833	2 833	2 806	2 935	3 070
Public safety		28 488	43 488	19 185	20 734	20 062	20 062	19 894	20 809	21 765
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		26 082	41 039	39 397	48 159	43 550	43 550	47 381	49 560	51 814
Planning and development		12 772	25 672	10 381	17 307	13 880	13 880	15 877	16 606	17 368
Road transport		13 310	15 367	29 016	30 852	29 670	29 670	31 504	32 954	34 446
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		193 661	217 781	203 548	273 103	269 239	269 239	292 009	322 385	347 624
Energy sources		115 773	133 361	119 077	183 266	184 216	184 216	199 350	227 007	247 840
Water management		38 125	42 140	38 913	40 898	31 071	31 071	58 268	60 948	63 721
Waste water management		16 839	20 893	21 732	30 206	32 846	32 846	13 192	12 255	12 937
Waste management		22 923	21 386	23 826	18 733	21 107	21 107	21 199	22 174	23 126
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	620 705	483 761	474 638	543 004	539 759	539 759	571 456	613 159	651 719
Surplus/(Deficit) for the year		(128 537)	29 418	115 324	97 383	107 164	107 164	116 476	106 805	106 393

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

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 enable the National Treasury to compile 'whole of government' reports.
2. Table A2 was one of the budget tables which are re-aligned to comply with mSCOA.

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

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Revenue by Vote	1									
Vote 1 - Chief Financial Officer		207 799	200 517	283 223	329 580	328 315	328 315	316 597	329 485	349 051
Vote 2 - Corporate Services		1 644	8 810	12 598	1 718	1 590	1 590	1 279	1 337	1 398
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 5 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		673	822	1 914	1 002	1 002	1 002	1 282	1 341	1 402
Vote 7 - Social and Community Services		32 848	47 602	18 954	17 915	18 444	18 444	18 908	19 778	21 178
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		247 915	254 068	271 817	288 658	296 158	296 158	348 384	366 476	383 417
Vote 10 - Technical Services		1 288	1 360	1 457	1 514	1 413	1 413	1 482	1 546	1 666
Vote 11 -		-	-	-	-	-	-	-	-	-

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	492 168	513 179	589 962	640 387	646 923	646 923	687 932	719 964	758 112
Expenditure by Vote to be appropriated	1									
Vote 1 - Chief Financial Officer		276 786	78 965	107 173	88 255	92 651	92 651	93 570	97 919	102 413
Vote 2 - Corporate Services		55 619	56 576	28 870	38 753	37 602	37 602	43 168	45 154	47 205
Vote 3 - Mayor		49	1 115	1 057	3 750	3 658	3 658	4 117	4 306	4 503
Vote 4 - Municipal Manager		6 788	14 096	19 685	22 957	24 190	24 190	21 243	22 220	23 307
Vote 5 - Internal Audit		3 048	2 770	9 493	3 387	3 821	3 821	4 104	4 293	4 490
Vote 6 - Planning and Economic Development		10 913	11 732	6 760	12 447	10 534	10 534	12 025	12 577	13 153
Vote 7 - Social and Community Services		73 131	86 040	81 190	74 435	76 919	76 919	76 889	78 855	82 366
Vote 8 - Speaker		8 465	6 767	8 051	8 938	9 234	9 234	9 712	10 158	10 615
Vote 9 - Technical Services		184 048	211 762	208 738	285 221	277 802	277 802	302 314	333 164	358 945
Vote 10 - Technical Services		1 860	13 940	3 620	4 860	3 346	3 346	3 852	4 029	4 215
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	620 705	483 761	474 638	543 004	539 759	539 759	570 994	612 675	651 213
Surplus/(Deficit) for the year	2	(128 537)	29 418	115 324	97 383	107 164	107 164	116 939	107 289	106 899

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

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 organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote; and
2. The table shows that technical services is the largest generator of revenue. This is due to size of the department as well as its responsibility over service delivery projects such as water, electricity and sanitation.

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

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	114 709	124 245	117 608	133 116	133 116	133 116	132 407	160 362	167 738	175 454
Service charges - Water	2	35 636	37 263	43 431	41 548	41 548	41 548	36 207	60 665	63 456	69 999
Service charges - Waste Water Management	2	19 439	18 933	19 348	21 066	21 908	21 908	20 441	22 126	23 144	26 043
Service charges - Waste Management	2	9 207	8 952	9 668	9 758	10 246	10 246	9 727	10 376	10 854	11 852
Sale of Goods and Rendering of Services		1 540	1 876	1 760	1 791	1 791	1 791	1 310	1 487	1 555	1 625
Agency services		4 593	3 895	4 883	4 677	4 677	4 677	4 329	4 906	5 132	5 363
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		5 374	6 173	9 046	9 170	9 170	9 170	11 598	11 119	11 630	12 154
Interest earned from Current and Non Current Assets		95	189	1 432	1 600	1 900	1 900	2 252	2 350	2 458	2 569
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 366	1 602	1 477	1 614	1 477	1 477	1 078	1 147	1 199	1 253
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		2 567	3 094	3 417	572	2 000	2 000	2 529	2 110	2 207	2 315
Non-Exchange Revenue											
Property rates	2	79 461	81 022	108 940	142 475	139 482	139 482	87 682	121 077	126 646	138 060
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Fines, penalties and forfeits		16 067	31 341	35 782	37 993	37 993	37 993	7 403	33 610	35 156	36 738
Licences or permits		1 939	2 232	2 160	1 974	1 974	1 974	2 001	2 070	2 166	2 263
Transfer and subsidies - Operational		119 288	109 019	122 766	134 330	135 419	135 419	133 703	144 449	147 870	153 591
Interest		7 588	8 344	14 038	14 186	14 186	14 186	12 014	16 613	17 378	18 160
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	619	-	-	-
Gains on disposal of Assets		-	(1 183)	-	-	-	-	-	-	-	-
Other Gains		-	6 949	10 959	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		418 870	443 947	506 717	555 869	556 887	556 887	465 301	594 467	618 589	657 438
Expenditure											
Employee related costs	2	151 948	152 101	144 059	173 234	176 114	176 114	133 553	177 222	185 374	193 902
Remuneration of councillors		7 509	7 248	7 835	8 481	8 805	8 805	8 185	9 236	9 661	10 096
Bulk purchases - electricity	2	87 340	117 551	111 942	147 782	147 782	147 782	110 008	166 550	192 698	211 968
Inventory consumed	8	23 428	33 524	26 421	39 692	30 044	30 044	30 044	29 814	31 186	32 583
Debt impairment	3	-	17 445	19 055	-	14 000	14 000	-	14 686	15 362	16 053
Depreciation and amortisation		37 706	51 160	48 137	38 000	38 000	38 000	18 143	39 862	41 696	43 572
Interest		4 618	8 597	21 336	15 000	15 000	15 000	835	17 000	17 782	18 582
Contracted services		39 081	39 777	40 062	49 708	57 259	57 259	38 018	56 493	57 985	60 818
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		66 603	50 013	14 365	14 000	-	-	-	-	-	-
Operational costs		32 911	31 338	37 891	57 106	52 755	52 755	35 679	58 593	59 323	61 957
Losses on disposal of Assets		290	60	1 662	-	-	-	-	-	-	-
Other Losses		169 273	(25 052)	1 874	-	-	-	-	2 000	2 092	2 188
Total Expenditure		620 705	483 761	474 638	543 004	539 759	539 759	374 465	571 456	613 159	651 719
Surplus/(Deficit)		(201 836)	(39 814)	32 079	12 865	17 128	17 128	90 836	23 011	5 430	5 719
Transfers and subsidies - capital (monetary	6	73 298	69 232	83 245	84 518	90 035	90 035	64 997	93 465	101 375	100 674
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(128 537)	29 418	115 324	97 383	107 164	107 164	155 833	116 476	106 805	106 393
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(128 537)	29 418	115 324	97 383	107 164	107 164	155 833	116 476	106 805	106 393
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(128 537)	29 418	115 324	97 383	107 164	107 164	155 833	116 476	106 805	106 393
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	(128 537)	29 418	115 324	97 383	107 164	107 164	155 833	116 476	106 805	106 393

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

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

1. The municipality anticipates receiving revenue of R594.467 million in 2024/25 as compared to the 2024/25 adjusted budget revenue of R556.887 million. This represents a percentage increase of 6.76% from adjusted budget.
2. Revenue to be generated from property rates is projected to be R121.077 million in the 2024/25 financial year which was reduced from R139.482 million of the 2023/25 adjusted budgets. The reduction in the total revenue is meant to achieve a realistic and achievable budget considering the performance of property rates in the 2023/24 financial year and other factors that affect the valuation roll;
3. Services charges constitute the largest component of the revenue basket of the municipality at R253.529 million for 2024/2025 which represents a 18.42% increase from R206.818 million in the 2023/24 adjusted budget. Services charges constitute 42.65% of the total revenue (excluding grants) base .
4. Transfers recognised – operating revenue includes the local government equitable share and other operating grants from national and provincial government; and
5. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

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

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Chief Financial Officer		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 5 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 7 - Social and Community Services		-	-	-	-	-	-	-	-	-	-
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Chief Financial Officer		2 858	50	190	-	174	174	125	520	-	-
Vote 2 - Corporate Services		-	544	1 122	850	1 172	1 172	785	2 455	-	-
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	525	-	-
Vote 5 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		-	-	(130)	-	-	-	-	1 000	-	-
Vote 7 - Social and Community Services		6 919	(35 421)	16 688	18 347	14 852	14 852	13 126	16 115	2 609	7 391
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		70 813	91 837	52 338	73 496	72 440	72 440	56 255	76 669	85 543	79 338
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		80 590	57 010	70 208	92 693	88 638	88 638	70 291	97 284	88 152	86 729
Total Capital Expenditure - Vote		80 590	57 010	70 208	92 693	88 638	88 638	70 291	97 284	88 152	86 729
Capital Expenditure - Functional											
Governance and administration		2 858	594	1 312	850	1 346	1 346	910	3 500	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		2 858	594	1 312	850	1 346	1 346	910	3 500	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		6 919	6 135	-	4 900	4 023	4 023	3 583	3 064	2 609	7 391
Community and social services		6 919	6 135	-	-	43	43	-	685	2 609	7 391
Sport and recreation		-	(0)	-	4 800	3 892	3 892	3 583	2 219	-	-
Public safety		-	-	-	100	87	87	-	160	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		11 544	40 139	8 732	10 521	8 622	8 622	6 882	10 374	22 935	19 319
Planning and development		-	-	(130)	-	-	-	-	1 000	-	-
Road transport		11 544	40 139	8 862	10 521	8 622	8 622	6 882	9 374	22 935	19 319
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		59 270	10 141	60 164	76 422	74 647	74 647	58 915	80 347	62 609	60 019
Energy sources		11 227	1 321	12 279	7 000	8 133	8 133	6 357	25 665	14 783	8 696
Water management		26 790	29 345	1 665	25	5 317	5 317	3 094	11 435	26 529	35 738
Waste water management		21 253	21 032	29 532	55 950	50 368	50 368	39 921	30 195	21 297	15 586
Waste management		-	(41 557)	16 688	13 447	10 829	10 829	9 543	13 051	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	80 590	57 010	70 208	92 693	88 638	88 638	70 291	97 284	88 152	86 729
Funded by:											
National Government		76 461	71 249	56 747	84 518	78 292	78 292	62 768	81 274	88 152	86 729
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	76 461	71 249	56 747	84 518	78 292	78 292	62 768	81 274	88 152	86 729
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		4 151	(14 834)	13 271	8 175	10 346	10 346	7 522	16 010	-	-
Total Capital Funding	7	80 612	56 415	70 018	92 693	88 638	88 638	70 291	97 284	88 152	86 729

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

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single - 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 department;
2. capital expenditure has been appropriated at R97.284 million excluding VAT for the 2024/25 budget year.
3. Various internal funded assets have been proposed for 2024/25 to the tune of R16.010 million excluding VAT; and
4. The municipality has not budgeted for any long-term borrowing to fund the capital programme.

Table 23: MBRR Table A6 -Budgeted Financial Position

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		12 517	14 610	10 675	17 067	18 546	18 546	46 129	33 558	56 820	78 972
Trade and other receivables from exchange transactions	1	19 659	21 010	59 469	50 343	56 343	56 343	105 453	161 640	169 075	178 930
Receivables from non-exchange transactions	1	27 698	71 224	76 806	72 058	66 058	66 058	86 444	122 131	127 749	134 754
Current portion of non-current receivables		—	—	—	—	—	—	—	—	—	—
Inventory	2	388	331	362	200	9 848	9 848	2 868	8 709	9 110	9 512
VAT		52 056	95 624	121 872	116 708	116 708	116 708	144 277	176 941	189 266	198 692
Other current assets		(109)	685	793	—	0	0	732	—	—	—
Total current assets		112 209	203 484	269 976	256 376	267 504	267 504	385 902	502 980	552 020	600 860
Non current assets											
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		109 865	279 274	277 400	134 917	135 248	135 248	277 400	290 992	304 378	318 379
Property, plant and equipment	3	813 880	828 690	874 532	881 041	876 812	876 812	926 708	975 951	1 007 238	1 048 133
Biological assets		—	—	—	—	—	—	—	—	—	—
Living and non-living resources		—	—	—	—	—	—	—	—	—	—
Heritage assets		539	539	539	539	539	539	539	565	591	619
Intangible assets		1 722	1 629	1 596	538	711	711	1 705	1 265	1 324	1 385
Trade and other receivables from exchange transactions		73	224	141	224	224	224	141	147	154	161
Non-current receivables from non-exchange transactions		—	—	—	—	—	—	—	—	—	—
Other non-current assets		—	—	—	—	—	—	—	—	—	—
Total non current assets		926 080	1 110 356	1 154 208	1 017 259	1 013 534	1 013 534	1 206 492	1 268 922	1 313 685	1 368 677
TOTAL ASSETS		1 038 289	1 313 840	1 424 184	1 273 635	1 281 038	1 281 038	1 592 394	1 771 902	1 865 705	1 969 537
LIABILITIES											
Current liabilities											
Bank overdraft		—	—	—	—	—	—	—	—	—	—
Financial liabilities		—	—	—	—	—	—	—	—	—	—
Consumer deposits		6 813	7 153	7 373	7 153	7 153	7 153	7 641	7 296	7 631	7 983
Trade and other payables from exchange transactions	4	152 637	160 148	129 730	140 334	137 856	137 856	86 446	174 627	188 072	199 779
Trade and other payables from non-exchange transactions	5	18 366	214	7 438	414	516	516	26 051	—	0	0
Provision		13 296	17 593	17 596	—	0	0	17 596	283	296	309
VAT		92 427	89 955	118 158	115 701	115 701	115 701	146 657	180 698	189 010	198 598
Other current liabilities		26 792	1 294	1 404	35 038	35 038	35 038	1 404	2 340	2 448	2 561
Total current liabilities		310 331	276 357	281 699	298 641	296 264	296 264	285 795	365 244	387 456	409 230
Non current liabilities											
Financial liabilities	6	—	—	—	—	—	—	—	—	—	—
Provision	7	75 761	77 414	105 905	75 761	75 761	75 761	105 905	109 837	114 889	120 174
Long term portion of trade payables		—	—	—	—	—	—	—	31 005	31 005	31 005
Other non-current liabilities		14 196	47 344	45 037	7 753	7 753	7 753	45 037	54 059	56 546	59 147
Total non current liabilities		89 957	124 758	150 942	83 515	83 515	83 515	150 942	194 901	202 440	210 326
TOTAL LIABILITIES		400 288	401 115	432 640	382 156	379 778	379 778	436 737	560 145	589 897	619 556
NET ASSETS		638 001	912 725	991 544	891 479	901 260	901 260	1 155 657	1 211 757	1 275 808	1 349 981
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	638 001	912 725	991 544	891 479	901 260	901 260	1 155 657	1 211 757	1 275 808	1 349 981
Reserves and funds	9	—	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	10	638 001	912 725	991 544	891 479	901 260	901 260	1 155 657	1 211 757	1 275 808	1 349 981

Table 23: MBRR Table A6 -Budgeted Financial Position

Explanatory notes to Table A6 - Budgeted Financial Position

1. 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 convertible to cash, or liabilities immediately required to be met from cash, appear first
2. Table A6 is aligned with Municipal Standard Chart Of Account (mSCOA).
3. Table A6 is also consistent with international standards of good financial management practice, and improves understandability of councillors and management of the impact of the budget on the statement of financial position (balance sheet);
4. Table A6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current liabilities;
 - Changes in net assets; and
 - Reserves.
5. The Municipality's equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community; and
6. 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 assumptions 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.
7. The Municipality total assets value is sitting at just over R1.772 billion for the 2023/24 financial period and expected to increase to R1.281 billion during 2024/25 budget year. Total liabilities are anticipated to increase from R379.778 million in the adjustments budget to R560.145 million in 2024/2025. Community Wealth is projected to increase from R901.260 in the adjustments budget to R1.212 billion in 2024/2025.

Table 24: MBRR Table A7 - Budgeted Cash Flow Statement

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		57 316	67 127	77 567	123 953	120 960	120 960	88 411	110 152	115 219	124 975
Service charges		110 665	174 991	191 414	179 118	180 449	180 449	203 217	210 506	220 189	235 076
Other revenue		35 554	20 146	12 756	69 549	70 840	70 840	35 206	39 184	40 987	42 838
Transfers and Subsidies - Operational	1	127 724	123 178	146 027	134 530	135 720	135 720	138 639	144 449	147 870	153 591
Transfers and Subsidies - Capital	1	59 623	35 086	80 466	84 518	99 253	99 253	84 007	93 465	101 375	100 674
Interest		-	-	1 240	1 600	1 900	1 900	2 252	2 350	2 458	2 569
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(62 771)	(245 690)	(293 102)	(541 486)	(555 861)	(555 861)	(453 672)	(509 632)	(536 228)	(571 324)
Interest		-	-	-	(15 000)	(15 000)	(15 000)	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		328 111	174 839	216 368	36 782	38 262	38 262	98 059	90 474	91 870	88 399
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)		-	-	-	-	-	-	-	19 743	19 543	20 481
Decrease (increase) in non-current receivables		-	-	(84)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(70 870)	(64 795)	(77 764)	(90 738)	(90 738)	(90 738)	(83 571)	(97 284)	(88 152)	(86 729)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(70 870)	(64 795)	(77 848)	(90 738)	(90 738)	(90 738)	(83 571)	(77 542)	(68 609)	(66 248)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		257 240	110 044	138 521	(53 956)	(52 476)	(52 476)	14 488	12 932	23 262	22 152
Cash/cash equivalents at the year begin:	2	-	11 931	14 610	71 023	71 023	71 023	10 675	20 626	33 558	56 820
Cash/cash equivalents at the year end:	2	257 240	121 974	153 131	17 067	18 546	18 546	25 163	33 558	56 820	78 972

Table 24: MBRR Table A7 - Budgeted Cash Flow Statement

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; and
3. The cash position will continue to be managed by strict implementation of the credit control policy and cost containment measures.
4. The municipality projects cash/cash equivalents balance of R33.558 million at the end of 2024/2025 financial year. It is anticipated that a net increase in cash held of R12.932 million will be achieved for the year. Furthermore, the municipality anticipated that cash and cash equivalents at the beginning of the 2024/2025 year will at least be 20 million, this is based on the actual cash and cash equivalents balance of R56.354 million at the end of May 2024 as per the bank statements.

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	257 240	121 974	153 131	17 067	18 546	18 546	25 163	33 558	56 820	78 972
Other current investments > 90 days		(244 724)	(107 364)	(142 456)	–	0	0	20 966	0	(0)	(0)
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		12 517	14 610	10 675	17 067	18 546	18 546	46 129	33 558	56 820	78 972
Application of cash and investments											
Unspent conditional transfers		18 366	214	7 438	414	516	516	26 051	–	0	0
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	11 029	(5 669)	(3 714)	(1 007)	(1 007)	(1 007)	2 380	3 756	(256)	(94)
Other working capital requirements	3	118 836	82 828	19 085	24 859	22 427	22 427	(119 420)	(69 201)	(66 972)	(69 280)
Other provisions		40 088	18 887	19 000	35 038	35 038	35 038	19 000	2 623	2 744	2 870
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		188 319	96 260	41 809	59 304	56 973	56 973	(71 989)	(62 822)	(64 485)	(66 504)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(175 802)	(81 650)	(31 134)	(42 238)	(38 426)	(38 426)	118 118	96 380	121 305	145 475
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	31 005	31 005	31 005
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(175 802)	(81 650)	(31 134)	(42 238)	(38 426)	(38 426)	118 118	127 385	152 310	176 481

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

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".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2024/25 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
6. The table shows that the budget is funded over the medium term, considering the working capital requirements.
7. Approved Eskom Debt Relief Benefits of R31.005 million were reclassified from current liabilities to non-current liabilities.
8. The budget is expected to result in a surplus of R127.385 million after the application of cash and investments. This means that the municipality anticipates achieving a funded budget in the 2024/2025 budget year.

Table 26: MBRR Table A9 - Asset Management

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	64 253	68 393	31 086	21 496	21 296	21 296	50 629	58 758	44 101
Roads Infrastructure		8 547	20 447	6 621	10 371	8 622	8 622	9 374	22 935	19 319
Storm water Infrastructure		2 997	19 693	2 241	-	-	-	-	-	-
Electrical Infrastructure		10 747	1 321	12 279	5 000	4 481	4 481	17 665	14 783	8 696
Water Supply Infrastructure		21 617	29 341	3 676	25	1 781	1 781	7 027	18 432	8 696
Sanitation Infrastructure		13 166	7 960	5 086	200	870	870	-	-	-
Solid Waste Infrastructure		-	(17 097)	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		57 073	61 664	29 903	15 596	15 753	15 753	34 066	56 150	36 710
Community Facilities		-	-	-	150	-	-	435	2 609	7 391
Sport and Recreation Facilities		3 842	6 135	-	4 800	3 892	3 892	3 219	-	-
Community Assets		3 842	6 135	-	4 950	3 892	3 892	3 654	2 609	7 391
Heritage Assets		-	-	-	-	-	-	300	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	174	174	-	-	-
Intangible Assets		-	-	-	-	174	174	-	-	-
Computer Equipment		-	415	414	850	1 057	1 057	1 835	-	-
Furniture and Office Equipment		-	129	578	-	115	115	300	-	-
Machinery and Equipment		458	50	190	100	304	304	10 475	-	-
Transport Assets		2 880	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	2 679	4	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		5 173	4	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		5 173	4	-	-	-	-	-	-	-
Community Facilities		(2 494)	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		(2 494)	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	13 658	(11 388)	39 123	71 197	67 341	67 341	46 655	29 394	42 628
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	2 000	3 478	3 478	2 000	-	-
Water Supply Infrastructure		-	-	(2 010)	-	3 536	3 536	-	-	870
Sanitation Infrastructure		8 087	13 072	24 445	55 750	49 498	49 498	32 104	29 394	41 758
Solid Waste Infrastructure		-	(24 459)	16 688	13 447	10 829	10 829	12 451	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		8 087	(11 388)	39 123	71 197	67 341	67 341	46 555	29 394	42 628
Community Facilities		4 780	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		791	-	-	-	-	-	-	-	-
Community Assets		5 571	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	100	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	100	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	80 590	57 010	70 208	92 693	88 638	88 638	97 284	88 152	86 729
Roads Infrastructure		8 547	20 447	6 621	10 371	8 622	8 622	9 374	22 935	19 319
Storm water Infrastructure		2 997	19 693	2 241	-	-	-	-	-	-
Electrical Infrastructure		10 747	1 321	12 279	7 000	7 960	7 960	19 665	14 783	8 696
Water Supply Infrastructure		26 790	29 345	1 665	25	5 317	5 317	7 027	18 432	9 565
Sanitation Infrastructure		21 253	21 032	29 532	55 950	50 368	50 368	32 104	29 394	41 758
Solid Waste Infrastructure		-	(41 557)	16 688	13 447	10 829	10 829	12 451	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		70 333	50 280	69 026	86 793	83 095	83 095	80 621	85 543	79 338
Community Facilities		2 286	-	-	150	-	-	435	2 609	7 391
Sport and Recreation Facilities		4 633	6 135	-	4 800	3 892	3 892	3 219	-	-
Community Assets		6 919	6 135	-	4 950	3 892	3 892	3 654	2 609	7 391
Heritage Assets		-	-	-	-	-	-	300	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	100	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	100	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	174	174	-	-	-
Intangible Assets		-	-	-	-	174	174	-	-	-
Computer Equipment		-	415	414	850	1 057	1 057	1 835	-	-
Furniture and Office Equipment		-	129	578	-	115	115	300	-	-
Machinery and Equipment		458	50	190	100	304	304	10 475	-	-
Transport Assets		2 880	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		80 590	57 010	70 208	92 693	88 638	88 638	97 284	88 152	86 729

Table 26: MBRR Table A9 - Asset Management

Explanatory notes to Table A9 - Asset Management

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

by asset class.

2. The table A9 shows that all the capital allocations are for new assets. However, an error was made in creating some of the capital projects on the system, the projects were created as new assets instead of upgrading of existing asset. This will be corrected during the adjustments budget in line with section 28(2)(f). The affected Projects are as follows:

PROJECT DESCRIPTION	PROJECT TYPE	24/25 BUDGET	25/26 BUDGET	26/27 BUDGET
Upgrading of the Bela Bela Municipal landfill site Phase 1 (Ward 2)	New	R 14 319 140.04	R -	R -
Upgrading of the Leseding Sewer Pump Station (Ward 6)	Combination: Refurbishment/ Upgrading	R 8 992 581.98	R -	R -
Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2&6)	Upgrading	R 14 926 628.82	R -	R -
Upgrading of the Settlers Sewer Pump Station (Ward 2)	Upgrading	R 10 000 000.00	R 14 491 646.14	R -
Upgrading of the Industrial outfall sewer line (Ward 2)	Upgrading	R -	R 10 000 000.00	R 17 923 396.52
Upgrading of the Bela-Bela Water Treatment Works (Ward 1)	Upgrading	R 3 000 000.00	R 9 311 030.52	R 30 098 603.48
TOTAL		R51 238 350.84	R33 802 676.66	R48 022 000.00

3. National Treasury has recommended that municipalities should allocate at least 40% of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 10% of PPE or 8% of the total value of PPE. The municipality will spend 45.80% of the capital budget on the upgrading of existing assets.
4. As noted in the previous reporting financial year, the Council has noted with concern the current level of allocation for renewal of assets and maintenance. For this reason, the Technical Services Department has developed an Assets Renewal Strategy and a repairs and maintenance plan that will inform all future allocation decisions on repairs and maintenance.

Table 27: MBRR Table A10 - Basic Service Delivery Measurement

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets	1									
Water:										
Piped water inside dwelling		14 073	14 073	14 073	14 073	14 073	14 073	14 973	14 973	14 973
Piped water inside yard (but not in dwelling)		855	855	855	855	855	855	855	855	855
Using public tap (at least min.service level)	2	3 136	3 136	3 136	3 136	3 136	3 136	3 136	3 136	3 136
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		18 064	18 064	18 064	18 064	18 064	18 064	18 964	18 964	18 964
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	18 064	18 064	18 064	18 064	18 064	18 064	18 964	18 964	18 964
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		14 928	14 928	14 928	14 928	14 928	14 928	15 828	15 828	15 828
Flush toilet (with septic tank)		875	875	875	875	875	875	875	875	875
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		987	987	987	987	987	987	987	987	987
Other toilet provisions (> min.service level)		1 274	1 274	1 274	1 274	1 274	1 274	1 274	1 274	1 274
<i>Minimum Service Level and Above sub-total</i>		18 064	18 064	18 064	18 064	18 064	18 064	18 964	18 964	18 964
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	18 064	18 064	18 064	18 064	18 064	18 064	18 964	18 964	18 964
Energy:										
Electricity (at least min.service level)		577	577	577	577	577	577	577	577	577
Electricity - prepaid (min.service level)		14 556	14 766	14 766	15 126	15 126	15 126	16 326	16 326	16 326
<i>Minimum Service Level and Above sub-total</i>		15 133	15 343	15 343	15 703	15 703	15 703	16 903	16 903	16 903
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	15 133	15 343	15 343	15 703	15 703	15 703	16 903	16 903	16 903
Refuse:										
Removed at least once a week		9 501	9 501	9 189	9 294	9 294	9 294	11 310	11 460	11 710
<i>Minimum Service Level and Above sub-total</i>		9 501	9 501	9 189	9 294	9 294	9 294	11 310	11 460	11 710
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	9 501	9 501	9 189	9 294	9 294	9 294	11 310	11 460	11 710
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		4 647	4 647	4 647	4 700	4 700	4 700	5 000	5 000	5 000
Sanitation (free minimum level service)		4 665	4 665	4 665	5 100	5 100	5 100	5 000	5 000	5 000
Electricity/other energy (50kwh per household per month)		3 752	3 752	3 752	3 600	3 600	3 600	5 000	5 000	5 000
Refuse (removed at least once a week)		4 688	4 688	4 688	4 800	4 800	4 800	5 000	5 000	5 000
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		8 062	9 437	9 706	7 265	7 265	7 265	14 314	14 973	15 648
Sanitation (free sanitation service to indigent households)		10 940	13 331	13 323	14 940	14 940	14 940	15 672	16 393	17 132
Electricity/other energy (50kwh per indigent household per month)		1 749	3 952	4 262	6 869	6 869	6 869	8 504	8 896	9 305
Refuse (removed once a week for indigent households)		4 271	4 891	4 775	5 640	5 640	5 640	5 917	6 189	6 758
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	25 022	31 611	32 066	34 714	34 714	34 714	44 407	46 450	48 843
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		218	225	236	249	249	249	261	273	286
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		165	165	165	165	165	165	165	165	165
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		30 587	32 856	39 981	47 602	47 602	47 602	47 833	50 033	54 638
Water (in excess of 6 kilolitres per indigent household per month)		(0)	(0)	0	–	–	–	(0)	(0)	(0)
Sanitation (in excess of free sanitation service to indigent households)		(0)	0	(0)	–	–	–	(0)	(0)	(0)
Electricity/other energy (in excess of 50 kwh per indigent household per month)		0	(0)	(0)	–	–	–	–	0	–
Refuse (in excess of one removal a week for indigent households)		0	0	(0)	–	–	–	(0)	(0)	(0)
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	6	30 587	32 856	39 980	47 602	47 602	47 602	47 833	50 033	54 638

Table 27: MBRR Table A10 - Basic Service Delivery Measurement

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. The also reflects the cost of providing free basic services to indigent consumers, exemptions and rebates provided to different consumer categories.

2.11 Quality certification

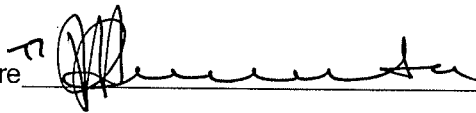
I, R.M. MARUTHA, in my capacity as accounting officer of the municipality, hereby certify that:

- This budget complies with the legislative framework;
- The budget, once approved by Council, will be taken through the required consultation processes to obtain the stakeholders' inputs;
- The relevant budget return forms have been submitted to the local government database.

Print Name RAMADIGA MELVIN MARUTHA

Municipal manager of BELA-BELA

(name and demarcation code of municipality)

Signature 

Date 10/06/2024