



REPORT TO THE COUNCIL ON 2023/2024 – 2025/2026 MEDIUM TERM REVENUE AND EXPENDITURE AND FRAMEWORK (MTREF)

1. PURPOSE OF THE REPORT

To request the Council to consider the 2023/24-2025/26 MTREF budget of King Sabata Dalindyebo Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003).

2. LEGAL REQUIREMENTS

- Section 24 of the Municipal Finance Management Act, (Act 56 of 2003)
- Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000)
- MFMA Budget Circular 122,123 and 124

3. DISCUSSION

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality is financially viable and that municipal services are provided sustainably, economically, and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. More resources were allocated to basic service delivery projects. The municipality is seriously experiencing cash flow challenges emanating from prior years litigations and slow recovery of debtors especially from domestic consumers as well as limited revenue base. A revenue recovery plan that is being implemented, a turnaround strategy and a debt collector has been contracted to deal with difficult-to- collect debts.

For this purpose, attempts are being made to fund depreciation on cash to improve the current cash flow situations of the municipality.

National Treasury's MFMA Circulars No. 122, 123 and 124, were used to guide the compilation of the 2023/2024-2025/2026 MTREF.

Budget assumptions

The budget of the 2023/2024 - 2025/2026 MTREF has been compiled based on the following budget principles and guidelines which can be summarized as follows:

- National Treasury has revised South Africa's economic growth estimate for 2024 to 5.3 per cent, from 4.7 per cent at the time of the Medium-Term Budget Policy statement.
- Focus on aging and vast network of roads and electricity infrastructure that require maintenance.
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality.
- Municipalities are required to restructure debt by negotiating within their major creditors in terms of repayment plans.
- There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.
- Municipalities to ensure that they render basic services, maintain their assets and clean environment.
- Leadership is advised to decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection, and address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.
- To maximize revenue generation, municipalities to reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate.

The setting of cost reflective tariffs is a requirement in terms of Section 74(2) of the Municipal Systems Act 2000, to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget.

In view of the above, the following table is a consolidated overview of the proposed 2023/2024 to 2025/2026 Medium-Term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2023/2024 – 2025/2026 MTREF

EC157 King Sabata Dalindyebo Municipality - Summary of Operating and Capital Budget										
Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue 5		
	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 thousands										
Financial Performance										
Total Revenue (excluding capital transfers and contributions)	694 963	742 851	841 090	1 424 641	1 454 897	1 454 897	1 471 897	1 671 030	1 787 014	1 806 430
Total Expenditure	1 223 670	1 253 818	1 420 405	1 413 567	1 417 609	1 417 609	1 417 609	1 585 196	1 648 407	1 720 477
Surplus/(Deficit)	(528 608)	(510 966)	(579 315)	11 074	37 287	37 287	54 287	85 834	108 607	87 952
Transfers and subsidies - capital (monetary allocations)	-	-	-	229 801	313 746	313 746	313 745	196 106	142 484	150 100
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(528 608)	(510 966)	(579 315)	240 875	351 033	351 033	368 033	281 940	251 091	238 052
Capital expenditure & funds sources										
Capital expenditure	177 857	124 483	158 585	238 918	340 638	340 638	340 638	222 426	169 833	178 734
Transfers received - capital	177 857	124 483	158 585	229 801	317 116	317 118	317 118	196 106	142 484	150 100
Internally generated funds	-	-	-	9 117	8 520	8 520	8 520	26 321	27 349	28 634
Total sources of capital funds	177 857	124 483	158 585	238 918	325 638	325 638	325 638	222 426	169 833	178 734

Total operating revenue increased by **SIX** per cent from the 2022/2023 adjusted budget increasing from R1.425 billion to R1.671 billion. For the two outer years, operational revenue will increase by 5.5 per cent per annum.

Total operating expenditure for the 2023/2024 financial year has been appropriated at R1.585 billion. It increased by 10 per cent from R1.418 billion to R1.585 billion resulting in surplus of R85,834 million to be utilized on the infrastructure and on-cash items such as depreciation. This continues to increase by 4 and 7 per cent in the following years respectively.

Total Capital Expenditure is appropriated at R222,4 reduction by 35 per cent from the adjusted budget and funded grants to a tune R196,2 million and R22,1 million from internally generated funds.

4. OPERATING REVENUE FRAMEWORK

For King Sabata Dalindyebo Municipality to continue improving the quality of services provided to its citizens, it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that municipality is faced with developmental backlogs and high indigent rate. The expenditure required to address basic service delivery challenges will inevitably always exceed available funding; hence difficult choices must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases are still to be 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. The biggest challenge is inability to recover costs associated with the refuse removal from places as far as Coffee Bay , Hole in The Wall and peri-urban Areas
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality has also been considered.

Table 2 Summary of revenue classified by main revenue source

EC157 King Sabata Dalindyebo Municipality - Table A4 Budgeted Financial Performance (revenue by source)

R thousand	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	423 061	441 465	505 595	554 536	554 796	554 796	562 796	640 141	671 508	703 069
	Service charges - Waste Management	2	54 623	56 563	58 882	50 824	54 296	54 296	63 296	68 241	71 585	74 949
	Sale of Goods and Rendering of Services		-	-	-	12 786	16 024	16 024	16 024	20 623	21 634	22 651
	Agency services		-	-	-	12 116	14 716	14 716	14 716	19 891	20 866	21 846
	Interest earned from Receivables		-	-	-	18 634	18 634	18 634	18 634	19 752	20 719	21 693
	Interest earned from Current and Non Current Assets		-	-	-	1 302	1 302	1 302	1 302	1 380	1 447	1 515
	Rental from Fixed Assets		-	-	-	18 575	19 174	19 174	19 174	20 669	21 682	22 701
	License and permits		-	-	-	19 968	452	452	452	479	502	526
	Operational Revenue		-	-	-	19 968	19 952	19 952	19 952	21 256	22 298	23 346
	Non-Exchange Revenue											
	Property rates	2	217 279	244 824	276 613	298 662	298 662	298 662	298 662	331 582	347 829	364 177
	Fines, penalties and forfeits		-	-	-	7 778	8 439	8 439	8 439	46 705	48 994	51 297
	Licences or permits		-	-	-	1 272	1 550	1 550	1 550	2 743	2 878	3 013
	Transfer and subsidies - Operational		-	-	-	425 596	427 743	427 743	427 743	458 457	485 025	476 657
	Interest		-	-	-	2 028	18 028	18 028	18 028	19 110	20 047	20 989
	Gains on disposal of Assets		-	-	-	564	1 127	1 127	1 127	-	-	-
	Total Revenue (excluding capital transfers and cont		694 963	742 851	841 090	1 424 641	1 454 697	1 435 723	1 471 897	1 671 030	1 757 014	1 808 430

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.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Own revenue is 71% of the total operating revenue. Rates and service charges (electricity and refuse) revenues comprise more than two thirds of the total revenue mix, at 62% per cent of R1,039 billion. Electricity income individually at 38 per cent, followed by property rates at 20 per cent and the balance is 4 per cent for refuse removal charges.

Operating grants are 29 per cent of the total operating income at R458.3 million with the balance from other various incomes at 10 per cent.

TARRIF SETTING

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

The percentage increases of both Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. NERSA has approved a 20.7% (18,7% tariff increase for Eskom and 2% tariff increase in relation to indigent subsidy provision) that commenced in from April 2023. NERSA is still to approve tariffs for the municipality after publication of the guidelines.

Macroeconomic performance and projections, 2021 - 2026

Table 1: Macro economic performance and projections 2021- 2026

Fiscal year	2021/22 Actual	2022/23 Estimate	2023/24 Forecast	2024/25 forecast	2025/26 forecast
CPI inflation	4.90%	6.90%	5.30%	4.90%	4.70%

The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) considers the annual budget to be implemented on 1 July 2023:

Tariffs have been set at six percent with the exception of

- refuse removal which has been set at seven percent in an attempt to recover costs associated with the rendering of the service.
- Electricity tariffs which has been set at 15.10 percent as approved by NERSA and
- Rates for domestic consumers set at 3.4 percent

5. OPERATING EXPENDITURE FRAMEWORK

The following table is a high-level summary of the 2023/2024 - 2025/2026 budget and MTREF (classified per main type of operating expenditure):

Table 3 Summary of operating expenditure by type

EC157 King Sabata Dalindyebo Municipality - Table A4 Budgeted Financial Performance (expenditure by type)		Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework						
R thousand	Description	Ref	2019/20	2020/21	2021/22	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
			Audited Outcome	Audited Outcome	Audited Outcome	Budget	Budget	Forecast	outcome	2023/24	2024/25	2025/26
	Expenditure											
	Employee related costs	2	466 809	511 375	541 016	556 029	534 565	534 565	534 565	570 608	588 553	616 796
	Remuneration of councillors		-	-	-	34 079	34 863	34 863	34 863	35 149	36 836	38 605
	Bulk purchases - electricity	2	315 811	322 020	387 729	452 820	452 820	452 820	452 820	479 989	503 509	527 174
	Inventory consumed	8	15 513	10 130	30 406	20 509	27 676	27 676	27 676	29 161	30 581	32 019
	Debt impairment	3	-	-	-	-	-	-	-	21 153	22 190	23 232
	Depreciation and amortisation		213 126	164 836	160 799	158 272	158 272	158 272	158 272	157 347	165 057	172 815
	Interest		-	-	-	6 553	6 553	6 553	6 553	16 000	16 784	17 573
	Contracted services		68 074	79 563	76 213	44 801	52 363	52 363	52 363	121 709	124 945	124 788
	Transfers and subsidies		1 393	826	37 698	500	380	380	380	-	-	-
	Irrecoverable debts written off		-	-	-	15 000	15 000	15 000	15 000	-	-	-
	Operational costs		142 845	165 067	186 544	125 003	135 116	135 116	135 116	154 079	159 951	167 475
	Total Expenditure		1 223 570	1 253 818	1 420 405	1 413 567	1 417 609	1 417 609	1 417 609	1 585 196	1 648 407	1 720 477
	Surplus/(Deficit)		(528 608)	(510 966)	(579 315)	11 074	37 267	18 113	54 287	85 834	108 607	87 952
	Transfers and subsidies - capital (monetary allocations)	6	-	-	-	229 801	313 746	313 746	313 746	196 106	142 484	150 100
	Surplus/(Deficit) after capital transfers & contributions		(528 608)	(510 966)	(579 315)	240 875	351 033	331 859	368 033	281 940	251 091	238 052

5.1. Salaries

The budgeted allocation for employee related costs for the 2023/2024 financial year totals R570,6 million, which equals 36 per cent of the total operating expenditure. An annual increase of 4.9 and 4,7 per cent has been included in the two outer years of the MTREF respectively.

5.2. Remuneration of Councilors

The increase on the budget for the remuneration of councilors has not been increased in the current year. Remuneration of Councilors is set at 2 per cent of the total operating budget. Salaries and remuneration of councilors are 39 per cent of the total expenditure slightly below the norm.

5.3. Provision for doubtful debts

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the municipality. For the 2023/24 financial year this amount equates to R21,153 million for the current and R22,190 million and R23,232 million on the two outer years. Budgeted for in the previous year due to debt collector appointed to assist on debt management and credit control.

5.4. Provision for impairment and depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R157,3 million for the 2023/2024 financial year and equates to 10 per cent of the total operating expenditure and increases to R165.057 million and R172,8 million for the two outer years respectively.

5.5. Finance costs

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1 per cent of operating expenditure (at R16 million) for 2023/2024 and increases to R16.7 million and R17.5 million for the two outer years respectively.

5.6. Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases are still to be approved by NERSA and for the time being the increase is set at 6 per cent and this translates to R479,9 million in the 2023/2024 budget and increases to R503,5 million and R473.1 million in the two outer years respectively. The current budget represents 31% of the total operating budget. This will have to be reviewed after the finalization of the application of ESKOM by NERSA.

5.7. Contracted Services

As part of the compilation of the 2023/2024 to 2025/2026 MTREF the budget for this category of expenditure amounts to R 121,7 million representing 8 per cent of the operating expenditure budget. This increases to R 124,9 million and R 124,7 million in the two outer years, respectively. This includes all outsourced services such as repairs and maintenance

catering, and other expenditure contracted to Service Providers and employee related costs. This includes R10 million for the Solar Farm Feasibility Study

5.8. Other expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budgets relating to non-core functions of the municipality has been reduced to ensure that the municipality complies to circulars on cost cutting measures. This is done to cut non-core expenditure and to focus on service delivery and other core functions of the municipality. The budget is set at R154,07 million for general expenditure which increase to R 159,95 million and R167,47 in the two outer years respectively. This represents 10 per cent of the total operating budget.

Included in the other expenditure are the following line items:

➤ **General expenses other**

General expenditure is budgeted for at R33,5 million and R33,2 million and R34,6 million in the two outer years respectively.

➤ **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 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 budget for the current year is R27,3 million to cater for free basic electricity, alternative R28,9 million and R30,4 million in the two outer years respectively.

➤ **Repairs and maintenance**

The budget for the 2023/24 to 2025/2026 MTREF is R85,9 million, in the current year and R90,1 million and R94,4 million in the outer two years, respectively. The above excludes operating expenditure including salaries in relation to sections that are doing repairs for the municipality amounting to R81,9 million.

The repairs and maintenance budget including salaries, in the current year, is R167,8 million representing 11 per cent of the total operating expenditure budget.

6. CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by standard classification and funding:

TABLE 4 2023/2024 – 2025/2026 MEDIUM-TERM CAPITAL BUDGET BY STANDARD CLASSIFICATION AND FUNDING SOURCES

King Sabata Dalindyebo Municipality - Table A5 Budgeted Capital Expenditure by functional classification and funding

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional										
<i>Governance and administration</i>	-	-	-	2 597	3 801	3 801	3 801	8 771	1 838	1 996
Executive and council	-	-	-	-	-	-	-	1 200	367	384
Finance and administration	-	-	-	2 597	3 801	3 801	3 801	7 541	1 471	1 572
Internal audit	-	-	-	-	-	-	-	30	-	-
<i>Community and public safety</i>	50 172	58 220	74 445	116 904	176 056	176 056	176 056	75 450	1 111	1 163
Community and social services	-	-	1 896	150	361	361	361	100	-	-
Sport and recreation	-	-	-	-	769	769	769	1 000	-	-
Public safety	-	-	-	3 000	-	-	-	6 050	1 111	1 163
Housing	50 172	58 220	72 549	113 754	174 926	174 926	174 926	68 000	-	-
Health	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	75 523	36 822	57 192	114 471	137 463	137 463	137 463	129 596	119 633	125 100
Planning and development	-	-	-	45 626	20 765	20 765	20 765	30 000	17 000	17 748
Road transport	75 523	36 822	57 192	68 845	116 698	116 698	116 698	99 596	102 633	107 352
Environmental protection	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	52 162	29 441	26 949	4 945	23 318	23 318	23 318	9 000	22 851	25 000
Energy services	52 162	29 441	26 949	3 155	21 568	21 568	21 568	5 000	22 851	25 000
Water management	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	1 750	1 750	1 750	1 750	4 000	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	177 857	124 483	158 585	238 918	340 638	340 638	340 638	222 426	145 433	153 219
Funded by:										
National Government	94 747	42 471	47 411	97 045	57 046	57 046	57 046	58 106	125 484	132 352
Provincial Government	72 554	82 012	100 843	132 754	204 999	204 999	204 999	98 000	17 000	17 748
District Municipality	10 556	-	10 300	-	3 373	3 373	3 373	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	11 700	11 700	11 700	-	-	-
Transfers recognised - capital	177 857	124 483	158 585	229 801	317 118	317 118	317 118	196 106	142 484	158 100
Borrowing										
Internally generated funds	-	-	-	9 117	6 520	6 520	6 520	26 321	2 949	3 119
Total Capital Funding	177 857	124 483	158 585	238 918	325 638	325 638	325 638	222 426	145 433	153 219

The capital expenditure amounts to R222,426 million for 2023/24 and R145,4 million and R153,2 million in the two outer years respectively.

- Human Settlement budget for housing is R68 million in 2023/24
- Public Safety R6,050 million
- Community Services R5,1 million
- Finance and administration R0,750 million, R0.255 million and R0,298 million for the two outer years, respectively.
- Executive and Council R1,4 million
- Corporate services R5,3 million

- Infrastructure excluding grant funded expenditure amounts to R6,3 million for the 2023/24 financial year, and R5,2 million, R5,5 million for the two outer years.
- MIG R98,1 million, R102,8million and R107,9 million for the MTREF
- INEP: No allocation was made in 2023/2024 and for the two outer years allocation is R22.8 million and R25 million respectively.
- Small Town Revitalization grant amounts to R30 million for the 2023/2024 financial year and R17 million and R17.7 million for the two outer years respectively.

7. STAFF IMPLICATIONS

Own staff

8. FINANCIAL IMPLICATIONS

- Total operating revenue increased by **SIX** per cent from the 2022/2023 adjusted budget increasing from R1.425 billion to R1.671 billion. For the two outer years, operational revenue will increase by 5.5 per cent per annum.
- Total operating expenditure for the 2023/2024 financial year has been appropriated at R1.585 billion. It increased by 12 per cent from R1.418 billion to R1.585 billion resulting in a surplus of R85.8 million to be utilized on the infrastructure and on-cash items such as depreciation. This continues to increase by 4 and 7 percent in the following years respectively.
- Total Capital Expenditure is appropriated at R222,4 reduction by 35 per cent from the adjusted budget and funded grants to a tune R196,1 million and R26,3 million from internally generated funds.

9. RECOMMENDATION

It is recommended that the Council considers the report and approves the following resolutions:


1. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 16 of the Municipal Finance Management Act, (Act 56 of 2003) tables the draft annual budget to be implemented on 1 July 2023:
 - 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 11 on page 21;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 12 on page 22;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 13 on page 23; 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 Table 14 on page 24.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 15 on page 25;
 - 1.2.2. Budgeted Cash Flows as contained in Table 16 on page 26;

- 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 17 on page 26;
- 1.2.4. Asset management as contained in Table 18 on page 27; and
- 1.2.5. Basic service delivery measurement as contained in Table 19 on page 29.

1.3 The final Procurement Plan for 2023/24 financial year as set out in the annexure is noted by Council.

2. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables the tariffs to be implemented on the 1 July 2023:
 - 2.1. the tariffs for property rates – as set out in Annexure A,
 - 2.2. the tariffs for electricity – as set out in Annexure B
 - 2.3. the tariffs for solid waste services – as set out in Annexure C
3. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables the draft tariffs to be implemented on 1 July 2023 the tariffs for other services, as set out in Annexures G1 to G21.
4. To give proper effect to the municipality's annual budget, the Council of King Sabata Dalindyebo Local Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
 - 4.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.

Prepared by:



CLLR G.N NELANI
EXECUTIVE MAYOR



KING SABATA DALINDYEBO ANNUAL BUDGET

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

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Part 1 – Annual Budget

1.1 Mayor's Report

1.2 Council Resolutions

On 30 May 2023, the Council of King Sabata Dalindyebo Local Municipality met in the Council Chambers of King Sabata Dalindyebo municipality to consider the annual budget of the municipality for the financial year 2023/2024. The Council adopted the following resolutions:

1. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) tables the final annual budget to be implemented on 1 July 2023:
 - 1.1. The final annual budget of the municipality for the financial year 2023/2024 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 11 on page 24;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 12 on page 25;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 13 on page 26;
 - 1.1.4. Single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 14 on page 28.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 15 on page 29;
 - 1.2.2. Budgeted Cash Flows as contained in Table 16 on page 30;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 17 on page 31;
 - 1.2.4. Asset management as contained in Table 18 on page 32;
 - 1.2.5. Basic service delivery measurement as contained in Table 19 on page 34.
2. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables the final tariffs to be implemented on the 1 July 2023 to be published:
 - 2.1. the tariffs for property rates – as set out in Annexure A,
 - 2.2. the tariffs for electricity – as set out in Annexure B
 - 2.3. the tariffs for solid waste services – as set out in Annexure C
3. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables the final tariffs to be implemented on 1 July 2023 the tariffs for other services, as set out in Annexures G1 to G21 respectively to be published.
4. To give proper effect to the municipality's annual budget, the Council of King Sabata Dalindyebo Local Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans

and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

- 4.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is 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's business and service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. More resources were allocated to basic service delivery projects. The municipality is seriously experiencing cash flow challenges emanating from prior years litigations and slow recovery of debtors especially from domestic consumers as well as limited revenue base. However, there is revenue recovery plan that is being implemented, a turnaround strategy and a debt collector has been contracted to deal with difficult-to- collect debts.

For this purpose, attempts are being made to fund depreciation on cash to improve the current cash flow situations of the municipality.

National Treasury's MFMA Circulars No. 122,123 and 124 were used to guide the compilation of the 2023/2026 MTREF.

Budget assumptions

The Annual budget and the 2023/2026 MTREF has been compiled based on the following budget principles and guidelines which can be summarized as follows:

- National Treasury has revised South Africa's economic growth estimate for 2024 to 5.3 per cent, from 4.7 per cent at the time of the Medium-Term Budget Policy statement.
- Focus on aging and vast network of roads and electricity infrastructure that require maintenance.
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality.
- Municipalities are required to restructure debt by negotiating within their major creditors in terms of repayment plans.
- There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.
- Municipalities to ensure that they render basic services, maintain their assets and clean environment.
- The council must strive to decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection, and address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

- To maximize revenue generation, the municipality must always reconcile its most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates, rentals and Fire levies are accurate and realistic.
- The setting of cost reflective tariffs is a requirement in terms of Section 74(2) of the Municipal Systems Act 2000, to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget.

In view of the above, the following table is a consolidated overview of the proposed 2023/2026 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2023/2026 MTREF

EC157 King Sabata Dalindyebo Municipality - Table 1 Snapshot										
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										
Total Revenue (excluding capital transfers and contributions)	694 963	742 851	841 090	1 424 641	1 454 897	1 454 897	1 471 897	1 671 030	1 757 014	1 808 430
Total Expenditure	1 223 570	1 253 818	1 420 405	1 413 567	1 417 609	1 417 609	1 417 609	1 585 196	1 648 407	1 720 477
Surplus/(Deficit)	(528 608)	(510 966)	(579 315)	11 074	37 287	37 287	54 287	85 834	108 607	87 952
Transfers and subsidies - capital (monetary allocations)	-	-	-	229 801	313 746	313 746	313 746	196 106	142 484	150 100
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(528 608)	(510 966)	(579 315)	240 875	351 033	351 033	368 033	281 940	251 091	238 052
Capital expenditure & funds sources										
Capital expenditure	177 857	124 483	158 585	238 918	340 638	340 638	340 638	222 426	169 833	178 734
Transfers recognised - capital	177 857	124 483	158 585	229 801	317 118	317 118	317 118	196 106	142 484	150 100
Internally generated funds	-	-	-	9 117	8 520	8 520	8 520	26 321	27 348	28 634
Total sources of capital funds	177 857	124 483	158 585	238 918	325 638	325 638	325 638	222 426	169 833	178 734

Total operating revenue increased by 15 per cent from the 2022/2023 adjusted budget increasing from R1.454 billion to R1.671 billion. For the two outer years, operational revenue will increase by 5 per cent per annum. The main focus of the municipality in the 2023/24 is to improve on Revenue protection, revenue generation and revenue enhancement.

Total operating expenditure for the 2023/2024 financial year has been appropriated at R1.585 billion. It increased by 10 per cent from R1.417 billion to R1.585 billion resulting in surplus of R85,834 million to be utilized on the infrastructure. On-cash items such as depreciation. This continues to increase by 4 and 7 percent in the following years respectively.

Total Capital Expenditure is appropriated at R222,426 reduction by 32 per cent from the adjusted budget and funded grants to a tune R196,1 million and R26,321 million from internally generated funds.

1.4 OPERATING REVENUE FRAMEWORK

For King Sabata Dalindyebo Municipality to continue improving the quality of services provided to its communities, it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that municipality is faced with developmental backlogs and high indigent rate. The expenditure required to address basic service delivery challenges will inevitably always exceed available funding; hence difficult choices must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff for the municipality has been approved by the National Electricity Regulator of South Africa (NERSA) at 15.10%;
- Achievement of full cost recovery of specific user charges especially in relation to trading services. **The biggest challenge is inability to recover costs associated with the refuse removal from places as far as Coffee Bay , Hole in The Wall and peri-urban Areas**
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality has also been considered.

Table 2 Summary of revenue classified by main revenue source

EC157 King Sabata Dalindyebo municipality - Table A4 Budgeted Financial Performance (revenue and expenditure)

R thousand	Description	Ref	2021/22			2020/21			2019/20			Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	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																	
2	Service charges - Electricity		423 061	441 465	505 595	554 536	554 796	554 796	554 796	562 796	640 141	671 508	703 069					
2	Service charges - Waste Management		54 623	56 563	58 882	50 824	54 296	54 296	54 296	63 296	68 241	71 585	74 949					
	Sale of Goods and Rendering of Services		-	-	-	12 786	16 024	16 024	16 024	16 024	20 623	21 634	22 651					
	Agency services		-	-	-	12 116	14 716	14 716	14 716	14 716	19 891	20 866	21 846					
	Interest earned from Receivables		-	-	-	18 634	18 634	18 634	18 634	18 634	19 752	20 719	21 693					
	Interest earned from Current and Non Current Assets		-	-	-	1 302	1 302	1 302	1 302	1 302	1 380	1 447	1 515					
	Rental from Fixed Assets		-	-	-	18 575	19 174	19 174	19 174	19 174	20 669	21 682	22 701					
	Licence and permits		-	-	-	-	452	452	452	452	479	502	526					
	Operational Revenue		-	-	-	19 968	19 952	19 952	19 952	19 952	21 256	22 298	23 346					
	Non-Exchange Revenue																	
2	Property rates		217 279	244 824	276 613	298 662	298 662	298 662	298 662	298 662	331 582	347 829	364 177					
	Fines, penalties and forfeits		-	-	-	7 778	8 439	8 439	8 439	8 439	46 705	48 994	51 297					
	Licences or permits		-	-	-	1 272	1 550	1 550	1 550	1 550	2 743	2 878	3 013					
	Transfer and subsidies - Operational		-	-	-	425 596	427 743	427 743	427 743	427 743	458 457	485 025	476 657					
	Interest		-	-	-	2 028	18 028	18 028	18 028	18 028	19 110	20 047	20 989					
	Gains on disposal of Assets		-	-	-	564	1 127	1 127	1 127	1 127	-	-	-					
	Total Revenue (excluding capital transfers and contrib		654 963	742 851	841 090	1 424 641	1 454 897	1 435 723	1 471 897	1 671 030	1 757 014	1 808 430						

Table 3 Percentage growth in revenue by main revenue source

Description	Ref	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	423 061	441 465	505 595	554 536	554 796	554 796	562 796	640 141	671 508	703 069
Service charges - Waste Management	2	54 623	56 563	58 882	50 824	54 296	54 296	63 296	68 241	71 585	74 949
Sale of Goods and Rendering of Services		-	-	-	12 786	16 024	16 024	16 024	20 623	21 634	22 651
Agency services		-	-	-	12 116	14 716	14 716	14 716	19 891	20 866	21 846
Interest earned from Receivables		-	-	-	18 634	18 634	18 634	18 634	19 752	20 719	21 693
Interest earned from Current and Non Current Assets		-	-	-	1 302	1 302	1 302	1 302	1 380	1 447	1 515
Rental from Fixed Assets		-	-	-	18 575	19 174	19 174	19 174	20 669	21 682	22 701
Licence and permits		-	-	-	-	452	452	452	479	502	526
Operational Revenue		-	-	-	19 968	19 952	19 952	19 952	21 256	22 298	23 346
Non-Exchange Revenue											
Property rates	2	217 279	244 824	276 613	298 662	298 662	298 662	298 662	331 562	347 829	364 177
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	7 778	8 439	8 439	8 439	46 705	48 994	51 297
Licences or permits		-	-	-	1 272	1 550	1 550	1 550	2 743	2 878	3 013
Transfer and subsidies - Operational		-	-	-	425 596	427 743	427 743	427 743	458 457	485 025	476 657
Interest		-	-	-	2 028	18 028	18 028	18 028	19 110	20 047	20 989
Gains on disposal of Assets		-	-	-	564	1 127	1 127	1 127	-	-	-
Total Revenue (excluding capital transfers and contrib		694 963	742 851	841 090	1 424 641	1 454 897	1 435 723	1 471 897	1 671 030	1 757 014	1 808 430
											3%

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.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Own revenue is 71% of the total operating revenue. Rates and service charges (electricity and refuse) revenues comprise more than two thirds of the total revenue mix, at 62% per cent of R1,039 billion. Electricity income individually at 38 per cent, followed by property rates at 20 per cent and the balance is 4 per cent for other refuse removal charges

Operating grants are 29 per cent of the total operating income at R458,3 million with the balance from other various incomes at 10 per cent.

TARRIF SETTING

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

The percentage increases of both Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality.

NERSA has approved a 20.7% (18,7% tariff increase for Eskom and 2% tariff increase in relation to indigent subsidy provision) that commenced in April 2023. Electricity tariff for the municipality has been approved by the National Electricity Regulator of South Africa (NERSA) at 15.10%.

Macroeconomic performance and projections, 2021 - 2026

Table 1: Macro economic performance and projections 2021- 2026					
Fiscal year	2021/22 Actual	2022/23 Estimate	2023/24 Forecast	2024/25 forecast	2025/26 forecast
CPI inflation	4.90%	6.90%	5.30%	4.90%	4.70%

1.4.1 Property Rates

Rate-able property" means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17. Property rates are calculated on the market value of a property by multiplying it by a cent amount in the rand, which is determined from the annual budget.

The following stipulations in the Property Rates Policy are highlighted:

- **The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).**
- **The municipality grants R45 000 secondary rebate to residential properties.**
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy. In this regard the following stipulations are relevant:
 - Owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year.

The following conditions should be met: -

- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income.

- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension.
- The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
- The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rateable properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.
- 20 per cent rebate will be granted to pensioners.

The categories of rate-able properties for purposes of levying rates as classified below for the 2023/2024 financial year are increased by 3,4 per cent for domestic / residential properties and all other properties are set at 6 per cent from 1 July 2023 is contained below:

Table 4 Comparison of proposed rates to levied for the 2023/2024 financial year

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS AS FROM 01 JULY 2023

**ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS
AS FROM 01 JULY 2023**

				2023/2024	
PROPERTY PRATES AND LEVIES					
Proposed increment 2023/2024					
General Rate	2022/2023		2023/2024		
Residential Properties (cents in a Rand)	0,84669	Cents in a Rand	0,84923	Cents in a Rand	
Business and Commercial Properties (cents in a Rand)	1,69339	Cents in a Rand	1,78313	Cents in a Rand	
Properties owned by organ of state & used For PSP	2,32841	Cents in a Rand	2,45181	Cents in a Rand	
Agricultural Properties (cents in a Rand)	0,21317	Cents in a Rand	0,22446	Cents in a Rand	
PSI (cents in a Rand)	0,21317	Cents in a Rand	0,22446	Cents in a Rand	
Public Benefit Organisation	0,21317	Cents in a Rand	0,22446	Cents in a Rand	
Parking Development Rate (cents in a Rand)	0,26166	Cents in a Rand	0,27553	Cents in a Rand	
Fire Levy	2022/2023		2023/2024		
Domestic - Per annum	428,26		450,9619		
Business/ Commercial Per Annum	770,9		811,75955		

1.4.2 Sale of Electricity and Impact of Tariff Increases

A 15.10 per cent increase in the electricity tariffs has been approved by NERSA . The Eskom bulk electricity tariff to municipalities will be effective from 1 July 2023

Table 5 Comparison between current electricity charges and increases (Domestic)

ELECTRICITY TARIFF 2023/2024			
Proposed increment at 15,1%			
ITEM NO	TARIFF DESCRIPTION	2022/2023	2023/2024
	ELECTRICITY TARIFFS		
1	Domestic Prepayment	Cents	Cents
1,1	Tariff 1	223	256
1,2	Tariff 2 (Indigent)	182	209
2	COMMERCIAL TARIFFS		
2,1	Commercial Conventional		
	Energy Charge Cents	249	287
	Basic Charge Rand	559	644
2,2	Commercial Conventional 3 Phase (40A-60A)		
	Energy Charge Cents	283	326
	Basic Charge Rands	559	644
2,3	Commercial Prepayment	Cents	Cents
	Tariff 3 (small) energy charge	301	347
	Tariff 4 (big) energy charge	301	347
3	INDUSTRIAL TARIFFS		-
3,1	Industrial low: ≤ 100KVA		-
	Energy charge Cents	136	156
	Basic charge Rand	1939	2232
	Demand charge/ KVA	396	456
3,2	Industrial high: ≥ 100KVA		0
	Energy charge Cents	97	112
	Basic charge Rand	1699	1956
	Dem and charge Rand	412	475
			0
	Notified Maximum Demand multiplied by KVA tariff rate	29,44	34

Tariffs will have to be reviewed to ensure that they are cost reflective.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality.

1.4.3. Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality in attempt to breakeven has increased the tariff by 7 per cent.

A 7 per cent increase in the waste removal tariff is proposed from 1 July 2023. Any increase higher than 6 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

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

Table 6 Comparison between current waste removal fees and increases

3	SOLID WASTE : Proposed Increment 7%	2022/2023	2023/2024	
	Refuse Removal : Full Level of Service			
	Annual Charges			
3.1.1	Domestic (2 bags or bins once per week)	3 052,99	3 214,80	
3.1.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	6 140,85	6 466,32	
	Commercial/Industrial/Institutional (more than 2 plastic bags per week)		11 652,64	New
3.1.3	Per additional bag or bin	3 052,99	3 214,80	
3.1.4	Per additional service removal per week	6 140,85	6 466,32	
3.1.5	240 L Bin rental per annum	-	-	
3.1.6	Emptying charge of 240L bin per annum	-	-	
3.1.7	Student accomodation and BnB's (per annum)		11 652,64	New
	Any household operating as business without any rezoning certificate (per annum)		11 652,64	New
4.2	Refuse Removal : Full Level of Service	-	0	
	Monthly Charges	257,55	271,2	
4.2.1	Domestic (2 bags or bins once per week)	6,34	6,68	
4.2.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	257,55	271,2	
4.2.3	Per additional bag or bin	517,98	545,43	
4.2.4	Per additional service removal per week	-	-	
4.2.5	240L Bin rental per month	17,72	18,66	
4.2.6	240L Bin Clearance / per bin	36,91	38,87	
4.2.7	Emptying charge of 240L bin : Household per month	147,32	155,13	
4.2.8	Student accomodation and BnB's per month		971,05	New
4.2.9	Any household operating as business without any rezoning certificate per month		971,05	New
4.2.10	Commercial/Industrial/Institutional (more than 2 plastic bags per week)		971,05	New
4.2.11	Hawkers & Vendors per month		4,35	New
4,3	Refuse Removal : Basic Level of Service	-	-	
	Annual Charges	-	-	
4.3.1	Domestic	1 744,56	1 837,02	
4.3.2	Business/Industry	4 082,26	4 298,62	
4.3.3	Government Institutions	4 082,26	4 298,62	
4.3.4	Coffee Bay & Hole-in-the-Wall	4 082,26	4 298,62	
4,4	Refuse Removal : Basic Level of Service	-	-	
	Monthly Charges	-	-	
4.4.1	Domestic	147,32	155,13	
4.4.2	Business/Industry	343,69	361,9	
4.4.3	Government Institutions	343,69	361,9	
		-	-	
4,5	Sales	-	-	
4.5.1	240L Refuse bins (each)	856,34	901,73	
4.5.2	Plastic Refuse Bags (per pack)	-	-	

4,6	Skips	-	-	
4.6.1	Rental per skip per month	1 151,24	1 212,25	
4.6.2	Rental per skip per year	13 655,34	14 379,07	
4.6.3	Charge per clearance of skip	810,27	853,22	
		-	-	
4,7	Excess Refuse	-	-	
4.7.1	Garden Refuse (per 2.5lt load)	485,47	511,2	
4.7.2	Removal of scrap vehicles (per vehicle load)	679,74	715,77	
4.7.3	Hire of skip container per day : Garden Refuse / Excess	369,04	388,6	
4,8	Penalty for Illegal Dumping : Proposed increment at 4.6%	-	-	
4.8.1	Garden and/ or domestic refuse	537,9	566,41	
4,9	Trolley Bins	-	-	
4.9.1	Rental (per bin per month)	537,9	566,41	
4.9.2	Charge per clearance	537,9	566,41	
			-	
4,1	Disposal Charges to Mthatha & Mqanduli Landfill Site: Weigh Bridge		-	
4.10.1	Domestic & Trade Waste per tonne	73,82	77,74	
4.10.2	Rubble or concrete per tonne	36,91	38,87	
4.10.3	Material suitable to be used for cover	free		
			-	
4,11	Disposal Charges to Mthatha & Mqanduli Site: Not Weighed		-	
4.11.1	Small vehicle up to 1 tonne load capacity	66,44	69,96	
4.11.2	3 - 4 tonne vehicle	265,76	279,85	
4.11.3	5 - 8 tonne vehicle	369,11	388,68	
			-	
	Special disposal		-	
4.11.4	Pit disposal		217,39	New
4.11.5	Small Carcass (dogs, sheep and any other related size)		95,65	New
	Any size greater than above Horse,Cows etc.		173,91	New
		-	0	
4,12	Garden Waste	-	0	
4.12.1	Clean Greens per tonne	29,53	31,09	
4.12.2	Any other green material including tree trunks per tonne	48,72	51,31	
		-	0	
4,13	Permits	-	0	
		-	0	
4.13.1	Domestic Solid Waste Handling Permit per vehicle per annum	738,22	777,35	
4.13.2	Illegal dumping fine		4347,83	New

Table 7 Operating and Capital Transfers and Grant Receipts

King Sabata Dalindyebo Municipality - Supporting Table SA18 Transfers and grant receipts										
R thousand	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
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		350 056	443 700	381 191	425 596	425 596	425 596	456 607	486 775	478 485
Energy Efficiency and Demand Side Management Grant		7 059	-	-	4 000	4 000	4 000	4 000	5 515	-
Equitable Share		329 194	427 511	365 575	404 115	404 115	404 115	434 856	465 758	462 519
Infrastructure Skills Development Grant		4 269	5 406	5 185	5 500	5 500	5 500	5 500	5 500	5 500
Local Government Financial Management Grant		2 722	2 694	2 708	2 850	2 850	2 850	2 850	2 850	2 988
Grant Income - Expanded Public Works (EPWP)		2 595	3 610	3 764	4 191	4 191	4 191	4 238	-	-
Municipal Infrastructure Grant		4 218	4 480	3 959	4 940	4 940	4 940	5 163	5 402	5 650
Provincial Government:		1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 828
Sport and Recreation		1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 828
0		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	351 806	445 450	382 941	427 346	427 346	427 346	458 357	486 775	478 485
Capital Transfers and Grants										
National Government:		79 482	93 102	85 569	80 281	80 281	80 281	98 106	125 484	132 352
Municipal Infrastructure grant		79 482	93 102	85 569	80 281	80 281	80 281	98 106	102 633	107 352
INEP								-	22 851	25 000
Provincial Government:										
Total		1 246	-	765	30 000	30 000	30 000	98 000	17 000	17 748
Human settlement		13 942	8 049	37 230	113 754	113 754	113 754	68 000		
Small town revitalisation		-	-	-	30 000	30 000	30 000	30 000	17 000	17 748
Total Capital Transfers and Grants	5	80 728	93 102	86 334	110 281	110 281	110 281	196 106	142 484	150 100
TOTAL RECEIPTS OF TRANSFERS & GRANTS		432 534	538 553	469 275	537 626	537 626	537 626	654 463	629 259	628 585

Total operating grants amounts R 458,357 million of which R434,8 million is not a conditional grant and the balance is made up of conditional grants.

Total capital grants amount to R 196,106 million made up of the following grants:

- MIG R98,1 million
- Human Settlements Grant R68 million
- Small Town Revitalization Grant R30 million

Grants in kind	2023/4 R' 000	2024/5 R' 000	2025/26 R' 000
Neighborhood Development Partnership	1 000	1 000	1 000
INEP / ESKOM	66 797	100 693	73 000

1.5. OPERATING EXPENDITURE FRAMEWORK

The following table is a high-level summary of the 2023/2024 budget and MTREF (classified per main type of operating expenditure):

Table 8 Summary of operating expenditure by expenditure type

EC157 King Sabata Dalindyebo municipality - Table A4 Budgeted Financial Performance (revenue and expenditure)											
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	466 809	511 375	541 016	556 029	534 565	534 565	534 565	570 608	588 553	616 796
Remuneration of councillors		-	-	-	34 079	34 863	34 863	34 863	35 149	36 836	38 605
Bulk purchases - electricity	2	315 811	322 020	387 729	452 820	452 820	452 820	452 820	479 989	503 509	527 174
Inventory consumed	8	15 513	10 130	30 406	20 509	27 676	27 676	27 676	29 161	30 581	32 019
Debt impairment	3	-	-	-	-	-	-	-	21 153	22 190	23 232
Depreciation and amortisation		213 126	164 836	160 799	158 272	158 272	158 272	158 272	157 347	165 057	172 815
Interest		-	-	-	6 553	6 553	6 553	6 553	16 000	16 784	17 573
Contracted services		68 074	79 563	76 213	44 801	52 363	52 363	52 363	121 709	124 945	124 788
Transfers and subsidies		1 393	826	37 698	500	380	380	380	-	-	-
Irrecoverable debts written off		-	-	-	15 000	15 000	15 000	15 000	-	-	-
Operational costs		142 845	165 067	186 544	125 003	135 116	135 116	135 116	154 079	159 951	167 475
Total Expenditure		1 223 570	1 253 818	1 420 405	1 413 567	1 417 609	1 417 609	1 417 609	1 585 196	1 648 407	1 720 477
Surplus/(Deficit)		(528 608)	(510 966)	(579 315)	11 074	37 287	18 113	54 287	85 834	108 607	87 952
Transfers and subsidies - capital (monetary)	6	-	-	-	229 801	313 746	313 746	313 746	196 106	142 484	150 100
Surplus/(Deficit) after capital transfers & contributions		(528 608)	(510 966)	(579 315)	240 875	351 033	331 859	368 033	281 940	251 091	238 052
Surplus/(Deficit) after income tax		(528 608)	(510 966)	(579 315)	240 875	351 033	331 859	368 033	281 940	251 091	238 052
Surplus/(Deficit) attributable to municipality		(528 608)	(510 966)	(579 315)	240 875	351 033	331 859	368 033	281 940	251 091	238 052
Surplus/(Deficit) for the year	1	(528 608)	(510 966)	(579 315)	240 875	351 033	331 859	368 033	281 940	251 091	238 052

1.5.1. Salaries

The budgeted allocation for employee related costs for the 2023/2024 financial year totals R570,608 million, which equals 36 per cent of the total operating expenditure. An annual increase of 4.9 and 4,7 per cent has been included in the two outer years of the MTREF respectively.

1.5.2. Remuneration of Councillors

The increase on the budget for the remuneration of councillors has not been increased in the current year. Remuneration of Councillors is set at 2 per cent of the total operating budget amounting to R35,149 million.

Salaries and remuneration of councillors are 39 per cent of the total expenditure slightly below the norm.

1.5.3. Provision for doubtful debts

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the municipality. For the 2023/24 financial year this amount equates to R21,153 million for the current and R22,190 million and R23,232 million on the two outer years. Budgeted for in the previous year due to debt collector appointed to assist on debt management and credit control.

1.5.4. Provision for impairment and depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R157,3 million for the 2023/2024 financial year and equates to 10 per cent of the total operating expenditure and increases to R165.057 million and R172,8 million for the two outer years respectively.

1.5.5. Finance costs

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1 per cent of operating expenditure (at R16 million) for 2023/2024 and increases to R16.7 million and R17.5 million for the two outer years respectively.

1.5.6. Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases has been approved by NERSA and for the time being the increase is set at 15.10 per cent and this translates to R479,9 million in the 2023/2024 budget and increases to R503,5 million and R527,1 million in the two outer years respectively. The current budget represents 31% of the total operating budget. This will have to be reviewed after the finalization of the application of ESKOM by NERSA.

1.5.7. Contracted Services

As part of the compilation of the 2023/2026 MTREF the budget for this category of expenditure amounts to R 121,7 million representing 8 per cent of the operating expenditure budget. This increases to R124,9 million and R 124,7 million in the two outer years, respectively. This includes all outsourced services such as repairs and maintenance catering, and other expenditure contracted to Service Providers and employee related costs. This includes R10 million for the Solar Farm Feasibility Study

1.5.8. Other expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budgets relating to non-core functions of the municipality has been reduced to ensure that the municipality complies to circulars on cost cutting measures. This is done to cut non-core expenditure and to focus on service delivery and other core functions of the municipality. The budget is set at R154,07

million for general expenditure which increase to R 159,95 million and R167,47 in the two outer years respectively . This represents 10 per cent of the total operating budget.

Included in the other expenditure are the following line items:

➤ **General expenses other**

General expenditure is budgeted for at R33,5 million and R33,2 million and R34,6 million in the two outer years respectively.

➤ **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 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 budget for the current year is R27,3 million to cater for free basic electricity, alternative R28,9 million and R30,4 million in the two outer years respectively.

➤ **Repairs and maintenance**

The budget for the 2023/26 MTREF is R87,8 million, for the current year and increases to R92,1 million and R96,4 million in the outer two years respectively. The above excludes operating expenditure including salaries in relation to sections that are doing repairs for the municipality amounting to R81,9 million.

The repairs and maintenance budget including salaries in the current year is R167,8 million representing 11 per cent of the total operating expenditure budget.

1.6. CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote and funding sources:
TABLE 9 2023/2026 MEDIUM-TERM CAPITAL BUDGET BY FUNCTION.

King Sabata Dalindyebo Municipality - Table A5 Budgeted Capital Expenditure by functional classification and funding										
Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	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
Capital Expenditure - Functional										
<i>Governance and administration</i>	-	-	-	2 597	3 801	3 801	3 801	8 771	1 838	1 956
Executive and council	-	-	-	-	-	-	-	1 200	367	384
Finance and administration	-	-	-	2 597	3 801	3 801	3 801	7 541	1 471	1 572
Internal audit	-	-	-	-	-	-	-	30	-	-
<i>Community and public safety</i>	50 172	58 220	74 445	116 904	176 056	176 056	176 056	75 150	1 111	1 163
Community and social services	-	-	1 896	150	361	361	361	100	-	-
Sport and recreation	-	-	-	-	769	769	769	1 000	-	-
Public safety	-	-	-	3 000	-	-	-	6 050	1 111	1 163
Housing	50 172	58 220	72 549	113 754	174 926	174 926	174 926	68 000	-	-
Health	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	75 523	36 822	57 192	114 471	137 463	137 463	137 463	129 506	119 633	125 100
Planning and development	-	-	-	45 826	20 765	20 765	20 765	30 000	17 000	17 748
Road transport	75 523	36 822	57 192	68 645	116 698	116 698	116 698	99 506	102 633	107 352
Environmental protection	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	52 162	29 441	26 949	4 945	23 318	23 318	23 318	9 000	22 851	25 000
Energy sources	52 162	29 441	26 949	3 195	21 568	21 568	21 568	5 000	22 851	25 000
Water management	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	1 750	1 750	1 750	1 750	4 000	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	177 857	124 483	158 585	238 918	340 638	340 638	340 638	222 426	145 433	153 219
Funded by:										
National Government	94 747	42 471	47 411	97 046	97 046	97 046	97 046	98 106	125 484	132 352
Provincial Government	72 554	82 012	100 843	132 754	204 999	204 999	204 999	98 000	17 000	17 748
District Municipality	10 555	-	10 330	-	3 373	3 373	3 373	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	11 700	11 700	11 700	-	-	-
Transfers recognised - capital	177 857	124 483	158 585	229 801	317 118	317 118	317 118	196 106	142 484	150 100
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	9 117	8 520	8 520	8 520	26 321	2 949	3 119
Total Capital Funding	177 857	124 483	158 585	238 918	325 638	325 638	325 638	222 426	145 433	153 219

The capital expenditure amounts to R222,426 million for 2023/24 and R145,4 million and R153,2 million in the two outer years respectively.

- Human Settlement budget for housing is R68,1 million in 2023/24
- Public Safety R6,050 million
- Community Services R5,1 million
- Finance and administration R0,750 million, R0,255 million and R0,298 million for the two outer years, respectively.

- Executive and Council R1,4 million
- Corporate services R5,3 million
- Infrastructure excluding grant funded expenditure amounts to R6,3 million for the 2023/24 financial year, and R5,2 million, R5,5 million for the two outer years.
- MIG R98,1 million, R102,8million and R107,9 million for the MTREF
- INEP: No allocation was made in 2023/2024 and for the two outer years allocation is R22.8 million and R25 million respectively.
- Small Town Revitalization grant amounts to R30 million for the 2023/2024 financial year and R17 million and R17.7 million for the two outer years respectively.

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.

Table 10 MBRR Table A1 - Budget Summary

EC157 King Sabata Dalindyebo municipality - Table A1 Budget Summary										
Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome
R thousands										
Financial Performance										
Property rates	217 279	244 824	276 613	298 662	298 662	298 662	298 662	331 582	347 829	364 177
Service charges	477 684	498 028	564 477	605 361	609 093	609 093	626 093	708 382	743 093	778 018
Investment revenue	-	-	-	1 302	1 302	1 302	1 302	1 380	1 447	1 515
Transfer and subsidies - Operational	-	-	-	425 596	427 743	427 743	427 743	458 457	485 025	476 657
Other own revenue	-	-	-	93 721	118 098	98 924	118 098	171 229	179 620	188 062
Total Revenue (excluding capital transfers and contributions)	694 963	742 851	841 090	1 424 641	1 454 897	1 435 723	1 471 897	1 671 030	1 757 014	1 808 430
Employee costs	466 809	511 375	541 016	566 029	534 565	534 565	534 565	570 608	588 563	616 796
Remuneration of councillors	-	-	-	34 079	34 863	34 863	34 863	35 149	36 836	38 605
Depreciation and amortisation	213 126	164 836	160 799	158 272	158 272	158 272	158 272	157 347	165 057	172 815
Finance charges	-	-	-	6 553	6 553	6 553	6 553	16 000	16 784	17 573
Inventory consumed and bulk purchases	331 324	332 150	418 135	473 329	480 496	480 496	480 496	509 150	534 090	559 192
Transfers and subsidies	1 393	826	37 698	500	380	380	380	-	-	-
Other expenditure	210 919	244 630	262 757	184 804	202 479	202 479	202 479	296 941	307 085	315 496
Total Expenditure	1 223 570	1 253 818	1 420 405	1 413 567	1 417 609	1 417 609	1 417 609	1 585 196	1 648 407	1 720 477
Surplus/(Deficit)	(528 608)	(510 966)	(579 315)	11 074	37 287	18 113	54 287	85 834	108 607	87 952
Transfers and subsidies - capital (monetary allocations)	-	-	-	229 801	313 746	313 746	313 746	196 106	142 484	150 100
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(528 608)	(510 966)	(579 315)	240 875	351 033	331 859	368 033	281 940	251 091	238 052
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(528 608)	(510 966)	(579 315)	240 875	351 033	331 859	368 033	281 940	251 091	238 052
Capital expenditure & funds sources										
Capital expenditure	177 857	124 483	158 585	238 918	340 638	340 638	340 638	222 426	169 833	178 734
Transfers recognised - capital	177 857	124 483	158 585	229 801	317 118	317 118	317 118	196 106	142 484	150 100
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	9 117	8 520	8 520	8 520	26 321	27 348	28 634
Total sources of capital funds	177 857	124 483	158 585	238 918	325 638	325 638	325 638	222 426	169 833	178 734
Financial position										
Total current assets	181 093	193 906	(51 743)	507 821	499 962	499 962	499 962	568 845	815 161	1 047 295
Total non current assets	2 184 015	3 500 240	2 284 788	2 463 792	2 565 911	2 565 911	2 565 911	2 600 681	2 605 456	2 611 375
Total current liabilities	24 561	26 419	29 531	854 139	854 139	854 139	854 139	492 897	492 897	492 897
Total non current liabilities	99 923	78 750	68 967	92 704	92 704	92 704	92 704	68 967	68 967	68 967
Community wealth/Equity	269 623	387 822	531 143	2 384 797	2 567 650	2 567 650	2 567 650	2 607 662	2 858 753	3 096 805
Cash flows										
Net cash from (used) operating	1 066 757	231 422	(652 501)	356 654	452 595	982 698	982 698	413 139	388 614	382 039
Net cash from (used) investing	-	-	-	-	-	-	-	(222 176)	(169 833)	(178 734)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	-	-	-	-	-	207 712	426 494	629 799
Cash backing/surplus reconciliation										
Cash and investments available	2 227 996	3 553 566	2 037 097	2 200 554	2 294 749	2 294 749	2 294 749	2 612 214	2 909 066	3 195 029
Application of cash and investments	326 382	336 404	358 973	243 923	151 318	371 359	250 313	189 174	205 784	223 174
Balance - surplus (shortfall)	1 901 614	3 217 161	1 678 124	1 956 631	2 143 431	1 923 390	2 044 436	2 423 040	2 703 281	2 971 854
Asset management										
Asset register summary (WDV)	2 266 018	3 766 003	2 498 347	2 146 164	2 290 232	2 290 232	2 422 730	2 410 505	2 398 676	-
Depreciation	213 126	164 836	160 799	158 272	158 272	158 272	157 347	165 057	172 815	-
Renewal and Upgrading of Existing Assets	115 099	42 300	61 776	58 082	95 755	95 755	97 655	127 477	134 439	-
Repairs and Maintenance	65 002	52 523	78 403	53 370	49 713	49 713	87 866	92 161	96 492	-

Explanatory notes to MBRR Table A1 - Budget Summary

Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

- a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
- b. -Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Internally generated funds is financed from a combination of the current operating surplus. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.
- c. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed.
- d. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2020/2021 when a small surplus is reflected.

Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs..

Table 11 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

EC157 King Sabata Dalindyebo municipality - Table A2 Budgeted Financial Performance (revenue and expenditure by functional 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										
Governance and administration		650 823	768 597	838 693	757 921	774 221	774 221	839 940	889 305	900 203
Executive and council		5 665	13	-	-	-	-	-	-	-
Finance and administration		644 863	768 583	838 693	757 921	774 221	774 221	839 940	889 305	900 203
Internal audit		294	-	-	-	-	-	-	-	-
Community and public safety		40 776	21 617	26 408	133 360	193 427	193 427	126 283	59 303	62 090
Community and social services		6 580	2 222	2 402	772	2 426	2 426	2 714	1 011	1 059
Sport and recreation		1 268	42	68	-	233	233	347	364	381
Public safety		18 805	11 304	9 609	18 834	15 842	15 842	55 222	57 928	60 651
Housing		14 124	8 049	14 329	113 754	174 926	174 926	68 000	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		115 758	106 910	122 723	152 111	179 040	179 040	179 317	171 084	178 705
Planning and development		91 598	84 154	84 522	104 671	117 979	117 979	112 072	116 895	122 020
Road transport		23 813	22 756	38 201	47 439	61 062	61 062	67 245	54 189	56 685
Environmental protection		347	-	-	-	-	-	-	-	-
Trading services		547 051	527 240	572 047	609 731	620 623	620 623	720 186	778 326	815 982
Energy sources		485 344	466 924	511 377	557 725	564 511	564 511	650 020	704 722	738 919
Water management		-	-	-	-	-	-	-	-	-
Waste water management		253	-	-	-	-	-	-	-	-
Waste management		61 455	60 316	60 670	52 006	56 112	56 112	70 166	73 604	77 063
Other	4	1 200	818	378	1 319	1 331	1 331	1 411	1 480	1 550
Total Revenue - Functional	2	1 355 609	1 425 182	1 560 249	1 654 442	1 768 642	1 768 642	1 867 136	1 899 498	1 958 530
Expenditure - Functional										
Governance and administration		556 154	472 944	497 479	449 911	454 628	454 628	515 225	528 329	547 412
Executive and council		73 569	72 721	73 436	88 450	85 503	85 503	88 409	92 663	97 099
Finance and administration		477 438	395 414	418 898	353 433	361 894	361 894	420 109	428 635	442 946
Internal audit		5 147	4 809	5 145	8 028	7 231	7 231	6 708	7 031	7 367
Community and public safety		159 411	170 550	188 028	151 438	152 801	152 801	180 049	188 709	197 748
Community and social services		21 031	23 219	22 376	13 211	17 188	17 188	43 190	45 267	47 436
Sport and recreation		14 384	16 133	19 292	19 803	19 814	19 814	4 882	5 116	5 362
Public safety		122 086	128 370	143 174	112 505	110 991	110 991	127 388	133 515	139 911
Housing		1 910	2 828	3 186	5 919	4 808	4 808	4 589	4 811	5 040
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		213 510	157 528	247 892	207 462	199 116	199 116	220 042	228 744	239 585
Planning and development		21 252	24 890	26 793	43 513	40 828	40 828	36 345	38 004	39 808
Road transport		187 796	127 697	216 116	160 375	152 318	152 318	177 244	183 978	192 690
Environmental protection		4 462	4 941	4 983	3 575	5 971	5 971	6 452	6 762	7 087
Trading services		475 219	528 138	573 881	604 755	611 064	611 064	669 881	702 624	735 732
Energy sources		378 371	388 271	472 638	506 923	510 001	510 001	574 790	602 927	631 293
Water management		-	-	-	-	-	-	-	-	-
Waste water management		4 378	44 663	3 663	12 852	13 241	13 241	13 305	13 953	14 613
Waste management		92 470	95 204	97 580	84 981	87 821	87 821	81 786	85 744	89 826
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 404 295	1 329 160	1 507 280	1 413 567	1 417 609	1 417 609	1 585 196	1 648 407	1 720 477
Surplus/(Deficit) for the year		(48 686)	96 022	52 968	240 875	351 033	351 033	281 940	251 091	238 053

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

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

Table 12 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC157 King Sabata Dalindyebo municipality - 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 - Executive AND Council (11: IE)		1 378	1 745	1 879	1 911	2 211	2 211	2 344	2 459	2 575
Vote 2 - Corporate Services (12: IE)		1 448	91	1 021	691	800	800	672	705	738
Vote 3 - Finance AND Asset Management (13: IE)		620 743	762 661	747 730	747 825	764 385	764 385	830 978	881 150	897 439
Vote 4 - Planning, Social AND Ec Dev (14: IE)		5 558	2 621	2 201	1 466	15 000	15 000	2 924	3 068	3 212
Vote 5 - Human Settlement (15: IE)		15 318	10 179	16 792	113 966	177 167	177 167	70 103	2 206	2 310
Vote 6 - Community Services (16: IE)		66 091	64 000	61 983	57 909	62 116	62 116	78 170	79 603	77 570
Vote 7 - Public Safety (17: IE)		22 799	23 948	20 910	30 120	29 678	29 678	74 033	76 976	80 594
Vote 8 - Infrastructure (18: IE)		581 667	559 374	620 666	699 999	716 723	716 723	807 912	853 331	894 093
Total Revenue by Vote	2	1 315 001	1 424 619	1 473 172	1 653 878	1 768 079	1 768 079	1 867 136	1 899 498	1 958 530
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive AND Council (11: IE)		92 419	106 795	92 374	109 933	102 330	102 330	137 401	144 033	150 908
Vote 2 - Corporate Services (12: IE)		31 987	50 966	68 502	56 334	65 459	65 459	84 828	88 915	93 167
Vote 3 - Finance AND Asset Management (13: IE)		371 664	262 175	262 591	193 655	195 332	195 332	223 771	234 798	245 900
Vote 4 - Planning, Social AND Ec Dev (14: IE)		26 184	28 498	45 484	53 369	50 961	50 961	20 517	21 513	22 534
Vote 5 - Human Settlement (15: IE)		27 633	28 237	33 919	47 023	46 217	46 217	27 818	29 164	30 553
Vote 6 - Community Services (16: IE)		114 634	113 250	117 230	111 644	115 583	115 583	141 207	147 469	148 725
Vote 7 - Public Safety (17: IE)		152 082	159 919	172 229	147 424	143 090	143 090	154 244	160 978	168 690
Vote 8 - Infrastructure (18: IE)		587 691	579 331	714 952	694 185	698 637	698 637	795 411	821 536	860 000
Total Expenditure by Vote	2	1 404 295	1 329 160	1 507 280	1 413 567	1 417 609	1 417 609	1 585 196	1 648 407	1 720 477
Surplus/(Deficit) for the year	2	(89 293)	95 458	(34 108)	240 312	350 470	350 470	281 940	251 091	238 052

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

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 13 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC157 King Sabata Dalindyebo municipality - Table A4 Budgeted Financial Performance (revenue and expenditure)

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	423 061	441 465	505 595	554 536	554 796	554 796	562 796	640 141	671 508	703 069
Service charges - Waste Management	2	54 623	56 563	58 882	50 824	54 296	54 296	63 296	68 241	71 585	74 949
Sale of Goods and Rendering of Services		-	-	-	12 786	16 024	16 024	16 024	20 623	21 634	22 651
Agency services		-	-	-	12 116	14 716	14 716	14 716	19 891	20 866	21 846
Interest earned from Receivables		-	-	-	18 634	18 634	18 634	18 634	19 752	20 719	21 693
Interest earned from Current and Non Current Assets		-	-	-	1 302	1 302	1 302	1 302	1 380	1 447	1 515
Rental from Fixed Assets		-	-	-	18 575	19 174		19 174	20 669	21 682	22 701
Licence and permits		-	-	-	-	452	452	452	479	502	526
Operational Revenue		-	-	-	19 968	19 952	19 952	19 952	21 256	22 298	23 346
Non-Exchange Revenue											
Property rates	2	217 279	244 824	276 613	298 662	298 662	298 662	298 662	331 582	347 829	364 177
Fines, penalties and forfeits		-	-	-	7 778	8 439	8 439	8 439	46 705	48 994	51 297
Licences or permits		-	-	-	1 272	1 550	1 550	1 550	2 743	2 878	3 013
Transfer and subsidies - Operational		-	-	-	425 586	427 743	427 743	427 743	458 457	485 025	476 657
Interest		-	-	-	2 028	18 028	18 028	18 028	19 110	20 047	20 989
Gains on disposal of Assets		-	-	-	564	1 127	1 127	1 127	-	-	-
Total Revenue (excluding capital transfers and contrib		694 963	742 851	841 090	1 424 641	1 454 897	1 435 723	1 471 897	1 671 030	1 757 014	1 808 430
Expenditure											
Employee related costs	2	466 809	511 375	541 016	566 029	534 565	534 565	534 565	570 808	588 563	616 796
Remuneration of councillors		-	-	-	34 079	34 863	34 863	34 863	35 149	36 836	38 605
Bulk purchases - electricity	2	315 811	322 020	387 729	452 820	452 820	452 820	452 820	479 989	503 509	527 174
Inventory consumed	8	15 513	10 130	30 406	20 509	27 676	27 676	27 676	29 161	30 581	32 019
Debt impairment	3	-	-	-	-	-	-	-	21 153	22 190	23 232
Depreciation and amortisation		213 126	164 836	160 799	158 272	158 272	158 272	158 272	157 347	165 057	172 815
Interest		-	-	-	6 553	6 553	6 553	6 553	16 000	16 794	17 573
Contracted services		68 074	79 563	76 213	44 801	52 363	52 363	52 363	121 709	124 945	124 788
Transfers and subsidies		1 393	826	37 698	500	380	380	380	-	-	-
Irrecoverable debts written off		-	-	-	15 000	15 000	15 000	15 000	-	-	-
Operational costs		142 845	165 067	186 544	125 003	135 116	135 116	135 116	154 079	159 951	167 475
Total Expenditure		1 223 570	1 253 818	1 420 405	1 413 567	1 417 609	1 417 609	1 417 609	1 585 196	1 648 407	1 720 477
Surplus/(Deficit)		(528 608)	(510 966)	(579 315)	11 074	37 287	18 113	54 287	85 834	108 607	87 952
Transfers and subsidies - capital (monetary)	6	-	-	-	229 801	313 746	313 746	313 746	196 106	142 484	150 100
Surplus/(Deficit) after capital transfers & contributions		(528 608)	(510 966)	(579 315)	240 875	351 033	331 859	368 033	281 940	251 091	238 052
Surplus/(Deficit) after income tax		(528 608)	(510 966)	(579 315)	240 875	351 033	331 859	368 033	281 940	251 091	238 052
Surplus/(Deficit) attributable to municipality		(528 608)	(510 966)	(579 315)	240 875	351 033	331 859	368 033	281 940	251 091	238 052
Surplus/(Deficit) for the year	1	(528 608)	(510 966)	(579 315)	240 875	351 033	331 859	368 033	281 940	251 091	238 052

Table 14 MBRR Table A5 - Budgeted Capital Expenditure Standard Classification, and Funding Source

EC157 King Sabata Dalindyebo municipality - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

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										
Single-year expenditure to be appropriated	2										
Vote 9 - Corporate services (31: CS)		-	-	-	1 630	2 110	2 110	2 110	5 280	5 539	5 799
Vote 10 - Executive AND Council (32: CS)		-	-	-	-	-	-	-	1 510	1 584	1 658
Vote 11 - Fin AND Asset Management (33: CS)		-	-	-	787	1 506	1 506	1 506	750	525	549
Vote 12 - Planning, Social AND Development (34: CS)		-	-	12 960	19 000	30 223	30 223	30 223	30 000	17 000	17 748
Vote 13 - Human Settlement (35: CS)		-	-	-	-	410	410	410	111	116	122
Vote 14 - Community Services (36: CS)		-	-	-	2 000	2 769	2 769	2 769	5 140	5 392	5 645
Vote 15 - Public Safety (37: CS)		-	-	-	4 700	1 790	1 790	1 790	7 230	7 584	7 941
Vote 16 - Infrastructure (38: CS)		177 857	124 483	145 625	210 801	302 414	302 414	302 414	172 406	132 083	139 271
Capital single-year expenditure sub-total		177 857	124 483	158 585	238 918	341 222	341 222	341 222	222 426	169 833	178 734
Total Capital Expenditure - Vote		177 857	124 483	158 585	238 918	341 222	341 222	341 222	222 426	169 833	178 734
Capital Expenditure - Functional											
Governance and administration		-	-	-	2 587	3 801	3 801	3 801	7 971	8 099	8 480
Executive and council		-	-	-	-	-	-	-	1 200	1 259	1 318
Finance and administration		-	-	-	2 587	3 801	3 801	3 801	6 741	6 809	7 129
Internal audit		-	-	-	-	-	-	-	30	31	33
Community and public safety		50 172	58 220	74 445	116 904	176 086	176 086	176 086	75 761	7 920	8 292
Community and social services		-	-	1 886	150	361	361	361	311	105	110
Sport and recreation		-	-	-	-	769	769	769	1 000	1 049	1 098
Public safety		-	-	-	3 000	-	-	-	6 450	6 766	7 084
Housing		50 172	58 220	72 549	113 754	174 926	174 926	174 926	68 000	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		75 523	36 822	57 192	114 471	137 463	137 463	137 463	129 694	121 521	127 077
Planning and development		-	-	-	45 826	20 765	20 765	20 765	5 217	-	-
Road transport		75 523	36 822	57 192	68 645	116 698	116 698	116 698	124 478	121 521	127 077
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		52 162	29 441	26 949	4 945	23 318	23 318	23 318	9 000	32 292	34 885
Energy sources		52 162	29 441	26 949	3 195	21 568	21 568	21 568	5 000	26 066	30 492
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	1 750	1 750	1 750	1 750	4 000	4 196	4 383
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	177 857	124 483	158 585	238 918	340 638	340 638	340 638	222 426	169 833	178 734
Funded by:											
National Government		94 747	42 471	47 411	97 046	97 046	97 046	97 046	98 106	125 484	132 352
Provincial Government		72 554	82 012	100 843	132 754	204 989	204 989	204 989	98 000	17 000	17 748
District Municipality		10 555	-	10 330	-	3 373	3 373	3 373	-	-	-
Transfers and subsidies - capital (m-kind)		-	-	-	-	11 700	11 700	11 700	-	-	-
Transfers recognised - capital	4	177 857	124 483	158 585	229 801	317 118	317 118	317 118	196 106	142 484	150 100
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	9 117	8 520	8 520	8 520	26 321	27 348	28 634
Total Capital Funding	7	177 857	124 483	158 585	238 918	325 638	325 638	325 638	222 426	169 833	178 734

Table 15 MBRR Table A6 - Budgeted Financial Position

EC157 King Sabata Dalindyebo municipality - 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
Rthousand											
ASSETS											
Current assets											
Cash and cash equivalents		-	-	-	188 071	162 264	162 264	162 264	195 794	402 986	594 156
Trade and other receivables from exchange transactions	1	43 981	53 325	(247 691)	(231 179)	(213 296)	(213 296)	(213 296)	95 740	117 073	139 409
Receivables from non-exchange transactions	1	-	-	-	-	-	-	-	56 576	74 367	92 994
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	137 112	140 581	195 948	137 935	138 000	138 000	138 000	195 948	195 948	195 948
VAT		-	-	-	407 714	407 714	407 714	407 714	24 912	24 912	24 912
Other current assets		-	-	-	5 281	5 281	5 281	5 281	(125)	(125)	(125)
Total current assets		181 093	193 906	(51 743)	507 821	499 962	499 962	499 962	568 845	815 161	1 047 295
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	215 163	215 163	215 163	215 163	275 622	212 071	145 533
Property, plant and equipment	3	2 184 015	3 500 240	2 284 788	2 243 662	2 345 781	2 345 781	2 345 781	2 320 680	2 389 007	2 461 463
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	3 201	3 201	3 201	3 201	3 201	3 201	3 201
Intangible assets		-	-	-	1 766	1 766	1 766	1 766	1 177	1 177	1 177
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		2 184 015	3 500 240	2 284 788	2 463 792	2 565 911	2 565 911	2 565 911	2 600 681	2 605 456	2 611 375
TOTAL ASSETS		2 365 108	3 694 146	2 233 045	2 971 613	3 065 873	3 065 873	3 065 873	3 169 526	3 420 618	3 658 670
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		24 561	26 419	29 531	26 419	26 419	26 419	26 419	29 531	29 531	29 531
Consumer deposits		-	-	-	24 324	24 324	24 324	24 324	25 786	25 786	25 786
Trade and other payables from exchange transactions	4	-	-	-	371 359	371 359	371 359	371 359	380 875	380 875	380 875
Trade and other payables from non-exchange transactions	5	-	-	-	17 686	17 686	17 686	17 686	17 452	17 452	17 452
Provision		-	-	-	3	3	3	3	3	3	3
VAT		-	-	-	414 349	414 349	414 349	414 349	39 250	39 250	39 250
Other current liabilities		-	-	-	-	-	-	-	-	-	-
Total current liabilities		24 561	26 419	29 531	854 139	854 139	854 139	854 139	492 897	492 897	492 897
Non current liabilities											
Financial liabilities	6	49 348	27 049	12 908	41 004	41 004	41 004	41 004	12 908	12 908	12 908
Provision	7	50 575	51 700	56 060	51 700	51 700	51 700	51 700	56 060	56 060	56 060
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		99 923	78 750	68 967	92 704	92 704	92 704	92 704	68 967	68 967	68 967
TOTAL LIABILITIES		124 484	105 169	98 499	946 843	946 843	946 843	946 843	561 864	561 864	561 864
NET ASSETS		2 240 624	3 588 977	2 134 546	2 024 770	2 119 029	2 119 029	2 119 029	2 607 662	2 858 753	3 096 805
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	-	-	-	2 115 141	2 297 995	2 297 995	2 297 995	2 076 518	2 327 610	2 565 662
Reserves and funds	9	269 623	387 822	531 143	269 656	269 656	269 656	269 656	531 143	531 143	531 143
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	269 623	387 822	531 143	2 384 797	2 567 650	2 567 650	2 567 650	2 607 662	2 858 753	3 096 805

Table 16 MBRR Table A7 - Budgeted Cash Flow Statement

EC157 King Sabata Dalindyebo municipality - Table A7 Budgeted Cash Flows

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											
Properly rates		365 117	14 448	844	283 783	-	283 783	283 783	324 123	340 005	355 985
Service charges		392 392	192 400	195 738	583 543	-	591 152	591 152	730 941	766 757	802 795
Other revenue		35 586	34 944	51 124	71 094	1 691 579	61 437	61 437	133 209	139 736	146 304
Transfers and Subsidies - Operational	1	201 146	436 318	374 568	428 969	-	426 988	426 988	431 376	456 722	447 024
Transfers and Subsidies - Capital	1	82 517	60 048	1 983	226 606	-	287 778	287 778	196 206	142 484	150 100
Interest		-	-	-	-	-	-	-	1 380	1 447	1 515
Payments											
Suppliers and employees		-	(504 736)	(935 327)	(1 230 788)	(1 232 430)	(661 887)	(661 887)	(1 388 096)	(1 441 753)	(1 504 111)
Finance charges		-	(2 000)	(341 421)	(6 553)	(6 553)	(6 553)	(6 553)	(16 000)	(16 784)	(17 573)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 066 757	231 422	(652 501)	356 654	452 595	982 698	982 698	413 139	388 614	382 039
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		-	-	-	-	-	-	-	(222 176)	(169 833)	(178 734)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	-	-	-	-	(222 176)	(169 833)	(178 734)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD		1 066 757	231 422	(652 501)	356 654	452 595	982 698	982 698	190 963	218 782	203 305
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	-	16 750	207 712	426 494
Cash/cash equivalents at the year end:	2	-	-	-	-	-	-	-	207 712	426 494	629 799

Table 17 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**EC157 King Sabata Dalindyebo municipality - 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
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1,00	-	-	-	-	-	-	-	207 712	426 494	629 799
Other current investments > 90 days		43 981	53 325	(247 691)	(43 108)	(51 033)	(51 033)	(51 033)	83 822	93 565	103 766
Investments - Property, plant and equipment	1,00	2 184 015	3 500 240	2 284 788	2 243 662	2 345 781	2 345 781	2 345 781	2 320 680	2 389 007	2 461 463
Cash and investments available:		2 227 996	3 553 565	2 037 097	2 200 554	2 294 749	2 294 749	2 294 749	2 612 214	2 909 066	3 195 029
Application of cash and investments											
Trade payables from Non-exchange transactions: Other		-	-	-	-	-	-	-	-	-	-
Unspent borrowing											
Statutory requirements	2,00										
Other working capital requirements	3,00	326 382	336 404	358 973	243 923	151 318	371 359	250 313	189 174	205 784	223 174
Other provisions											
Long term investments committed	4,00	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5,00										
Total Application of cash and investments:		326 382	336 404	358 973	243 923	151 318	371 359	250 313	189 174	205 784	223 174
Surplus(shortfall)		1 901 614	3 217 161	1 678 124	1 956 631	2 143 431	1 923 390	2 044 436	2 423 040	2 703 281	2 971 854
References											
1. Must reconcile with Budgeted Cash Flows											
2. For example: VAT, taxation											
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)											
4. For example: sinking fund requirements for borrowing											
5. Council approval required for each reserve created and basis of cash backing of reserves - Total Reserves to be backed by cash/investments excl Valuation reserve											
Other working capital requirements											
Debtors		60 275	17 281	21 823	127 436	220 041	-	121 046	191 701	175 091	157 701
Creditors due		386 657	353 685	380 796	371 359	371 359	371 359	371 359	380 875	380 875	380 875
Total		(326 382)	(336 404)	(358 973)	(243 923)	(151 318)	(371 359)	(250 313)	(189 174)	(205 784)	(223 174)
Debtors collection assumptions											
Balance outstanding - debtors		137 112	140 581	195 948	353 097	353 162	353 162	353 162	528 146	482 386	434 475
Estimate of debtors collection rate		0,44	0,12	0,11	0,36	0,62	-	0,34	0,36	0,36	0,36

It should be noted the municipality has been experiencing several challenges including but not limited to:

- Limited revenue base and high expenditure on legal costs.

The municipality has developed and approved a turnaround plan and financial recovery plan which is expected to turnaround the situation.

Table 18 MBRR Table A9 - Asset Management

EC157 King Sabata Dalindyebo municipality - 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	62 758	82 183	96 809	180 836	245 402	245 402	124 771	42 355	44 295
Roads Infrastructure		128	-	12 960	39 420	38 728	38 728	32 139	17 000	17 748
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		11 720	21 237	9 404	5 878	20 211	20 211	-	-	-
Information and Communication Infrastructure		-	-	-	1 000	1 000	1 000	3 750	3 934	4 119
Infrastructure		11 848	21 237	22 364	46 298	59 940	59 940	35 889	20 934	21 857
Community Facilities		739	2 726	1 896	3 750	4 468	4 468	2 711	2 623	2 746
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		739	2 726	1 896	3 750	4 468	4 468	2 711	2 623	2 746
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		50 172	58 220	72 549	113 754	174 926	174 926	68 000	-	-
Other Assets		50 172	58 220	72 549	113 754	174 926	174 926	68 000	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	580	2 199	2 199	1 830	1 710	1 790
Furniture and Office Equipment		-	-	-	4 280	951	951	1 795	1 883	1 971
Machinery and Equipment		-	-	-	9 173	2 869	2 869	9 866	10 381	10 869
Transport Assets		-	-	-	3 000	50	50	4 600	4 825	5 052
Total Renewal of Existing Assets	2	115 099	42 300	59 565	56 362	92 678	92 678	97 055	126 848	133 780
Roads Infrastructure		73 491	34 096	44 231	56 362	80 978	80 978	95 755	102 633	107 352
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		41 607	8 204	15 334	-	-	-	-	-	25 000
Infrastructure		115 099	42 300	59 565	56 362	80 978	80 978	95 755	125 484	132 352
Community Facilities		-	-	-	-	11 700	11 700	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	11 700	11 700	-	-	-
Machinery and Equipment		-	-	-	-	-	-	1 300	1 364	1 428
Total Upgrading of Existing Assets	6	-	-	2 211	1 720	3 076	3 076	600	629	659
Electrical Infrastructure		-	-	2 211	-	1 356	1 356	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	2 211	-	1 356	1 356	-	-	-
Community Facilities		-	-	-	1 720	1 720	1 720	600	629	659
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	1 720	1 720	1 720	600	629	659
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	177 857	124 483	158 585	238 918	341 157	341 157	222 426	169 833	178 734
Roads Infrastructure		73 620	34 096	57 192	95 782	119 707	119 707	127 894	119 633	125 100
Electrical Infrastructure		53 327	29 441	26 949	5 878	21 568	21 568	-	22 851	25 000
Information and Communication Infrastructure		-	-	-	1 000	1 000	1 000	3 750	3 934	4 119
Infrastructure		126 947	63 537	84 140	102 660	142 275	142 275	131 644	146 418	154 219
Community Facilities		739	2 726	1 896	5 470	17 888	17 888	3 311	3 252	3 405
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		739	2 726	1 896	5 470	17 888	17 888	3 311	3 252	3 405
Housing		50 172	58 220	72 549	113 754	174 926	174 926	68 000	-	-
Other Assets		50 172	58 220	72 549	113 754	174 926	174 926	68 000	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	580	2 199	2 199	1 830	1 710	1 790
Furniture and Office Equipment		-	-	-	4 280	951	951	1 795	1 883	1 971
Machinery and Equipment		-	-	-	9 173	2 869	2 869	11 196	11 744	12 296
Transport Assets		-	-	-	3 000	50	50	4 600	4 825	5 052
TOTAL CAPITAL EXPENDITURE - Asset class		177 857	124 483	158 585	238 918	341 157	341 157	222 426	169 833	178 734

EC157 King Sabata Dalindyebo municipality - 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										
ASSET REGISTER SUMMARY - PPE (MOV)	5	2 266 018	3 766 003	2 498 347	2 146 164	2 290 232	2 290 232	2 422 730	2 410 505	2 398 676
Roads Infrastructure		2 415 966	3 930 556	2 584 902	2 592 531	2 623 140	2 623 140	2 548 374	2 588 068	2 629 521
Storm water Infrastructure		-	-	(87 370)	(6 843)	(6 843)	(6 843)	(7 213)	(14 779)	(22 701)
Electrical Infrastructure		595 017	583 283	640 946	528 592	531 964	531 964	621 041	617 921	615 729
Information and Communication Infrastructure		243	16 461	16 817	13 319	13 299	13 299	15 023	13 141	11 171
Infrastructure		3 011 246	4 536 300	3 155 295	3 127 598	3 161 599	3 161 599	3 177 226	3 204 351	3 233 721
Community Assets		388 669	388 973	392 799	389 073	389 073	389 073	392 899	393 004	393 114
Heritage Assets		3 201	3 201	3 201	3 201	3 201	3 201	3 201	3 201	3 201
Investment properties		202 453	333 329	336 205	215 163	215 163	215 163	275 622	212 071	145 533
Other Assets		(1 790 300)	(1 923 903)	(1 863 423)	(2 031 568)	(1 928 228)	(1 928 228)	(1 831 360)	(1 828 737)	(1 825 982)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		(476)	1 766	1 177	1 766	1 766	1 766	1 177	1 177	1 177
Computer Equipment		6 985	7 751	6 853	7 810	23 220	23 220	7 314	12 800	18 544
Furniture and Office Equipment		152 489	154 757	152 315	155 679	155 427	155 427	180 257	183 204	186 291
Machinery and Equipment		25 122	30 793	33 574	40 722	34 060	34 060	46 311	54 526	63 126
Transport Assets		(70 066)	(101 450)	(89 769)	(97 764)	(99 494)	(99 494)	(112 960)	(108 136)	(103 083)
Land		336 715	334 485	370 119	334 485	334 485	334 485	283 043	283 043	283 043
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (MOV)	5	2 266 018	3 766 003	2 498 347	2 146 164	2 290 232	2 290 232	2 422 730	2 410 505	2 398 676
EXPENDITURE OTHER ITEMS		278 129	217 359	239 202	211 643	207 986	207 986	245 203	257 218	269 307
Depreciation	7	213 126	164 836	180 799	158 272	158 272	158 272	157 347	165 057	172 815
Repairs and Maintenance by Asset Class	3	65 002	52 523	78 403	53 370	49 713	49 713	87 856	92 161	96 492
Roads Infrastructure		13 217	14 449	22 722	26 023	20 017	20 017	33 100	34 722	36 354
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		34 943	22 099	42 291	7 433	10 461	10 461	37 500	39 338	41 186
Infrastructure		48 160	36 549	65 014	33 456	30 478	30 478	70 600	74 059	77 540
Community Facilities		2	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		4 311	2 627	802	1 029	1 029	1 029	1 000	1 049	1 098
Community Assets		4 313	2 627	802	1 029	1 029	1 029	1 000	1 049	1 098
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		555	870	643	3 664	2 342	2 342	3 016	3 164	3 313
Housing		-	-	-	-	-	-	-	-	-
Other Assets		555	870	643	3 664	2 342	2 342	3 016	3 164	3 313
Computer Equipment		-	13	-	-	-	-	100	105	110
Furniture and Office Equipment		21	3	1	52	-	-	279	293	307
Machinery and Equipment		3 837	4 695	3 187	3 343	2 523	2 523	2 829	2 988	3 108
Transport Assets		8 117	7 767	8 756	11 825	13 341	13 341	10 031	10 522	11 017
TOTAL EXPENDITURE OTHER ITEMS		278 129	217 359	239 202	211 643	207 986	207 986	245 203	257 218	269 307

Table 19 MBRR Table A10 - Basic Service Delivery Measurement

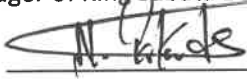
EC157 - King Sabata Dalindyebo Municipality - Table A10 Basic service delivery measurement										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 medium term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets	1									
Water:										
Piped water inside dwelling		42 626	42 626	42 626	42 626	42 626	42 626	42 626	42 626	42 626
Piped water inside yard (but not in dwelling)		24 405	24 405	24 405	24 405	24 405	24 405	24 405	24 405	24 405
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		67 031	67 031	67 031	67 031	67 031	67 031	67 031	67 031	67 031
Total number of households	5	67 031	67 031	67 031	67 031	67 031	67 031	67 031	67 031	67 031
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		37 356	37 356	37 356	37 356	37 356	37 356	37 356	37 356	37 356
Pit toilet (ventilated)		53 138	53 138	53 138	53 138	53 138	53 138	53 138	53 138	53 138
<i>Minimum Service Level and Above sub-total</i>		90 494	90 494	90 494	90 494	90 494	90 494	90 494	90 494	90 494
Bucket toilet		496	496	496	496	496	496	496	496	496
No toilet provisions		14 416	14 416	14 416	14 416	14 416	14 416	14 416	14 416	14 416
<i>Below Minimum Service Level sub-total</i>		14 912	14 912	14 912	14 912	14 912	14 912	14 912	14 912	14 912
Total number of households	5	105 406	105 406	105 406	105 406	105 406	105 406	105 406	105 406	105 406
Electricity (at least min.service level)		450	450	450	450	450	450	450	450	450
Electricity - prepaid (min.service level)		76 732	76 732	76 732	76 732	76 732	76 732	76 732	76 732	76 732
<i>Minimum Service Level and Above sub-total</i>		77 182	77 182	77 182	77 182	77 182	77 182	77 182	77 182	77 182
Electricity (< min.service level)		60 464	60 464	60 464	60 464	60 464	60 464	60 464	60 464	60 464
Electricity - prepaid (< min. service level)		20 888	20 888	20 888	20 888	20 888	20 888	20 888	20 888	20 888
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		81 352	81 352	81 352	81 352	81 352	81 352	81 352	81 352	81 352
Total number of households	5	158 534	158 534	158 534	158 534	158 534	158 534	158 534	158 534	158 534
Refuse:										
Removed at least once a week		27 562	27 562	27 562	27 562	27 562	27 562	27 562	27 562	27 562
<i>Minimum Service Level and Above sub-total</i>		27 562	27 562	27 562	27 562	27 562	27 562	27 562	27 562	27 562
Removed less frequently than once a week		64 603	64 603	64 603	64 603	64 603	64 603	64 603	64 603	64 603
Other rubbish disposal		11 494	11 494	11 494	11 494	11 494	11 494	11 494	11 494	11 494
<i>Below Minimum Service Level sub-total</i>		76 097	76 097	76 097	76 097	76 097	76 097	76 097	76 097	76 097
Total number of households	5	103 659	103 659	103 659	103 659	103 659	103 659	103 659	103 659	103 659
Electricity/other energy (50kwh per indigent household per month)		8 000	8 000	8 000	8 000	8 000	8 000	8 432	8 845	8 828
Refuse (removed once a week for indigent households)		9 000	9 000	9 000	9 000	9 000	9 000	9 486	9 951	10 419
Cost of Free Basic Services provided - Informal Formal Settlements (R)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided	8	17 000	17 000	17 000	17 000	17 000	17 000	17 918	18 796	19 247
Properly rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		7 381	7 381	7 381	9 000	9 000	9 000	9 540	10 438	10 438
Total revenue cost of subsidised services provided		7 381	7 381	7 381	9 000	9 000	9 000	9 540	10 438	10 438

2.4. Municipal manager's quality certificate

I NGAMELA PAKADE, Municipal Manager of King Sabata Dalindyebo, hereby certify that the Final annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the final annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Ngamela Pakade

Municipal Manager of King Sabata Dalindyebo Municipality (EC 157)

Signature: 

Date: 19/05/2023

ANNEXURES



INTEGRATED DEVELOPMENT PLAN/ BUDGET AND PERFORMANCE MANAGEMENT SYSTEM (IDP/ BUDGET AND PMS) PROCESS PLAN 2023/24

Municipal Manager: MR N. Pakade

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1. INTRODUCTION

IDP, Budget & PMS Process Plan is meant to guide the planning, drafting adoption and review of its Integrated Development Plan (IDP) for the year under review. Once the IDP, Budget and PMS Process plan has been adopted by municipal council, it becomes legal binding document that we all have to adhere to at all material times. The Process Plan must be submitted to all spheres of government and government entities for alignment of their plans and programs.

2. LEGAL CONTEXT

Section 28 (i) of the Municipal Systems Act (MSA) No. 32 of 2000, dictates that each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan. Section 29 (i) of the said Act further stipulates the process plan to be followed when drafting its Integrated Development Plan including its consideration and adoption of the draft process plan that it must be in accordance with a programme specifying time frames for the different steps.

3. OBJECTIVES

- To draw up a review process plan that would trigger inclusivity and transparency,
- It is to encourage participation by all stakeholders and community,
- To Solicit and determine priorities of the municipality, and
- To enhance service delivery and development.

4. INSTITUTIONAL ARRANGEMENTS, ROLES AND RESPONSIBILITY

ACTORS	ROLES AND RESPONSIBILITIES
Council	<ul style="list-style-type: none"> ▪ Consider and adopt reviewed IDP ▪ To promote and enhance public participation ▪ Keep public informed about the contents of the IDP ▪ Adopt the Integrated Development Plan, Budget and SDBIP
Municipal Manager	<ul style="list-style-type: none"> ▪ Ensure that the Process Plan and reviewed IDP are adopted by the Council ▪ Manage the local municipal IDP by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time, financial and human resources

ACTORS	ROLES AND RESPONSIBILITIES
	<ul style="list-style-type: none"> ▪ Encourage an inclusive participatory planning process and compliance with action programme ▪ Facilitate the horizontal and vertical alignment of the district IDP ▪ Ensure that the planning process outcomes are properly documented ▪ Manage service providers to the district or local municipal IDP ▪ Coordinate with various government departments and to ensure that all the projects, strategies and objectives of the local municipality are shared and distributed amongst government departments so that they might incorporate them in their planning process and vice versa
<p>Heads of Departments and Senior Management</p>	<ul style="list-style-type: none"> ▪ Provide technical and advisory support to the IDP Manager ▪ Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council ▪ Interact with the relevant cluster regarding the prioritization of their individual departments' projects and programmes for the following years ▪ Provide clear terms of reference to service providers
<p>District Municipality</p>	<ul style="list-style-type: none"> ▪ Provide support and guidance on IDP Review process ▪ Assist municipalities to achieve the target dates ▪ Interact with service providers to ensure that a quality product is provided ▪ Assist with workshops ▪ Project Management and Implementation Support Services ▪ Ensure that clusters achieve integrated planning ▪ Ensure that a uniform reporting mechanism is devised
<p>Sector Departments in the District</p>	<ul style="list-style-type: none"> ▪ Ensure the participation of Senior personnel in the IDP review process ▪ Horizontal alignment of programmes and strategic plans within the clusters ▪ Provide technical support and information to the planning process ▪ Contribute relevant information to support the review process within the clusters ▪ Incorporate district and local municipal projects into departments planning within the clusters
<p>National & Provincial Governments</p>	<ul style="list-style-type: none"> ▪ Monitor and evaluate the preparation and implementation process ▪ Provide training and capacity building support to the local municipality – CoGTA guide for credible IDPs ▪ Coordinate support programmes so that overlapping does not occur

ACTORS	ROLES AND RESPONSIBILITIES
	<ul style="list-style-type: none"> ▪ Provide technical guidance and monitor compliance with provincial policy and legal framework ▪ Provide financial support to the IDP planning and implementation process

5. ORGANISATIONAL ARRANGEMENTS: ESTABLISHMENT PROCESS

The Municipal Council

King Sabata Dalindyebo Municipal Council is chaired by the Honorable Speaker, Councillor N. Siyo-Sokutu. The role of council in the IDP formulation process is to ensure drafting of the process to be followed to guide the development and drafting of the IDP Review for 2023/24.

Section 25 (1) of the MSA provides that, each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all-inclusive, and strategic plan for the development of the municipality which includes the following:

- To oversee the development and adoption of the IDP review,
- Adopt final Integrated Development Plan and Budget,
- Links, integrates and coordinates plans and takes into account proposals for the development of the municipality,
- Aligns the resources and capacity of the municipality with the implementation of the plan,
- Complies with the provisions of this Chapter, and
- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

5.1 Municipal Manager

The IDP formulation is the responsibility of the Municipal Manager who delegates the responsibility in terms of the delegation framework to the Director responsible for Rural and Economic Development. The Director, RED, in terms of the process assists the IDP Manager who is tasked to undertake the following: -

- Ensure that the Process Plan is drafted and adopted by the Municipal Council,

- Manage the local municipal IDP by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time, financial and human resources,
- Encourage an inclusive participatory planning process and compliance with action programme,
- Facilitate the horizontal and vertical alignment of the various internal and external departmental programmes,
- Ensure that the planning process outcomes are properly documented,
- Manage service providers engaged in the municipal IDP process,
- Chairs the IDP Steering Committee,
- Nominate persons in charge of different roles,
- Responds to comments on the draft reviewed IDP from the public,
- Adjusts the IDP in accordance with the comments of the MEC for local Government; and
- The Municipal IDP Manager will coordinate with various government departments and other HODs to ensure that all the projects, strategies and objectives of the local municipality are shared and distributed amongst government departments so that they might incorporate them in their planning process and vice versa.

5.2 IDP Steering Committee

The IDP steering committee is chaired by the municipal manager comprising largely of internal senior management which is tasked to:

- Provide technical and advisory support to the IDP Manager,
- Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council,
- Prepare, facilitate, and document meetings; and
- Act as the secretariat for the IDP Representative Forum.

Secretariat: -

IDP Unit –

It acts as the secretariat of the IDP steering committee.

5.2.1 Composition of IDP Steering Committee

- Director: Rural & Economic Development,
- Chief Financial Officer,
- Director: Technical Services,
- Director: Human Settlement,
- Director: Corporate Services,
- Director: Community Services,
- Director: Public (Community) Safety,
- General Managers and Middle Management, and
- Appointed Professional Team

Meetings shall be held as per the Process Plan adopted by Council or when considered necessary by the Chairperson.

5.3 IDP Representative Forum & Its Composition

The IDP representative forum shall be chaired by the Executive Mayor. The composition of IDP representative is made up by the following institutions or interest groups:-

- National and Provincial Sector Departments and the District Municipality,
- All Councillors,
- Ward Committees Secretaries,
- Youth Groups,
- Rate Payers,
- Traditional Leaders,
- Civic Bodies & Entities,
- Faith Organisations,
- NGO's and CBOs,
- Community Development Workers,

- Organised Business and Labour,
- Resource Persons, and
- Relevant Community Representatives.

5.4 Budget Steering Committee

The Budget Task Team has a responsibility of recommending the budget document before the approval by council. This is chaired by the Portfolio Councillor for Budget & Treasury Office (BTO).

5.4.1. Composition of the Budget Steering Committee

- Portfolio Councillor for Finance (BTO),
- Portfolio Councillors for Service Departments,
- Municipal Manager,
- Chief Financial Officer,
- Director: Technical Services,
- Director: Human Settlement,
- Director: Corporate Services,
- Director: Community Services,
- Director: Public (Community) Safety, and
- Appointed Professional Team.

Meetings shall be held as per the Process Plan adopted by Council or when considered necessary by the chairperson.

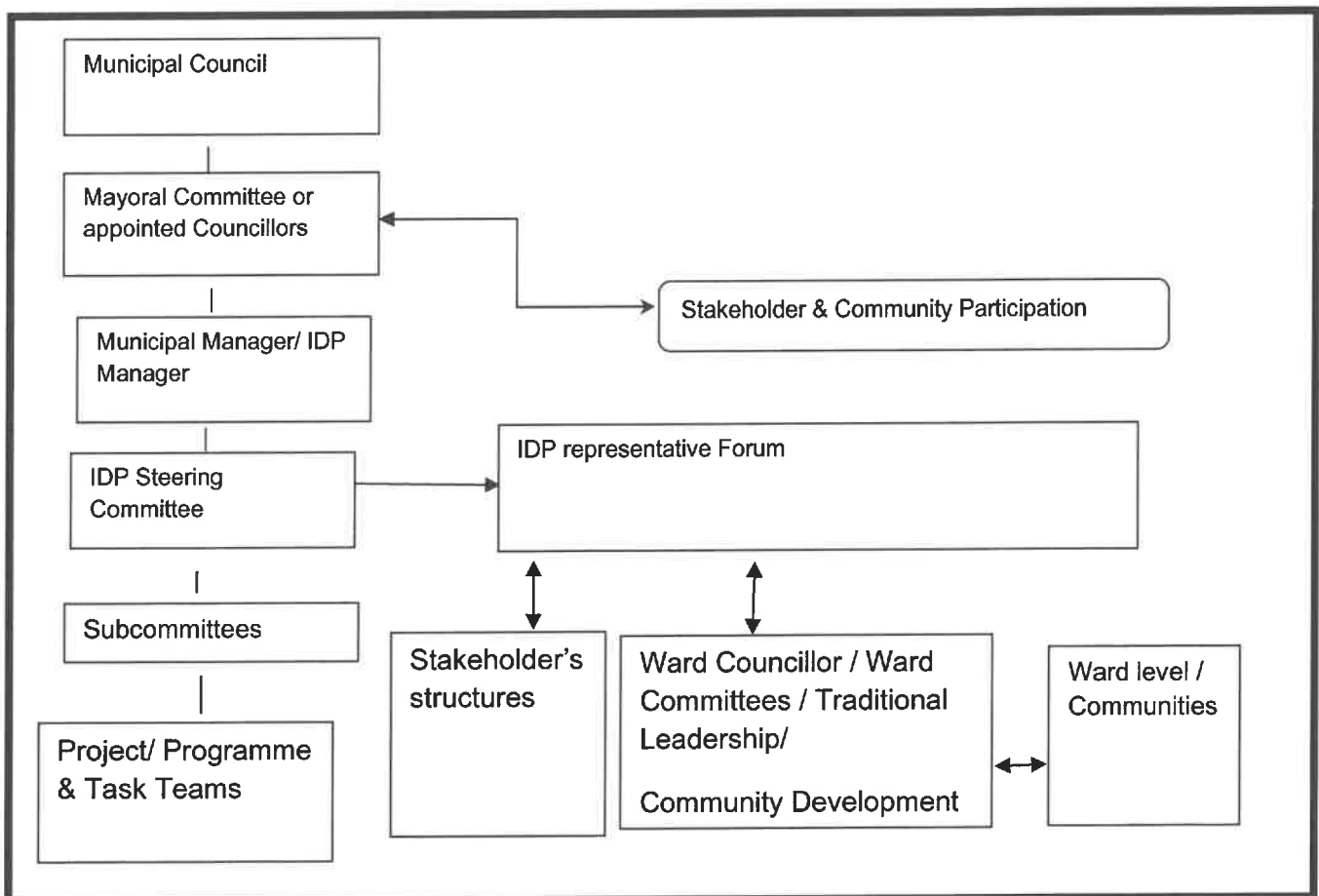
5.5 IDP Planning Process

In the IDP review cycle changes to the IDP may be required from these main sources:

- Comments from the MEC, if any,
- Incorporation of the most recent data,
- Review and refinement of the objectives and strategies,
- Review and refinement of the projects,

- Amendments in response to changing circumstances, and
- Improving IDP process and content,
- National Development Plan,
- E.C. Provincial Development Plan,
- ORT DM District Development Model,
- KSD Municipality SDF,
- SONA & SOPA directives,
- National & Provincial Budget Speech,
- Back to Basics,
- Manifesto of Ruling Party & Lekgotla, and
- Council Official Documents etc.

5.6 IDP Process Stakeholders



EVALUATION FRAMEWORK OF THE IMPLEMENTATION OF IDP, BUDGET & PMS PROCESS PLAN 2022/23

PURPOSE

- The evaluation framework is meant to make an assessment during the implementation of the 2022-2023 IDP/ Budget & PMS Process Plan with the aim of improving compliance and performance as well as closing gaps in the current 2023/24 draft IDP/ Budget & PMS Process Plan,
- Furthermore, the IDP, Budget & PMS Process Plan is meant to guide the process of Municipal Planning, Drafting, Reviewing and Adoption of the IDP to enhance proper coordination between and within the spheres of government, and
- Our assessment is broken down by developing a template that shows all the phases, activities, challenges and recommendations during the implementation of the 2022/23 IDP/ Budget and PMS Process Plan, which is outlined below.

PHASE	ACTIVITIES CONDUCTED	CHALLENGES	RECOMMENDATIONS
PHASE 0: PRE-PLANING PHASE			
July/ August	<p>Development of draft IDP/ Budget and PMS Process Plan was adopted in line with the Act.</p> <p>Alignment of draft Process Plan with OR. Tambo DM Framework and Institutional Calendar was also conducted</p>	<p>Poor adherence to IDP Process Plan by some IDP Stakeholders.</p> <p>OR. Tambo is not taking the alignment of Process Plan and its draft framework very serious as a result we experience the clash of activities between KSD and OR. Tambo.</p>	<p>IDP Stakeholders must align their activities & dates with institutional calendar and IDP Process Plan.</p> <p>OR. Tambo must adhere to its Framework Plan as approved by Council. Be encouraged to take the Process Plan of the local municipality as the priority for the smooth participation in the IDP.</p>
	<p>CONSULTATION WITH IDP STAKEHOLDERS</p> <p>Consultation process to discuss the drafting of the IDP Process Plan was also conducted with both internal and external stakeholders.</p>	<p>Poor participation by Government departments at this stage and they seem not to understand their roles in this phase.</p> <p>We experience poor attendance of Stakeholders due to non adherence to the Process Plans which leads to re-scheduling and clashing of planned dates .</p>	<p>The municipality must adhere to the Process Plan as approved by Council.</p>

PHASE	ACTIVITIES CONDUCTED	CHALLENGES	RECOMMENDATIONS
PHASE 0: PRE-PLANNING PHASE			
	IDP Assessment by MEC'S office of the department of COGTA	Issues raised in the assessment report are not attended timeously and are always left hanging which hampers the credibility of the IDP.	MANCOM must consider MECs comments and submit such report to the Mayoral Committee and Council
	WARD BASED PLANS Out of 37 wards only five ward plans were developed	Lack of capacity and funds	Provincial department of COGTA must provide support to the development of ward plans. KSD must make budget provision for this project
	IDP AWARENESS PROGRAMME IDP Unit has conducted IDP Awareness programme in all 37 wards in a clustered approach	Poor understanding of IDP concept, its phases and processes. Poor attendance to IDP Workshops by Ward Councillors & Ward Committee members.	Instilling of Consequence Management is recommended.
	DATA CAPTURING Capturing of the information from the IDP ROADSHOWS is done by Two IDP Clerks and One Intern.	Poor quality of capturing due to unavailability of dedicated data capturers.	Provision of data capturers to IDP unit is highly recommended.
	Daily processing of Ward Based Budget on Councillors request	Delays in procurement processes by BTO and service providers.	Improve procurement on procurement processes
	Requests submitted by ward Councillors from their ward-based budget are being processed on daily basis	Late submission of requests by Ward Councillors.	Early submission of requests by Councillors and early supply of goods by service providers to the ward councillors is recommended.

PHASE	ACTIVITIES CONDUCTED	CHALLENGES	RECOMMENDATIONS
PHASE 0: PRE-PLANNING PHASE			
PHASE 01: DEVELOPMENT OF SITUATIONAL ANALYSIS			
September/ October	Revision of Draft Situational Analysis.	Government Departments confuse this phase with the submission of projects. Few Government departments submitted the required information.	Government Departments need to be workshoped annually about this phase of IDP.
	Collection of information from internal and external Stakeholders.	Late submission of information by some internal departments. Lack of researched information is a challenge.	Speedy submission of information by internal departments to IDP Unit is encouraged. Establishment of research unit is recommended.
	Conduct IDP Roadshows	Poor attendance of IDP Ward meetings by community members. Lack of transportation for the community members.	Publicity by Ward Councillors and Ward Committees must be intensified. Need for transportation arrangements for community members.

PHASE 02: DEVELOPMENT OF STRATEGIES & OBJECTIVES			
October /November	Development of Objectives and Strategies	SMARTNESS is still a growing challenge	The SMARTNESS must be based on the Procedure Manual for each KPI and Targets
PHASE 03: PROJECTS IDENTIFICATION			
November/ December	Submission of projects	Late submission of Projects by Sector Departments	Establish an IDP dedicated unit in all Government Departments is recommended. Synergy between alignment of financial year circles
PHASE 04: INTEGRATION			
January/ February	Integration and Alignment of Plans & Programmes	CHALLENGES Institutional Strategic Planning Session not aligned to this phase	RECOMMENDATIONS Alignment of STRAT Plan with the phase to allow government departments based on the SONA, SOPA, Budget Speech and APP
PHASE 05: APPROVAL			
March/ April / May	Tabling and approval of the first draft IDP/ Budget and Consideration of IDP/Budget Hearings to give communities to comment on the Draft	CHALLENGES Poor collection and submission of public comments.	RECOMMENDATIONS Improvement on Public Participation strategies & Communication is recommended

IDP PROCESS PLAN KEY DEADLINE DATES AND BUDGET TIMELINES

5.7 Project Plan Activities and Timelines

Activity	Risk	Periods															
		20-Jul	20-Aug	20-Sep	20-Oct	20-Nov	20-Dec	21-Jan	21-Feb	21-Mar	21-Apr	21-May					
	Very High	Draft IDP Process Plan															
	Very High		Adoption of IDP Process Plan														
	Very High			IDP/Budget Framework													
	Moderate High			IDP Awareness Campaign													
	Moderate High			IDP Outreach Programme													
	Very High				Development of Situational Analysis Report												
	Very High				Development of Objectives & Strategies												
	Very High				Project Formulation & Budget Integration												Strategic Planning

Activity	Risk	Periods											
		20-Jul	20-Aug	20-Sep	20-Oct	20-Nov	20-Dec	21-Jan	21-Feb	21-Mar	21-Apr	21-May	
	Very High									Tabling of IDP			
	High										IDP Road shows		
	Very high											Adoption of IDP	

5.8 IDP/ PMS Process Plan Activities & Budget timelines 2023/24

The dates of this Process Plan were aligned with the Municipal Finance Management Calendar and Institutional Calendar.

ACTIVITY	LEGISLATIVE REQUIREMENTS	ACTUAL DATE	RESPONSIBILITY	PROGRESS TO DATE
JULY 2022				
Consultation with BTO, PMS, IGR& Speakers Office	Section 21 of the MFMA 56 of 2003: Budget Preparation Process reads with Section 28 of the Municipal Systems Act, 32 of 2000	15 July 2022	Manager: IDP	Achieved
Alignment of draft IDP/Budget & PMS Process Plan with the O R Tambo District Municipality IDP Framework	Section 21 of the MFMA 56 of 2003: Budget Preparation Process reads with	15 July 2022	Manager IDP	Achieved

ACTIVITY	LEGISLATIVE REQUIREMENTS	ACTUAL DATE	RESPONSIBILITY	PROGRESS TO DATE
	Section 28 & 29 of the Municipal Systems Act, 32 of 2000			
Standing Committee, IGR & Research to discuss Draft Process Plan	Institutional Calendar in line with Section 28 of the Municipal Systems Act, 32 of 2000 reads Section 21 of the MFMA 56 of 2003	05 July 2022	Municipal Director: RED Manager/ ?	
Mayoral Committee- to submit draft IDP, Budget and PMS Process Plan 2023/24 to unfold process to the political structure	Institutional Calendar in line with Section 21 of the MFMA 56 of 2003: Budget Preparation Process reads with Section 28 & 29 of the Municipal Systems Act, 32 of 2000	21 July 2022	Executive Mayor	
Provincial IDP Assessment (MEC Comments on the IDP	Section No. 31 & 32 of the Municipal Systems Act No. 32 of 2000	22 to 26 August 2022	Manager: IDP	
AUGUST 2022				
IDP /Budget Technical/ Steering Committee – to report on the refined draft IDP/ Budget and PMS Process Plan 2023/24	Institutional Calendar in line with Section 21 of the MFMA 56 of 2003: Budget Preparation Process reads with Section 28 & 29 of the Municipal Systems Act, 32 of 2000	05 August 2022	Municipal Director: RED, All Directors Manager/	
Mayoral Committee- to submit draft IDP, Budget and PMS Process Plan 2023/24 for its onward submission to Council for Adoption	Institutional Calendar in line with Section 21 of the MFMA 56 of 2003: Budget Preparation Process reads with Section 28 & 29 of the Municipal Systems Act, 32 of 2000	18 August 2022	Executive Mayor	
IDP Representative Forum meeting- Presentation on key deadline dates of the draft IDP, Budget and PMS Process Plan 2023/24 to stakeholders	Section 21 of the MFMA 56 of 2003: Budget Preparation Process reads with Section 28 & 29 of the Municipal Systems Act, 32 of 2000	19 August 2022	Executive Mayor	

ACTIVITY	LEGISLATIVE REQUIREMENTS	ACTUAL DATE	RESPONSIBILITY	PROGRESS TO DATE
2022/23 Financial Statements submitted to Auditor-General	Section 121 of the Municipal Finance Management Act, 56 of 2003 reads with Section 32 of the Municipal Systems Act NO. 32 of 2000	31 August 2022	IDP / Budget & Accounting	
Council consider IDP, Budget and PMS Process Plan 2022-23 for adoption	Section 30 of the Municipal Systems Act, 32 of 2000 reads with Section 53 of the Municipal Finance Management Act, 56 of 2003	31 August 2022	Manager IDP	
Rollovers applications to be sent to treasury with 2022/23 AFS	Section 121 of the Municipal Finance Management Act, 56 of 2003	31 August 2022	IDP	
SEPTEMBER 2022 (IDP MONTH)				
IDP Budget & Accounting	Section 21 of the MFMA 56 of 2003: Budget Preparation Process read with Section 28 (1) of the Municipal Systems Act, 32 of 2000	02 September 2022	Manager IDP	
IDP Budget & Accounting	Section 28 of the Municipal Systems Act No. 32 of 2000 reads with Section 21 of the Municipal Finance Management Act, 56 of 2003	05 September 2022	Manager IDP/ Budget & Accounting/ Communications	
IDP Budget & Accounting	Section 16 & 29 of the Municipal Systems Act, No. 32 of 2000	07-09 September 2022	Manger IDP	
IDP Budget & Accounting	Section 21 of the MFMA, 56 of 2003: Budget Preparation Process reads with Section 28 of the Municipal Systems Act, 32 of 2000	08 September 2022	Manager IDP/ Budget & Accounting/ Communications	

ACTIVITY	LEGISLATIVE REQUIREMENTS	ACTUAL DATE	RESPONSIBILITY	PROGRESS TO DATE
IDP Awareness Campaign and Budgeting Process	Section 16 of the Municipal Systems Act No. 32 of 2000	08 - 19 September 2022	Manager IDP	
IDP/Budget Framework Workshop- to engage IDP Representative Forum Stakeholders on the IDP/ Budget Process it intends to follow	Section 21 of the MFMA, 56 of 2003 reads with Section 29 of the Municipal Systems Act No. 32 of 2000	08 September 2022	Portfolio Head: Budget Treasury Office / CFO	
Rural & Economic Development Standing Committee Meeting	Institutional Calendar	13 September 2022	Director SED	
Review of Ward Based Profiles – Rollout programme to the wards’ stakeholders	Section 16 & 29 of the Municipal Systems Act, No. 32 of 2000 reads with Section 21 of the Municipal Finance Management Act, 56 of 2003	15 - 19 September 2022	Manager IDP	
IDP, Budget and PMS Steering Committee- to present Ward Based Profiles and proposal on IDP Awareness	Section 16 & 29 of the Municipal Systems Act, No. 32 of 2000 reads with Section 21 of the Municipal Finance Management Act, 56 of 2003	19 September 2022	Manager IDP	
Ward to Ward IDP, Budget, and PMS Outreach Programme – Needs Analysis and Prioritization	Section 21 of the Municipal Finance Management Act, 56 of 2003	19 September to -30 September 2022	Executive Mayor & Members of the Mayoral Committee	
Submission of Personnel Request Forms	Section 21 of the Municipal Finance Management Act, 56 of 2003: Budget Preparation Process	22 - 30 September 2022	Director Corporate Services	
OCTOBER 2022				
HR and Budget collate Personnel Request Forms and analyze results through staff keys book	Section 21 of the MFMA 56 of 2003: Budget Preparation Process	05 – 21 October 2022	Director Services, CFO, GM Budget and Accounting	

ACTIVITY	LEGISLATIVE REQUIREMENTS	ACTUAL DATE	RESPONSIBILITY	PROGRESS TO DATE
IDP/ PMS Technical/ Steering Committee – Presentation and discussions on the situational analysis	Section 26 & 34 & 55 of the Municipal Systems Act, No.32 of 2000 reads with Section 21 & 53 of the Municipal Finance Management Act, 56 of 2003	13 October 2022	and GM: Human Resources Municipal manager, All Directors	
Mayoral Committee meeting Tabling of first draft IDP situational Analysis	Section 55. (i) of Municipal Systems Act NO 32 of 2000	14 October 2022	Executive Mayor	
Analyze results of personnel expenditure and communicate to Directorates	Section 21 of the MFMA 56 of 2003: Budget Preparation Process	24 - 31 October 2022	Director Corporate Services, CFO GM Budget and Accounting and GM Human Resources	
IDP Representative Forum to present first draft Situational Analysis Report	Section 16 & 26 of the Municipal Systems Act No. 32 of 2000 reads with Section 21 of the Municipal Finance Management Act, 56 of 2003	26 October 2022	Executive Mayor/ Professional team	
Submission of Performance Reports and Performance Information of the first quarter to Council	Section 46 of the Municipal Systems Act No. 32 of 2000 reads with Section 52d of the Municipal Finance Management Act, 56 of 2003	31 October 2021	Executive Mayor and Municipal Manager	
Submission of D-Form to NERSA	Section 43 of the MFMA: Applicability of Tax and Tariff capping on Municipalities	31 October 2022	GM: Budget and Accounting, CFO and Electrical Engineer	
NOVEMBER 2022				

ACTIVITY	LEGISLATIVE REQUIREMENTS	ACTUAL DATE	RESPONSIBILITY	PROGRESS TO DATE
Submission of Budget Request Forms General Expenses-Capital outlay, Capital Budget, Operating Projects and Review of Tariffs	Section 21 of the MFMA 56 of 2003: Preparation Process	04 - 21 November 2022	Municipal Manager, All Directorates	
Check with National, Provincial Governments and District Municipalities for any information in relation to budget and adjustment budget to projected allocations for the next three years.	Section 21 36 & 37 of the Municipal Finance Management Act, 56 of 2003	07 - 30 November 2022	GM: Accounting and Budget /CFO	
Discuss draft Audit Report from the Auditor-General for the 2023/24 financial statements	Section 121, 126 of the Municipal Finance Management Act, 56 of 2003 reads with Section 46 of the Municipal Finance Management Act, 56 of 2003	11-30 November 2022	GM: Accounting and Budget /CFO	
IDP, PMS and Budget Technical/ Steering Committee –Discussion on: Development of Strategies and Objectives Project identification	Section 26 of the Municipal Systems Act No. 32 of 2000 reads with Section 19 & 53 of the Municipal Finance Management Act, 56 of 2003	16 November 2022	Municipal Manager, Director: RED, All Directors	
Rural Economic Development Committee meeting	Institutional Calendar	17 November 2022	Municipal Manager	
CFO to collate budgets and analyze results	Section 21 of the Municipal Finance Management Act 56 of 2003	25 - 30 November 2022	GM: Accounting and Budget /CFO	
IDP/PMS and Budget Reviewal Workshop – First Draft IDP Review	Section 29 of the Municipal Systems Act, No. 32 of 2000 reads with Section 21 of the Municipal Finance Management Act, 56 of 2003	28 - 30 November 2022	CFO	

ACTIVITY	LEGISLATIVE REQUIREMENTS	ACTUAL DATE	RESPONSIBILITY	PROGRESS TO DATE
IDP Representative Forum –Discussion on: Development of Strategies and Objectives Project identification	Section 26 of the Municipal Systems Act, No. 32 of 2000 reads with Section 19, 21 & 53 of the Municipal Finance Management Act, 56 of 2003	29 November 2022	Executive Mayor	
DECEMBER 2022				
IDP/PMS and Budget Technical Steering Committee – Sum-up Strategies and Objectives and Projects Formulation	Section 26 of the Municipal Systems Act No. 32 of 2000 reads with Section 19 & 53 of the Municipal Finance Management Act, 56 of 2003	08 December 2022	Executive Mayor	
JANUARY 2023				
IDP/ PMS and Budget Technical/ Steering Committee Finalise developmental strategies and objectives		09 January 2023	Municipal Manager	
Mayoral Committee meeting Tabling of Final draft of Strategies & Objectives engagement by MAYCO and Projects	Section 19 of the MFMA Act 56 of 2003. reads with Section 26 of Local Government: Municipal Systems Act no 32 of 2000.	12 January 2023		
Obtain any adjustments to projected allocations for the next three years from National, Provincial Governments & District Municipalities.	Section 21 of the MFMA 56 of 2003: Budget Preparation Process	16-23 January 2023	GM: Accounting and Budget /CFO	
IDP Rep Forum – Fine-tune & Finalise developmental strategies and objectives	Section 16 of Local Government: Municipal Systems Act, No.32 of 2000	17 January 2023	Executive Mayor	
Special Council Meeting – Table into the Council an Annual Report, the Audit Report for 2022/23, and Mid –Year report 2022/23	Section 72 & 121 of the Municipal Finance Management Act, 56 of 2003 reads with Section 46 of the Municipal Systems Act, No. 32 of 2000	25-30 January 2023	CFO	

ACTIVITY	LEGISLATIVE REQUIREMENTS	ACTUAL DATE	RESPONSIBILITY	PROGRESS TO DATE
FEBRUARY 2023				
Budget adjustment Consultation Process begins	Section 28 of the Municipal Finance Management Act, 56 of 2003	01-03 February 2023	GM: Budgeting and Accounting	
Standing Committee Planning, IGR & Research	Institutional Calendar	03 February 2023	Municipal Manager	
IDP, Budget and PMS Technical/ Steering Committee - To discuss 1 st Adjustment Budget	Section 21 & 28 of the Municipal Finance Management Act, 56 of 2003	09 February 2023	Municipal Manager	
IDP Representative Forum – Present First Draft IDP, Budget Integration and Sectoral Alignment	Section 24 & 26 of the Municipal Systems Act, No. 32 of 2000 reads with Section 21 & 53 of the Municipal Finance Management Act, 56 of 2003	23 February 2023	Executive Mayor	
Rural Economic Development Committee	Institutional Calendar	28 February 2023	Municipal Manager	
Council to approve 1st Adjustment Budget	Section 28 of the Municipal Finance Management Act, 56 of 2003	28 February 2023	Executive Mayor and Municipal Manager	
MARCH 2023				
Approval of Electricity Tariffs by NERSA	Section 43 of the Municipal Finance Management Act 56 of 2003	03-31 March 2023	CFO	
IDP/ PMS and Budget Technical / Steering Committee/MANCOM -first draft IDP 2023/24 and Draft MTERF Budget 2023/2024 - to prepare for MEGA Strategic Session	Section 24 & 25 of the Municipal Systems Act No. 32 of 2000 reads with Section 21 & 24 of the Municipal Finance Management Act 56 of 2003	08 March 2023	Municipal Manager/ CFO/ Director: RED	
Mayoral Committee meeting	Institutional Calendar	09 March 2023	Executive Mayor	

ACTIVITY	LEGISLATIVE REQUIREMENTS	ACTUAL DATE	RESPONSIBILITY	PROGRESS TO DATE
MEGA Strategic Planning Session - Presentation of first draft IDP, PMS 2022/23 and MTREF Budget 2023/2024 to finalise integration, alignment of budgets	Section 24 & 26 of the Municipal Systems Act, No. 32 of 2000 reads with Section 21 & 53 of the Municipal Finance Management Act, 56 of 2003	13-16 March 2023	Executive Mayor	
Council adopts First Draft 2023/24 IDP, PMS and MTREF Budget and Budget policies for 2023/24	Section 25 & 30 of the Municipal Systems Act No. 32 of 2000 reads with Section 24 of the Municipal Finance Management Act, 56 of 2003	31 March 2023	Executive Mayor	
APRIL 2023				
Rural Economic Development Standing Committee meeting	Institutional Calendar	04 April 2023	Municipal Manager	
Mayoral Committee meeting	Institutional Calendar	05 April 2023	Executive Mayor	
IDP Review and MTREF Budget 2023/24 advertised for public comments, Public Meetings & Consultation	Section 21 of the Municipal Systems Act No. 32 of 2000 reads with Section 22 & 23 of the Municipal Finance Management Act, 56 of 2003	05 April 2023	CFO	
IDP, Budget and PMS Technical/ Steering Committee – To Prepare for IDP Roadshows	Section 21 of the Municipal Systems Act No. 32 of 2000 reads with Section 22 & 23 of the Municipal Finance Management Act, 56 of 2003	06 April 2023	Municipal Manager	
Submit to National Treasury, Provincial Treasury and the MEC responsible for Local Government the annual report, Annual Financial Statements, the Audit report and any corrective action taken in response to the findings of the audit report relating to 2022/23	Regulation 15(4)a: The Municipal Manager must send copies of the annual budget and supporting documentation as tabled in the Municipal Council in both printed and electronic form	06 April 2023	CFO	

ACTIVITY	LEGISLATIVE REQUIREMENTS	ACTUAL DATE	RESPONSIBILITY	PROGRESS TO DATE
Review of Budget Related Policies	Section 21 of the MFMA 56 of 2003: Budget Preparation Process	10 – 14 April 2023	CFO	
IDP Representative Forum – to outline IDP Roadshows timelines IDP/Budget Roadshows- Present draft IDP, Budget & PMS Review 2023/24 and MTREF Budget to solicit comments from members of the community	Section 21 of the Municipal Systems Act No. 32 of 2000 reads with Section 22 & 23 of the Municipal Finance Management Act, 56 of 2003	12 April 2023	Executive Mayor	
IDP/Budget, PMS road shows- 2023/24 and MTREF Budget to solicit comments from members of the community.	Section 21 of the Municipal Systems Act No. 32 of 2000 reads with Section 22 & 23 of the Municipal Finance Management Act, 56 of 2003	14-30 April 2023	Executive Mayor	
Draft IDP 2022/23 & 2022/23 MTREF Budget Engagement and Benchmarking	Section 21 of the MFMA 56 of 2003: Budget Preparation Process	17 April 2023	CFO/ Director: RED, All Directors	
Planning IGR & Research Standing Committee meeting	Institutional Calendar	26 April 2023	Municipal Manger	
MAY 2023				
IDP steering committee - discuss and consider public comments and the final draft IDP, PMS 2023-24 and MTREF Budget review.	Section 21 of the Municipal Systems Act No. 32 of 2000 reads with Section 22 & 23 of the Municipal Finance Management Act 56 of 2003	08 May 2023	Municipal Manager/Executive Mayor	
IDP Representative Forum discuss and consider public comments and Final Draft IDP, Budget & PMS 2023/24	Section 21 of the Municipal Systems Act No. 32 of 2000 reads with Section 22 & 23 of the Municipal Finance Management Act, 56 of 2003	18 May 2023	Executive Mayor	

ACTIVITY	LEGISLATIVE REQUIREMENTS	ACTUAL DATE	RESPONSIBILITY	PROGRESS TO DATE
Council considers adoption of Final Draft IDP 2022/23, 2023/24 – 26 and MTREF Budget	Section 25 & 30 of the Municipal Systems Act No. 32 of 2000 reads with Section 24 of the Municipal Finance Management Act, 56 of 2003	31 May 2023	CFO	
JUNE 2023				
Facilitation for the Advertisement of Adopted IDP, PMS & Budget	Section 21 of the Municipal Systems Act No. 32 of 2000 reads with Section 22 & 23 of the Municipal Finance Management Act 56 of 2003	05 – 12 June 2023	Municipal Manager	
Submission of Adopted IDP, PMS & Budget to all Spheres of Government	Section 32 of the Municipal Systems Act No. 32 of 2000 reads with Section 24 of the Municipal Finance Management Act, 56 of 2003	06 – 15 June 2023	Municipal Manager	
Preparation of draft Service Delivery and Budget Implementation Plan for the financial year ending June 2023	Section 41 of the Municipal Systems Act No. 32 of 2000 reads with Section 53 & 54 of the Municipal Finance Management Act, 56 of 2003	07 – 09 June 2023	GM Compliance	
Rural Economic Development Standing Committee Meeting	Institutional Calendar	08 June 2023	Municipal Manager	
Mayoral Committee meeting	Institutional Calendar	09 June 2023	Executive Mayor	
MTREF Budget, Budget related policies, annual report published on Council website.	Section 75 of the Municipal Finance Management Act, 56 of 2003 reads with Section 21 of the Municipal Systems Act, No. 32 of 2000	12 June 2023	GM: Accounting and Budget	
Annual Budget Reports to National & Provincial Treasury.	Regulation 20(1) The Municipal Manager must comply with section 24(3) of the Act within 10 working days after the council has approved the annual budget, The Municipal Manager	14 June 2023	GM: Accounting and Budget	

ACTIVITY	LEGISLATIVE REQUIREMENTS	ACTUAL DATE	RESPONSIBILITY	PROGRESS TO DATE
	must submit to National Treasury and relevant Provincial Treasury in both electronic and printed form			
Preparations for strategic planning session to assess annual performance of the institution.	Section 72 & 121 of the Municipal Finance Management Act, 56 of 2003 reads with Section 46 the Municipal Systems Act, No. 32 of 2000	14-16 June 2023	GM: Compliance	
Ordinary Council Meeting to note SDBIP	Section 53 of the Municipal Finance Management Act 56 of 2003	30 June 2023	Executive Mayor	
Submission of the final draft SDBIP's to the other spheres of government	Section 53 of the Municipal Finance Management Act, 56 of 2003	30 June 2023	GM: Compliance/ Manager PMS	
JULY 2023				
Annual Assessment of the IDP by MEC	Section 31 & 32 of the Municipal Systems Act, No. 32 of 2000.	26-30 July 2023	Municipal Manager	

6. OR TAMBO DISTRICT MUNICIPALITY IDP, PMS & BUDGET SCHEDULE OF ACTIVITIES FOR ALIGNMENT

Overview of this IDP process time frame is illustrated in the cycle below. This cycle should be used as a guide through which the process can be better managed by municipalities. The form and content of the IDP document is however subject to the discretion of each municipality.

A uniform IDP Table of Contents has been requested and will be developed to be used throughout the District. This will be used as an example and does not discourage other ideas from the municipalities. Each municipality should follow the prescribed IDP process: -

IDP Phases	Key Issues & Outcome	LM Timeframe	Expected DM Timeframe
PHASE 0 Preparation	What do we need to do to plan for the Municipality? Outcome: IDP Framework and process plan	End August 2022	End August 2022
PHASE 1 Analysis	What is the current status? Ward to Ward IDP & Budget Outreach Programme	16 September to -30 September 2022	Sept. 2022
	Outcome: Reviewed Status Quo Report and priority issues (IDP Rep. Forum)	26 October 2022	Nov 2022
PHASE 2 Strategies	Where do we want to go and how do we get there? Outcome: reviewed objectives and strategies (IDP Rep. Forum)	16 November 2022	Nov 2022
PHASE 3 Projects	What actions do we have to undertake to realise these strategies? Outcome: Indicators and basic project implementation information (IDP Rep. Forum)	06 February 2023	Jan 2023

IDP Phases	Key Issues & Outcome	LM Timeframe	Expected DM Timeframe
PHASE 3 Projects	What actions do we have to undertake to realise these strategies? Outcome: Indicators and basic project implementation information, & budget allocations (MEGA Strategic Planning)	09-12 March 2023	March 2023
PHASE 4 Integration	What do we need to manage to make it happen? Outcome: Integrated management programmes and plans	Feb -Mar 2023	End March 2023
	Are we satisfied? Outcome: Tabling of First Draft IDP and Budget to Council	26 March 2023	End March 2023
	Are we satisfied? Public Comments	06 April – 30 April 2023	April 2023
	PHASE 5 Approval	Outcome: Adoption of Final IDP and Budget by Council	28 May 2023
Implementation, monitoring, reporting and review			

7. PROVINCIAL TREASURY BUDGET ASSESSMENT: DRAFT - SCHEDULE OF DATES – AS AT 26 JULY 2022: MID-YEAR AND BUDGET BENCHMARK ENGAGEMENT FOR THE YEAR - 2022

No	PT - District Name	Municipality Name	2022 Mid-Year Engagement	Mid-Year Venue	2022 Benchmark Engagement	Benchmark Engagement Venue
1	OR Tambo District	King Sabata Dalindyebo Local Municipality	19 Feb 2023	Municipality Boardroom	30 April 2023	Municipality Boardroom

2		Nyandeni Local Municipality	17 Feb 2023	Municipality Boardroom	5 May 2023	Municipality Boardroom
3		Mhlontlo Local Municipality	15 Feb 2023	Municipality Boardroom	23 April 2023	Municipality Boardroom
4		Ngquza Hill Local Municipality	25 Feb 2023	Municipality Boardroom	16 April 2023	Municipality Boardroom
5		Port St Johns Local Municipality	26 Feb 2023	Municipality Boardroom	20 April 2023	Municipality Boardroom

ANNEXURE G 1 PROPERTY RATES AND FIRE LEVIES TARIFFS

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS

AS FROM 01 JULY 2023

2023/2024

PROPERTY PRATES AND LEVIES				
<u>Proposed increment 2023/2024</u>				
General Rate	2022/2023		2023/2024	
Residential Properties (cents in a Rand)	0,84669	Cents in a Rand	0,84923	Cents in a Rand
Business and Commercial Properties (cents in a Rand)	1,69339	Cents in a Rand	1,78313	Cents in a Rand
Properties owned by organ of state & used For PSP	2,32841	Cents in a Rand	2,45181	Cents in a Rand
Agricultural Properties (cents in a Rand)	0,21317	Cents in a Rand	0,22446	Cents in a Rand
PSI (cents in a Rand)	0,21317	Cents in a Rand	0,22446	Cents in a Rand
Public Benefit Organisation	0,21317	Cents in a Rand	0,22446	Cents in a Rand
Parking Development Rate (cents in a Rand)	0,26166	Cents in a Rand	0,27553	Cents in a Rand
Fire Levy	2022/2023		2023/2024	
Domestic - Per annum	428,26		450,9619	
Business/ Commercial Per Annum	770,9		811,75955	

ANNEXURE G 2 ELECTRICITY TARRIFS

ELECTRICITY TARIFF 2023/2024			
Proposed increment at 15,1%			
ITEM NO	TARIFF DESCRIPTION	2022/2023	2023/2024
	ELECTRICITY TARIFFS		
1	Domestic Prepayment	Cents	Cents
1,1	Tariff 1	223	256
1,2	Tariff 2 (Indigent)	182	209
2	COMMERCIAL TARIFFS		
2,1	Commercial Conventional		
	Energy Charge Cents	249	287
	Basic Charge Rand	559	644
2,2	Commercial Conventional 3 Phase (40A-60A)		
	Energy Charge Cents	283	326
	Basic Charge Rands	559	644
2,3	Commercial Prepayment	Cents	Cents
	Tariff 3 (small) energy charge	301	347
	Tariff 4 (big) energy charge	301	347
3	INDUSTRIAL TARIFFS		-
3,1	Industrial low: ≤ 100KVA		-
	Energy charge Cents	136	156
	Basic charge Rand	1939	2232
	Demand charge/ KVA	396	456
3,2	Industrial high: ≥ 100KVA		0
	Energy charge Cents	97	112
	Basic charge Rand	1699	1956
	Demand charge Rand	412	475
	Notified Maximum Demand multiplied by KVA tariff rate	29,44	34
Proposed tariff 15,1%			
	CONSUMER DEPOSITS		
	CHARGES FOR SERVICES RENDERED	2022/2023	2023/2024
	Call out during working hours	573,74	660,37
	Call out after hours	824,1	948,54
	Disconnect at request of consumer	562,79	647,77

ELECTRICITY TARIFF 2023/2024			
Proposed increment at 15,1%			
ITEM NO	TARIFF DESCRIPTION	2022/2023	2023/2024
	Disconnect for improper use of service or illegal connection	1025,25	1 180,06
	Disconnect for nonpayment of account	840,1	966,96
	Testing of meters:	2022/2023	2023/2024
	By Council	75,48	86,88
	By independent party	Cost plus 20%	Cost plus 20%
	Special reading of meter at customer's request	567,49	653,18
	<u>Damage of meters and/ seals, or bypassing of prepayment meters</u>		
	Meters		
	Prepayment/ conventional - Domestic	3870,39	4 454,82
	Commercial prepayment/ Conventional	5621,3	6 470,12
	Inspection/test of installation after failure of first inspection		
	Damage to municipal electrical supply equipment and/cables	5516,03	6 348,95
	Hire Crane Truck 28T/M	1484,8	1 709,00
	Medium Crane Truck 5T/M	732,73	843,37
	Earth leakage test	1518,67	1 747,99
	HV fault location	1966,03	2 262,90
	LV fault location	1888,65	2 173,84
	Oil filtering	1293,75	1 489,11
	Oil test	1293,75	1 489,11
	Sales		-
	Meters		-
	CATEGORY		-
	Conventional - Single Phase	1414,65	1 628,26
	Conventional - Three Phase	8387,99	9 654,58
	Prepaid - Single Phase	1414,65	1 628,26
	Prepaid -Three Phase	3807,13	4 382,01
	Terminal Block	509,17	586,05
	Terminal Cover	509,17	586,05
	Keypad	509,17	586,05
	NEW INSTALLATIONS		
	Cable connection	469,59	540,50
	Upgrade	Charge difference + cost	Charge difference + cost
	Connection Fee	234,7	270

ANNEXURE G 3 WASTE / REFUSE REMOVAL TARIFFS

3	SOLID WASTE : Proposed increment 7%	2022/2023	2023/2024	
	Refuse Removal : Full Level of Service			
	Annual Charges			
3.1.1	Domestic (2 bags or bins once per week)	3 052,99	3 214,80	
3.1.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	6 140,85	6 466,32	
	Commercial/Industrial/Institutional (more than 2 plastic bags per week)		11 652,64	New
3.1.3	Per additional bag or bin	3 052,99	3 214,80	
3.1.4	Per additional service removal per week	6 140,85	6 466,32	
3.1.5	240 L Bin rental per annum			
3.1.6	Emptying charge of 240L bin per annum			
3.1.7	Student accomodation and BnB's (per annum)		11 652,64	New
	Any household operating as business without any rezoning certificate (per annum)		11 652,64	New
4,2	Refuse Removal : Full Level of Service		0	
	Monthly Charges	257,55	271,2	
4.2.1	Domestic (2 bags or bins once per week)	6,34	6,68	
4.2.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	257,55	271,2	
4.2.3	Per additional bag or bin	517,98	545,43	
4.2.4	Per additional service removal per week			
4.2.5	240L Bin rental per month	17,72	18,66	
4.2.6	240L Bin Clearance / per bin	36,91	38,87	
4.2.7	Emptying charge of 240L bin : Household per month	147,32	155,13	
4.2.8	Student accomodation and BnB's per month		971,05	New
4.2.9	Any household operating as business without any rezoning certificate per month		971,05	New
4.2.10	Commercial/Industrial/Institutional (more than 2 plastic bags per week)		971,05	New
4.2.11	Hawkers & Vendors per month		4.35	New
4,3	Refuse Removal : Basic Level of Service			
	Annual Charges	-	-	
4.3.1	Domestic	1 744,56	1 837,02	
4.3.2	Business/Industry	4 082,26	4 298,62	
4.3.3	Government Institutions	4 082,26	4 298,62	
4.3.4	Coffee Bay & Hole-in-the-Wall	4 082,26	4 298,62	
4,4	Refuse Removal : Basic Level of Service			
	Monthly Charges			
4.4.1	Domestic	147,32	155,13	
4.4.2	Business/Industry	343,69	361,9	
4.4.3	Government Institutions	343,69	361,9	
4,5	Sales			
4.5.1	240L Refuse bins (each)	856,34	901,73	

3	SOLID WASTE : Proposed increment 7%	2022/2023	2023/2024	
	Refuse Removal : Full Level of Service			
4.5.2	Plastic Refuse Bags (per pack)			
4,6	Skips			
4.6.1	Rental per skip per month	1 151,24	1 212,25	
4.6.2	Rental per skip per year	13 655,34	14 379,07	
4.6.3	Charge per clearance of skip	810,27	853,22	
4,7	Excess Refuse			
4.7.1	Garden Refuse (per 2.5lt load)	485,47	511,2	
4.7.2	Removal of scrap vehicles (per vehicle load)	679,74	715,77	
4.7.3	Hire of skip container per day : Garden Refuse / Excess	369,04	388,6	
4,8	Penalty for Illegal Dumping : Proposed increment at 4.6%			
4.8.1	Garden and/ or domestic refuse	537,9	566,41	
4,9	Trolley Bins			
4.9.1	Rental (per bin per month)	537,9	566,41	
4.9.2	Charge per clearance	537,9	566,41	
4,10	Disposal Charges to Mthatha & Mqanduli Landfill Site: Weigh Bridge			
4.10.1	Domestic & Trade Waste per tonne	73,82	77,74	
4.10.2	Rubble or concrete per tonne	36,91	38,87	
4.10.3	Material suitable to be used for cover	free		
4,11	Disposal Charges to Mthatha & Mqanduli Site: Not Weighed			
4.11.1	Small vehicle up to 1 tonne load capacity	66,44	69,96	
4.11.2	3 - 4 tonne vehicle	265,76	279,85	
4.11.3	5 - 8 tonne vehicle	369,11	388,68	
	Special disposal		-	
4.11.4	Pit disposal		217,39	New
4.11.5	Small Carcass (dogs, sheep and any other related size)		95,65	New
	Any size greater than above Horse,Cows etc.		173,91	New
4,12	Garden Waste		0	
4.12.1	Clean Greens per tonne	29,53	31,09	
4.12.2	Any other green material including tree trunks per tonne	48,72	51,31	
4,13	Permits		0	
4.13.1	Domestic Solid Waste Handling Permit per vehicle per annum	738,22	777,35	
4.13.2	Illegal dumping fine		4347,83	New
5,0	PARKS AND RECREATION Proposed increment at 6%	2022/2023	2023/2024	
5,1	Recreation Grounds			
5.1.1	Deposits			
5.1.1	2010 Wcup Stadium - With Gate Collection	8 484,52	9 757,20	
5.1.2	Rotary With Gate Collection	2 061,09	2 370,26	
5.1.2	Rotary Without Gate Collection	1 718,98	1 976,83	

3	SOLID WASTE : Proposed increment 7%	2022/2023	2023/2024	
	Refuse Removal : Full Level of Service			
5.1.2.1	Rental (per day)	-	-	
5.1.2.2	Premier Division	10 682,44	12 284,81	
5.1.2.3	Hire per day (1st Division/Festival	7 590,84	8 729,46	
5.1.2.4	(2nd Division)	6 389,92	7 348,41	
5.1.2.5	(3rd Division)	4 021,63	4 624,87	
	Vodacom	859,49	988,41	
	Castle	733,11	843,08	
5.1.2.7	Overtime per hour (All Sports facilities and boardrooms)		238,26	New
5.1.2.8	Use of upper foyer downstairs foyer and VIP area (per day)		2 173,91	New
5.1.2.9	Use of conference room B52, B60 and open space (per day)		1 739,13	New
5.1.2.10	Use of Queens park per day		1 739,13	New
5.1.2.11	Utilisation of Mqanduli park per day		695,65	New
5.1.2.12	Overtime per hour for use of Mqanduli and Queens park		238,26	New
5.1.2.13	Floodlights per hour (Minimum of 3hours)		434,78	New
	Mqanduli Stadium	733,11	771,97	
5,2	Without gate collection - deposit/ hire	1 718,98	1 810,09	
5.2.1	Cemeteries : Proposed increment at 6%		-	
5.2.1.1	Graves		-	
5.2.1.2	Per Adult burial (Umtata)	1 362,40	1 434,61	
5.2.1.3	Per Child burial (Umtata)	765,04	805,59	
5.2.2	Per Adult or Child (Mqanduli -site only)	68,71	72,35	
	Sale of Caskets (each)	1 938,80	2 041,56	
			-	
5,3			-	
5.3.1	Swimming Pools		-	
5.3.1.1	Sutherland Street		-	
5.3.1.2	Adults per session	31,44	33,11	
5.3.1.3	Children per session	13,62	14,35	
	Group session (outside pool hours-per hour)		-	
			-	
5.3.2			-	
5.3.2.1	Ngangelizwe		-	
5.3.2.2	Adults (per session)	13,56	14,28	
5.3.2.3	Children (per session)	7,55	7,95	
5,4			-	
5.4.1	Horticulture (Hire of Plants)		-	
5.4.2	10-20 plants	381,26	401,47	
5.4.3	21-30 plants	413,33	435,24	
5.4.4	31-40 plants	446,85	470,53	
5.4.5	41-50 plants	524,00	551,77	

3	SOLID WASTE : Proposed increment 7%	2022/2023	2023/2024	
	Refuse Removal : Full Level of Service			
5.4.6	51-75 plants	576,40	606,95	
5.4.7		-	-	
5.4.8	Penalty for Illegal Dumping : Proposed increment at 7%	-	-	
5.4.9	Garden and/ or domestic refuse	523,87	551,64	
5.4.10	Trolley Bins	-	-	
5.4.11	Rental (per bin per month)	523,87	551,64	
5.4.7	Charge per clearance	520,91	548,51	
			-	
			-	
5,5	COMMONAGE		-	
	Grazing fees: per beast per month	3,29	3,47	
	Lantyi	26,33	27,72	
	Wood sales: head load	0,98	1,03	
	Wood sale: Van load	49,36	51,98	
	Wood sale: sledge	32,91	34,65	
	Tractor or Truck load	82,27	86,63	
	Wood sales: Whole tree	206,39	217,33	
	Poles/ ipali	22,52	23,71	
	One bundle- Grass	7,22	7,60	
	Sabunga: Truck load	108,25	113,98	
	Pound fees: Mqanduli	-	-	
	Goat and sheep each	14,43	15,20	
	Livestock each	28,87	30,40	
	Animal pound fees horse , donkie,cows,bull,heifers basic charge		191,30	New
	Sheep and goat basic charge		118,26	New
	Storage fee for big animals per day		85,22	New
	Storage fee for sheep and goat per day		41,74	New
	OVERGROWN ERVEN			
	Mowing of grass with a tractor and brush cutter per sqaure meter		0,50	New
	Mowing of grasss with a weedeater per square meter		0,70	New
	Cutting and bushing of weeds and clearing of woody brushes per square meter		120,00	New

ANNEXURE G4 ROADS AND PUBLIC WORKS

ROADS AND WORKS			
Proposed increment at 6%			
ROADS AND WORKS	2022/2023	2023/2024	
Vehicle Crossing (Kerb & Channel only)			
Standard dish type per square meter	4 023,90	4 237,17	
Bridge Crossing	3 887,05	4 093,06	
Bollards	422,9	445,31	
Premix Pavement Construction			
Premix Pavement Construction (25mm thick)	425,85	448,42	
Re-instatement of trenches	12 546,39	13 211,35	
Sale of Premix	13 177,60	13 876,01	
Sale of Sabunga	60,93	64,16	
Cartage Charges (construction)			
Removal of Builder's Rubble/Spoil		-	
(per 5m load or part thereof)	2 092,58	2 203,49	

ANNEXURE G 5 PUBLIC SAFETY

9	CIVIL PROTECTION		0,00	
9,1	PERMIT FOR FLAMMABLE SUBSTANCE		0,00	
	Category: A - Up to 2275/25	377,59	397,60	
	" B - 2276 – 4500	452,71	476,70	
	26 kg - 45 kg		0,00	
			0,00	
	" C - 4510-22500	754,84	794,85	
	46 kg - 225 kg		0,00	
	" D - Over 22500	1 140,71	1 201,17	
9,2	INSPECTION FEES	-		
	Flammable Substances	380,48	400,65	
	L.P.G	452,71	476,70	
	Re-Inspection	452,71	476,70	
	Maximum (4 Insp.per year	3 774,55	3 974,60	
	Conveyance permit		0,00	
	Application- Approval of fire plan		0,00	

9	CIVIL PROTECTION		0,00	
	Fire Inspection Fees		0,00	
	Issuing of compliance certificate		0,00	
			0,00	
9,3	FIRE BRIGADE CHARGES		0,00	
	Turning Charges (per call)		0,00	
	Within Municipal Area	1 132,10	1 192,10	
	Outside Municipal Area	3 775,84	3 975,96	
	Subsidiary Vehicle	757,82	797,98	
	Special Duty	1 894,55	1 994,96	
			0,00	
	b) Fire fighting vehicles		0,00	
	Motor pump : major	3 020,68	3 180,78	
	Motor Pump: medium	2 641,80	2 781,82	
	Motor Pump :small	2 265,52	2 385,59	
	Portable Pump	3 020,68	3 180,78	
	Turntable ladder	3 020,68	3 180,78	
	Snorkel	1 131,46	1 191,43	
	Rescue Vehicle	1 131,46	1 191,43	
	Emergency Vehicle	1 131,46	1 191,43	
			0,00	
	c) Occupance or properties including Airport, charges per hour			
	Low risk incidents	188,09	198,06	
	Medium risk incidents	378,53	398,59	
	High risk incidents	567,8	597,89	
	Residential -dwellings	2 115,03	2 227,13	
	Flats	2 115,03	2 227,13	
	Hotels	3 527,44	3 714,39	
	Boarding houses	2 115,03	2 227,13	
	Shacks	1 057,52	1 113,57	
	Institutional Hospitals	2 822,43	2 972,02	
	Nursing homes	2 822,43	2 972,02	
	Public assembly-churches	2 822,43	2 972,02	
	Halls	2 115,03	2 227,13	
	Cinemas	2 822,43	2 972,02	
	Theatres	2 822,43	2 972,02	
	Night clubs	2 822,43	2 972,02	
	High risk building	5 642,47	5 941,52	
	Malls	5 642,47	5 941,52	

9	CIVIL PROTECTION		0,00	
	Stadium	5 642,47	5 941,52	
	Fun Fairs	5 642,47	5 941,52	
	Schools	2 822,43	2 972,02	
	University	5 642,47	5 941,52	
	Tax Ranks	5 642,47	5 941,52	
	Basement Parking	5 185,81	5 460,66	
	Commercial Restaurants	2 822,43	2 972,02	
	Cafes	2 822,43	2 972,02	
	Offices	2 115,03	2 227,13	
	Shops	2 115,03	2 227,13	
	Department Stores	2 115,03	2 227,13	
	Garages	5 642,47	5 941,52	
	Workshops	2 822,43	2 972,02	
	Outside storage	5 642,47	5 941,52	
	Industry Furniture	2 822,43	2 972,02	
	Industry-Plastic Rubber	5 642,47	5 941,52	
	-Textile	2 822,43	2 972,02	
	-Printing	2 822,43	2 972,02	
	-Milling	2 822,43	2 972,02	
	-Petroleum	5 642,47	5 941,52	
	-Food and Drinks	2 115,03	2 227,13	
	-Paper and Packaging	2 115,03	2 227,13	
	-Chemicals	5 642,47	5 941,52	
	-Alcaline metals	5 642,47	5 941,52	
	-Metals	2 115,03	2 227,13	
	-Electronics	2 115,03	2 227,13	
	-LP Gas	2 822,43	2 972,02	
	Transport -Cars	2 115,03	2 227,13	
	Motorcycles -	2 115,03	2 227,13	
			0,00	
	Heavy goods		0,00	
	Vehicles -	5 642,47	5 941,52	
	Hazmat vehicles -	5 642,47	5 941,52	
	Explosive Carrying		0,00	
	Vehicles	5 642,47	5 941,52	

9	CIVIL PROTECTION		0,00	
	Buses	5 642,47	5 941,52	
	Ships	2 115,03	2 227,13	
	Trains	2 822,43	2 972,02	
	Aircraft: small	5 642,47	5 941,52	
	Aircraft: medium	2 115,03	2 227,13	
	Military Aircraft	5 642,47	5 941,52	
	Other-Rubbish	2 822,43	2 972,02	
	Grass & Bush	2 115,03	2 227,13	
	Plantations	1 057,52	1 113,57	
	Crops	2 822,43	2 972,02	
	Rescues-vehicle extrication	1 057,52	1 113,57	
	Water rescues	2 115,03	2 227,13	
	Lift rescues	2 822,43	2 972,02	
	Manhole rescues	4 225,35	4 449,29	
	Trapped rescues	175,06	184,34	
	Fire extinguisher	352,51	371,19	
	Fire hoses	423,48	445,92	
	First aid for sport & recreation	423,48	445,92	
	Breathing apparatus	423,48	445,92	
	Refilling of pools (per water cost)	423,48	445,92	
	Deep Lifting	423,48	445,92	
	Flushing of stormpipes	423,48	445,92	
	Spoil of oil removes (plus type of vehicle)	423,48	445,92	
	Foam concentrate (plus water cost)	212,92	224,20	
	d) Charge per km		0,00	
	TYPE		0,00	
	Motor Pump Large	80,21	84,46	
	Motor Pump medium	64,11	67,51	
	Motor Pump small	56,9	59,92	
	Sub Vehicle	48,01	50,55	
	e) Standby Charges		0,00	
	TYPE		0,00	
	Motor Pump	176,17	185,51	
	Sub-Vehicle	69,14	72,80	

9	CIVIL PROTECTION		0,00	
	Other	176,17	185,51	
	f) Training fee per person		0,00	
	Basic fire fighting course	355,2	374,03	
	Intermediate fire fighting course	419,57	441,81	
	Advanced fire fighting course	534	562,30	
	Basic Vehicle rescue course	534	562,30	
	Fire marshal course	534	562,30	
	Advanced fire safety course	534	562,30	
	g) Stationery supply at Fire Department		0,00	
	Pens	11,32	11,92	
	Pencils	5,72	6,02	
	Rubbers	8	8,42	
	Tippex	16,22	17,08	
	Rulers	8,1	8,53	
	Clipboards	2,38	2,51	
	Photostats per sheet	3,47	3,65	
	Flimsies	347,1	365,50	
	Video Film copies	145,42	153,13	
			0,00	
	Old Exams questions and answers	48,38	50,94	
	(per copy older than one year)		0,00	
	a) State patients		0,00	
	b) Municipal workers	342,45	360,60	
	c) Natural disaster casualties		0,00	
	d) Disabled patients		0,00	
	e) Patients with an income of the following amount per month		0,00	
			0,00	
	R 100- R 300 p.m	195,48	205,84	
	R 301- R 600p.m	214,54	225,91	
	R 601- R900 p.m	233,62	246,00	
	R901-R1200 p.m	259,62	273,38	
	R1201-R1500p.m	286,06	301,22	
	R1501-R1800 p.m	314,68	331,36	

9	CIVIL PROTECTION		0,00	
	R1801-R2100 p.m	343,29	361,48	
	R2111-R2400 p.m	81,05	85,35	
	R2401-R2700 p.m	414,81	436,79	
	R2701-R3000 p.m	452,95	476,96	
	R3001-R3300 p.m	500,62	527,15	
	R3301-R3600 p.m	548,3	577,36	
	R3601-and up	710,4	748,05	
	f) Ammounts outside area Amount in 9,4 Plus R5,00 per km		0,00	
9,4	CITY POLICE		0,00	
9.4.1	Tow-away fees		750	
	Use or contractor		900	
			-	
9.4.2	LMV		-	
		1 036,30	1 091,22	
	With dolly wheels	635,89	669,59	
			0,00	
9.4.3	HMV	1 676,62	1 765,48	
	Low Bed	1 676,62	1 765,48	
			0,00	
9.4.4	Impounded Vehicles	280	294,84	
	Storage fees per day or Part thereof	121,1	127,52	
	Stray animal	200	210,60	
9.4.5	Damage to speed trap cable	2 765,34	2 911,90	
	Business Loading Zone	50	52,65	
9.4.6	Office accident report forms	132,00	139,00	
	Search fees on any query or Part thereof	269,79	284,09	
9.4.7	Natis search fees			
	Any query or part thereof			
	Parking metre		10 per hour	New
9.4.8	Funeral Escorts per Occasion		90	New
9.4.9	Abnormal Loads per hour or part thereof			
9.4.10	Special Parking Bays (on public roads) per		50	New
	registrated taxis at allocated areas per year			

9	CIVIL PROTECTION		0,00	
9.4.11	Circus Triangle Bus Rank			
	Permits per bus per year			

ANNEXURE G 6 BUSINESS LICENCES

BUSINESS LICENSING TARIFFS		2022/2023	2023/2024	
10.5.3	MARKET TABLES			
	1. Small Tables	47,39	49,90	
	2. Medium Tables	60,93	64,16	
	3. Big Tables	67,70	71,28	
	4. Bigger Tables	74,47	78,41	
10.5.4	TOWN HALL STALLS	-	-	
	1. Small Stalls	47,03	49,52	
	2. Medium Stalls	73,90	77,82	
	3. Big Stalls	268,73	282,97	
10.5.5	P.P STALLS BELOW ECDC AT ELLIOT	2022/2023	2023/2024	
	1. Stalls	36,08	37,99	
	1. Bona fide Farm stalls	38,97	41,03	
	2. Fruit & Vegetables	10,10	10,64	
	3. Clothes	17,32	18,24	
	4. Fruit & Vegetables (BULK)	173,19	182,37	
	5. Sprigg Street Stalls	84,28	88,75	
10.5.6	BUSINESS FEES	1 708,44	1 798,99	
	Established Businesses	2 847,40	2 998,31	annual fees
	Tailors/Dressmakers/Shoe Repairs/ Caterers/Saloons	544,44	573,29	annual fees
10.5.7	FILIMING AND VIDEO SHOOTING	2022/2023	2023/2024	
	Video Shooting per day	1048,00	1 103,54	
	Filming per day (small companies)	2096,00	2 207,09	
	Filming per hour (large companies)	419,20	441,42	

ANNEXURE G 7 DEVELOPMENT PLANNING

ITEM	SERVICE	2022/2023 TOTAL R/Cents	2023/2024 TOTAL R/Cents	COMMENTS
1	DEVELOPMENT PLANNING			
1,1	Application for consent			
1.1.1	Application fee (excluding advertising)	R 2 922,81	R 3 077,72	
			R 0,00	
1,2	Application for Rezoning		R 0,00	
	(excluding advertising)		R 0,00	
1.2.1	Erven 0- 2500m ²	R 3 115,08	R 3 280,18	
1.2.2	Erven 2501 -5 000m ²	R 5 839,25	R 6 148,73	
1.2.3	Erven 5 001 -10 000m ²	R 9 667,36	R 10 179,73	
1.2.4	Erven 1ha - 5ha m ²	R 15 244,20	R 16 052,14	
1.2.5	Erven over 5ha m ²	R 19 054,69	R 20 064,58	
			R 0,00	
1,3	Application for departure		R 0,00	
1.3.1	Erven smaller than 500 m ²	R 939,13	R 988,91	
1.3.2	Erven 500 -750 m ²	R 619,30	R 652,12	
1.3.3.	Erven larger than 750m ²	R 1 242,41	R 1 308,26	
			R 0,00	
1,4	Subdivision -application fees		R 0,00	
1.4.1	Basic fee	R 2 127,87	R 2 240,65	
1.4.2	Charge per subdivision	R 194,11	R 204,40	
1.4.3	(Remainder considered as a subdivision)		R 200	New
			R 0,00	
1,5	Application fee for Removal of Restriction	R 1 708,44	R 1 798,99	
			R 0,00	
1,6	Consolidation fee	R 2 277,92	R 2 398,65	
			R 0,00	
1,7	Limited Special Consent fee	R 1 480,65	R 1 559,12	
			R 0,00	
1,8	Application for Appeal	R 3 986,36	R 4 197,64	
			R 0,00	

ITEM	SERVICE	2022/2023	2023/2024	COMMENTS
1,9	Second Dwelling fee	R 44,42	R 46,77	per square meter
			R 0,00	
	Illegal Land Use Penalty Fee		R 5000	New
	Formalisation of existing Land Use Penalty Fee		R 3000	New
1,10	Application for exemptions		R2000	New
			R 0,00	
1,11	Zoning Certificate	R 88,50	R 93,19	
1,12	Spatial Development Framework Documents- CD			
1.12.1	Land Use Management Scheme- Document	R 1 141,30	R 1 201,79	
1.12.2	Land Use Management Scheme- CD	R 227,95	R 240,03	
	GIS SERVICES			
	Map products			
	Surveyor General-Diagrams		R15.00	New
	Maps with Aerial Photograph			
	A0		R240.00	New
	A1		R180.00	New
	A2		R95.00	New
	A3		R69.00	New
	A4		R45.00	New
	Vector maps			
	A0		R160.00	New
	A1		R110.00	New
	A2		R69.00	New
	A3		R30.00	New
	A4		R15.00	New

ITEM	SERVICE	2022/2023	2023/2024	COMMENTS
	Data Products			
	GIS Vector and Rasta data			
	On CD		R130.00	New
6	Building Control			
6,1	Building plan application fee per m ²	R 0,75	R 0,79	Unchanged
6.1.1	Minimum application charge	R 772,31	R 813,24	
6,2	Estimation of building value (R/m2)	R 0,00	R 0,00	
6.2.1	Dwelling house	R 4 666,59	R 4 913,92	
6.2.2	Outside building	R 3 839,24	R 4 042,71	
6.2.3	Flats, townhouses, Hotels	R 5 196,39	R 5 471,80	
6.2.4	Carport, Covered Parking	R 1 908,73	R 2 009,89	
6.2.5	Patios & pergolas	R 1 778,10	R 1 872,33	
	Entertainment, Pargolas and Braai Area		R 2 400,00	New
6.2.6	Factories, warehouses, Cimemas	R 4 267,43	R 4 493,60	
6.2.7	shops, offices, hotels, churches, schools	R 5 087,53	R 5 357,17	
6.2.8	Basement Parking	R 1 908,73	R 2 009,89	
6.2.9	Swimming Pools (set fee)	R 827,09	R 870,92	
6.2.10	Boundary walls (linear meter), walls from 1,8 m and above	R 152,87	R 158,83	New
6.2.11	Tents for max. 2 days (set fee)	R 827,09	R 870,92	
	Cellphone Mast (Set fee)		R 12 000,00	New
6.2.12	As Built (Fine)	R 10 888,72	R 11 465,82	Fine plus rate per square meter
6.2.13	Internal Alterations		R 3 225,00	New
	Roof alterations		R 1 998,44	New
6.2.14	Airports	R 5 240,00	R 5 517,72	
6.2.15	Institutions (Universities and Colleges)	R 4 925,60	R 5 186,66	

ITEM	SERVICE	2022/2023	2023/2024	COMMENTS
6.2.16	Health Facilities (Hospital & Clinics)	R 4 925,60	R 5 186,66	
6.2.17	Halls, Place of Worships	R 4 401,60	R 4 634,88	
6.2.18	Demolitions (Permit)	R 1 572,00	R 1 655,32	
			R 0,00	
6,3	Other Charges		R 0,00	
6.3.1	Drainage inspection	R 274,23	R 288,76	
6.3.2	Preliminary Plans for comment	R 0,00	R 0,00	unchanged
6.3.3	Resubmission of lapsed Plans without any alterations	R 772,31	R 813,24	
	Re inspection fee for completed structure for Re - issue of Occupation certificate		R 500,00	New
6.3.4	Resubmission of Queried/amended plans			unchanged
6.3.6	Subscription to KSDM Building Stats Submission			
	a) Monthly			Unchanged
	b) Annually			Unchanged
	FINES			
	Building without an approved plan (penalty fee) - Dwelling		R 15 000,00	New
	Building without an approved plan (penalty fee) - for commercial other buildings		R 25 000,00	New
	Illegal erection of hoardings		R 3 500,00	New
	Building without commencement application		R 3 500,00	New
	Illegal erecting of boundary wall without submission of plans		R4 500,00	New
	Commencement fees		R3 500,00	New

ITEM	SERVICE	2022/2023	2023/2024	COMMENTS
6,4	Building Operation Charges			
6.4.1	Temporary hoarding application fee (per linear metre)	R 160,21	R 168,70	
6.4.2	Footway deposit (refundable less damage per square metre)	R 57,73 R 0,00	R 60,79 R 0,00	
6.4.3	Use of footway during building operations (per Linear Metre)	R 238,15	R 250,77	
6.4.4	(non-refundable-per linear metre of hoarded area)	R 0,00	R 0,00	
6.4.5	Illegal dumping of builder's rubble	R 2 990,50	R 3 149,00	
6,5	Contractors Camps : Deposits			
	Camp Size			
	1000m ² or less	R 6 984,08	R 7 354,24	
	10001m ² - 4000m ²	R 13 968,17	R 14 708,49	
	40001m - 6000m ²	R 16 752,28	R 17 640,15	
	6000 m ²	R 16 752,28	R 17 640,15	
	Contractors Camps Fee (Per Month/ Paid Upfront)		R 0,00	
	1000m ² or less	R 1 958,54	R 2 062,35	
	10001m ² - 4000m ²	R 3 909,88	R 4 117,10	
	40001m - 6000m ²	R 5 491,72	R 5 782,79	
6,5	Plan Refund/Replacements			
6.5.1	Recalled/withdrawn plans (In circulation)			Municipality retains 30% (adming fee)
				of application fee, on all withdrawn plans
6.5.2	Withdrawn/Recalled plans (approved)			No Refund for approved plans

ITEM	SERVICE	2022/2023	2023/2024	COMMENTS
8	RENT: Proposed increment at 4.7%	2022/2023	2023/2024	COMMENTS
		TOTAL	TOTAL	
8,1	GENERAL			
	<i>Park Homes</i>	1822,08	R 1 918,65	
	<i>New Brighton Houses</i>	725,64	R 764,10	
	<i>Hillcrest 4 rooms/ verandah</i>	1120,46	R 1 179,84	
	<i>Hillcrest 4 rooms</i>	1021,75	R 1 075,90	
	<i>Hillcrest 3 rooms</i>	845,68	R 890,50	
	<i>Ngangelizwe 1 room</i>	394,83	R 415,76	
	<i>Ngangelizwe 2 rooms</i>	482,86	R 508,46	
	<i>Ngangelizwe 3 rooms</i>	602,47	R 634,40	
	<i>Ngangelizwe 4 rooms</i>	1205,84	R 1 269,75	
	<i>Ngangelizwe sites with sewer</i>	786,99	R 828,70	
	<i>Ngangelizwe sites with nightsoil</i>	901,72	R 949,51	
	<i>Church sites</i>	514,88	R 542,17	
	<i>Trading sites</i>	2112,88	R 2 224,87	
	<i>Staff cottages/ Flats</i>	1552,65	R 1 634,94	
	<i>Staff houses</i>	3121,29	R 3 286,72	
8,2	STAFF HOUSES		R 0,00	
	<i>Cottages/ Flats</i>	1299	R 1 367,56	
	<i>Houses</i>	2611	R 2 749,22	
9				
9,1	Banners			
9.1.1	Nelson Mandela Drive, R61 Road and Central Business District (max. 2 Banners/ 14 days)		R 250,00	New
9,2	Posters			
9.2.1	Non-refundable fee, per/poster (max 14 days)	R 19,01	R 20,02	
9.2.2	Refundable dep. Fee (Charity Events max. 500 posters)	R 413,16	R 435,05	85% of Refundable deposit returned to

ITEM	SERVICE	2022/2023	2023/2024	COMMENTS
9.2.3	Refundable dep. Fee (Other Events max. 500 posters)	R 1 514,90	R 1 595,19	15% retained by Municipality as admin. charge
9.2.4	Refundable dep. Fee (political Events max. 1500 posters)	R 6 197,33	R 6 525,79	Political parties only pay 85% refundable fee
				for max. 1500 and do not pay fee per poster
				Refundable only when all posters removed
				by such political party
11,3	Application Fees			
11.3.1	For Advertising Signs			
	a) Per application (general)	R 818,34	R 861,72	monthly
	b) Per Billboard < 40m2 on Private Property	R 3 997,92	R 4 209,81	monthly
	c) Per Super Billboard >40m2 on Private Property	R 4 797,49	R 5 051,76	monthly
11.3.2	For Advertising Signs			
	a) Signage attached to Boundary walls, Shop catilever (general)		R 400,00	monthly
	b) Signage attached to Shop cantilever / veranda		R 600,00	monthly
11.3.3	Application fee for Newspaper Headline Posters			
	a) Annual deposit	R 12 426,74	R 13 085,36	Once off refundable deposit
	b) Annual administration fee	R 6 206,15	R 6 535,07	annual

ITEM	SERVICE	2022/2023	2023/2024	COMMENTS
11.3.4	Application fee for Estate Agent Boards			
	a) Annual deposit	R 12 426,74	R 13 085,36	Once off refundable deposit
	b) Annual administration fee	R 6 206,15	R 6 535,07	annually
11.3.5	Application fee for temp. wrapping sign on construction site			
	a) Per application	R 2 395,86	R 2 522,84	
11.3.5	Application fee Portable advertising signs and movable trailers etc.			
	a) Portable Outdoor Advertising Signs per application		R 1 500,00	annually
	b) Outdoor Advertising movable trailer per application		R 2 500,00	annually
	FINES			
11.4.1	Removal charges for posters			
	a) per poster- unpasted	R 209,27	R 220,36	
	pasted	R 519,58	R 547,12	
11.4.2	Removal charges for sign boards			
	a) actual cost - (minimum)	R 324,74	R 341,95	
	plus penalty (per sign)	R 594,80	R 626,32	
11.4.3	Removal charges for loose portable signs (estate, "For Sale" etc)			
	a) First offense per sign	R 627,83	R 661,10	

ITEM	SERVICE	2022/2023	2023/2024	COMMENTS
	b) Second offense per sign	R 1 190,71	R 1 253,82	
	c) Third offense per sign	R 1 731,95	R 1 823,74	
11.4.4	Removal charges for Outdoor Advertising Signage and Billboards			
	a) Removal of Outdoor and Signage fines per sign		R 4 500,00	New

ANNEXURE G HIRING OF EQUIPMENT AND FACILITIES

HIRE OF CITY HALLS	2022/2023			2023/2024		
	Norwood	Other	City	Norwood	Other	City
Professional, concerts						
Magician shows & the like by visiting companies						
7pm to midnight	1393	1460	1530	1 466,74	1 537,14	1 610,92
Amateur concerts, cabaret shows, Give-It-A-Show						
Film show, etc.						
7pm to midnight						
Dances, Balls, Discos etc.						
7pm to midnight	437	458	480	459,98	482,06	505,20
	2022/2023			2023/2024		
	Norwood	Other	City	Norwood	Other	City
				-	-	-
Private receptions, meetings, weddings,				-	-	-
socials per hour to midnight	196,26	205,68	215,55	206,66	216,58	226,98
Exhibitions, flower				-	-	-
Shows per show and the like				-	-	-
Weekdays 8am to 5pm	143,21	150,08	157,28	150,80	158,03	165,62
Weekdays 5pm to 11pm and Saturdays	198,36	207,88	217,86	208,87	218,90	229,41
Sunday and public holidays per hour	194,57	203,91	213,70	204,88	214,71	225,02
Bazaar 5pm to 11pm	520,20	545,17	571,34	547,77	574,06	601,62

Political meetings 5pm to midnight	830,80	870,68	912,47	874,84	916,83	960,83
Religious service per hour to midnight	131,23	137,53	144,13	138,18	144,82	151,77
DEPOSIT						
	Norwood	Other	City	Norwood	Other	City
Town Hall		3369	3531		3 547,79	3 718,08
Civic Centre		1350	1415		1 422,05	1 490,31
	OTHER HALLS					
Rotary Hall	378			399		
Banqueting	544			573		
Mqanduli Hall	357			376		
Multi purpose Centre - Mqanduli	357			376		
Multi purpose Centre - Ikwezi	357			376		
	2022/2023			2023/2024		
EXTRAS						
Use of kitchen cutlery and crockery per function	334	361	411	351	380	433
Use of halls for rehearsals, preparations, decorations, etc.						
5pm to 11pm only weekdays	119	122	129	125	128	136
Use of piano : per function Steinway piano(City Hall only)			282			297
Broadway Piano			131			137
OVERTIME						
Weekday & Saturdays	161	172	182	169	181	192
Sundays & Public holidays	223	239	253	235	252	267

	2022/2023		2023/2024		
Public address system :per function (City Hall)					
Auction Sale	2190	3023	2306		3184
HIRE OF CIVIC HALL FURNISHINGS FOR USE WITHIN THE MUNICIPAL AREA					
Deposit	1618			1704	
For any period up to 24 hours per chair					
Chairs: per chair	8			9	
Tables: per table	30			32	
For period over 24 hours : per 24 hours					
Chairs: per chair					
Tables: per table					