

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

2023/2024-2025/2026

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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Part 1 – Annual Budget

1.1 Mayor’s Report (Budget speech)

- Speaker of Council,
- Members of the Executive Committee
- Whip of Council
- Honourable Councillors
- The Municipal Manager
- Senior Managers
- Ladies and Gentlemen

Good Morning

2 Corinthians 4:17-18

“For our light and momentary troubles are achieving for us an eternal glory that far outweighs them all. So, we fix our eyes not on what is seen, but on what is unseen, since what is seen is temporary, but what is unseen is eternal.”

Speaker, Ga ra felela, re a shota,

I deep my pain in the untimely death of one of our own, Councillor JHT Mills, who succumbed to the high calling, for he has ran his race, though we are left heartbroken and consciously paralyzed,

To the entire family, relatives, friends and the political home (DA) of Cllr. JHT Mills, Your recent encounter hasn't been of any imagination, however, all these are God's acts, although frustrating and hope soliciting, but he knows why he took what defined the world for you.

I can never begin to choose correct words convenient to feed your soul now,

Receive my heartfelt condolences,

May his soul rest in eternal peace

Honorable Councilors,

The Municipal Finance Management Act (MFMA), Section 16 (1) requires the Municipal Council to approve an annual budget for each financial year, before its inception.

In terms of Section 24 (1), the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget.

Compliant to the legislative framework, I thus table before this Council the 2023/2024 annual budget and IDP for approval.

To this effect, I am tabling the following documents:

- Final Budget Related Policies
- Final Budget Financial Performance (Revenue)
- Final Budget Financial Performance (Expenditure)
- Budget Summary Narrations
- Budget Assumption
- Final Tariffs
- Summary Of the final Grants (Operating 2023/2024-25)
- Summary of the Final Grants (Capital)
- Capital Budgets and
- Proposed Own Funded Capital Expenditure

Madam Speaker,

We are gathering here today at a time wherein our country is facing an economic crisis. The South African economy has not been insulated from these global developments. This reflects a combination of the impact of changes in the global environment, along with our own unique challenges.

The continuous “Russo-Ukrainian” conflict, has resulted in most countries experiencing high levels of inflation, rising interest rates, and slower economic growth.

Domestically, the effect of loadshedding is unavoidably weakening our Economy, Our country has for months endured a debilitating electricity shortage that has caused immense damage.

We can all agree that without a reliable supply of electricity, businesses cannot grow, crops cannot be irrigated, and basic services are interrupted.

To simplify it in terms of our community, load shedding means that households and supermarkets are unable to keep food fresh, water supply is often disrupted, traffic lights do not work, and streetlights cannot be lit at night, our communities’ livelihoods took a turn of inconvenience,

Significantly, as we outline our agenda for the financial year ahead, our immediate task is to dramatically reduce the impact and the severity of load shedding in our community,

Speaker,

Testimonial to our current day challenges as a country, I wish to cement in our path towards improvement, with the words of the Scottish Philosopher, Thomas Carlyle as he said, I quote; “Permanence, perseverance and persistence in spite of all obstacles, discouragements, and impossibilities: It is this, that in all things distinguishes the strong soul from the weak.”

Close quote,

Speaker,

In order to breathe life into our Carlyle ‘s wisdom, we need to expand our hands as a team, regardless of the humanly and societal circumstances we inhabit within,

Honorable Councilors,

This budget seeks to strike a critical balance between preserving livelihoods, while supporting inclusive economic growth.

Statistics are showing that employment rates are still running below pre-pandemic levels and

elevated poverty and inequality are causes of concern in terms of social stability for our country, with which our municipality is not spared

The country is expected to see a slow-down in economic and employment growth during 2023 alongside headwinds faced in the domestic and international economy.

The effects of the slow economic growth, low employment rates, inflation pressures is that our communities are unable to pay for the services we render to them. Further to that is an increasing long list of indigents.

The reality is that, as a result of all of the above, we are tabling today and going to approve an “Unfunded Budget” due to historical debts of Eskom and Magalies Water.

However, as the law requires of us when we approve an Unfunded Budget, is to approve parallel to it a Budget Funding Plan as a systematic response to obviate any possibility of being unable deliver on our constitutional mandate.

To this end, we want to assure everyone, that with the legal status and authority accorded to me as the Mayor in particular and Municipal Council in general, we are going to play our oversight role on the implementation of these critical documents. The truth is that we will be operating on a “Shoestring Budget” that requires all of us to tighten our belts and be economical and prudent in our expenditures without of course not compromising service delivery.

The setback as ushered in by the pandemic and conflicts in the other parts of world, some of which are direct aftermath of imperialism and its uncontrolled list for dominance, should not for a moment discourage us, for, we are amongst the food baskets of the world, with the manufacturing sector that is built on solid ground of quality, and serene tourist destinations.

Madam speaker,

Bela-Bela as known, prides itself for continuing to add strides in the tourism, agricultural and real estate development sector,

However, the dilapidating infrastructure impedes tourism, agriculture, informal trading and other small businesses from reaching their maximum potential, and thus we are proud to be having a team that daily ensures that we mitigate such shortcomings,

The scope of agricultural produce and finished product packaging should be developed to create jobs across the value chain as well.

It therefore is imperative that strong links are created between emerging agriculture and the established tourism industry.

Based on the situational analysis study of the economic landscape in Bela-Bela Local Municipality, it is vividly apparent that commercial agriculture is strong and emerging agriculture is struggling.

Infrastructure obstructs the effective development and enhancement of agriculture. The economy is dominated by small businesses which indicates that Small Business Development Support is critical.

Housing and Real Estate Development should be viewed as a key economic sector. There is a housing backlog to be addressed and a growing market for wildlife/golfing real estate development and living.

This industry should be harnessed to create jobs at scale and across the value chain. It is a serious matter of concern that an overwhelming majority of the population earns R 3500 – R4500 and less, and that makes them indigents.

Cognisant of the fact that the majority of our people are living in abject poverty, to cushion their inability to pay for rates and taxes, we took a difficult decision to ensure that we increase our tariffs guided by the CPI at 5,3%, NERSA Consultation Paper on electricity by 15, 10%, however the property rates and tax were increased below CPI at 2,5 %.

This is startling as the employment levels are reasonable in Bela-Bela compared to other areas in the district.

Reasonable employment levels coupled with low income levels indicates the low levels of skills amongst the working class population and points to up-skilling and entrepreneurship skills development as key intervention areas.

Honourable Councillors, we are delighted that through the intervention of the District Development Model, we have received funding from the DBSA and its strategic implementation partner, AMANDLA Social Enterprises Non-Profit Organisation to develop one of the state of the art DLab precinct in Bela-Bela township. This will go a long way in enhancing Local Economic and Entrepreneur Development amongst others in our Municipality. The DLABS Precinct model is an unprecedented South African approach to addressing socio-economic needs, in a manner that is inclusive, builds resilience, fosters social cohesion, drives community-based solutions and stimulates economic development.

Speaker, the Municipality has a Constitutional mandate of rendering services to the community in an effective and sustainable manner, thus we pride ourselves for the ability to do our best in the provision of services throughout these difficult times.

Yes, there have been challenges at times, with regards to the consistent rendering of services due to inter alia, ageing infrastructure, lack of adequate human capital as well as limited financial resources.

We are cognizant of the fact that there is an urgent need to improve our customer relations and service delivery standards, which will inform our turnaround time particularly in restoring service delivery interruptions.

There is a provision from own source and external funding to conduct proactive maintenance and refurbishment of bulk infrastructure to prolong the lifespan and meet the demand from consumers.

Honourable Councillors,

I wish to record that the Municipality has received a "Qualified-Audit Opinion" from the Auditor General, South Africa.

This is a significant improvement from the previous years' disclaimer opinion, which indicates that the tide is turning towards the right direction as far as the management of the Municipal fiscus is concerned.

Honourable Speaker,

Per the determinations of Section 25 of the Municipal Systems Act (Act 32 of 2000), each Municipal Council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan (IDP).

The IDP is a strategic plan that guides and informs all planning processes, activities, decision making, budgeting and management in the Municipality.

The Process Plan outlines how the process will unfold (i.e., the planning process to be

undertaken, organizational structures and the distribution of roles and responsibilities etc.) in the review process.

The 2023/2024 IDP will inform the Municipal Performance Management System (PMS) and the Medium -Term Expenditure Framework (Budgets).

Honourable Speaker,

Through roadshows and written submissions, we conducted robust engagements with members of the community through intense meetings during which the proposed Budget and the Integrated Development Plan for the 2023/2024 financial year were discussed.

Our sincere communities are still challenged by the backlogs and the constraints in the following but not limited to;

- Water supply;
- Refuse removal;
- Electricity supply;
- Sewerage collection and disposal;
- Maintenance of roads and storm water drainage;
- Maintenance of street lighting;
- Maintenance of parks, recreational facilities and cemeteries;

All these valuable inputs have been taken into consideration and has to a greater extent informed the final draft Integrated Development and Budget presented here today for Council Adoption, beyond which, we shall expedite the correction of issues our people are raising,

As far as the success of the public participation is concerned, I would like to extend my gratitude to all Councillors and the broader Management team for the commitment shown and efforts made in ensuring the success of the IDP/Budget roadshows.

With your commitment and hard work, we managed to adhere to the schedule without postponements. This has assisted in ensuring that this Council meeting is held today without any delays.

Honourable members;

The Municipality is fully committed to complete all approved projects under its infrastructure grants, which have been allocated for the 2023/2024 financial year.

We have been allocated various infrastructure grants from the National Treasury. The first of these is the Municipal Infrastructure Grant (MIG), which will assist the Municipality in implementing Capital Projects which will address some of the service delivery challenges as meted to our communities,

These include the rehabilitation of roads and storm water, the establishment and maintenance of the new landfill site.

The landfill site has reached a saturation point, and as such there is an urgent need to establish

a new land fill site.

We also have the water services grant which will assist in addressing the water and sanitation challenges. Of importance to note is that the refurbishment of the Bela-Bela Wastewater Treatment has already commenced and will continue in the next financial year.

There is a project to upgrade the pump stations in the township that will address the challenges pertaining to the outflow sewer which causes spillages around the R101 Road. These projects will also be rolled over into the coming financial year.

We have budgeted from our own source about R5 Million to co-fund the resuscitation of the incomplete Substation Project in order to have the necessary capacity to electrify more households, particularly in Extension 9 and in Koppewaai. At the moment, we are unable to increase on the number of households to electrify due to a lack of capacity. The resuscitation of the substation will greatly assist in increasing our bulk electricity supply.

Honourable speaker,

We are continuing with our goal of re-building this Municipality and restoring trust and pride in our people.

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 the desired outcomes with the limited- resources at our disposal.

Honorable Councillors,

We acknowledge that the plight of our People are faced with humiliation from starvation, unemployment and inequality, and therefore we are on track seeking intervention from Sector government departments and the private sector,

The wisdom of Amilca Cabral lives on as said, and I quote;

“Always bear in mind that the people are not fighting for ideas, for the things in anyone’s head. They are fighting to win material benefits, to live better and in peace, to see their lives go forward, to guarantee the future of their children.”

Ladies and gentlemen, I therefore present Item SMC 103/05/2023 to SMC 111/05/2023 for Council’ consideration and adoption.

May our Good Lord of Blessings and Prosperity shines upon Bela-Bela and her people

Ke a leboga

1.2 Council Resolutions

That Council approves the 2023/24 – 2025/26 Final Integrated Development Plan in accordance with the Municipal Finance Management Act No: 56 of 2003, Section 16(2).

The IDP/Budget Process Plan to review the 2023/24 IDP/Budget was adopted on 29th of July 2022 in terms of the provision of the Municipal Finance Management Act 56 of 2003. The process plan outlines the key deadlines for the preparation, tabling and approval of the annual budget. Council tabled the 2023/2024 IDP review / budget process plan indicating the activities and timelines that need to be followed in reviewing the IDP and compiling the 2023/2024 Medium Term Revenue and Expenditure Framework (MTREF).

In terms of the Municipal Systems Act 32 of 2000, the council of Bela-Bela Local Municipality is expected to draft through prescribed consultation with all stakeholder a 5-year Municipality Integrated Development Plan which aim to prioritise all government spending and be aligned to the National Development Planning programs for 2023.

Budget/IDP steering committee meetings were held where stakeholders including sector departments made their inputs with regards to 2023/2024 financial year plans. These inputs from sector departments and all other stakeholders were considered in the 2023/2024 final budget. South Africa has an intergovernmental system that is based on the collaboration of political and administrative office.

Therefore, the presented budget for financial period 2023/24 will be the original council IDP/Budget to conclude on all planning as formulated, during the special council seating for the adoption of 2023/24 Annual IDP Budget.

The strategic direction that the Municipality will undertake is set out in its five-year Integrated Development Plan (IDP).

The Medium-Term Revenue and Expenditure Framework (MTREF) allows for a three-year planning and spending framework. The MTREF planning horizon allows Municipality to improve planning and to project the impact of policy choices on future budgets.

Since current council was sworn in during 2021, the 2023/2024 MTREF will mark as the second terms for the councillors to approve the annual budget which seek to improve the service delivery of Bela-Bela Local Community.

National Treasury issued circular numbers 122 and 123 respectively to guide the compilation of the 2023/2024 medium term revenue and expenditure framework (MTREF). Among the objectives of this Circulars, is to support municipalities with giving effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) within the current economic climate.

As a result of the stipulated requirement in the budget circular, the 2023/2024 Medium Term Revenue and Expenditure will seek to address any service delivery in the community of Bela-Bela and unable the council to further implement any proposed project emulating from previous financial year together with the newly identified service delivery projects.

In terms of Section 16(2) of the Municipal Finance Management Act (56 of 2003), "the mayor of the municipality must table the annual budget at a council meeting *at least 90 days before the start of the budget year*. This budget is usually referred to as the "draft budget". Paragraph 9 and Schedule A of the Municipal Budget and Reporting Regulations prescribe the format and contents of the budgets of municipalities and municipal entities.

The Mayor of Bela-Bela Local Municipality is expected to table the draft budget, in terms of section 16(2) of the MFMA during March before public consultation begin. At the meeting the, the following resolutions will be approved:

1. The Council of Bela-Bela Local Municipality, acting in terms of section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2023/2024 and the multi- year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 17;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote)as contained in Table 18;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type)as contained in Table 19; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table20.

- 1.2. The cash flow budget, cash-backed reserve/accumulated surplus and asset management are approved as set out in the following tables:
 - 1.2.1. Budgeted Cash Flows as contained in Table 22;
 - 1.2.2. Asset management as contained in Table 24.

2. The Council of Bela-Bela Local Municipality approved the following 2023/2024 revised budget related policies and By-Laws as set out in Annexure 1:
 - 2.1. Credit Control and Debt Collection Policy
 - 2.2. property Rates Policy
 - 2.3. Assets Management Policy
 - 2.4. Indigent Policy
 - 2.5. Borrowing framework policy
 - 2.6. Budget Implementation and Monitoring Policy
 - 2.7. Cash Management and Investment Policy
 - 2.8. Funding Reserves Policy
 - 2.9. Prioritisation Model for Capital Assets Investment
 - 2.10. Policy on Infrastructure Investment and Capital Projects
 - 2.11. Policy on Long Term Financial Planning
 - 2.12. Policy on Provision for doubtful debts and writing off of irrecoverable debts
 - 2.13. Principles and Policy on Tariffs
 - 2.14. Petty Cash Policy
 - 2.15. Supply Chain Management Policy
 - 2.16. Property Rates By-Law
 - 2.17. Indigents support By-Law
 - 2.18. Tariffs By-Law
 - 2.19. Credit control and debt collection By-Laws.

All other budget related policies and By-Laws remain unchanged from the previous year.

3. The Council of Bela-Bela Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2023 the rates and tariffs as set out in Annexure 2;
 - 3.1. Property rates tariff for all classes of property will be increased by 2.5%.
 - 3.2. Refuse and Sanitation rates increased by 5.3%
 - 3.3. Water tariff estimated to be increased by 5.9%
 - 3.4. Electricity tariff be increased by 15.10% while the cost to buy Electricity from Eskom increased by 18.9%..
 - 3.5. Sundry Tariffs increased by 5.3%

4. To give proper effect to the municipality's annual budget, the Council of Bela-Bela Local Municipality approves:
 - 4.1. That the municipality is not budgeting to raise long-term loans to fund the capital budget.

5. That the Accounting Officer adheres to all prescribed requirements in terms of legislation regarding the submission of the budget document to the various institutions.

1.3 Executive Summary

The Bela-Bela Local municipality adopted an effective culture and approach in determination emphasizes as legislated, the role and responsibilities of political bearers and administration in asserting to carrying the constitutional mandate of providing sustainable service delivery to the community of Bela-Bela Local municipality at large and has a further obligation to maximize the use of scarce resources efficiently and effectively.

National Treasury has in the past, published budget review notes where spending plans were outlined and commitment to support government's commitment to broadening service delivery and expanding investment in infrastructure, while taking account of the constrained fiscal environment. It provides the foundation for structural reforms and is focused on the transformation essentials which will ultimately accelerate growth, create work opportunities and build an equal society. The emphasis of the National Budget is placed on ensuring that expenditure is allocated in an efficient manner, that management is enhanced and that cutting of waste occur. It is therefore imperative that we follow the tone at the top and ensure that our own local budget exhibits the same potential for being a developmental local government and implement cost containing measures to eliminate non-priority spending.

Circular number 122 which was issued on 9th of December 2022 and the subsequently 123 issued on the 3rd of March 2023 guides municipalities with their preparation of the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars. A great emphasis is on the current economic state and inflation targets of South Africa which is enormously affected by declared state of National disaster Electricity. The economic effects of the loadshedding is extensive.

The circulars further respectively outlined the National Treasury revised South Africa's economic growth estimate for 2023 to 5.3 per cent, from 6.9 per cent at the time of the Medium-Term Budget Policy Statement (MTBPS).

Macroeconomic performance and projections, 2021 - 2026

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

Source: Municipal Budget Circular for the 2023/24 MTREF 03 March 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 5.3 per cent in 2023, following an expected growth estimate of 4.4 per cent in 2022. Real GDP growth is expected to moderate to 0.9 per cent in 2023. Over the next 3 years, GDP growth is expected to average 1.4 percent.

The economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook. Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state.

The main risks to the economic outlook are weaker-than-expected growth, continued deterioration in the public finances and a failure to implement structural reforms. Electricity remains a binding constraint on economic recovery, with power interruptions expected to continue into 2023.

These factors may jeopardize South Africa's prudent macroeconomic and fiscal policies, which

include inflation targeting and a flexible exchange rate, the local economy's ability to adjust to global volatility and the stable investment platform. The probability of a recession stands at 68% in February 2023, up from odds of 45% in January 2023, according to various news agencies, based on economist polls conducted in February 2023.

The Russia-Ukraine War continues to have a negative impact on key global markets. Tourism Exports in the Bela-Bela Region has also been negatively affected and this may pose a real risk to job security in the area.

Population statistics suggest that the municipality has experienced a steep increase in population during the past 10 years. The expansion of Informal settlements within the municipal area supports this argument and this places pressure on the municipality to provide basic services within these areas.

The municipality followed a conservative approach for projecting revenue. The municipality will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures. South Africa's economy is increasingly vulnerable to a recession in the next 12 months, with an ongoing electricity crisis seen further curbing activity.

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 2023 to 30 June 2024 (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 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.

The municipality has been subjected to statutory audit from the beginning of September 2022 to the end of December 2022; The Office of the Auditor General is responsible for all the statutory audit function of the Municipality.

Despite the collective effort in driving municipality to improve on its audit outcome, municipality received qualified audit opinion on the 2021/22 financial year. The audit finding which led to qualification was as result of material misstatements amongst other matters affecting the audit opinion.

Audit finding which led to qualification are well known and quantified by the Municipality and this form part of the developed AGSA action plan. Extra effort has been put in place through the established AGSA action plan committee which seek to address any issues raised. To ensure the committee is effectively discharge; the collaboration of political office led by the Mayor and administration - accounting officer oversee the committee as the chairperson. Municipality plan to improve audit outcome in the 2022/2023 financial year and will use 2021/2022 financial year as the learning curve to any shortcoming experienced.

Bela-Bela Local Municipality will strive on each financial reporting years to recognises the application of sound financial management principles for the compilation of the municipality's financial plan as essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically, and equitably to all communities.

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 expenditures on noncore 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.

Bela-Bela Local Municipality had also played a vital role on specific strategies and interventions required by local government in achieving economic stability and higher levels of growth as outlined in the Medium-Term Budget Policy Statement and include, among others:

- Intervention in expanding public sector investment in infrastructure through ensuring the budgets and MTREF's acknowledge that capital programmes need a balanced funding structure addressing not only backlogs in services, but also investment in new infrastructure as well as renewing current infrastructure which also sustain the Bela-Bela Local Municipality as an eco-tourism hub;
- The Municipality continue to create a joint planning with its community and business sectors. This means that all economic forces in the local situation have to be brought on board to identify resources, understand needs and work out plans to find the best ways of making the local economy fully functional, investor friendly and competitively productive; and
- Before compilation of the 2023/2024 to 2025/2026 planning and budget process, a review to the municipality's service delivery priorities were done. Strategic planning sessions where planning of the 2023/2024 budget was held during February 2023. The compilation of the 2023/2024 budget was further guided by prescribed budget legislative, policy frameworks and budget circulars.

The following budget principles and assumptions directly informed the compilation of the 2023/2024 MTREF;

- National Treasury's MFMA Circular No. 48, 51, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78, 79, 80, 86, 89, 91, 93, 94, 99, 107, 108, 115, 122 and 123 were used to guide the compilation of the 2023/2024 MTREF.
- Headline inflation predictions;
- National outcomes and priorities as contained in the NDP, MTBPS, the President's State of the Nation Address and the 2023 national budget;
- NERSA guidelines;
- The priorities and targets in relation to the key strategic focus areas as determined in the IDP;
- The 2022/2023 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 2023/2024 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;
- Operational cost will be maintained at current levels or reduced as cost containment

measures will continue to be implemented; and

- Expenditure will be strictly monitored and be limited to the “absolutely necessary” items. Expenditure on the “nice to have” will be stopped forthwith.

During the compilation of 2023/2024 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;
- The modestly increasing debt 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

During the 2023/2024 budget no re-modelling on tariff was done other than applying normal tariff rate increase linked to Consumer Price Inflation (CPI) of 5.3% as recommended in circular 122 issued by National Treasury during month of 9th of December 2022.

Tariffs on sundry services other service charges have increased by 5.3% in the 2023/2024 financial year in line with the relevant guidance provided. Noteworthy is the property rate of 2.5% increase which have been reviewed after consultations, the approved 15.10% from Nersa on electricity and 5.9% on water which is guided by the Magalies Water Board.

Circular 122 provide that any increase in tariff rates above 4.7% and the final CPI of 5.3% in circular 123 will require justification to be narrated on each increase above such rates. The justification on each tariff are details on the tariff summary sections on this budget book.

On the expenditure side, the percentage increases were as follows:

- Overall expenditure increased by at least 11% from adjusted budget of R493 million to R546 million.
- Salaries and allowances have been increased by 5.3% + 0.1% align to Macroeconomic performance and projections per MFMA Circular 122. Furthermore, the proposed increase as per Salary and Wage Collective Agreement and Retirement Fund Collective Agreement effective from 1 July 2023.
- Bulk purchases – Electricity increased by 18 % linked to the tariff hike by regulators as outline in MFMA circular 123.
- Consumable material and other expenses increase at CPIX rate and proposed departmental operational activities.
- Non-cash items are projected in line with the audited financial statements. Depreciation and Impairment are aligned to reduce unauthorised expenditure.

The budget benchmarking assessment exercise outcome with relevant treasury has formed part of the 2023/2024 budget compilation process to ensure credibility, relevance and sustainability. The inputs from the session were incorporated in this budget. In terms of compliance assessment, this budget will be considered if it is compliant by the Provincial Treasury. Where necessary few budget tables (A Schedule) have been adjusted to obtain full compliance and to align to mSCOA requirement.

Council has in the past resolved to build up a Capital Reserve Fund over the medium-term interms of the long-term financial plan/policy. This resolution was not successfully implemented during

2022/2023 budget year. Over the MTREF outer years Council expects to have built up enough cash reserve in order to fund own source projects. Municipality plan to have surplus of R15 million in the 2023/24 budget year and the reserve will be kept which will assist Municipality to fund any internal capital projects. Municipality projected to have few own funded projects after thorough consultation with relevant stakeholders.

With regards to grant funding, MIG is allocated around R30.2 million, LGFMG R1.7 million, EPWP R1.3 million, and with water infrastructure (WSIG) having received higher allocation of R55.7 million in the 2023/2024 budget year.

The credit and debt collection drive that Council embarked on in the past financial year resulted in the payment level improved. In this regard, the administration is continuing to implement the following;

- Efficient revenue management, which aims to ensure a minimum of 95% annual collection rate for property rates and other key service charges.
- Consistent and sustainable implementation of credit control action to all households and other consumers that can afford payment of services, including reminder letters, telephone, sms and other means of reminding consumers of the obligation with regard to their municipal accounts;
- Compilation of indigent register;
- Resolution of the current non-payment by the farmers;
- Accurate and predictable monthly billing of municipal services, which requires that accounts are sent regularly and on time can enable consumers to plan or arrange for payment of services;
- Conduct electricity and water meter audit in order to address the losses; and
- A continuance campaign that is led by the respective ward Councillor to promote payment of services within each ward. This campaign should include all stakeholders and the ward committees.

mSCOA Implementation

Bela-Bela Local Municipality has since successfully migrated into m-SCOA as from 1st of July 2017. Since the integration a vast progression with different versions to 6.8. Municipality had for the 2021/2022 financial period manage to compile its annual financial statement and 2022/23 interim annual financial statements based on the m-SCOA chart of account.

New challenges of version migration were however experienced during the compilation of the 2021/2022 annual financial statement relating to segment classification not being properly set to allow proper transacting versus budgeting which led to segment classification audit findings . Municipality had embarked on project to correct this starting from the time of 2022/2023 budget. In addition to the project Municipality developed a roadmap to address all challenges related to mSCOA in order to comply fully with the requirement.

Municipality had established a committee which oversee the implementation of the plan to resolve the challenges as outlined above. The committee consist among others National Treasury and Provincial Treasury delegate and the System vendor representative. This committee is chaired by the accounting officer.

1.3.1. Budget Overview for the 2022/2023-2024/2025 MTREF

This section provides an overview of Bela-Bela Local Municipality's 2023/2024 to 2025/2026 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 are no major changes in the 2023/2024 financial year other than a normal increase in tariff at rate equivalent to CPI.

Property Rates By-Law

Property By-Law is adopted in terms of Local Government: Municipal Property Rates Act, 2004 in order 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 draft the Indigent policy which outlines the qualification criteria's and the quantity of free services that the 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 to draft 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 draft policies that are used in the running of the Municipality. Policies are used for the smooth running of administration. The Municipal budget related policies are as follows:

- i. Credit Control and Debt Collection Policy
- ii. Property Rates Policy
- iii. Assets Management Policy
- iv. Indigent Policy
- v. Borrowing framework policy
- vi. Budget Implementation and Monitoring Policy
- vii. Cash Management and Investment Policy
- viii. Funding Reserves Policy
- ix. Prioritisation Model for Capital Assets Investment
- x. Policy on Infrastructure Investment and Capital Projects
- xi. Policy on Long Term Financial Planning
- xii. Policy on Provision for doubtful debts and writing off of irrecoverable debts
- xiii. Principles and Policy on Tariffs
- xiv. Petty Cash Policy
- xv. Supply Chain Management Policy

xvi. Tariff policy

There were few changes made on the following policies:

- i. Supply Chain Management Policy*
- ii. Indigent Policy*

1.3.1.3. Operating Revenue Framework

Despite financial challenges experienced by Bela-Bela Local Municipality, the council will 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 have to 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 2023/2024-2025/2026 MTREF (classified by main revenue source):

Table 1 Summary of revenue classified by main revenue source

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	115,233	114,709	124,312	154,398	154,398	154,398	154,398	133,116	153,217	176,353
Service charges - Water	2	31,806	35,636	37,263	43,824	43,824	43,824	43,824	41,548	43,584	45,632
Service charges - Waste Water Management	2	17,855	19,439	18,952	21,024	21,024	21,024	21,024	21,066	22,096	23,135
Service charges - Waste Management	2	8,585	9,207	8,952	9,958	9,958	9,958	9,958	9,758	10,236	10,717
Sale of Goods and Rendering of Services		1,610	1,540	1,876	1,345	1,380	1,380	1,380	1,791	1,879	1,968
Agency services		3,490	4,593	3,895	4,567	4,567	4,567	4,567	4,677	4,906	5,137
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		4,912	5,374	6,173	7,785	7,785	7,785	7,785	9,170	9,619	10,071
Interest earned from Current and Non Current Assets		1,719	95	189	1,911	2,911	2,911	2,911	1,600	1,678	1,757
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1,412	1,366	1,602	1,666	1,666	1,666	1,666	1,614	1,693	1,773
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		4,759	2,567	3,094	2,647	1,647	1,647	1,647	572	600	628
Non-Exchange Revenue											
Property rates	2	74,792	79,461	81,048	113,620	113,620	113,620	113,620	142,475	149,456	156,480
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		6,671	16,067	31,341	8,861	8,861	8,861	8,861	37,993	39,854	41,728
Licences or permits		1,415	1,939	2,232	4,737	4,737	4,737	4,737	1,974	2,070	2,168
Transfer and subsidies - Operational		94,046	119,288	109,019	122,518	122,678	122,678	122,678	134,330	145,247	154,450
Interest		6,616	7,588	8,493	6,990	6,990	6,990	6,990	14,186	14,881	15,581
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	6,949	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribu		374,922	418,870	445,390	505,848	506,043	506,043	506,043	555,869	601,017	647,576

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 anticipate collecting operating revenue (total operating revenue less revenue forgone) during the 2023/2024 financial year of an estimated R556 million or 10% more than the 2022/2023 adjustments budget revenue of R506 million. Detail increases on each revenue sources were increased within the CPI rate and where the increase was above CPI rates, reason was provided as required by Circular 122.

Operating grants which are guided by Division of Revenue Act (DoRa) was increased from R122 Million to R134 million which represent 11%. Grant to fund capital spending decreased from R95 million to R86 million in the 2023/2024 financial year.

Overall services charges revenue decreased by 10% from the 2022/2023 adjusted budget. The decrease was driven electricity service charge revenue. The revenue stream was decrease in order to meet the realistic economic conditions of Bela-Bela with increasing electricity looses due to the booming of illegal connections.

Details analysis of revenue sources

Property Rates

Property rates tariff was increased by 2.5% for the 2023/2024 budget year. However, the total property rates revenue increase was projected to be more by 25% from the adjusted budget. The resulted 25% was to take into account any outcome of objections and supplementary roll.

The following stipulations in the reviewed Property Rates Policy are highlighted:

Municipal properties

Municipal properties are exempted from paying property rates.

Residential properties

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 purposes shall be granted a R50 000 exemption on the 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 people's i.t.o Property Rates Policy

Public Service Infrastructure

Public Services Infrastructure is exempted from paying rates as it provides essential services to the community.

Public Benefit Organisations

Public Benefit Organisation Property means property owned by public benefit organisations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act.

Residential properties exemptions will automatically apply and no application is thus required by the owners of such property. Exemptions for other property categories will not automatically apply and the owners of such properties are required to submit applications. Property rates tariffs are depicted in table 4 below

Cash management and investment policy

Money deposited into the Municipality's bank account by unknown persons without traceable reference that remains unallocated for a period of 24 months will be classified as Municipality's other revenue after a notice has been published in the local newspaper as prescribed in the Municipal policy.

Table 2: Property rates tariffs

RATING CATEGORY	2022/2023	2023/2024
	R/c	R/c
BUSINESS & COMMERCIAL	0.0176	0.0180
AGRICULTURAL	0.0034	0.0035
FARMS RESIDENTIAL	0.0140	0.0144
VACANT LAND	0.0176	0.0180
INDUSTRIAL	0.0176	0.0180
MUNICIPAL PROPERTY	0.0176	0.0180
PRIVATE OPEN SPACE	0.0140	0.0144
PUBLIC OPEN SPACE	0.0130	0.0133
PROPERTIES USED FOR PUBLIC BENEFIT ACTIVITIES	0.0034	0.0035
RESIDENTIAL	0.0140	0.0144
STATE-OWNED PROPERTY	0.0176	0.0180
ILLEGAL USE	0.0169	0.0190

The approved increase of 2.5% for property rates are in the rand for 2023/2024 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.

Table 3: Service charge: Electricity

DESCRIPTION	2023/2024			DESCRIPTION	2023/2024		
	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	221.03	Domestic Prepaid (Indigents)	0	0	254.41
Domestic Household Prepaid	0	0	221.03	Domestic Prepaid	0	0	254.41
Domestic Household Conventional	0	0	221.03	Domestic Conventional	0	0	254.41
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	283.87	General Tariffs Prepaid 30 Amp	326.73
General Tariffs Prepaid > 30Amp 1 Phase	80.50	22.09	191.20	General Tariffs Prepaid > 30Amp 1 Phase	92.66	25.43	220.07
General Tariffs Conventional Business and Government	80.50	22.09	191.20	General Tariffs Conventional Business and Government			
Single Phase:	80.50	22.09	191.20	Single Phase:	92.66	25.43	220.07
Three Phase:	120.75	22.09	180.01	Three Phase:	138.98	25.43	207.19
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	1865.86	200.19	164.68	Low Voltage	2147.60	230.42	189.55
Medium Voltage	4420.85	230.19	162.40	Medium Voltage	5088.40	264.95	186.92
Agricultural Tariffs							
Agricultural Tariffs (Prepaid and Conventional)				Agricultural Tariffs (Prepaid and Conventional)			
Low Voltage	241.49	22.08	191.20	Low Voltage	277.95	25.41	220.07

Service charge: Electricity

The total cost of distributing electricity in the 2023/2024 financial year will be R118 million, the Municipality will only raise revenue to the value of R133 million. It is clear that the Municipality will be selling electricity at a surplus in the 2023/2024 financial year. However the resulted surpluses didn't take into account the electricity losses which Municipality experienced from the past financial year due to illegal connection.

The National Energy Regulator of South Africa (NERSA) publishes their "Municipal Tariff Guideline Increase, Benchmarks and Proposed Timelines for Municipal Tariff Approval. Process for the 2023/2024 Financial Year" is completed and NERSA approved a guideline for increase 15.10%. it is the responsibility of NERSA for price determination of the bulk costs for electricity.

Municipality are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability.

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

Furthermore, the municipality has proposed the following tariff for 2023/2024 financial year:

Water

Water tariffs for 2023/2024 will increase in line with Magalies Water tariffs. The proposed increase for 2023/2024 is 5.9% as per Municipality tariff book.

Therefore, the resulted increase is not within the recommended CPI of 2023/2024 budget year. Magalies continues to increase its bulk tariffs each financial period which is always above the CPI increased tariff rates. Hence, the municipality increase is above the recommended CPI.

Indigent Subsidy

Indigent households receive 6kl free on water charges i.t.o Indigent Policy

NB: As per Budget Circular No 85, Municipalities must provide for drought penalty tariff

Table 4: Water tariffs (Variable cost)

Range	2022/2023		2023/2024	
	Rand		Rand	
	Residential, Churches, School, PBO, Hospitals - State	Commercial, Government, hotels, Resorts and Other	Residential, Churches, School, PBO, Hospitals - State	Commercial, Government, hotels, Resorts and Other
	Rate (R/kl)	Rate (R/kl)	Rate (R/kl)	Rate (R/kl)
0 kl - 30 kl	19.06	28.59	20.18	30.28
31 kl - 50 kl	22.86	34.31	24.21	36.33
51 kl - 80 kl	27.44	41.16	29.06	43.59
81kl - 100kl	30.16	45.27	31.94	47.94
101kl - 130kl	30.16	45.27	31.94	47.94
131kl - 210kl	30.16	45.27	31.94	47.94
211kl - more	30.16	45.27	31.94	47.94

NB: The above water inclining block tariffs will also be applied in charging drought penalties (Budget circular No 85)

The variable cost components are as follows:

Table 5: Water tariffs (Fixed costs)

2023/2024		2023/2024	
Rand		Rand	
Residential, Churches, School, PBO, Hospitals - State	Commercial, Government, hotels, Resorts and Other	Residential, Churches, School, PBO, Hospitals - State	Commercial, Government, hotels, Resorts and Other
Rate per meter	Rate per meter	Rate per meter	Rate per meter
100.42	156.54	106.34	165.78

Table 6: Flat Rates (Provision of Basic Services)

2022/2023	2023/2024
Rand	Rand
Nil	300

Sewerage (Sanitation)

The proposed increase in sanitation tariff for 2023/2024 MTREF is 5.3%.

Table 7: Sanitation tariffs

DESCRIPTION	2022/2023	2023/2024
	Rand	Rand
a) Residential/Flats/ Security Villages	236	249
b) Commercial/Government/Resorts/Hotels and Other	473	498

c) Churches/Schools/PBO	236	249
d) Hospitals - State	236	249
e) Hospitals - Private	473	498

Indigent's households receive full subsidy (100%) on sanitation levy i.t.o Indigent Policy

Refuse (Solid Waste)

The proposed increase on refuse for 2023/2024 financial year is 5.3%.

Table 8: Refuse tariffs

DESCRIPTION	2022/2023	2023/2024
	Rand	Rand
a) Residential		
Smaller than 800m ²	89	94
Larger than 800m ²	207	21
b) Commercial	413	435
c) Security Villages (per container)	4047	4261
d) Churches	207	218
e) Schools - State	413	435
f) Hospitals - State	413	435
g) Hospitals - Private	3341	3518

NB: Flats are charged residential tariffs and

The refuse tariffs have been adjusted in order to be cost reflective.

Indigent Subsidy. Indigents households shall be granted full subsidy (100%) on refuse charges i.t.o Indigent Policy

Sundry Services

The proposed sundry tariff increase for 2023/2024 is 5.3%.

Table 9: Cemetery

Description	2022/2023		2023/2024	
	Adults (per grave)	Children (per grave)	Adults (per grave)	Children (per grave)
Item	Rands	Rands	Rands	Rands
a) Cemetery A	1500	1413	1580	1488
b) Cemetery B	1500	1413	1580	1488
c) Cemetery C	1500	1413	1580	1488
d) Cemetery D (Muslim Section)	1500	1413	1580	1488
e) Cemetery E	671	547	707	576
f) Cemetery F (Masakhane)	671	547	707	576
g) Non-Residents	2802	2520	2951	2654
h) To open grave for second burial	731		770	

i) Booking on Friday for same weekend	933	982
j) Exhumation	933	982
k) Burial of Ashes	731	770
l) Tombstones (permission)	374	394
m) Enlarging of graves (double graves compulsory)	Double applicable tariff per section	Double applicable tariff per section
n) Use of TLB for burial purposes	213	224

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 R759 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 taken into account 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 in excess of CPI. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment and community unrest.

The percentage increases of Magalies Water bulk tariffs are above the mentioned inflation target. Material purchases were set to increase by 5.9%. These tariff increases are determined by external agencies, the impact they have is largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

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 2023/2024 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 (2023/2024)

GRANT	FINANCIAL YEAR		
	2023/24	2024/25	2025/26
MIG	28 768 000	29 933 000	31 147 000
WSIG	55 750 000	56 908 000	59 458 000
INEP	-	5 000 000	5 224 000
Total	84 518 000	91 841 000	95 829 000

Operating Grant	2023/24	2024/25	2025/26
Equitable share	129 614 000	141 762 000	150 753 000
FMG	1 700 000	1 700 000	1 838 000
EPWP	1 302 000	-	-
PMU cost	1 514 100	1 575 400	1 639 300
SETA	200 000	210 000	220 000
Total	134 130 000	145 247 400	154 450 300

Total capital allocation is sitting at R84 million with majority of the allocation being channeled to water infrastructure. While total capital funding including internally generated funds is R97 million.

Table 11 - 2023/2024 MTREF Capital Allocations

Description	2023/24 Medium Term Revenue & Expenditure Framework		
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/6
MIG	R 28 768 0000	R 29 933 000	R 31 147 000
WSIG	R 55 750 000	R 56 908 0000	R 59 458 000
INEP	R -	R 5 000 000	R 59 458 000
OWN SOURCE	R 8 175 000	R -	R -
TOTAL	R 92,693 000.00	R 91,841 000.00	R 95,829 000.00

Table 12 - 2023/2024 MTREF Operational Allocations

Description	2023/24 Medium Term Revenue & Expenditure Framework		
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Local Government Equitable Share	R 129 614 000	R 141 762 000	R 139,598,000.00
Financial Management Grant	R 1 700 000	R 1,700,000	R 1 838 000
EPWP	R 1 302 000	R -	R -
MIG (opex)	R 1 514 100	R 1 575 400	R 1 639 300
TOTAL	R 134 130 000	R 145 034 400	R 154 230 300

Operating grant dependence

Grant dependence ratio is sitting at 24% of total revenue of R556 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% indicates that municipality is not significantly grant dependent regarding funding of operations. Municipality does not as well rely on 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 120 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 2023/2024 was 95% of the projected billed 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

- ✓ Write-off debt and interest on irrecoverable accounts upon council approval.
- ✓ Implementation of revenue enhancement strategy with the assistance of National Treasury.
- ✓ Municipality is in the process of negotiating with Eskom to implement credit control measures in Pienaarsrivier and Masakhane.
- ✓ Collection of outstanding government debt through the intervention of provincial debt forum on the government debt.
- ✓ Arrangement with consumers with outstanding debt to be made on how they should pay (Payment arrangements).

There are approved indigents who are failing to settle their accounts due to lack of income or low income. We are therefore unable to recover the debt from this group of customers. The debt was taken to council to request approval for write-off during 2023/2024 financial year.

Communications will be sent out through stating that interest will be written off when the account is settled in full (as per Doubtful and Irrecoverable Debt Policy). The aim is to encourage more consumers to settle their accounts in full.

We are also in the process of correcting the billing data Extension 9 and Extension 25 to ensure completeness and accuracy of revenue. However, not all properties in this section require such intervention. Most of the stands were opened incorrectly on the system due to encroachments of the stands in this area. Most of their bills are incorrect.

Decision during 2022/23 was made to ensure the top 100 Debtors will be prioritised for immediate collection in the financial year.

All consumers who failed to make full payment on the due date will result in their electricity being disconnected excluding consumers who honored their agreements.

1.3.1.4. Operating Expenditure Framework

The following table is a high-level summary of the 2023/2024 budget and MTREF(classified

per type of expenditure):

Table 13 Summary of operating expenditure by type

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure											
Employee related costs	2	149,584	151,948	152,101	166,174	168,429	168,429	168,429	173,234	181,550	190,083
Remuneration of councillors		7,072	7,509	7,248	8,047	8,047	8,047	8,047	8,481	8,888	9,306
Bulk purchases - electricity	2	96,526	87,340	117,551	127,000	124,500	124,500	124,500	147,782	155,023	162,309
Inventory consumed	8	25,164	23,428	33,306	39,769	39,277	39,277	39,277	39,692	41,637	43,594
Debt impairment	3	-	-	17,445	-	-	-	-	-	-	-
Depreciation and amortisation		30,432	37,706	35,514	31,200	31,200	31,200	31,200	38,000	39,862	41,736
Interest		9,529	4,618	8,597	10,000	9,500	9,500	9,500	15,000	15,000	15,000
Contracted services		26,815	39,081	40,886	47,510	49,198	49,198	49,198	49,708	58,055	60,773
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		28,437	66,603	47,821	10,400	10,400	10,400	10,400	14,000	14,686	15,376
Operational costs		42,246	32,911	31,338	43,640	52,915	52,915	52,915	57,106	61,744	64,753
Losses on disposal of Assets		31	290	25	-	-	-	-	-	-	-
Other Losses		5,697	169,273	(25,052)	-	-	-	-	-	-	-
Total Expenditure		421,532	620,705	466,780	483,739	493,465	493,465	493,465	543,004	576,445	602,929

The anticipated operating expenditure for 2023/2024 financial year is increased to R543 million which represent at least 1% increase from adjusted budget. Realistically when looking at historic result, operating expense has been decreasing when comparing audited result. This is as result of Municipal response to unfunded budget as raised in past financial year by National Treasury.

Some of the key features of the expenditure framework are:

- Overall expenditure increased by at least 10% from adjusted budget of R493 million to R543 million.
- Depreciation and amortization was increased by 21% from the adjusted budget.
- Interest was increased by 58% from the adjusted budget, while contracted services was increased by 1% from the adjusted budget. While operational costs have increased by 8% against the 2022/2023 adjustment budget.
- Electricity bulk purchases increased by 18.49% + 0.51% from the adjusted budget despite the linked tariff hike by regulators.
- Personnel cost increases informed by the decisions of the SALGA Bargaining Council and the Remuneration of Public Office Bearers Act. The municipalities are advised to budget in alignment to the affordability. Overall, there is an increase in the total employee costs by 5.4% from the adjusted budget.
- Irrecoverable debts written off has increased by 35% from the adjusted budgeted.
- Balanced budget constraint (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;
- Municipality has undergone an exercise to cut expenditure without compromising expenditure which relate to service delivery.

Employee costs

The budgeted allocation for employee related costs for the 2023/2024 financial year totals R173 million, which equals 31% of the total operating expenditure. MFMA circular 71 sets the norm to be between 25% and 40%. Bela-Bela is seating 31%, which is favourable to the municipality. The proportion of personnel expenditure to total operating expenditure for the municipality is favourable at an average of 31% over the medium term. 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.

Municipality has made provision of at least 5.4% increase from 2022/2023 adjusted result. We will further allow budget adjustment process to take the outcome of Salary and Wage Collective Agreement should the need arise.

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 most recent proclamation of an increase of 5.4% has been considered in compiling the municipality's budget.

Bulk Purchases

Bulk purchases increased despite the linked tariff hike by regulators. This increase relates to total spending measured against the expected volumes to be consumed.

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 R90 million in single year which will therefore represent huge spending to be incurred in a single year. The municipality will not be able to achieve the 8% norm in one year but will gradually improve to achieve that norm over the medium term.

Finance charges

Finance charges entails cost associated with the finance lease contract as prescribed in General Recognised Accounting Practice General (GRAP). Municipality finance lease entailed leases over fleet vehicles, the finance charges on the actuarial gains and employment benefit.

Contracted Services

Table 14 Contracted services

Segment Description	2023/24 Final Budget	Budget 2024/25	Budget 2025/2026
Business and Financial Management	R 1,500,000.00	R 1,888,200.00	R 1,976,945.00
Auction costs	R 50,000.00	R 52,450.00	R 54,915.00
Horticultural services	R 30,000.00	R 31,470.00	R 32,949.00
Borehole testing	R 40,000.00	R 41,960.00	R 43,932.00
Information boards for community facilities	R 100,000.00	R 104,900.00	R 109,830.00
EPWP-Salaries	R 1,300,000.00	R 1,363,700.00	R 1,427,794.00
Cemetery weed control project	R 50,000.00	R 52,450.00	R 54,915.00
Burial of paupers	R 90,000.00	R 94,410.00	R 98,847.00
Promulgation of by-laws	R 50,000.00	R 52,450.00	R 54,915.00
Security Services	R 15,015,000.00	R 15,750,735.00	R 16,491,020.00
LED Programme	R 250,000.00	R 262,250.00	R 274,576.00
SMME Support	R 150,000.00	R 157,350.00	R 164,745.00
Tourism Programme	R 350,000.00	R 367,150.00	R 384,406.00
Repairs and maintenance: Contractors	R 1,000,000.00	R 1,049,000.00	R 1,098,303.00
Repairs and maintenance: Contractors_Repairs	R 350,000.00	R 367,150.00	R 384,406.00
Repairs and maintenance of generator	R 450,000.00	R 472,050.00	R 494,236.00
Supply of repairs and maintenance materials	R 500,000.00	R 524,500.00	R 549,152.00

Repairs and maintenance of transformers	R	500,000.00	R	1,049,000.00	R	1,098,303.00
Business and Financial Management(AFS_ schedule N)	R	2,000,000.00	R	2,622,500.00	R	2,745,758.00
Business and Financial Management (VAT_ actuaries_ bank reco	R	1,300,000.00	R	1,951,140.00	R	2,042,844.00
Repairs and maintenance of vehicles	R	290,000.00	R	1,049,000.00	R	1,098,303.00
Indigent Verification	R	400,000.00	R	419,600.00	R	439,321.00
Tracing of unknown deposits	R	100,000.00	R	201,408.00	R	210,874.00
Valuation roll maintenance	R	380,000.00	R	1,888,200.00	R	1,976,945.00
Debt collection fees	R	1,000,000.00	R	1,049,000.00	R	1,098,303.00
Business and Financial Management	R	150,000.00	R	157,350.00	R	164,745.00
Credit control fees	R	500,000.00	R	839,200.00	R	878,642.00
Printing and stationery	R	75,000.00	R	78,675.00	R	82,373.00
Outsourced Services- Traffic Fines Management	R	1,100,000.00	R	1,153,900.00	R	1,208,133.00
Capacity building	R	800,000.00	R	839,200.00	R	878,642.00
Verification of qualifications	R	294,000.00	R	308,406.00	R	322,901.00
IT Equipment repair	R	50,000.00	R	52,450.00	R	54,915.00
Contracted services - Server infrastructure support	R	500,000.00	R	524,500.00	R	549,152.00
Strategic Planning	R	400,000.00	R	419,600.00	R	439,321.00
REP forum-Catering	R	125,000.00	R	131,125.00	R	137,288.00
Printing and stationery	R	35,000.00	R	36,715.00	R	38,441.00
Legal Consultation	R	5,000,000.00	R	5,245,000.00	R	5,491,515.00
PMS(Individual employee assessment)	R	1,000,000.00	R	1,862,232.00	R	1,949,757.00
Repairs and maintenance-Calibration of Vehicle Testing System (VTS)	R	20,000.00	R	20,980.00	R	21,966.00
Repairs and maintenance-VTS maintenance	R	200,000.00	R	209,800.00	R	219,661.00
2021 PMU	R	1,514,100.00	R	1,575,400.00	R	1,639,300.00
Repairs and maintenance-plant and equipment	R	350,000.00	R	367,150.00	R	384,406.00
Repair and maintenance of stormwater	R	320,000.00	R	524,500.00	R	549,152.00
Sports and recreation (Events)	R	50,000.00	R	52,450.00	R	54,915.00
Repairs and maintenance-Borehole Testing	R	40,000.00	R	41,960.00	R	43,932.00
LANDFILL SITE (DUMPING SITE)	R	4,000,000.00	R	4,196,000.00	R	4,393,212.00
Professional service-external audit	R	100,000.00	R	104,900.00	R	109,830.00
EPWP-Salaries	R	470,000.00	R	493,030.00	R	516,202.00
Maintenance of Mass container	R	80,000.00	R	83,920.00	R	87,864.00
Catalytic Development (Feasibility Studies)	R	200,000.00	R	209,800.00	R	219,661.00
Conveyencing	R	600,000.00	R	629,400.00	R	658,982.00
Township Establishment	R	700,000.00	R	734,300.00	R	768,812.00
Township rectification	R	600,000.00	R	629,400.00	R	658,982.00
Municipal Planning Tribunal(catering)	R	30,000.00	R	31,470.00	R	32,949.00
Water and waste water plants assessment	R	250,000.00	R	314,700.00	R	329,491.00
Repairs and maintenace of boreholes(Rapotokwane)	R	190,000.00	R	314,700.00	R	329,491.00
Repairs and maintenace of boreholes(Masakhane)	R	190,000.00	R	314,700.00	R	329,491.00
Repair and maintenance of water treatment plant	R	260,000.00	R	314,700.00	R	329,491.00
Repairs and maintenance-Underground pipes	R	70,000.00	R	73,430.00	R	76,881.00
Repairs and maintenance-Maintenance of ponds	R	200,000.00	R	209,800.00	R	219,661.00
Repairs and maintenance-Pumps and motors	R	300,000.00	R	314,700.00	R	329,491.00

Sanitation Analysis	R	250,000.00	R	262,250.00	R	274,576.00
Dam safety inspection	R	200,000.00	R	209,800.00	R	219,661.00
Repairs and maintenance-Pumps and motors	R	500,000.00	R	524,500.00	R	549,152.00
Repairs and maintenance-Underground pipes(Bulk)	R	100,000.00	R	104,900.00	R	109,830.00
Repairs and maintenance-Plant & Equipment	R	100,000.00	R	104,900.00	R	109,830.00
Replacement meters	R	500,000.00	R	524,500.00	R	549,152.00
Tankering of Water	R	50,000.00	R	52,450.00	R	54,915.00
Total	R	49,708,100.00	R	58,054,866.00	R	60,773,301.00

The municipality anticipates to utilise contracted services in the 2023/2024 with spending of R49 million of the total operating expenditure of R543 million.

The budgeted spending is above the norm of 5% as advised by National Treasury. Despite effort by Municipality to reduce this spending to an acceptable norm of 5%. Certain cost drivers are non-avoidable fees which were included in the contracted fees, such as security services, legal cost, Landfill site management and traffic fines management.

However, in a long run, municipality intends not to solely rely on the contracted services to avoid reliance on the consultant. The municipality constantly monitors the consultants and ensures skills transfer is being done to the internal staff.

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 2023/2024 MTREF is approximately 5000. The total cost of free basic services amounts to R34 million for the 2023/2024 financial year.

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 2023/2024 is increased to R38 million from adjusted budget of R31 million. The increase was to ensure realistic estimate being achieved and avoid any unauthorised expenditure as experienced in the past financial years.

Other expenditure

Other expenditure was increase from R57 million of the 2022/23 adjusted budget to R52 million in 2023/24 budget year. The marginal increase is part of the plans to improve on Municipality funding model without impacting on services delivery which factoring the current CPI.

Table 15 Other expenditure

Segment Description	2023/24 Final Budget	Budget 2024/25	Budget 2025/2026
Postage and Courier service	R 10,000.00	R 10,490.00	R 10,983.00
Uniform for cleaners	R 100,000.00	R 104,900.00	R 109,830.00
Communication: Telephone Fax Telegraph and Telex(2020)	R 1,440,000.00	R 1,510,560.00	R 1,581,556.00
Printing and stationery	R 150,000.00	R 157,350.00	R 164,745.00
Delagation cost - Accomodation	R 80,000.00	R 83,920.00	R 87,864.00
Delagation cost - Food and beverage (served)	R 15,000.00	R 15,735.00	R 16,475.00
Delagation cost - Air transport	R 21,000.00	R 22,029.00	R 23,064.00
Delagation cost - Car rental	R 12,000.00	R 12,588.00	R 13,180.00
Delagation cost - Travel claims	R 120,000.00	R 125,880.00	R 131,796.00
Travel claims(subsistance and travel)	R 50,000.00	R 52,450.00	R 54,915.00
Insurance excess	R 50,000.00	R 52,450.00	R 54,915.00
INSURANCE PREMIUMS	R 1,500,000.00	R 2,098,000.00	R 2,196,606.00
Tools and kits	R 50,000.00	R 52,450.00	R 54,915.00
EPWP-Tools and kits	R 11,000.00	R 11,539.00	R 12,081.00
Hiring/Rental of plant	R 250,000.00	R 262,250.00	R 274,576.00
Cleaning materials	R 120,000.00	R 125,880.00	R 131,796.00
Printing and stationery	R 50,000.00	R 52,450.00	R 54,915.00
Uniform and clothing	R 350,000.00	R 367,150.00	R 384,406.00
EPWP-Uniform and clothing	R 325,000.00	R 340,925.00	R 356,948.00
Printing and stationery	R 30,000.00	R 31,470.00	R 32,949.00
Delagation cost - Accomodation	R 40,000.00	R 41,960.00	R 43,932.00
Delagation cost - Food and beverage (served)	R 10,000.00	R 10,490.00	R 10,983.00
Delagation cost - Air transport	R 1,000.00	R 1,049.00	R 1,098.00
Delagation cost - Car rental	R 1,000.00	R 1,049.00	R 1,098.00
Travel claims(subsistance and travel)	R 50,000.00	R 52,450.00	R 54,915.00
Delagation cost - Travel claims	R 10,000.00	R 10,490.00	R 10,983.00
GIS License subscription	R 150,000.00	R 157,350.00	R 164,745.00
Printing and stationery	R 50,000.00	R 52,450.00	R 54,915.00
Delagation cost - Accomodation	R 50,000.00	R 52,450.00	R 54,915.00
Delagation cost - Food and beverage (served)	R 5,000.00	R 5,245.00	R 5,492.00
Delagation cost - Air transport	R 5,000.00	R 5,245.00	R 5,492.00
Delagation cost - Car rental	R 5,000.00	R 5,245.00	R 5,492.00
Travel claims(subsistance and travel)	R 50,000.00	R 52,450.00	R 54,915.00
Outdoor advertising	R 350,000.00	R 367,150.00	R 384,406.00
Branding and marketing	R 100,000.00	R 104,900.00	R 109,830.00
Tools and kits	R 350,000.00	R 367,150.00	R 384,406.00
Electricity expense (Municipal services)	R 3,000,000.00	R 3,147,000.00	R 3,294,909.00
Hiring of Plant	R 100,000.00	R 104,900.00	R 109,830.00
Cleaning materials	R 50,000.00	R 52,450.00	R 54,915.00
Uniform and clothing	R 800,000.00	R 839,200.00	R 878,642.00
Fuel for generators	R 3,000,000.00	R 5,245,000.00	R 5,491,515.00
Stationery	R 15,000.00	R 15,735.00	R 16,475.00
Lease of vehicles (operating lease)	R 8,000,000.00	R 8,392,000.00	R 8,786,424.00
Municipal Vehicles licenses	R 300,000.00	R 576,950.00	R 604,067.00
Stationery	R 150,000.00	R 259,103.00	R 271,281.00
Fuel and oil cost(plant and machinery)	R 500,000.00	R 1,049,000.00	R 1,098,303.00

Fuel and oil cost(Motor vehicles)	R	3,200,000.00	R	3,356,800.00	R	3,514,570.00
Bank Charges and Fees	R	1,800,000.00	R	1,888,200.00	R	1,976,945.00
External Audit Fees	R	6,000,000.00	R	6,294,000.00	R	6,589,818.00
Food and beverages	R	20,000.00	R	20,980.00	R	21,966.00
Car rental	R	10,000.00	R	10,490.00	R	10,983.00
Travel claims(subsistance and travel)	R	100,000.00	R	104,900.00	R	109,830.00
Prepaid electricity vending commission	R	3,600,000.00	R	3,776,400.00	R	3,953,891.00
Billing dispatchment	R	14,400.00	R	15,106.00	R	15,816.00
Stationery	R	100,000.00	R	104,900.00	R	109,830.00
Uniform & Protective Clothing(2020)	R	100,000.00	R	104,900.00	R	109,830.00
Uniform and clothing	R	150,000.00	R	157,350.00	R	164,745.00
MPAC Public hearing	R	15,000.00	R	15,735.00	R	16,475.00
Printing and stationery	R	20,000.00	R	20,980.00	R	21,966.00
Skills Development Levy (2023)	R	1,775,245.00	R	1,862,232.00	R	1,949,757.00
Advertising - Staff recruitment	R	300,000.00	R	314,700.00	R	329,491.00
Employee wellness	R	250,000.00	R	262,250.00	R	274,576.00
Affiliation cost	R	2,000,000.00	R	2,098,000.00	R	2,196,606.00
Registration fees: Conferences;seminars;workshops and events	R	100,000.00	R	104,900.00	R	109,830.00
Subsistance and Travel for interview candidates	R	150,000.00	R	157,350.00	R	164,745.00
Affiliation cost	R	3,500,000.00	R	2,000,000.00	R	2,200,000.00
Lease of office machinery and equipment	R	250,000.00	R	262,250.00	R	274,576.00
Computer license and contracts	R	4,326,000.00	R	4,537,974.00	R	4,751,259.00
Advertising	R	100,000.00	R	104,900.00	R	109,830.00
Branding	R	75,000.00	R	78,675.00	R	82,373.00
Media	R	75,000.00	R	78,675.00	R	82,373.00
Youth development	R	104,000.00	R	109,096.00	R	114,224.00
Comm Outreached Programmes	R	104,000.00	R	109,096.00	R	114,224.00
Travel claims(subsistance and travel)	R	50,000.00	R	52,450.00	R	54,915.00
Printing and stationery	R	10,000.00	R	10,490.00	R	10,983.00
Affiliation costs	R	100,000.00	R	104,900.00	R	109,830.00
Speaker's engagement forum	R	30,000.00	R	31,470.00	R	32,949.00
Delagation cost - Accomodation	R	100,000.00	R	104,900.00	R	109,830.00
Delagation cost - Food and beverage (served)	R	20,000.00	R	20,980.00	R	21,966.00
Delagation cost - Air transport	R	24,000.00	R	25,176.00	R	26,359.00
Delagation cost - Car rental	R	14,000.00	R	14,686.00	R	15,376.00
Travel claims(subsistance and travel)	R	50,000.00	R	52,450.00	R	54,915.00
Delagation cost - Travel claims	R	50,000.00	R	52,450.00	R	54,915.00
Ward Committee Members Compensation	R	1,080,000.00	R	1,132,920.00	R	1,186,167.00
REP forum-Transport	R	75,000.00	R	78,675.00	R	82,373.00
Third party claims	R	190,000.00	R	199,310.00	R	209,076.00
Printing and stationery	R	20,800.00	R	21,819.00	R	22,845.00
Delagation cost - Accomodation	R	60,000.00	R	62,940.00	R	65,898.00
Delagation cost - Food and beverage (served)	R	10,000.00	R	10,490.00	R	10,983.00
Delagation cost - Air transport	R	24,000.00	R	25,176.00	R	26,359.00
Delagation cost - Car rental	R	14,000.00	R	14,686.00	R	15,376.00
Travel claims(subsistance and travel)	R	50,000.00	R	52,450.00	R	54,915.00

Delagation cost - Travel claims	R	84,000.00	R	88,116.00	R	92,257.00
Performance Management system-IGS	R	1,650,000.00	R	1,730,850.00	R	1,812,200.00
Registration for conferences(WISA_IMESA_ etc)	R	30,000.00	R	31,470.00	R	32,949.00
Printing and stationery	R	20,000.00	R	20,980.00	R	21,966.00
Food and beverages	R	15,000.00	R	15,735.00	R	16,475.00
Air transport	R	20,000.00	R	20,980.00	R	21,966.00
Car rental	R	10,000.00	R	10,490.00	R	10,983.00
Travel claims(subsistance and travel)	R	150,000.00	R	157,350.00	R	164,745.00
Tools and kits	R	200,000.00	R	209,800.00	R	219,661.00
Hiring of Plant	R	200,000.00	R	209,800.00	R	219,661.00
Cleaning materials	R	15,000.00	R	15,735.00	R	16,475.00
Uniform and clothing	R	200,000.00	R	209,800.00	R	219,661.00
Uniform and clothing	R	500,000.00	R	524,500.00	R	549,152.00
Tools and Kits	R	30,000.00	R	31,470.00	R	32,949.00
EPWP-Tools and kits	R	11,000.00	R	11,539.00	R	12,081.00
Cleaning materials	R	120,000.00	R	125,880.00	R	131,796.00
Printing and stationery	R	5,000.00	R	5,245.00	R	5,492.00
Uniform and clothing	R	350,000.00	R	367,150.00	R	384,406.00
EPWP-Uniform and clothing	R	250,000.00	R	262,250.00	R	274,576.00
Cleaning materials	R	150,000.00	R	157,350.00	R	164,745.00
Advertising - Tenders	R	70,000.00	R	73,430.00	R	76,881.00
Printing and stationery	R	90,000.00	R	94,410.00	R	98,847.00
Tools and kits	R	400,000.00	R	419,600.00	R	439,321.00
Repairs and maintenance-Cleaning of reservoirs and sumps	R	250,000.00	R	262,250.00	R	274,576.00
Hiring of Plant	R	200,000.00	R	209,800.00	R	219,661.00
Total	R	57,106,445.00	R	61,744,164.00	R	64,752,534.00

1.3.1.5. Operating Surplus / Deficit

Table 16: Operating cash surplus/ deficit

2 Des	Budget Year 2022/23		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Adjusted Budget	Final Budget	Budget	Budget
R thousands					
Total Revenue (excluding capital transfers and contrib	505,848	506,043	555,869	601,017	647,576
Total Expenditure	483,739	493,465	543,004	576,445	602,929
Surplus/(Deficit) for the year	22,108	12,577	12,865	24,572	44,647

Municipality anticipate incurring surplus of R12.8 million by the end of the 2023/2024 budget year. The above table which depict the surplus include operational income and operational expenditure, together with non-cash item relating to depreciation and debt impartment.

1.4 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure for 2023/2024 Medium-term capital budget per vote.

Table 17: 2023/2024 MTREF Grant Allocations

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Chief Financial Officer		105,399	27,840	50	-	-	-	-	-	-	-
Vote 2 - Corporate Services		1,316	863	544	1,125	1,125	1,125	1,125	850	-	-
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 5 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 7 - Social and Community Services		50,541	40,432	(966)	14,354	506	506	506	18,347	4,209	-
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		1,090,345	30,781	45,409	81,829	97,771	97,771	97,771	73,496	87,632	95,829
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		1,247,601	99,916	45,037	97,309	99,402	99,402	99,402	92,693	91,841	95,829
Total Capital Expenditure - Vote		1,247,601	99,916	45,037	97,309	99,402	99,402	99,402	92,693	91,841	95,829
Capital Expenditure - Functional											
Governance and administration		106,715	28,703	594	1,125	1,125	1,125	1,125	850	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		106,715	28,703	594	1,125	1,125	1,125	1,125	850	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		14,556	30,788	(469)	-	-	-	-	4,900	-	-
Community and social services		14,556	30,788	(469)	-	-	-	-	-	-	-
Sport and recreation		-	-	(0)	-	-	-	-	4,800	-	-
Public safety		-	-	-	-	-	-	-	100	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		427,967	10,137	25,132	13,319	27,168	27,168	27,168	10,521	25,724	31,147
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		427,967	10,137	25,132	13,319	27,168	27,168	27,168	10,521	25,724	31,147
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		698,363	30,288	19,780	82,864	71,109	71,109	71,109	76,422	66,117	64,682
Energy sources		126,818	1,911	2,752	6,500	8,593	8,593	8,593	7,000	5,000	5,224
Water management		324,513	28,062	(1,247)	23,786	31,456	31,456	31,456	25	10,280	59,458
Waste water management		211,047	(9,329)	18,772	38,224	30,554	30,554	30,554	55,950	46,628	-
Waste management		35,985	9,644	(497)	14,354	506	506	506	13,447	4,209	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	1,247,601	99,916	45,037	97,309	99,402	99,402	99,402	92,693	91,841	95,829
Funded by:											
National Government		1,129,459	57,168	47,980	90,684	90,684	90,684	90,684	84,518	91,841	95,829
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-	-	-	-

Enterprises, Public Corporations, Higher Education Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	1,129,459	57,168	47,980	90,684	90,684	90,684	90,684	84,518	91,841	95,829
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	4,151	-	6,625	8,718	8,718	8,718	8,175	-	-
Total Capital Funding	7	1,129,459	61,320	47,980	97,309	99,402	99,402	99,402	92,693	91,841	95,829

Total capital expenditure was allocated to the tune of R 86 million for 2023/2024 financial year including PMU cost. This allocation is mainly for MIG, MWIG of R30 million, R55 million respectively.

Tables 15 below detail the municipality's three-year consolidated MIG infrastructure investment program for 2023/2024 to 2025/2026. The combined capital expenditure is depicted as follows. The grant allocation as per below is in line with the Division of Revenue Act issued for 2023/2024 MTREF.

Municipal Infrastructure Grant (MIG) allocation of R30 including PMU cost for 2023/2024 will be allocated as follows:

Table 18: Capital programme

Table 18.1 - MUNICIPAL INFRASTRUCTURE GRANT (MIG) FUNDED PROJECTS

MIG FUNDING						
FUNCTION	PROJECT DESCRIPTION	PROJECT TYPE	BUDGET TYPE	23/24 BUDGET	24/25 BUDGET	25/26 BUDGET
Solid Waste Disposal (Landfill Sites):Waste Management & Cleansing (4200)	Upgrading of the Bela Bela Municipal landfill site Phase 1 (Ward 2)	New	Multi Year	R13 446 851.05	R 4,209,031.60	R -
Public Transport:Roads and Stormwater (3200)	Construction of Road Paving and Stormwater in Bela Bela X8 - Phase 3 (Ward 4)	New	Multi Year	R 5,145,926.00	R -	
Public Transport:Roads and Stormwater (3200)	Construction of Road Paving and Stormwater in Bela Bela X6 - Phase 3 (Ward 7)	New	Multi Year	R4 213 983.00	R -	R -
Recreational Facilities:Sports;Arts and Culture (4600)	Development of sports facilities in Masakhane (Ward 9)	New	Single Year	R 4,800,000.00	R -	R -
Public Transport:Roads and Stormwater (3200)	Construction of Road Paving and Bulk stormwater in Bela Bela X8 - Phase 4	New	Multi Year	R 150,000.00	R 12,600,000.00	R 9,250,000.00
Public Transport:Roads and Stormwater (3200)	Construction of Road Paving and Stormwater in Bela Bela X5 - Phase 1	New	Single year	R 150,000.00	R 2,500,000.00	R 4,350,000.00
Public Transport:Roads and Stormwater (3200)	Construction of Road Paving and Stormwater in Rapotokwane - Phase 1	New	Multi Year	R 150,000.00	R 2,300,000.00	R 11,550,000.00
Community Halls and Facilities:Parks and Community Facilities (4400)	Develop New Cemetery - Pienaarsrivier	New	Single Year	R 150,000.00	R 8,323,568.40	R 3,676,431.60
Public Transport:Roads and Stormwater (3200)	Construction of Road Paving and Bulk stormwater in Masakhane - Phase 1	New	Single Year	R -	R -	R 2,320,268.40
Public Transport:Roads and Stormwater (3200)	Construction of Road Paving and Bulk stormwater in Bela-Bela X6 - Phase 2 (Ward 4)	Upgrading	Single Year	R 561 139.95		
PMU Operational Costs				R 1,514,100.00	R 1,575,400.00	R 1,639,300.00
TOTAL BUDGET				R 30 282 000.00	R 31,508,000.00	R 32,786,000.00

Municipality is allocated R30 million on Municipal Infrastructure Grant (MIG) after considering PMU cost of R1.5 million.

Table 18.2 - WATER SERVICES INFRASTRUCTURE GRANT (WSIG) FUNDED PROJECTS

WSIG FUNDING						
FUCTION	PROJECT DESCRIPTION	PROJECT TYPE	BUDGET TYPE	23/24 BUDGET	24/25 BUDGET	25/26 BUDGET
Waste Water Treatment:Water and Sanitation (3300)	Refurbishment and Automation of the Bela Bela Waste Water Treatment Works - Phase 1C (Ward 2)	Refurbishment	Multi Year	R 7,906,114.00	R -	R -
Waste Water Treatment:Water and Sanitation (3300)	Refurbishment of the sewer network and yard connections in Bela-Bela Ext 9 (Ward 4)	Refurbishment	Multi Year	R 11,018,071.37	R -	R -
Waste Water Treatment:Water and Sanitation (3300)	Upgrading of the Ext 6 Sewer Pump Station (Ward 6)	Combination:Refurbishment/Upgrading	Multi Year	R 13,212,456.71	R -	R -
Waste Water Treatment:Water and Sanitation (3300)	Upgrading of the Sewer Rising Main from the Ext 6 Pump Station to the WWTW (Ward 2&6)	Upgrading	Multi Year	R 13,853,304.57	R -	R -
Waste Water Treatment:Water and Sanitation (3300)	Upgrading of the Leseding Sewer Pump Station (Ward 6)	Combination:Refurbishment/Upgrading	Multi Year	R 4,760,053.35	R 12,921,009.06	R -
Waste Water Treatment:Water and Sanitation (3300)	Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2&6)	Upgrading	Multi Year	R 3,000,000.00	R 4,706,835.08	R -
Waste Water Treatment:Water and Sanitation (3300)	Upgrading of the Settlers Sewer Pump Station (Ward 2)	Upgrading	Multi Year	R 1,000,000.00	R 18,000,000.00	R -
Waste Water Treatment:Water and Sanitation (3300)	Upgrading of the Industrial outfall sewer line (Ward 2)	Upgrading	Multi Year	R 1,000,000.00	R 11,000,000.00	R -
Water Treatment:Water (3300)	Upgrading of the Bela-Bela Water Treatment Works (Ward 1)	Upgrading	Multi Year	R -	R 2,500,000.00	R 12,958,000.00
Water Distribution:Water (3300)	Water Supply Source Augmentation and the construction of the water reticulation network in Tsakane (Ward 7)	New	Multi Year	R -	R 2,000,000.00	R 10,000,000.00
Water Distribution:Water (3300)	Construction of Water Booster Pump Station in Ext 8, 9 and 25 (Ward 2 & 4)	New	Multi Year	R -	R 1,000,000.00	R 12,000,000.00
Water Distribution:Water (3300)	Replacement of Bulk Raw Water AC Pipeline from Lapa to Bela-Bela Water Treatment Works (Ward 1 & 9)	Upgrading	Multi Year	R -	R 2,000,000.00	R 18,000,000.00
Water Distribution:Water (3300)	Construction of Additional pipe network and Standpipes in Rapotokwane (Ward 8)	New	Multi Year	R -	R 1,280,155.86	R 1,500,000.00
Water Distribution:Water (3300)	Water Supply Source Augmentation via Sassa Borehole and Construction of a Water Treatment Package Plant	New	Multi Year	R -	R 1,500,000.00	R 5,000,000.00
TOTAL BUDGET				R 55,750,000.00	R 56,908,000.00	R 59,458,000.00

Table 18.3 - INTEGRATED NATIONAL ELECTRIFICATION (INEP) FUNDED PROJECTS

INEP FUNDING						
FUCTION	PROJECT DESCRIPTION	PROJECT TYPE	BUDGET TYPE	23/24 BUDGET	24/25 BUDGET	25/26 BUDGET
Electricity:Electricity Services (3400)	Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station	New	Multi Year	R -	R 5,000,000.00	R 5,224,000.00
TOTAL BUDGET				R -	R 5,000,000.00	R 5,224,000.00

Table – 18.4 - OWN FUNDED PROJECTS

OWN SOURCE FUNDING						
FUCTION	PROJECT DESCRIPTION	PROJECT TYPE	BUDGET TYPE	23/24 BUDGET	24/25 BUDGET	25/26 BUDGET
Electricity:Electricity Services (3400)	Procurement of Transformers and Maniatures	Combination: Refurbishment/ Upgrading	Single Year	R 2,000,000.00	R -	R -
Electricity:Electricity Services (3400)	Construction of Bela-Blea 132/11Kva 2 X 20MVA Sub-Station	New	Multi Year	R 5,000,000.00	R -	R -
Information Technology:Info & Record Management (6200)	Procurement of Computer equipment	New	Single year	R 100,000.00	R -	R -
Information Technology:Info & Record Management (6200)	Procurement of server (Munsoft and others)	New		R 600,000.00	R -	R -
Information Technology:Info & Record Management (6200)	Printers	New		R 50,000.00	R -	R -
Information Technology:Info & Record Management (6200)	Installation of new telephone system	New		R 100,000.00	R -	R -
Fire Fighting and Protection:Protection & Emergency Services (4300)	Ammunition, firearms and bulletproof vests-assets	New		R 100,000.00	R -	R -
Community Halls and Facilities:Parks and Community Facilities (4400)	Installation of 5000 Jojo Tank - Multipurpose Centre	New		R 25,000.00	R -	R -
Waste Water Treatment:Water and Sanitation (3300)	Procurement of pumps and motors	New		R 200,000.00	R -	R -
TOTAL BUDGET				R 8,175,000.00	R -	R -

The table above depict own funded capital expenditure of R8.1 million which will be utilized as per the conditions set out.

Table 18.5: Sources of funding capital programme

GRANT	FINANCIAL YEAR		
	2023/24	2024/25	2025/26
MIG	R 30 282 000.00	R 31,508,000.00	R 32,786,000.00
WSIG	R 55,750,000.00	R 56,908,000.00	R 59,458,000.00
INEP	R -	R 5,000,000.00	R 5,224,000.00
Total	R86,032,000.00	R93,416,000.00	R97,468,000.00

Total capital allocation is seating R86 million with majority of the allocation being channeled to water infrastructure.

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 2023/2024 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes*.

Table 19: MBRR TableA1 - Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance										
Property rates	74 792	79 461	81 048	113 620	113 620	113 620	113 620	142 475	149 456	156 480
Service charges	173 479	178 992	189 479	229 203	229 203	229 203	229 203	205 488	229 133	255 836
Investment revenue	1 719	95	189	1 911	2 911	2 911	2 911	1 600	1 678	1 757
Transfer and subsidies - Operational	94 046	119 288	109 019	122 518	122 678	122 678	122 678	134 330	145 247	154 450
Other own revenue	30 887	41 034	65 656	38 596	37 631	37 631	37 631	71 976	75 503	79 052
Total Revenue (excluding capital transfers and contributions)	374 922	418 870	445 390	505 848	506 043	506 043	506 043	555 869	601 017	647 576
Employee costs	149 584	151 948	152 101	166 174	168 429	168 429	168 429	173 234	181 550	190 083
Remuneration of councillors	7 072	7 509	7 248	8 047	8 047	8 047	8 047	8 481	8 888	9 306
Depreciation and amortisation	30 432	37 706	39 719	31 200	31 200	31 200	31 200	38 000	39 862	41 736
Interest	9 529	4 618	8 597	10 000	9 500	9 500	9 500	15 000	15 000	15 000
Inventory consumed and bulk purchases	121 690	110 768	150 857	166 769	163 777	163 777	163 777	187 474	196 660	205 903
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	103 225	308 157	112 464	101 550	112 513	112 513	112 513	120 815	134 485	140 902
Total Expenditure	421 532	620 705	470 985	483 739	493 465	493 465	493 465	543 004	576 445	602 929
Surplus/(Deficit)	(46 610)	(201 836)	(25 594)	22 108	12 577	12 577	12 577	12 865	24 572	44 647
Transfers and subsidies - capital (monetary allocations)	66 353	73 298	69 232	90 683	90 683	90 683	90 683	84 518	91 841	95 829
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	19 743	(128 537)	43 637	112 792	103 261	103 261	103 261	97 383	116 413	140 476
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	19 743	(128 537)	43 637	112 792	103 261	103 261	103 261	97 383	116 413	140 476
Capital expenditure & funds sources										
Capital expenditure	1 247 601	99 916	45 037	97 309	99 402	99 402	99 402	92 693	91 841	95 829
Transfers recognised - capital	1 129 459	57 168	47 980	90 684	90 684	90 684	90 684	84 518	91 841	95 829
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	4 151	-	6 625	8 718	8 718	8 718	8 175	-	-
Total sources of capital funds	1 129 459	61 320	47 980	97 309	99 402	99 402	99 402	92 693	91 841	95 829

Financial position										
Total current assets Total	109 187	112 209	166 354	267 947	331 789	331 789	331 789	256 376	310 691	374 783
non current assets Total	1 054 465	926 080	962 566	1 228 475	1 230 568	1 230 568	1 230 568	1 017 259	1 062 673	1 115 322
current liabilities	250 301	266 786	316 208	152 824	228 290	228 290	228 290	298 641	393 087	412 241
Total non current liabilities Community wealth/Equity	81 879	89 957	83 515	55 500	55 500	55 500	55 500	83 515	87 690	92 075
	811 729	848 329	728 850	1 288 098	1 278 567	1 278 567	1 278 567	891 479	892 586	985 790
Cash flows										
Net cash from (used) operating Net cash from (used) investing Net cash from (used) financing	541 064 (56 824) -	328 111 (70 870) -	174 839 (64 795) -	102 175 (97 309) -	103 610 (97 309) -	103 610 (97 309) -	103 610 (97 309) -	36 782 (90 738) -	122 165 (91 841) -	143 558 (95 829) -
Cash/cash equivalents at the year end	613 293	257 240	122 560	45 553	46 988	46 988	46 988	17 067	47 392	95 121
Cash backing/surplus reconciliation										
Cash and investments available	10 202	12 517	16 831	45 553	46 988	46 988	46 988	17 067	47 392	95 121
Application of cash and investments	27 085	112 450	77 125	(274 107)	(240 521)	(240 521)	(240 521)	(13 155)	60 864	62 704
Balance - surplus (shortfall)	(16 884)	(99 933)	(60 294)	319 659	287 510	287 510	287 510	30 221	(13 472)	32 417
Asset management										
Asset register summary (WDV)	904 452	825 421	861 741	1 214 121	1 230 062	1 230 062		916 434	956 806	1 004 162
Depreciation	30 432	37 706	35 514	31 200	31 200	31 200		38 000	39 862	41 736
Renewal and Upgrading of Existing Assets	54 383	46 417	13 419	58 058	42 148	42 148		71 197	55 337	30 958
Repairs and Maintenance	9 532	17 380	7 888	13 134	13 388	13 388		15 045	17 513	18 336
Free services										
Cost of Free Basic Services provided Revenue	21 520	25 022	31 553	34 781	35 021	35 021		34 714	37 115	39 682
cost of free services provided Households below minimum service level	35 252	30 587	32 830	32 498	34 244	34 244		47 602	49 934	52 281
Water:	-	-	-	-	-	-		-	-	-
Sanitation/sewerage:	-	-	-	-	-	-		-	-	-
Energy:	-	-	-	-	-	-		-	-	-
Refuse:	-	-	-	-	-	-		-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. The operating surplus/deficit (after total expenditure and before capital spending) is positive over the MTREF.
4. The MTREF for 2023/2024 depicts a surplus of R12,8 million after taking non-cash (depreciation) item into consideration.

Table 20: MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional	1									
Governance and administration		183,270	209,444	209,502	256,985	257,005	257,005	331,298	351,879	370,804
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		183,270	209,444	209,502	256,985	257,005	257,005	331,298	351,879	370,804
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		13,275	23,073	37,969	9,762	9,777	9,777	7,165	7,516	7,869
Community and social services		1,469	469	578	402	422	422	523	549	575
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		11,807	22,604	37,391	9,360	9,355	9,355	6,642	6,967	7,295
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		23,740	26,117	28,007	29,740	29,760	29,760	31,284	32,559	33,887
Planning and development		410	1,961	2,181	2,067	2,087	2,087	2,516	2,627	2,740

Road transport		23,330	24,156	25,825	27,674	27,674	27,674	28,768	29,933	31,147
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		220,990	233,535	239,145	300,045	300,185	300,185	270,640	300,903	330,845
Energy sources		123,725	127,384	127,796	156,073	156,213	156,213	134,128	159,278	182,688
Water management		69,070	75,529	81,034	109,759	109,759	109,759	102,182	105,615	110,454
Waste water management		19,087	20,847	20,681	23,171	23,171	23,171	23,580	24,734	25,896
Waste management		9,107	9,776	9,633	11,041	11,041	11,041	10,750	11,277	11,807
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	441,275	492,168	514,622	596,531	596,726	596,726	640,387	692,858	743,405
Expenditure - Functional										
Governance and administration		170,917	350,754	157,946	156,743	167,134	167,134	166,040	177,995	185,762
Executive and council		9,616	11,118	16,972	25,040	27,372	27,372	30,498	32,788	34,329
Finance and administration		156,509	336,589	138,205	128,378	136,320	136,320	132,154	141,657	147,716
Internal audit		4,793	3,048	2,770	3,325	3,443	3,443	3,387	3,550	3,717
Community and public safety		40,392	50,208	64,654	50,515	54,561	54,561	55,701	58,398	61,142
Community and social services		24,961	21,720	21,166	26,084	27,194	27,194	32,085	33,645	35,226
Sport and recreation		-	-	-	2,769	2,644	2,644	2,883	3,021	3,163
Public safety		15,431	28,488	43,488	21,663	24,724	24,724	20,734	21,731	22,753
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		27,621	26,082	30,114	48,178	47,571	47,571	48,159	50,674	53,045
Planning and development		11,818	12,772	15,212	20,915	21,855	21,855	17,307	18,131	18,973
Road transport		15,804	13,310	14,902	27,264	25,716	25,716	30,852	32,543	34,073
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		182,602	193,661	218,270	228,303	224,199	224,199	273,103	289,379	302,980
Energy sources		122,973	115,773	134,549	148,092	149,146	149,146	183,266	194,850	204,008
Water management		27,418	38,125	41,922	34,735	35,145	35,145	40,898	42,901	44,917
Waste water management		13,877	16,839	20,919	23,598	21,420	21,420	30,206	31,990	33,493
Waste management		18,334	22,923	20,880	21,878	18,488	18,488	18,733	19,638	20,561
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	421,532	620,705	470,985	483,739	493,465	493,465	543,004	576,445	602,929
Surplus/(Deficit) for the year		19,743	(128,537)	43,637	112,792	103,261	103,261	97,383	116,413	140,476

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote	1									
Vote 1 - Chief Financial Officer		179,672	207,799	200,691	255,387	255,247	255,247	329,580	350,078	368,917
Vote 2 - Corporate Services		3,598	1,644	8,810	1,597	1,757	1,757	1,718	1,802	1,886
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 5 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		410	673	822	610	630	630	1,002	1,051	1,101
Vote 7 - Social and Community Services		22,383	32,848	47,602	20,803	20,818	20,818	17,915	18,792	19,676
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		235,212	247,915	255,337	316,677	316,817	316,817	288,658	319,559	350,185
Vote 10 - Technical Services		-	1,288	1,360	1,457	1,457	1,457	1,514	1,575	1,639
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	441,275	492,168	514,622	596,531	596,726	596,726	640,387	692,858	743,405
Expenditure by Vote to be appropriated	1									
Vote 1 - Chief Financial Officer		95,847	276,786	76,624	91,215	99,304	99,304	88,255	97,299	101,167
Vote 2 - Corporate Services		56,395	55,619	56,576	31,303	31,284	31,284	38,753	38,963	40,900
Vote 3 - Mayor		756	49	1,115	1,226	1,276	1,276	3,750	3,931	4,115
Vote 4 - Municipal Manager		6,457	6,788	14,096	18,517	20,721	20,721	22,957	24,883	26,053
Vote 5 - Internal Audit		4,793	3,048	2,770	3,325	3,443	3,443	3,387	3,550	3,717
Vote 6 - Planning and Economic Development		10,133	10,913	11,732	16,671	16,814	16,814	12,447	13,048	13,662
Vote 7 - Social and Community Services		58,726	73,131	85,534	72,393	73,049	73,049	74,435	78,036	81,704
Vote 8 - Speaker		6,669	8,465	6,767	11,156	11,106	11,106	8,938	9,369	9,809
Vote 9 - Technical Services		180,072	184,048	212,292	233,689	231,427	231,427	285,221	302,284	316,491
Vote 10 - Technical Services		1,685	1,860	3,480	4,244	5,042	5,042	4,860	5,082	5,311
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	421,532	620,705	470,985	483,739	493,465	493,465	543,004	576,445	602,929
Surplus/(Deficit) for the year	2	19,743	(128,537)	43,637	112,792	103,261	103,261	97,383	116,413	140,476

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 the size of the department as well as its responsibility over service delivery projects such as water, electricity and sanitation.

Table 22: MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) by type

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	115,233	114,709	124,312	154,398	154,398	154,398	154,398	133,116	153,217	176,353
Service charges - Water	2	31,806	35,636	37,263	43,824	43,824	43,824	43,824	41,548	43,584	45,632
Service charges - Waste Water Management	2	17,855	19,439	18,952	21,024	21,024	21,024	21,024	21,066	22,096	23,135
Service charges - Waste Management	2	8,585	9,207	8,952	9,958	9,958	9,958	9,958	9,758	10,236	10,717
Sale of Goods and Rendering of Services		1,610	1,540	1,876	1,345	1,380	1,380	1,380	1,791	1,879	1,968
Agency services		3,490	4,593	3,895	4,567	4,567	4,567	4,567	4,677	4,906	5,137
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		4,912	5,374	6,173	7,785	7,785	7,785	7,785	9,170	9,619	10,071
Interest earned from Current and Non Current Assets		1,719	95	189	1,911	2,911	2,911	2,911	1,600	1,678	1,757
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1,412	1,366	1,602	1,666	1,666	1,666	1,666	1,614	1,693	1,773
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		4,759	2,567	3,094	2,647	1,647	1,647	1,647	572	600	628
Non-Exchange Revenue											
Property rates	2	74,792	79,461	81,048	113,620	113,620	113,620	113,620	142,475	149,456	156,480
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		6,671	16,067	31,341	8,861	8,861	8,861	8,861	37,993	39,854	41,728
Licences or permits		1,415	1,939	2,232	4,737	4,737	4,737	4,737	1,974	2,070	2,168
Transfer and subsidies - Operational		94,046	119,288	109,019	122,518	122,678	122,678	122,678	134,330	145,247	154,450
Interest		6,616	7,588	8,493	6,990	6,990	6,990	6,990	14,186	14,881	15,581
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	6,949	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribu		374,922	418,870	445,390	505,848	506,043	506,043	506,043	555,869	601,017	647,576
Expenditure											
Employee related costs	2	149,584	151,948	152,101	166,174	168,429	168,429	168,429	173,234	181,550	190,083
Remuneration of councillors		7,072	7,509	7,248	8,047	8,047	8,047	8,047	8,481	8,888	9,306
Bulk purchases - electricity	2	96,526	87,340	117,551	127,000	124,500	124,500	124,500	147,782	155,023	162,309
Inventory consumed	8	25,164	23,428	33,306	39,769	39,277	39,277	39,277	39,692	41,637	43,594
Debt impairment	3	-	-	17,445	-	-	-	-	-	-	-
Depreciation and amortisation		30,432	37,706	35,514	31,200	31,200	31,200	31,200	38,000	39,862	41,736
Interest		9,529	4,618	8,597	10,000	9,500	9,500	9,500	15,000	15,000	15,000
Contracted services		26,815	39,081	40,886	47,510	49,198	49,198	49,198	49,708	58,055	60,773
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		28,437	66,603	47,821	10,400	10,400	10,400	10,400	14,000	14,686	15,376
Operational costs		42,246	32,911	31,338	43,640	52,915	52,915	52,915	57,106	61,744	64,753
Losses on disposal of Assets		31	290	25	-	-	-	-	-	-	-
Other Losses		5,697	169,273	(25,052)	-	-	-	-	-	-	-
Total Expenditure		421,532	620,705	466,780	483,739	493,465	493,465	493,465	543,004	576,445	602,929
Surplus/(Deficit)		(46,610)	(201,836)	(21,390)	22,108	12,577	12,577	12,577	12,865	24,572	44,647
Transfers and subsidies - capital (monetary	6	66,353	73,298	69,232	90,683	90,683	90,683	90,683	84,518	91,841	95,829

Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		19,743	(128,537)	47,842	112,792	103,261	103,261	103,261	97,383	116,413	140,476
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		19,743	(128,537)	47,842	112,792	103,261	103,261	103,261	97,383	116,413	140,476
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		19,743	(128,537)	47,842	112,792	103,261	103,261	103,261	97,383	116,413	140,476
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	19,743	(128,537)	47,842	112,792	103,261	103,261	103,261	97,383	116,413	140,476

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

1. Municipality anticipate receiving revenue of R555 million in 2023/2024 as compared to the 2022/2023 adjusted budget revenue of R506 million. This represents the percentage increase of 10% against adjusted budget. Municipality major tariff were increased by 5.3% which is in linked to Consumer Price Index (CIP) as recommended by National Treasury under circular 122 and are summarised on the tariff book;
2. Revenue to be generated from property rates is projected to be R142 million in the 2023/2024 financial year (before taking into account revenue forgone) which was increased from R113 million of the 2022/2023 adjusted budgets. The slight increase is to give provision of the implementation of objection on the latest valuation roll;
3. Services charges relating to electricity, water, sanitation and refuse removal constitute the biggest component of the revenue basket of the municipality totaling R196 million for the 2023/2024 which decreased from R229 million of 2022/2023 adjusted budget. Services charges constitute 35% of the total revenue (excluding grants) base and decrease by an average of 10% per annum;
4. Transfers recognised – operating 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 23: MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Capital expenditure - Vote	2										
Multi-year expenditure to be appropriated											
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		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Chief Financial Officer		105,399	27,840	50	-	-	-	-	-	-	-
Vote 2 - Corporate Services		1,316	863	544	1,125	1,125	1,125	1,125	850	-	-
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 5 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 7 - Social and Community Services		50,541	40,432	(966)	14,354	506	506	506	18,347	4,209	-
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		1,090,345	30,781	45,409	81,829	97,771	97,771	97,771	73,496	87,632	95,829
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		1,247,601	99,916	45,037	97,309	99,402	99,402	99,402	92,693	91,841	95,829
Total Capital Expenditure - Vote		1,247,601	99,916	45,037	97,309	99,402	99,402	99,402	92,693	91,841	95,829
Capital Expenditure - Functional											
Governance and administration		106,715	28,703	594	1,125	1,125	1,125	1,125	850	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		106,715	28,703	594	1,125	1,125	1,125	1,125	850	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		14,556	30,788	(469)	-	-	-	-	4,900	-	-
Community and social services		14,556	30,788	(469)	-	-	-	-	-	-	-
Sport and recreation		-	-	(0)	-	-	-	-	4,800	-	-
Public safety		-	-	-	-	-	-	-	100	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		427,967	10,137	25,132	13,319	27,168	27,168	27,168	10,521	25,724	31,147
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		427,967	10,137	25,132	13,319	27,168	27,168	27,168	10,521	25,724	31,147
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		698,363	30,288	19,780	82,864	71,109	71,109	71,109	76,422	66,117	64,682
Energy sources		126,818	1,911	2,752	6,500	8,593	8,593	8,593	7,000	5,000	5,224
Water management		324,513	28,062	(1,247)	23,786	31,456	31,456	31,456	25	10,280	59,458
Waste water management		211,047	(9,329)	18,772	38,224	30,554	30,554	30,554	55,950	46,628	-
Waste management		35,985	9,644	(497)	14,354	506	506	506	13,447	4,209	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	1,247,601	99,916	45,037	97,309	99,402	99,402	99,402	92,693	91,841	95,829
Funded by:											
National Government		1,129,459	57,168	47,980	90,684	90,684	90,684	90,684	84,518	91,841	95,829
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	1,129,459	57,168	47,980	90,684	90,684	90,684	90,684	84,518	91,841	95,829
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	4,151	-	6,625	8,718	8,718	8,718	8,175	-	-
Total Capital Funding	7	1,129,459	61,320	47,980	97,309	99,402	99,402	99,402	92,693	91,841	95,829

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. Single-year capital expenditure has been appropriated at R87 million for the 2023/2024 after taking into consideration PMU cost of R1.5 Million;
3. Various internal funded project has been proposed for 2023/2024 to the tune of R8.1 million pending available capital reserve; and
4. The municipality has not budgeted for any long-term borrowing to fund the capital programme.

Table 24: MBRR Table A6 -Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
ASSETS											
Current assets											
Cash and cash equivalents		10,202	12,517	16,831	45,553	46,988	46,988	46,988	17,067	47,392	95,121
Trade and other receivables from exchange transactions	1	10,726	19,659	20,242	34,126	67,541	67,541	67,541	50,343	54,821	59,650
Receivables from non-exchange transactions	1	33,910	27,698	32,437	187,269	187,269	187,269	187,269	72,058	75,621	79,278
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	328	388	549	(0)	602	602	602	200	100	1,000
VAT		54,130	52,056	95,624	1,000	29,388	29,388	29,388	116,708	132,757	139,734
Other current assets		(109)	(109)	670	-	-	-	-	-	-	-
Total current assets		109,187	112,209	166,354	267,947	331,789	331,789	331,789	256,376	310,691	374,783
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		279,139	109,865	134,917	289,184	289,184	289,184	289,184	134,917	141,663	148,746
Property, plant and equipment	3	772,814	813,880	825,257	937,224	939,317	939,317	939,317	881,041	919,643	965,137
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		539	539	539	1,078	1,078	1,078	1,078	539	566	594
Intangible assets		1,860	1,722	1,629	989	989	989	989	538	565	597
Trade and other receivables from exchange transactions		113	73	224	-	-	-	-	224	236	247
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		1,054,465	926,080	962,566	1,228,475	1,230,568	1,230,568	1,230,568	1,017,259	1,062,673	1,115,322
TOTAL ASSETS		1,163,652	1,038,289	1,128,919	1,496,422	1,562,357	1,562,357	1,562,357	1,273,635	1,373,364	1,490,105
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-
Consumer deposits		6,441	6,813	7,153	6,136	6,136	6,136	6,136	7,153	7,511	7,886
Trade and other payables from exchange transactions	4	145,773	152,637	165,621	139,438	180,523	180,523	180,523	140,334	227,008	237,739
Trade and other payables from non-exchange transactions	5	21,847	18,366	214	(0)	(0)	(0)	(0)	414	435	456
Provision		10,899	13,296	18,214	7,250	7,250	7,250	7,250	-	-	-
VAT		46,221	48,882	89,968	-	34,381	34,381	34,381	115,701	121,344	127,530
Other current liabilities		19,120	26,792	35,038	-	-	-	-	35,038	36,790	38,629
Total current liabilities		250,301	266,786	316,208	152,824	228,290	228,290	228,290	298,641	393,087	412,241
Non current liabilities											
Financial liabilities	6	-	-	-	-	-	-	-	-	-	-
Provision	7	67,551	75,761	75,761	55,500	55,500	55,500	55,500	75,761	79,549	83,527
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		14,329	14,196	7,753	-	-	-	-	7,753	8,141	8,548
Total non current liabilities		81,879	89,957	83,515	55,500	55,500	55,500	55,500	83,515	87,690	92,075
TOTAL LIABILITIES		332,180	356,743	399,723	208,324	283,790	283,790	283,790	382,156	480,777	504,316
NET ASSETS		831,472	681,546	729,196	1,288,098	1,278,567	1,278,567	1,278,567	891,479	892,586	985,790
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	811,729	848,329	728,850	1,288,098	1,278,567	1,278,567	1,278,567	891,479	892,586	985,790
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	811,729	848,329	728,850	1,288,098	1,278,567	1,278,567	1,278,567	891,479	892,586	985,790

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 converted 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 for 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 Municipal'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 Municipal total assets value is seating at just over R1.5 billion for the 2022/2023 financial period and expected to decrease to R1.2 billion during 2023/2024 budget year.

Table 25: MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		23,197	57,316	67,127	102,518	102,518	102,518	102,518	123,953	130,027	136,138
Service charges		43,959	110,665	174,991	201,963	201,963	201,963	201,963	179,118	199,345	222,606
Other revenue		50,674	35,554	20,146	24,721	33,996	33,996	33,996	69,549	63,108	65,586
Transfers and Subsidies - Operational	1	129,274	127,724	123,178	122,518	122,678	122,678	122,678	134,530	145,457	154,670
Transfers and Subsidies - Capital	1	48,000	59,623	35,086	90,683	90,683	90,683	90,683	84,518	91,841	95,829
Interest		-	-	-	1,911	2,911	2,911	2,911	1,600	1,678	1,757
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		245,959	(62,771)	(245,690)	(432,139)	(441,139)	(441,139)	(441,139)	(541,486)	(494,290)	(518,028)
Interest		-	-	-	(10,000)	(10,000)	(10,000)	(10,000)	(15,000)	(15,000)	(15,000)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		541,064	328,111	174,839	102,175	103,610	103,610	103,610	36,782	122,165	143,558
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(56,824)	(70,870)	(64,795)	(97,309)	(97,309)	(97,309)	(97,309)	(90,738)	(91,841)	(95,829)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(56,824)	(70,870)	(64,795)	(97,309)	(97,309)	(97,309)	(97,309)	(90,738)	(91,841)	(95,829)
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		484,239	257,240	110,044	4,866	6,302	6,302	6,302	(53,956)	30,325	47,729
Cash/cash equivalents at the year begin:	2	129,053	-	12,517	40,686	40,686	40,686	40,686	71,023	17,067	47,392
Cash/cash equivalents at the year end:	2	613,293	257,240	122,560	45,553	46,988	46,988	46,988	17,067	47,392	95,121

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.

Table 26: MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available											
Cash/cash equivalents at the year end	1	613,293	257,240	122,560	45,553	46,988	46,988	46,988	17,067	47,392	95,121
Other current investments > 90 days		(603,091)	(244,724)	(105,729)	0	0	0	0	-	-	-
Non current investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		10,202	12,517	16,831	45,553	46,988	46,988	46,988	17,067	47,392	95,121
Application of cash and investments											
Trade payables from Non-exchange transactions: Other		21,847	18,366	214	(0)	(0)	(0)	(0)	414	435	456
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(35,910)	(3,174)	(5,656)	(1,000)	4,992	4,992	4,992	(1,007)	(11,413)	(12,204)
Other working capital requirements	3	11,130	57,170	29,315	(280,356)	(252,763)	(252,763)	(252,763)	(47,600)	35,053	35,823
Other provisions		30,019	40,088	53,252	7,250	7,250	7,250	7,250	35,038	36,790	38,629
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		27,085	112,450	77,125	(274,107)	(240,521)	(240,521)	(240,521)	(13,155)	60,864	62,704
Surplus(shortfall)		(16,884)	(99,933)	(60,294)	319,659	287,510	287,510	287,510	30,221	(13,472)	32,417

References

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 2023/2024 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, taking into account the working capital requirements.

Table 27: MBRR Table A9 - Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	1,193,218	53,499	31,618	39,250	57,254	57,254	21,496	36,504	64,871
<i>Roads Infrastructure</i>		275,414	(14,468)	14,711	13,319	27,168	27,168	10,371	17,400	27,470
<i>Storm water Infrastructure</i>		152,947	12,142	10,421	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		135,259	1,402	2,752	6,500	8,593	8,593	5,000	5,000	5,224
<i>Water Supply Infrastructure</i>		317,018	17,590	(1,251)	8,786	12,961	12,961	25	5,780	28,500
<i>Sanitation Infrastructure</i>		204,290	346	5,992	9,520	7,407	7,407	200	-	-
<i>Solid Waste Infrastructure</i>		-	3,327	(1,132)	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		1,084,929	20,339	31,493	38,125	56,129	56,129	15,596	28,180	61,194
<i>Community Facilities</i>		-	-	(469)	-	-	-	150	8,324	3,676
<i>Sport and Recreation Facilities</i>		1,574	2,985	(0)	-	-	-	4,800	-	-
Community Assets		1,574	2,985	(469)	-	-	-	4,950	8,324	3,676
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	29	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		-	29	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		407	-	-	-	-	-	-	-	-
Intangible Assets		407	-	-	-	-	-	-	-	-
Computer Equipment		1,749	585	415	1,100	1,100	1,100	850	-	-
<i>Furniture and Office Equipment</i>		604	467	129	25	25	25	-	-	-
Machinery and Equipment		191	1,272	50	-	-	-	100	-	-
Transport Assets		-	27,822	-	-	-	-	-	-	-
Land		103,763	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	35,985	40,320	4	-	-	-	-	-	-
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	5,173	4	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		35,985	13,878	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		35,985	19,051	4	-	-	-	-	-	-
<i>Community Facilities</i>		-	21,269	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
Community Assets		-	21,269	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<i>Furniture and Office Equipment</i>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	18,398	6,097	13,416	58,058	42,148	42,148	71,197	55,337	30,958
<i>Roads Infrastructure</i>		-	-	-	0	0	0	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	2,000	-	-
<i>Water Supply Infrastructure</i>		7,495	-	-	15,000	18,496	18,496	-	2,000	18,000
<i>Sanitation Infrastructure</i>		(1,684)	8,087	12,780	28,704	23,146	23,146	55,750	49,128	12,958
<i>Solid Waste Infrastructure</i>		-	(7,561)	635	14,354	506	506	13,447	4,209	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		5,811	526	13,416	58,058	42,148	42,148	71,197	55,337	30,958
Community Facilities		-	4,780	-	-	-	-	-	-	-
Sport and Recreation Facilities		12,587	791	-	-	-	-	-	-	-
Community Assets		12,587	5,571	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	1,247,601	99,916	45,037	97,309	99,402	99,402	92,693	91,841	95,829
<i>Roads Infrastructure</i>		275,414	(14,468)	14,711	13,319	27,168	27,168	10,371	17,400	27,470
<i>Storm water Infrastructure</i>		152,947	12,142	10,421	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		135,259	1,402	2,752	6,500	8,593	8,593	7,000	5,000	5,224
<i>Water Supply Infrastructure</i>		324,513	22,763	(1,247)	23,786	31,456	31,456	25	7,780	46,500
<i>Sanitation Infrastructure</i>		202,605	8,433	18,772	38,224	30,554	30,554	55,950	49,128	12,958
<i>Solid Waste Infrastructure</i>		35,985	9,644	(497)	14,354	506	506	13,447	4,209	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		1,126,725	39,916	44,912	96,184	98,277	98,277	86,793	83,517	92,152
Community Facilities		-	26,049	(469)	-	-	-	150	8,324	3,676
Sport and Recreation Facilities		14,162	3,777	(0)	-	-	-	4,800	-	-
Community Assets		14,162	29,825	(469)	-	-	-	4,950	8,324	3,676
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	29	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	29	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		407	-	-	-	-	-	-	-	-
Intangible Assets		407	-	-	-	-	-	-	-	-
Computer Equipment		1,749	585	415	1,100	1,100	1,100	850	-	-
Furniture and Office Equipment		604	467	129	25	25	25	-	-	-
Machinery and Equipment		191	1,272	50	-	-	-	100	-	-
Transport Assets		-	27,822	-	-	-	-	-	-	-
Land		103,763	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		1,247,601	99,916	45,037	97,309	99,402	99,402	92,693	91,841	95,829

ASSET REGISTER SUMMARY - PPE (WDV)	5	904,452	825,421	861,741	1,214,121	1,230,062	1,230,062	916,434	956,806	1,004,162
<i>Roads Infrastructure</i>		139,321	153,145	162,185	225,368	239,216	239,216	(7,569)	(1,419)	7,767
<i>Storm water Infrastructure</i>		51,525	57,469	65,628	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		40,381	38,169	38,658	203,971	206,064	206,064	728,644	762,729	800,849
<i>Water Supply Infrastructure</i>		120,675	137,646	129,178	262,067	269,737	269,737	(3,961)	3,599	42,122
<i>Sanitation Infrastructure</i>		89,121	96,708	104,040	34,570	26,900	26,900	51,500	44,459	8,070
<i>Solid Waste Infrastructure</i>		20,384	20,456	28,420	-	-	-	13,447	4,209	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		461,407	503,593	528,108	725,976	741,917	741,917	782,060	813,577	858,808
Community Assets		55,526	75,752	69,685	199,593	199,593	199,593	3,304	6,597	1,869
Heritage Assets		539	539	539	1,078	1,078	1,078	539	566	594
Investment properties		279,139	109,865	134,917	289,184	289,184	289,184	134,917	141,663	148,746
Other Assets		22,965	22,965	20,508	(263)	(263)	(263)	(1,539)	(1,614)	(1,690)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		1,860	1,722	1,629	989	989	989	538	565	597
Computer Equipment		456	1,967	1,363	(1,737)	(1,737)	(1,737)	(2,606)	(3,625)	(3,795)
Furniture and Office Equipment		1,265	1,885	1,357	(445)	(445)	(445)	(573)	(601)	(629)
Machinery and Equipment		532	1,484	1,065	(252)	(252)	(252)	(207)	(322)	(338)
Transport Assets		1,852	26,738	23,660	-	-	-	-	-	-
Land		78,910	78,910	78,910	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	904,452	825,421	861,741	1,214,121	1,230,062	1,230,062	916,434	956,806	1,004,162
EXPENDITURE OTHER ITEMS		39,965	55,086	43,402	44,334	44,588	44,588	53,045	57,375	60,072
Depreciation	7	30,432	37,706	35,514	31,200	31,200	31,200	38,000	39,862	41,736
Repairs and Maintenance by Asset Class	3	9,532	17,380	7,888	13,134	13,388	13,388	15,045	17,513	18,336
<i>Roads Infrastructure</i>		413	212	574	1,550	1,860	1,860	1,300	1,364	1,428
<i>Storm water Infrastructure</i>		1,009	994	45	450	400	400	670	892	934
<i>Electrical Infrastructure</i>		3,169	12,080	3,157	3,525	3,972	3,972	7,150	8,025	8,402
<i>Water Supply Infrastructure</i>		392	2,812	1,254	2,700	2,350	2,350	2,530	2,885	3,020
<i>Sanitation Infrastructure</i>		2,754	37	1,239	1,370	1,630	1,630	1,230	1,332	1,395
<i>Solid Waste Infrastructure</i>		175	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		111	20	26	100	70	70	100	105	110
<i>Information and Communication Infrastructure</i>		-	22	-	50	50	50	50	52	55
Infrastructure		8,023	16,177	6,295	9,745	10,332	10,332	13,030	14,655	15,343
Community Facilities		1,316	837	1,145	150	150	150	150	157	165
Sport and Recreation Facilities		174	356	324	2,100	1,200	1,200	1,100	1,154	1,208
Community Assets		1,490	1,193	1,469	2,250	1,350	1,350	1,250	1,311	1,373
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		19	11	-	114	114	114	115	121	126
Machinery and Equipment		-	-	124	325	292	292	360	378	395
Transport Assets		-	-	-	700	1,300	1,300	290	1,049	1,098
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		39,965	55,086	43,402	44,334	44,588	44,588	53,045	57,375	60,072
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		4.4%	46.5%	29.8%	59.7%	42.4%	42.4%	76.8%	60.3%	32.3%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		178.7%	123.1%	37.8%	186.1%	135.1%	135.1%	187.4%	138.8%	74.2%
<i>R&M as a % of PPE</i>		1.1%	2.1%	0.9%	1.1%	1.1%	1.1%	1.6%	1.8%	1.8%
<i>Renewal and upgrading and R&M as a % of PPE</i>		7.1%	7.8%	2.5%	5.9%	4.5%	4.5%	9.4%	7.6%	4.9%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets, procuring new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The table shows that all the capital allocations are for new assets.
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.

- 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 28: MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets	1									
Water:										
Piped water inside dwelling		14 073	14 073	14 073	14 073	14 073	14 073	14 073	14 073	14 073
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	18 064	18 064	18 064
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	18 064	18 064	18 064
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		14 928	14 928	14 928	14 928	14 928	14 928	14 928	14 928	14 928
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	18 064	18 064	18 064
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	18 064	18 064	18 064
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	15 426	15 845	15 845
<i>Minimum Service Level and Above sub-total</i>		15 133	15 343	15 343	15 703	15 703	15 703	16 003	16 422	16 422
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	16 003	16 422	16 422
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)		4 225	4 647	4 647	4 647	4 647	4 614	4 700	4 700	4 700
Sanitation (free minimum level service)		4 241	4 665	4 665	4 665	4 665	5 074	5 100	5 100	5 100
Electricity/other energy (50kwh per household per month)		3 411	3 752	3 752	3 752	3 752	3 551	3 600	3 600	3 600
Refuse (removed at least once a week)		4 262	4 688	4 688	4 688	4 688	4 706	4 800	4 800	4 800
Informal Settlements		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month) Sanitation (free sanitation service to indigent households)		7 122	8 062	9 437	7 744	7 744	7 744	7 265	7 621	7 979
Electricity/other energy (50kwh per indigent household per month) Refuse (removed once a week for indigent households)		10 166	10 940	13 331	13 766	13 766	13 766	14 940	15 672	16 409
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		293	1 749	3 894	8 000	8 240	8 240	6 869	7 906	9 100
Total cost of FBS provided	8	3 939	4 271	4 891	5 271	5 271	5 271	5 640	5 916	6 194
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		208	218	225	236	236	236	249	261	273
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		183	191	197	207	207	207	218	229	239
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		35 251	30 587	32 830	32 497	34 244	34 244	47 602	49 934	52 281
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)	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	6	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		35 252	30 587	32 830	32 498	34 244	34 244	47 602	49 934	52 281

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.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

2.1.1 Overview of the annual IDP/budget process

In terms of the MFMA (Act no 56 of 2003), 16. (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

This Medium-Term Revenue and Expenditure Framework (MTREF) Report for the 2023/2024 to 2025/2026 financial years deals with the operating budget and tariff proposals as well as the capital budget and funding sources proposals to ensure that Bela-Bela Local Municipality renders services to its local community in a sustainable manner.

The MTREF Report starts with a discussion of the legislative requirements to which the Municipality must adhere to, the MFMA budget circulars with directives issued by National Treasury, the budget related policies of Council and budget assumptions for next three financial years based on these documents and assumed economic trends. A high-level summary of the operating and capital budget followed with appropriate recommendations. Supporting information in the form of appendices, annexures and tables will form part of this report.

Circular 122 as issued by National Treasury highlighted one key area which require serious consideration by all Municipality which relate to institutional challenges and mismanagement that result in service delivery failures, bad debt accumulation, limited cash flows and consequent non-payment of creditors. Furthermore, circular 123 has outlined key issues especially pertaining to the current economic status of the country.

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

2.1.2. Budget Process Overview

The preparation of a reviewed IDP/ Budget is based on a Process Plan, which Bela-Bela Local Municipality adopted in terms of the MFMA. The Plan establishes a firm foundation for the alignment of the IDP and budget preparation processes. This plan included the following: -

- i. a programme specifying the time frames for the different planning steps;
- ii. appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities, and other role players in the IDP finalizing process;
- iii. an indication of the organisational arrangements for the IDP process;
- iv. binding plans and planning requirements, i.e. policy and legislation;

The objectives of the Process Plan are as follows:

- i. to guide decision making in respect of service delivery and public sector investment;
- ii. to inform budgets and Service delivery programs of various government departments and service agencies; and
- iii. to coordinate the activities of various service delivery agencies within Bela-Bela Local Municipality.

There were no deviations from the key dates set out on circular 86.

2.2. IDP and Service Delivery and Budget Implementation Plan

Municipality IDP for 2023/2024 is on its second-year term since the sworn in of council. The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the revision cycle included the following key IDP processes and deliverables:

- i. Registration of community needs;
- ii. Compilation of departmental business plans including key performance indicators and targets;
- iii. Financial planning and budgeting process;
- iv. Public participation process;
- v. Revision of the IDP, and
- vi. The review of the performance management and monitoring processes.

The new IDP has been considered for deliberation with all other stakeholders, such as community, provincial treasury and national treasury.

With the compilation of the 2023/2024 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2023/2024 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.2.1. Service Level Standards

MFMA circular No. 72 indicated that all municipalities must formulate service level standards which must form part of each tabled MTREF budget documentation. The services level standard will be able to monitor the level in which service delivery is achieved by each department.

Service level standard details the expectation which each department need to achieve in orderto successfully attain service delivery to the community.

Bela-Bela Local Municipal will continue to implement service level standard in the 2023/2024 budget year. Below table summarise only key services delivery standard (For a full services delivery standard can be provided on a separate document)

Table 29: Service level standards

Standard	Key Service level
Solid Waste Removal	Street Cleaning Frequency in CBD (Once a week)
	How soon are public areas cleaned after events (24hours)
	Clearing of illegal dumping (24hours)
Water Service	Water Quality rating (Blue Drop 71%)
	Is free water available to all? (All/only to the indigent consumers)
	Frequency of meter reading? (Once per month,)
Electricity Service	Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)
	How long does it take to replace faulty meters? (seven days)
	How effective is the action plan in curbing line losses? (Good/Bad)
Sewerage Service	How long does it take to restore sewerage breakages on average
	Severe overflow? (hours)
	Sewer blocked pipes: Large pipes? (Hours)
	Sewer blocked pipes: Small pipes? (Hours)
	Spillage clean-up? (hours)
	Replacement of manhole covers? (Hours)
Road Infrastructure Services	Time taken to repair a single pothole on a major road? (Hours)
Property valuations	How long does it take on average from completion to the first account being issued? (one month/three months or longer)
Financial Management	Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease)
	How long does it take to finalise a tender after closing date (5 working days)
Administration	Reaction time on enquiries and requests?
	Time to respond to a verbal customer enquiry or request? (immediately / one working days)
	Time to respond to a written customer enquiry or request? (7 working days)
	Time to resolve a customer enquiry or request? (2 working days)
	What percentage of calls are not answered? (5%)
Community safety and licensing services	How long does it take to register a vehicle? (minutes)
Economic development	How many economic development projects does the municipality drive?
Other Service delivery and communication	Does the municipality have training or information sessions to inform the community? (Yes)

2.3 Community Consultation

The Final 2023/2024 MTREF as tabled before Council on 30 March 2023 for community consultation was placed on the municipality's website and made available to all the relevant stakeholders.

2.4 Overview of alignment of annual budget with IDP

Below table provide overview alignment of the 2023/2024 budget to IDP.

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

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

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by the municipality correlate with National Development Plan as well as National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent manner to improve the quality of life for all the people living in that area. Applied to the Bela-Bela Local municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- i. Green Paper on National Strategic Planning of 2009;
- ii. Government Programme of Action;
- iii. Development Facilitation Act of 1995;
- iv. Provincial Growth and Development Strategy (PGDS);
- v. National and Provincial spatial development perspectives;

- vi. Relevant sector plans such as transportation, legislation and policy;
- vii. National Key Performance Indicators (NKPIs);
- viii. Accelerated and Shared Growth Initiative (ASGISA);
- ix. National 2014 Vision;
- x. National Spatial Development Perspective (NSDP) and
- xi. The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the final IDP's five strategic objectives for the 2022/2023 MTREF and further planning refinements that have directly inform this plan.

Table 30: IDP Strategic Objectives

TASK/ACTIVITY	RESPONSIBILITY	Close-off 2019/20	Close-off 2020/21	2021/22 Budget
		FINANCIAL YEAR	FINANCIAL YEAR	TIME FRAME
PREPARATION PHASE				
Table in Council a budget and IDP time schedule of key deadlines (Every year – at least 10 months before the start of the budget year)	OFFICE OF THE MM/BTO	August 2019	July 2020	31 July 2021
District IDP Managers Forum (Activity alignment – coordinated by WDM – IDP Head)	OFFICE OF THE MM	August 2019	August 2020	August 2021
IDP/PMS/Budget Process workshop for new ward committees	OFFICE OF THE MM /BTO	September 2019	September 2020	September 2021
Submission of the time schedule to the Provincial Treasury, National Treasury and Cogsta	OFFICE OF THE MM /BTO	August 2019	August 2020	August 2021
Place public notice on the IDP/Budget time schedule approval	OFFICE OF THE MM /BTO	August 2019	August 2020	August 2021
1st IDP Review/Budget Steering Committee Meeting	OFFICE OF THE MM	August 2019	August 2020	12 August 2021
1st IDP Review/Budget/LED Representative Forum	OFFICE OF THE MM	August 2019	August 2020	13 August 2021
ANALYSIS, STRATEGY AND PROJECT PHASE				
Identification of Gaps, Stakeholder Registration, and Information Gathering	OFFICE OF THE MM	September 2019	September 2020	27 September 2021
Review status of Capital Projects on Capital wish list + current 3 year MTREF	BTO	September 2019	September 2020	September 2021
Managers for respective departments receive wish list of previous project requests for ward committees/ward councilors to review	BTO	September 2019	September 2020	September 2021
Distribute Capital Projects template to all managers to complete for existing projects on the two outer years, prioritise	BTO	September 2019	September 2020	September 2021

TASK/ACTIVITY	RESPONSIBILITY	Close-off 2019/20	Close-off 2020/21	2021/22 Budget
		FINANCIAL YEAR	FINANCIAL YEAR	TIME FRAME
outer year (2017/21 and new projects in exceptional circumstances)				
Provincial Development Planning Forum	Local/Provincial alignment – Quarter 2 Provincial engagement – OFFICE OF THE MM	December 2019	November 2020	13 December 2021
Ward committees meet to review current needs	OFFICE OF THE MM	September 2019	September 2020	September 2021
Managers for the respective departments submit ward request based on review of current needs identification	Managers	October 2019	October 2020	October 2021
2nd IDP Review/Budget Steering Committee Meeting	OFFICE OF THE MM	October 2019	October 2020	25 October 2021
2nd IDP Review/Budget/LED Representative Forum	OFFICE OF THE MM	October 2019	October 2020	26 October 2021
Managers submit completed capital projects template on the 2018/2020 MTREF Capital Budget	Managers	October 2019	October 2020	October 2021
Budget Steering Committee Meeting – direction on proposed tariff increases & increases in revenue, expenditure and capital	BTO	October 2019	October 2020	October 2021
Managers to review existing 3 year MTREF capital project and submit completed Capital project templates with priorities to BTO	Managers	October 2019	October 2020	October 2021
BTO sends Tariff lists to managers for review	BTO	October 2019	October 2020	October 2021
Top management meeting to discuss budget proposals and budget affordability	OFFICE OF THE MM BTO	November 2019	November 2020	November 2021
Based on the Budget Steering Committee meeting directive, ward committees meet to priorities their ward requests	OFFICE OF THE MM /BTO	November 2019	November 2020	November 2021
Mayoral Roadshow	OFFICE OF THE MM /BTO	November 2019	November 2020	November 2021
Managers of respective departments to submit prioritised ward requests to the BTO	Managers	November 2019	November 2020	November 2021
INTEGRATION PHASE				
Budget Steering Committee Meeting – To discuss & review capital budget request (Round 1)	BTO	November 2019	November 2020	November 2021
Managers to submit proposed tariffs to BTO	Managers	November 2019	November 2020	November 2021

TASK/ACTIVITY	RESPONSIBILITY	Close-off 2019/20	Close-off 2020/21	2021/22 Budget
		FINANCIAL YEAR	FINANCIAL YEAR	TIME FRAME
BTO/PED distributes prioritized ward requests to managers for ward committee's final verification	BTO	November 2019	November 2020	November 2021
Workshop on tariffs and tariff related policies	BTO	November 2019	November 2020	November 2021
Budget Office sends summarized capital budget requests to managers for review	BTO	November 2019	November 2020	November 2021
Ward Committees/Councillors meet for final confirmation of their ward request	OFFICE OF THE MM /BTO	December 2019	December 2020	December 2021
Budget Steering Committee Meeting - Mid Year Review and Performance Assessment (2017/18 Budget): Capex including Draft 2018 – 2021 Capital budget request (Round 2)	OFFICE OF THE MM /BTO	January 2019	January 2020	January 2022
Managers to review 2018/2019 – 2020/2021 Opex requests from managers on the new budget programme	Managers	January 2019	January 2020	January 2022
Managers to submit new post request to HR	Managers	January 2019	January 2020	January 2022
Managers to submit 2018/19 – 2020/2021 Opex requests to BTO	Managers	January 2019	January 2020	January 2022
BTO to submit draft tariff list and proposed revenue	BTO	January 2019	January 2020	January 2022
District IDP Managers Forum (Activity alignment – coordinated by WDM – IDP Head)	PED	January 2019	January 2020	January 2022
Budget Office to distribute Opex performance including Draft 2018 – 2019 Opex	BTO	January 2019	January 2020	January 2022
Provincial Development Planning Forum	Local/Provincial alignment – Quarter 3 Provincial engagement – PED	January 2019	January 2020	January 2022
Budget Steering Committee Meeting – Mid Year Review and Performance Assessment (2017/18 Budget): Opex performance including Draft 2018/2019 Opex	OFFICE OF THE MM /BTO	January 2019	January 2020	January 2022
BTO distributes all Mid-Year Review (Capex & Opex) changes & Draft Capex & Opex budget request to managers	BTO	January 2019	January 2020	January 2022

TASK/ACTIVITY	RESPONSIBILITY	Close-off 2019/20	Close-off 2020/21	2021/22 Budget
		FINANCIAL YEAR	FINANCIAL YEAR	TIME FRAME
Compilation of Mid-Year Review Report (2017 – 18)	OFFICE OF THE MM /BTO	January 2019	January 2020	January 2022
Submit Mid-Year Review Report to the Mayor	OFFICE OF THE MM /BTO	January 2019	January 2020	January 2022
Table Mid-Year Review Report & Draft Annual Report in Council	OFFICE OF THE MM /BTO			31 st January 2022
Budget Steering Committee Meeting – Final discussion on Tariffs & Final Adjustment Budget Review (2017/2018 Budget)	OFFICE OF THE MM /BTO	February 2019	February 2020	February 2022
BTO distributes all operational budget request to managers for final verification	OFFICE OF THE MM /BTO	February 2019	February 2020	February 2022
BTO determines final revenue projections & tariffs and Review of Budget related policies	OFFICE OF THE MM /BTO	February 2019	February 2020	February 2022
Strategic Planning Session – for discussion on preliminary budget proposals and IDP review focus areas for 2019/20	OFFICE OF THE MM /BTO	February 2019	February 2020	23 rd – 25 th February 2022
Compile Adjustment Budget (2018/2019): NT Reports and circulars	OFFICE OF THE MM /BTO	February 2019	February 2020	February 2022
Budget Steering Committee Meeting – to discuss & review Opex, Capex, new posts, revenue projections & filling of vacancies for determination of salary contingency	BTO/TM/TG&BT Sub-committee	February 2019	February 2020	February 2022
Provincial Development Planning Forum	Local/Provincial alignment – Quarter 4 Provincial engagement – PED	February 2019	February 2020	February 2022
Start with the compilation of Draft SDBIP (2019/20)	OFFICE OF THE MM /BTO	February 2019	February 2020	February 2022
Final Review of 2019/20 Adjustment Budget documents	BTO	February 2019	February 2020	February 2022
Managers return final operational and capital budget including the statistical information with final sign off to verify information submitted	Managers	February 2019	February 2020	February 2022
BTO to finalise Draft tariffs & revenue projections	BTO	February 2019	February 2020	February 2022
Managers to submit final policies to CFO	Managers	February 2019	February 2020	February 2022
Submit Electricity Tariffs to NERSA	BTO	February 2019	February 2020	February 2022

TASK/ACTIVITY	RESPONSIBILITY	Close-off 2019/20	Close-off 2020/21	2021/22 Budget
		FINANCIAL YEAR	FINANCIAL YEAR	TIME FRAME
Managers to submit Activity/Business Plans for Grants to BTO	Managers	March 2019	March 2020	March 2022
Finalise the draft IDP Review/Budget 2019/20	OFFICE OF THE MM /BTO	March 2019	March 2020	March 2022
BTO does final review of Draft Budget Report & Schedules	BTO	March 2019	March 2020	March 2022
BTO distributes Draft Budget Report	BTO	March 2019	March 2020	March 2022
3rd IDP Review/Budget Steering Committee Meeting	OFFICE OF THE MM	March 2019	March 2020	March 2022
3rd IDP Review/Budget/LED Representative Forum	OFFICE OF THE MM	March 2019	March 2020	March 2022
BTO March 2020 Draft IDP/Budget tabled in Council	OFFICE OF THE MM /BTO	March 2019	March 2020	31 st March 2022
2016/17 Oversight Report tabled at Council by MPAC	OFFICE OF THE MM /BTO	March 2019	March 2020	31 st March 2022
Advertise Draft IDP & Budget for public comments	OFFICE OF THE MM /BTO	April 2019	April 2020	April 2021
CONSULTATION & APPROVAL PHASE				
Mayoral Road-shows	Mayor	April 2019	April 2020	3 rd April 2022 – 30 th April 2022
Electronic Draft IDP/Budget files submitted to PT, Coghsta and NT after Council meeting	OFFICE OF THE MM /BTO	April 2019	April 2020	April 2022
Submission of Annual Draft Budget and IDP for representation to PT, Coghtsa and NT	OFFICE OF THE MM /BTO	April 2019	April 2020	April 2022
Managers to submit Demand Management Plans to SCM	Managers	April 2019	April 2020	April 2022
Provincial Budget Assessment	PT/Municipal Delegation	April 2019	April 2020	April 2022

TASK/ACTIVITY	RESPONSIBILITY	Close-off 2019/20	Close-off 2020/21	2021/22 Budget
		FINANCIAL YEAR	FINANCIAL YEAR	TIME FRAME
Summarise all community feedback and distribute to the relevant stakeholders for consideration to be included in the Final Budget report	OFFICE OF THE MM /BTO	May 2019	May 2020	May 2022
4th IDP Review/Budget Steering Committee Meeting	OFFICE OF THE MM	May 2019	May 2020	May 2022
4th IDP Review/Budget/LED Representative Forum	OFFICE OF THE MM	May 2019	May 2020	May 2022
Budget Steering Committee Meeting – consideration of Budget Comments (Review Budget comments to make decision on comments)	BTO/TM/TG&BT Sub-committee	May 2019	May 2020	May 2022
BTO compile final Budget Report and Schedules	BTO	May 2019	May 2020	May 2022
Approval of IDP/Budget/PMS Framework by Council	OFFICE OF THE MM /BTO	May 2019	May 2020	May 2022
IMPLEMENTATION PHASE				
Place Final IDP Review/Budget documents on the website	OFFICE OF THE MM /BTO	June 2019	June 2020	June 2022
Advertise Final IDP Review/Budget and Tariffs in the media	OFFICE OF THE MM /BTO	June 2019	June 2020	June 2022
Submission of Final Budget and IDP to NT, PT and Coghsta	OFFICE OF THE MM /BTO	June 2019	June 2020	June 2022
Municipal Manager submits SDBIP to Mayor	OFFICE OF THE MM	June 2019	June 2020	June 2022
Publish a summary of Budget	BTO	June 2019	June 2020	June 2022
Approval of SDBIP by the Mayor	Mayor	June 2019	June 2020	June 2022
Finalise and approval of the performance agreements of the S54A and S56 appointees	OFFICE OF THE MM /BTO /Mayor	June 2019	June 2020	July 2022
REPORTING AND REVIEW				
Monthly Budget statement to Municipal Manager and Mayor	BTO		Monthly	Monthly

TASK/ACTIVITY	RESPONSIBILITY	Close-off 2019/20	Close-off 2020/21	2021/22 Budget
		FINANCIAL YEAR	FINANCIAL YEAR	TIME FRAME
Quarterly Reporting by Mayor to Council	Mayor		October 2021, January 2022, April 2022, July 20212	October 2021, January 2022, April 2022, July 2022
Table adjustments Budget	BTO		February 2022	February 2022
Finalise Roll Over Projects	BTO		31 st July 2022	31st July 2022
Table Adjustments Budget for approval of Roll over projects	BTO		March 2022	
Table in Council Draft unaudited Annual Performance Report/AFS	OFFICE OF THE MM		August 2022	August 2022
Submission of the AFS to AG	BTO		30 th August 2022	30th August 2022
Submit Draft audited Annual Report to Council	OFFICE OF THE MM		25 Januar 2023	25 January 2023
Submit Adjustment Budget, if necessary	OFFICE OF THE MM		30th March 2022	30th March 2022
Final Annual Report Comments and Approval	OFFICE OF THE MM		February 2023 to March 2023	February 2023 to March 2023

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

2.5 Free Basic Services: basic social services package for households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality. Indigent households receive free basic water of 6kl and 50 kwh of electricity per month. For the 2023/2024 financial year 5,000 registered indigents have been provided for in the budget. The figure was depicted based on baseline of actually registered indigent 4930 during 2022/2023 financial period. The threshold for qualification as an indigent is the pension of two people in a household, i.e. R4 500 per month. Indigent households must approach the municipality and provide the required documentation.

2.6 Providing clean water and managing waste water

Municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and Magalies Water is the water services provider.

Approximately 50% of the Municipality's bulk water needs are provided by Magalies Water in the form of purified water. The remaining 50% is generated from the Municipality's own water sources, such as boreholes and the dams.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and wastewater treatment works that meet certain criteria of excellence.

Bela-Bela Local Municipality has in past achieved an acceptable score of 71.07% during Blue Drop Certification Programme for its only Water Treatment Plant in the 2013/14 financial year. Municipality is currently under review to assess the level of its Blue Drop.

The following is briefly the main challenges facing the Municipality as indicated as route course on the blue drop outcome:

- i. Shortage of skilled personnel makes proper operations and maintenance difficult;
and
- ii. Aging infrastructure.

2.7 Measurable performance objectives and indicators

The table below shows the key measurable financial indicators of the Bela-Bela Local Municipality. With time permitting and availability of information, these indicators will be benchmarked against the indicators of other municipalities of similar type, size and functions.

Table 31: MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.3%	0.7%	1.8%	2.1%	1.9%	1.9%	1.9%	2.8%	2.6%	2.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.5%	1.1%	1.9%	2.0%	1.9%	1.9%	1.9%	2.7%	2.5%	2.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.4	0.4	0.5	1.8	1.5	1.5	1.5	0.9	0.8	0.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.4	0.4	0.5	1.8	1.5	1.5	1.5	0.9	0.8	0.9
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.1	0.1	0.5	0.5	0.5	0.5	0.2	0.3	0.4
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		27.0%	65.0%	89.5%	88.8%	88.8%	88.8%	52.5%	56.4%	55.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		26.9%	64.6%	88.9%	88.5%	88.5%	88.5%	88.5%	86.7%	86.6%	86.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	98.0%	45.4%	59.2%	94.4%	100.1%	100.1%	100.1%	58.3%	58.3%	56.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))				100.0%	100.0%	100.0%		100.0%	100.0%	100.0%
Creditors to Cash and Investments		23.8%	59.3%	135.1%	306.1%	384.2%	384.2%	384.2%	822.3%	479.0%	249.9%
Other Indicators											
	Total Volume Losses (kW) technical	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kW) non technical	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	14.00%	14.00%	23.00%							
	Bulk Purchase	0	0	0	0	0	0	0	0	0	0
Water Volumes :System input	Water treatment works	0	0	0	0	0	0	0	0	0	0
	Natural sources	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kℓ)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	42.00%	56.00%	21.00%							
Employee costs	Employee costs/(Total Revenue - capital revenue)	39.9%	36.3%	34.1%	32.9%	33.3%	33.3%	33.3%	31.2%	30.2%	29.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	41.8%	38.1%	35.8%	34.4%	34.9%	34.9%		32.7%	31.7%	30.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.5%	4.1%	1.8%	2.6%	2.6%	2.6%		2.7%	2.9%	2.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.7%	10.1%	10.8%	8.1%	8.0%	8.0%	8.0%	9.5%	9.1%	8.8%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	-	-	233.1	173.8	173.8	173.8	316.3	331.2	342.0	368.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	49.5%	43.3%	65.9%	80.1%	92.4%	92.4%	92.4%	89.2%	88.4%	83.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	23.3	9.9	4.0	1.4	1.4	1.4	1.4	0.5	1.2	2.4

2.8 Overview of budget related policies

In Table 32: below, the relevant budget related policies are set out.

Policies				
No	Policy Description	Date Reviewed/ Developed	Status	Comment
1	Credit Control and Debt Collection Policy	Feb 2023	In use	With effect from 01/07/2023
2	Property Rates Policy	Feb 2023	In use	With effect from 01/07/2023
3	Assets Management Policy	Feb 2023	In use	With effect from 01/07/2023
4	Indigent Policy	Feb 2023	In use	With effect from 01/07/2023
5	Borrowing framework policy	Feb 2023	In use	With effect from 01/07/2023
6	Budget Implementation and Monitoring Policy	Feb 2023	In use	With effect from 01/07/2023
7	Cash Management and Investment Policy	Feb 2023	In use	With effect from 01/07/2023
8	Funding Reserves Policy	Feb 2023	In use	With effect from 01/07/2023
9	Prioritisation Model for Capital Assets Investment	Feb 2023	In use	With effect from 01/07/2023
10	Policy on Infrastructure Investment and Capital Projects	Feb 2023	In use	With effect from 01/07/2023
11	Policy on Long Term Financial Planning policy	Feb 2023	In use	With effect from 01/07/2023
12	Policy on Provision for doubtful debts and writing off of irrecoverable debts	Feb 2023	In use	With effect from 01/07/2023
13	Principles and Policy on Tariffs	Feb 2023	In use	With effect from 01/07/2023
14	Petty Cash Policy	Feb 2023	In use	With effect from 01/07/2023
15	Supply Chain Management Policy	Feb 2023	In use	With effect from 01/07/2023

16	Expenditure Management Policy	Feb 2023	In use	With effect from 01/07/2023

Amendments

Indigent policy:

Reviewed to align it to current circumstance of the indigent such as qualifying criteria.

Tariff Policy:

There are no major changes in the tariff policy other than the annual increment as recommended by National Treasury, NERSA and Magalies Water.

2.9 Overview of budget assumptions

Table below provide the budget assumptions issues which depict the next two years assumed percentage increases.

Council's wage bill, bulk purchases and capital charges constitutes majority on our operating budget expenditure. Council have very little control over them since the cost of living salary increases are determined at a higher authority (Bargaining Council level); bulk electricity purchases by NERSA; bulk water purchase by Magalies; and, interest on loans to be set by borrowing authorities (Financial Institutions).

The cost of living and notch increases on the wage bill amounted to an average of 5.3%.

The MFMA Budget Circular 123, dated 3rd March 2022, advises of the following CPI increases:

Table 33: CPI Inflation

Fiscal year	2023/24	2024/25
CPI Inflation	5.3%	4.9%

This means that any increases above the 5.3% (inflation target) should be motivated in the budget, considering cost reflective tariffs, affordability and indigents.

The estimated operating revenue stream increases are projected to fund the operating budget expenditure. It must be emphasised that to balance the operating budget, senior management had to cut material amount worth of operating expenditure requests that exceeded the affordable and sustainable revenue streams.

The revenue streams increases/decreases for 2023/2024 compared to adjusted budget are as follows:

Table 34: 2024/2025 revenue increases vs 2023/2024 adjusted budget

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	115,233	114,709	124,312	154,398	154,398	154,398	154,398	133,116	153,217	176,353
Service charges - Water	2	31,806	35,636	37,263	43,824	43,824	43,824	43,824	41,548	43,584	45,632
Service charges - Waste Water Management	2	17,855	19,439	18,952	21,024	21,024	21,024	21,024	21,066	22,096	23,135
Service charges - Waste Management	2	8,585	9,207	8,952	9,958	9,958	9,958	9,958	9,758	10,236	10,717
Sale of Goods and Rendering of Services		1,610	1,540	1,876	1,345	1,380	1,380	1,380	1,791	1,879	1,968
Agency services		3,490	4,593	3,895	4,567	4,567	4,567	4,567	4,677	4,906	5,137
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		4,912	5,374	6,173	7,785	7,785	7,785	7,785	9,170	9,619	10,071
Interest earned from Current and Non Current Assets		1,719	95	189	1,911	2,911	2,911	2,911	1,600	1,678	1,757
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1,412	1,366	1,602	1,666	1,666	1,666	1,666	1,614	1,693	1,773
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		4,759	2,567	3,094	2,647	1,647	1,647	1,647	572	600	628
Non-Exchange Revenue											
Property rates	2	74,792	79,461	81,048	113,620	113,620	113,620	113,620	142,475	149,456	156,480
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		6,671	16,067	31,341	8,861	8,861	8,861	8,861	37,993	39,854	41,728
Licences or permits		1,415	1,939	2,232	4,737	4,737	4,737	4,737	1,974	2,070	2,168
Transfer and subsidies - Operational		94,046	119,288	109,019	122,518	122,678	122,678	122,678	134,330	145,247	154,450
Interest		6,616	7,588	8,493	6,990	6,990	6,990	6,990	14,186	14,881	15,581
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	6,949	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribu		374,922	418,870	445,390	505,848	506,043	506,043	506,043	555,869	601,017	647,576

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monitor the payment and collection rates. Through the financial support and incentives envisaged through our new budget related policies developed we are hopeful that the payment rate will increase to over 85% over the next 12 months.

2.9.1 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2023/2024 MTREF:

- a. National Government macro-economic targets;
- b. The general inflationary outlook and the impact on Bela-Bela's residents and businesses;
- c. The impact of municipal cost drivers;
- d. The increase in prices for bulk electricity and water; and
- e. The increase in the cost of remuneration. Employee and Councillor related costs comprise 34% of total operating expenditure in the 2023/2024 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.

2.9.2. Employee cost

Table 32 below depicts the break-down of employee related costs.

Table 35: MBRR Table SA22 - Summary of Employees and Councillors remuneration

Summary of Employee and Councillor remuneration	Ref	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
R thousand		A	B	C	D	E	F	G	H
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages		2,180	201	5,232	4,211	4,211	4,211	4,439	4,652
Pension and UIF Contributions		501	658	572	682	682	682	719	753
Medical Aid Contributions		343	427	348	770	770	770	812	851
Motor Vehicle Allowance		-	-	-	-	-	-	-	-
Cellphone Allowance		755	751	725	785	785	785	827	867
Housing Allowances		-	-	-	-	-	-	-	-
Other benefits and allowances		3,292	5,472	371	1,598	1,598	1,598	1,684	1,765
Sub Total - Councillors		7,072	7,509	7,248	8,047	8,047	8,047	8,481	8,888
% increase	4		6.2%	(3.5%)	11.0%	-	-	5.4%	4.8%
Senior Managers of the Municipality									
Basic Salaries and Wages		1,339	1,019	2,516	4,083	3,558	3,558	5,507	5,772
Pension and UIF Contributions		411	314	392	530	654	654	592	620
Medical Aid Contributions		108	104	74	144	144	144	270	283
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		131	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	457	256	1,264	1,182	1,449	1,449	1,594	1,671
Cellphone Allowance	3	146	117	1,009	222	222	222	234	245
Housing Allowances	3	-	-	-	-	-	-	-	-
Other benefits and allowances	3	0	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	25	163	163	163	-	-
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2,591	1,809	5,280	6,324	6,190	6,190	8,197	8,591
% increase	4		(30.2%)	191.8%	19.8%	(2.1%)	-	32.4%	4.8%
Other Municipal Staff									
Basic Salaries and Wages		77,776	80,137	78,111	88,492	86,825	86,825	96,568	101,203
Pension and UIF Contributions		15,570	16,292	14,450	16,032	18,373	18,373	20,204	21,174
Medical Aid Contributions		6,961	6,742	7,098	22,324	12,198	12,198	10,771	11,288
Overtime		11,445	11,994	10,714	7,334	11,487	11,487	14,325	15,012
Performance Bonus		6,126	6,069	5,923	6,623	7,022	7,022	6,169	6,466
Motor Vehicle Allowance	3	9,026	10,116	8,711	8,536	11,019	11,019	8,738	9,158
Cellphone Allowance	3	1,913	1,549	1,384	1,293	1,950	1,950	1,528	1,601
Housing Allowances	3	376	401	433	385	596	596	434	455
Other benefits and allowances	3	2,946	2,202	5,453	2,301	2,455	2,455	2,681	2,809
Payments in lieu of leave		4,262	5,749	3,288	3,203	3,522	3,522	2,961	3,103
Long service awards		3,065	122	986	529	690	690	324	340
Post-retirement benefit obligations	6	6,781	8,413	7,908	1,300	1,300	1,300	334	350
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		745	352	2,361	1,500	4,801	4,801	-	-
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		146,993	150,138	146,821	159,851	162,239	162,239	165,037	172,959
% increase	4		2.1%	(2.2%)	8.9%	1.5%	-	1.7%	4.8%
Total Parent Municipality		156,656	159,456	159,349	174,221	176,476	176,476	181,716	190,438
			1.8%	(0.1%)	9.3%	1.3%	-	3.0%	4.8%
Board Members of Entities									
Basic Salaries and Wages		-	-	-	-	-	-	-	-

Pension and UIF Contributions		-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-

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Senior Managers of Entities									
Basic Salaries and Wages		-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-
Other Staff of Entities									
Basic Salaries and Wages		-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		156,656	159,456	159,349	174,221	176,476	176,476	181,716	190,438
% increase	4		1.8%	(0.1%)	9.3%	1.3%	-	3.0%	4.8%
TOTAL MANAGERS AND STAFF	5,7	149,584	151,948	152,101	166,174	168,429	168,429	173,234	181,550

Table 36: SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

NO.	Position	NEW PACKAGE
1	Mayor	927 485.00
2	Speaker	750 149.00
3	Chief Whip	321 403.00
4	EC Member (Full time)	705 815.00
5	S79 Chairperson	400 907.00
6	Other ordinary councillor	321 403.00
7	Municipal Manager	1 083 601.00
8	Other S56 Managers	1 037 559.00

2.9.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality did not budget to raise any long-term loans due to the squeezed cash position and low payment levels.

2.9.4 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (83%) of annual billings. Cash flow is assumed to be 95% of billings excluding collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.9.5 Growth or decline in tax base of the municipality

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

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

2.9.6 Impact of national, provincial, and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align

IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities, as articulated by the President of the country in his State of the Nation Address (SoNA) early this year, form the basis of all integration initiatives:

- a. Creating jobs;
- b. Enhancing education and skill development;
- c. Improving Health services;
- d. Rural development and agriculture; and
- e. Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives. However, it is also important to take cognisance of the fact that some of these priorities are not directly linked to the powers and functions assigned to the municipality. Nevertheless, efforts will be made to contribute to these priorities.

2.9.7. Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (application > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 37: MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available											
Cash/cash equivalents at the year end	1	613,293	257,240	122,560	45,553	46,988	46,988	46,988	17,067	47,392	95,121
Other current investments > 90 days		(603,091)	(244,724)	(105,729)	0	0	0	0	-	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		10,202	12,517	16,831	45,553	46,988	46,988	46,988	17,067	47,392	95,121
Application of cash and investments											
Trade payables from Non-exchange transactions: Other		21,847	18,366	214	(0)	(0)	(0)	(0)	414	435	456
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(35,910)	(3,174)	(5,656)	(1,000)	4,992	4,992	4,992	(1,007)	(11,413)	(12,204)
Other working capital requirements	3	11,130	57,170	29,315	(280,356)	(252,763)	(252,763)	(252,763)	(47,600)	35,053	35,823

Other provisions		30,019	40,088	53,252	7,250	7,250	7,250	7,250	35,038	36,790	38,629
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		27,085	112,450	77,125	(274,107)	(240,521)	(240,521)	(240,521)	(13,155)	60,864	62,704
Surplus(shortfall)		(16,884)	(99,933)	(60,294)	319,659	287,510	287,510	287,510	30,221	(13,472)	32,417

References

The following breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is, obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year, unless the funds are committed to identifiable programmes and/or projects;
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are not fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the rehabilitation of landfill sites. The municipality has indicated its intention to build up cash-backed reserve in terms of its reserve policy; and
- It can be concluded that the Municipality has a surplus against the cash backed and accumulated surpluses reconciliation. From a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

2.9.8 Funding compliance measurement

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

Table 38: MBRR Table SA10 – Funding compliance measurement

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
			Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2023/24	+1 2024/25	+2 2025/26
Funding measures												
Cash/cash equivalents at the year end - R000	18(1)b	1	613,293	257,240	122,560	45,553	46,988	46,988	46,988	17,067	47,392	95,121
Cash + investments at the yr end less applications - R000	18(1)b	2	(16,884)	(99,933)	(60,294)	319,659	287,510	287,510	287,510	30,221	(13,472)	32,417
Cash year end/monthly employee/supplier payments	18(1)b	3	23.3	9.9	4.0	1.4	1.4	1.4	1.4	0.5	1.2	2.4
Surplus/(Deficit) excluding depreciation offsets: R000	18(1)	4	19,743	(128,537)	47,842	112,792	103,261	103,261	103,261	97,383	116,413	140,476
Service charge rev % change - macro CPIIX target exclusive	18(1)a(2)	5	N.A.	(1.9%)	(1.3%)	20.7%	(6.0%)	(6.0%)	(6.0%)	(4.5%)	2.8%	2.9%
Cash receipts % of Ratepayer & Other revenue	18(1)a(2)	6	43.0%	69.2%	81.2%	88.1%	90.8%	90.8%	90.8%	90.7%	88.3%	88.2%
Debt impairment expense as a % of total billable revenue	18(1)a(2)	7	0.0%	0.0%	6.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c:19	8	4.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	6.1%	11.2%	320.3%	15.1%	0.0%	0.0%	(52.0%)	6.6%	6.5%

Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(35.5%)	207.1%	(100.0%)	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.1%	2.1%	0.9%	1.1%	1.1%	1.1%	1.6%	1.8%	1.8%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	2.9%	40.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Cash/cash equivalent position

The municipality’s forecast position was discussed as part of the budgeted cash flow statement. A ‘positive’ cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements. If the municipality’s forecast cash position is negative, for any year of the medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short-term debt at the end of the financial year.

Cash plus investment less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is on Table 33 above. The reconciliation is intended to be relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

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

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

Debt impairment expense as a percentage of billable revenue

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

Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 0 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality’s ‘own funded’

capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. For 2023/2024 financial year the municipality has not budgeted for any borrowing to finance capital expenditure.

Transfers/grants revenue as a percentage of Government transfers/grants Available

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

Consumer debtors change (Current and Non-current)

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

Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. The municipality has budgeted to spend 3% of the operating budget on repairs and maintenance for the 2023/2024 financial year.

Asset renewal/rehabilitation expenditure level

This measure has a similar objective to relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

In summary, the funding compliance measurement above shows that serious attempts were made to make the budget funded. This is in line with the recommendations made by the National and Provincial Treasuries.

2.9.9. Allocations and grant made by the municipality

The municipality has not budgeted to make any allocations or grants to individuals or external parties.

2.11 Expenditure on allocation and grant programme

The table below shows the projected expenditure against the grants receipts.

Table 39: MBRR Table A5 – Expenditure on transfer and grant programmes

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Chief Financial Officer		105,399	27,840	50	-	-	-	-	-	-	-
Vote 2 - Corporate Services		1,316	863	544	1,125	1,125	1,125	1,125	850	-	-
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 5 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 7 - Social and Community Services		50,541	40,432	(966)	14,354	506	506	506	18,347	4,209	-
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		1,090,345	30,781	45,409	81,829	97,771	97,771	97,771	73,496	87,632	95,829
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		1,247,601	99,916	45,037	97,309	99,402	99,402	99,402	92,693	91,841	95,829
Total Capital Expenditure - Vote		1,247,601	99,916	45,037	97,309	99,402	99,402	99,402	92,693	91,841	95,829
Capital Expenditure - Functional											
Governance and administration		106,715	28,703	594	1,125	1,125	1,125	1,125	850	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		106,715	28,703	594	1,125	1,125	1,125	1,125	850	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		14,556	30,788	(469)	-	-	-	-	4,900	-	-
Community and social services		14,556	30,788	(469)	-	-	-	-	-	-	-
Sport and recreation		-	-	(0)	-	-	-	-	4,800	-	-
Public safety		-	-	-	-	-	-	-	100	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		427,967	10,137	25,132	13,319	27,168	27,168	27,168	10,521	25,724	31,147
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		427,967	10,137	25,132	13,319	27,168	27,168	27,168	10,521	25,724	31,147
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		698,363	30,288	19,780	82,864	71,109	71,109	71,109	76,422	66,117	64,682
Energy sources		126,818	1,911	2,752	6,500	8,593	8,593	8,593	7,000	5,000	5,224
Water management		324,513	28,062	(1,247)	23,786	31,456	31,456	31,456	25	10,280	59,458
Waste water management		211,047	(9,329)	18,772	38,224	30,554	30,554	30,554	55,950	46,628	-
Waste management		35,985	9,644	(497)	14,354	506	506	506	13,447	4,209	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	1,247,601	99,916	45,037	97,309	99,402	99,402	99,402	92,693	91,841	95,829
Funded by:											
National Government		1,129,459	57,168	47,980	90,684	90,684	90,684	90,684	84,518	91,841	95,829
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-	-	-	-

Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	1,129,459	57,168	47,980	90,684	90,684	90,684	90,684	84,518	91,841	95,829
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	4,151	-	6,625	8,718	8,718	8,718	8,175	-	-
Total Capital Funding	7	1,129,459	61,320	47,980	97,309	99,402	99,402	99,402	92,693	91,841	95,829

2.12 Annual budget and SDBIP – Internal departments

The municipality provides major infrastructure projects internally, though some technical work is contracted to professional service providers such as designs. The key service delivery departments are Technical Services and Social and Community Services. The Planning and IDP Department also does some work related to job creation and Local Economic Development, including Town Planning and establishment.

Each of the above departments is headed by a Senior Manager directly accountable to the Municipal Manager. Majority of the capital budget is allocated to Technical Services followed by Social and Community Services department.

The Senior Managers submit their departmental Service Delivery and Budget Implementation Plans to the Municipal Manager and then compiles the municipal SDBIP which is submitted to the Mayor and tabled with the budget. These SDBIP form the basis of performance agreements.

2.13 Contracts having future budgetary implications

The municipality does not have expenditure contracts that go beyond the three years except revenue contract.

2.14 Monthly target for revenue, expenditure and cash flow

The following tables depict the monthly target for revenue, expenditure and cash flow.

Table 40: MBRR Table SA25 – Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue																
Exchange Revenue																
Service charges - Electricity		11,093	11,093	11,093	11,093	11,093	11,093	11,093	11,093	11,093	11,093	11,093	11,093	133,116	153,217	176,353
Service charges - Water		3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462	41,548	43,584	45,632
Service charges - Waste Water Management		1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	21,066	22,096	23,135
Service charges - Waste Management		813	813	813	813	813	813	813	813	813	813	813	813	9,758	10,236	10,717
Sale of Goods and Rendering of Services		149	149	149	149	149	149	149	149	149	149	149	149	1,791	1,879	1,968
Agency services		390	390	390	390	390	390	390	390	390	390	390	390	4,677	4,906	5,137
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		764	764	764	764	764	764	764	764	764	764	764	764	9,170	9,619	10,071
Interest earned from Current and Non Current Assets		133	133	133	133	133	133	133	133	133	133	133	133	1,600	1,678	1,757
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		135	135	135	135	135	135	135	135	135	135	135	135	1,614	1,693	1,773
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Operational Revenue	48	48	48	48	48	48	48	48	48	48	48	48	48	572	600	628
Non-Exchange Revenue																
Property rates	11,873	11,873	11,873	11,873	11,873	11,873	11,873	11,873	11,873	11,873	11,873	11,873	11,873	142,475	149,456	156,480
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	37,993	39,854	41,728
Licences or permits	164	164	164	164	164	164	164	164	164	164	164	164	164	1,974	2,070	2,168
Transfer and subsidies - Operational	49,799	2,556	376	296	1,104	41,967	376	860	35,867	376	376	376	376	134,330	145,247	154,450
Interest	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	14,186	14,881	15,581
Fuel Levy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribu	84,927	37,684	35,505	35,425	36,232	77,095	35,505	35,989	70,995	35,505	35,505	35,505	35,505	555,869	601,017	647,576
Expenditure																
Employee related costs	14,436	14,436	14,436	14,436	14,436	14,436	14,436	14,436	14,436	14,436	14,436	14,436	14,436	173,234	181,550	190,083
Remuneration of councillors	707	707	707	707	707	707	707	707	707	707	707	707	707	8,481	8,888	9,306
Bulk purchases - electricity	12,315	12,315	12,315	12,315	12,315	12,315	12,315	12,315	12,315	12,315	12,315	12,315	12,315	147,782	155,023	162,309
Inventory consumed	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	39,692	41,637	43,594
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	38,000	39,862	41,736
Interest	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000	15,000	15,000
Contracted services	4,142	4,142	4,142	4,142	4,142	4,142	4,142	4,142	4,142	4,142	4,142	4,142	4,142	49,708	58,055	60,773
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	14,000	14,686	15,376
Operational costs	4,759	4,759	4,759	4,759	4,759	4,759	4,759	4,759	4,759	4,759	4,759	4,759	4,759	57,106	61,744	64,753
Losses on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	45,250	45,250	45,250	45,250	45,250	45,250	45,250	45,250	45,250	45,250	45,250	45,250	45,250	543,004	576,445	602,929
Surplus/(Deficit)	39,676	(7,566)	(9,746)	(9,826)	(9,018)	31,844	(9,746)	(9,262)	25,745	(9,746)	(9,746)	(9,746)	(9,746)	12,865	24,572	44,647
Transfers and subsidies - capital (monetary allocations)	7,043	7,043	7,043	7,043	7,043	7,043	7,043	7,043	7,043	7,043	7,043	7,043	7,043	84,518	91,841	95,829
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	46,720	(523)	(2,703)	(2,783)	(1,975)	38,888	(2,703)	(2,218)	32,788	(2,703)	(2,703)	(2,702)	(2,702)	97,383	116,413	140,476
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	46,720	(523)	(2,703)	(2,783)	(1,975)	38,888	(2,703)	(2,218)	32,788	(2,703)	(2,703)	(2,702)	(2,702)	97,383	116,413	140,476
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	46,720	(523)	(2,703)	(2,783)	(1,975)	38,888	(2,703)	(2,218)	32,788	(2,703)	(2,703)	(2,702)	(2,702)	97,383	116,413	140,476
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	46,720	(523)	(2,703)	(2,783)	(1,975)	38,888	(2,703)	(2,218)	32,788	(2,703)	(2,703)	(2,702)	97,383	116,413	140,476

Table 41: MBRR Table SA30 – Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Cash Receipts By Source													1		
Property rates	10,736	10,251	10,543	10,008	9,421	10,509	9,981	10,561	10,257	10,527	10,590	10,568	123,953	130,027	136,138
Service charges - electricity revenue	10,164	9,421	9,675	8,837	8,961	9,557	8,421	8,351	8,675	11,208	11,057	11,828	116,155	125,066	127,573
Service charges - water revenue	3,532	2,528	2,889	3,180	3,351	3,473	2,527	2,530	3,213	3,162	3,057	2,704	36,147	46,151	65,554
Service charges - sanitation revenue	1,527	1,527	1,527	1,527	1,527	1,527	1,527	1,527	1,527	1,527	1,527	1,527	18,327	19,224	20,127
Service charges - refuse revenue	707	707	707	707	707	707	707	707	707	707	707	707	8,489	8,905	9,352
Rental of facilities and equipment	117	117	117	117	117	117	117	117	117	117	117	117	1,404	1,473	1,542
Interest earned - external investments	133	133	133	133	133	133	133	133	133	133	133	133	1,600	1,678	1,757
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2,754	2,754	2,754	2,754	2,754	2,754	2,754	2,754	2,754	2,754	2,754	2,754	33,054	34,673	36,303
Licences and permits	390	390	390	390	390	390	390	390	390	390	390	390	4,677	4,906	5,137
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	51,191	2,255	-	-	753	43,076	-	501	36,754	-	-	-	134,530	145,457	154,670
Other revenue	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,534	30,414	22,055	22,604
Cash Receipts by Source	83,787	32,619	31,272	30,189	30,649	74,779	29,092	30,107	67,064	33,062	32,867	33,264	508,750	539,615	580,757
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	39,072	-	10,826	13,910	-	-	-	-	20,710	-	-	-	84,518	91,841	95,829
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	122,858	32,619	42,097	44,099	30,649	74,779	29,092	30,107	87,774	33,062	32,867	33,264	593,268	631,456	676,586
Cash Payments by Type															
Employee related costs	15,112	15,112	15,112	15,112	15,112	15,112	15,112	15,112	15,112	15,112	15,112	15,112	181,343	190,047	199,389
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	15,000	15,000	15,000	15,000
Bulk purchases - electricity	21,784	11,367	10,065	10,813	10,434	21,161	10,800	10,683	21,815	12,784	13,135	13,941	168,782	155,023	162,309
Acquisitions - water & other inventory	9,651	5,476	7,759	6,887	7,259	9,522	5,473	5,481	8,461	6,850	6,621	5,857	85,297	30,208	31,628
Contracted services	4,113	4,113	4,113	4,113	4,113	4,113	4,113	4,113	4,113	4,113	4,113	4,113	49,358	57,688	60,389
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	5,541	3,966	4,533	4,988	5,257	5,448	3,964	3,969	5,041	4,961	4,795	4,242	56,706	61,325	64,313
Cash Payments by Type	56,201	40,035	41,582	41,914	42,175	55,356	39,462	39,358	54,542	43,821	43,776	58,265	556,486	509,290	533,028
Other Cash Flows/Payments by Type															
Capital assets	-	3,561	5,000	7,000	7,500	12,000	8,500	9,000	11,000	9,700	9,000	8,476	90,738	91,841	95,829
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	56,201	43,596	46,582	48,914	49,675	67,356	47,962	48,358	65,542	53,521	52,776	66,741	647,224	601,131	628,856
NET INCREASE/(DECREASE) IN CASH HELD	66,657	(10,977)	(4,485)	(4,815)	(19,026)	7,423	(18,869)	(18,251)	22,232	(20,459)	(19,909)	(33,477)	(53,956)	30,325	47,729
Cash/cash equivalents at the month/year begin:	71,023	137,680	126,703	122,218	117,403	98,378	105,800	86,931	68,680	90,912	70,453	50,544	71,023	17,067	47,392
Cash/cash equivalents at the month/year end:	137,680	126,703	122,218	117,403	98,378	105,800	86,931	68,680	90,912	70,453	50,544	17,067	17,067	47,392	95,121

2.15 Legislation compliance status

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

a. In-year reporting

Reporting to National Treasury in electronic format was fully complied with monthly. Section 71 reporting to the Mayor (within 10 working days) has progressively improved. However, changes in the new financial system are expected to improve the quality of the reports.

b. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has hired 5 local graduates in the internship program during October 2022.

c. Budget and Treasury Office

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

d. Audit Committee

New Audit Committee has been appointed with effect from 1 May 2022.

e. Service Delivery and Implementation Plan

The detail SDBIP document is at a final stage and will be finalised after approval of the 2023/2024 MTREF directly aligned and informed by the 2022/2023 MTREF.

f. Annual Report

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

g. MFMA Training

The relevant managers are attending the MFMA accredited training.

h. Policies

The following policies have been reviewed in the light of this new budget;

- Credit control and debt collection;
- Rates;
- Indigent;
- Irrecoverable debt; and
- Tariffs.


2.16 Quality certification

I, T.C. Ramagasa, 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 Tsatsi Creerge Ramagasa

Municipal manager of Belar Bela Local Municipality (Lim 366)
(name and demarcation code of municipality)

Signature 

Date 08/06/2023

Annexure 1: Budget tables

Annexure 2: Tariff book

Annexure 3: Amended budget related policies and By-Laws

Annexure 4: Organizational Structure

Annexure 5: Service standards

Annexure 6: Strategic Risk Register