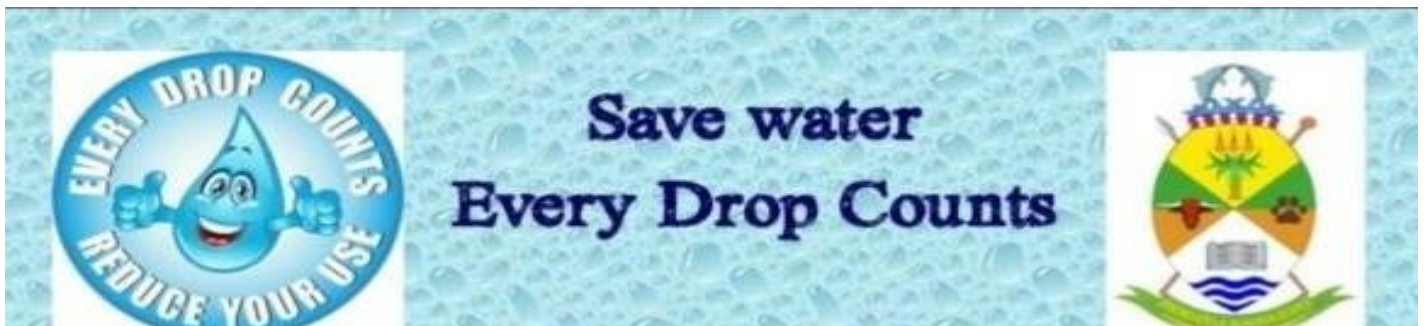




NDLAMBE
Local Municipality

DRAFT
MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK
2025/26 TO 2027/28



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Abbreviations and Acronyms

MM	Municipal Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DoRA	Division of Revenue Act
FBS	Free Basic Services
RM	Repairs and Maintenance
GDP	Gross Domestic Product
IDP	Integrated Development Plan
AFS	Annual Financial Statements RO
	Reverse Osmosis Plant
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
PPE	Property Plant and Equipment
SDBIP	Service Delivery Budget Implementation Plan
ES	Equitable Share
FMG	Financial Management Grant
WSIG	Water Services Infrastructure Grant
MBRR	Municipal Budget & Reporting Regulations
SLA	Service Level Agreements
EPWP	Expanded Public Works Programme
ERP	Enterprise Resource Planning financial system
INEP	Integrated National Electrification Programme



PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT

The 2026 Medium-Term Revenue and Expenditure Framework (MTREF) closely mirrors previous years, yet the process of compiling this draft budget has been particularly challenging due to the ongoing disparity between the limited resources available and the overwhelming needs of our community.

Our budget planning has been significantly influenced by several challenges, including the decline in the national economy, rising unemployment, declining natural resources (water) resulting to increasing provision costs, increasing energy costs and increasing inflation rates. These factors have resulted in the escalation of rates and taxes, which further complicates the budgeting process. As we prepare for the future, it is crucial that we take these challenges into account and carefully navigate the financial realities they present.

Given these circumstances, we must approach this budget with caution, responsibility, and focus on strategic decision-making. A thorough consultation with our Integrated Development Plan (IDP) remains essential to ensure that resources are allocated to the mandated areas of service delivery, including providing quality basic services, improving our audit outcomes, and maintaining financial viability for the municipality.

We must continue to adopt a strategic approach, keeping the economic climate in mind, while balancing the pressing needs of our community with the long-term financial sustainability of the municipality.

As a result, the tabled 2026 MTREF municipal budget has projected a deficit for the current year and the two outer years. While we have made every effort to align tariff increases with the forecasted Consumer Price Index (CPI), there are areas, such as water and electricity services, where this approach is not feasible due to the high costs of service provision. For these critical services, the outcome of the cost of supply study will need to be fully implemented when setting the relevant tariffs.

It is critical that the municipality to also work on reducing the deficit to mitigate its negative impact on the financial position and business continuity. Furthermore, we are focused on ensuring that our trading services break even. In our revenue projections, we have aimed to be more realistic by aligning expectations with current collection trends.

Additionally, reducing water and electricity losses will be a critical focus moving forward. We need to develop and implement effective strategies in this regard, ensuring that these efforts are appropriately integrated into the budget to achieve sustainable financial results.

While the challenges we face are significant, we are confident that we will be able to approve a funded and balanced budget, as required, that will allow us to continue providing essential services and securing the municipality's long-term viability.



1.2 COUNCIL RESOLUTIONS

The following resolutions are listed here as required by the MBRR and it is recommended that the Council approves the following resolutions for the budget, in accordance with section 24 of the Municipal Finance Management Act)

THAT the draft capital budget as outlined in **Table A5** - Budgeted Capital Expenditure by vote, standard classification and funding source valued **R87,002 million** for 2025/2026, (2027 **R56,645 million**) and (2028 **R59,399 million**) be NOTED.

THAT the draft operating budget for the 2025/2026 financial year as presented in **Table A4** - Budgeted Financial Performance (revenue and expenditure) reflecting the operating deficit of **R92,076 million** (2027 **R99,154 million**) and (2028 **R59,694 million**) be NOTED.

THAT the draft tariffs be NOTED with the following increases:

- **Property rates** tariff has been projected to increase by 5% in 2025/26 and the CPI in the subsequent two years.
- **Environmental fee:** 4.4% CPI inflation for 2025/26 and CPI inflation for the two outer years.
- **Water Basic Fee:** A 9.4% increase (comprising 4.4% CPI inflation plus an estimated 5% for tariff structure) over the next four years, including the two outer years for the 2026 MTREF.
- **Water Usage:** A 4.4% increase based on CPI inflation for 2025/26, with CPI inflation applied for the outer years.
- **Sewerage Basic Fee:** A 9.4% increase (4.4% CPI inflation plus an estimated 5% for tariff structure) for 2025/26, with further increases projected based on CPI inflation for the two outer years.
- **Sanitation/Pump Outs:** A 9.4% increase (4.4% CPI inflation plus an estimated 5% for tariff structure) for 2025/26, with CPI inflation plus an additional 5% for the tariff structure over the remaining years, including the two outer years for the 2026 MTREF.
- **Waste Collection:** A 4.4% increase based on CPI inflation for 2025/26, with CPI inflation applied for the outer years.
- **Electricity tariff:** Various Electricity tariff increases can be seen from the attached tariff listing which are based on the 2023/2024 cost of supply study to be phased in over 3 years and the review thereof considering the actual costs and revenue of the 2024/2025 financial year and the budgeted figures for the 2025/2026 financial year.
- **Miscellaneous tariffs:** A 4.4% increase based on CPI inflation for 2025/26, with CPI inflation applied for the outer years.

THAT the draft financial position for the 2025/2026 financial year as presented in Table A6- Budgeted Financial Position, reflecting the community wealth/equity of **R1,384,569 billion** for 2025/2026, (2027 **R1,348,993 billion**) and (2028 **R1,303,584 billion**) be NOTED with corrections still to be made before publishing.

THAT the draft cash flow for the 2025/2026 financial year as presented in Table A7- Budgeted Cash Flow reflecting a positive cash and cash equivalent at the end of 2025/2026 financial year **R120,964 million**, (2027 **R102,741 million**) and (2028 **R74,713 million**) be NOTED with linking corrections of **Table A6**

THAT budget related policies reviewed for 2025/2026 MTREF be NOTED.

Policy	Policy Amended			Amendment Date
	Yes	No	New	
Rates Policy		No		
Indigent Policy		No		



Budget Policy		No		
Creditors, Staff and Councilors Payment Policy		No		
Credit Control and Debt Collection Policy		No		
Funding and Reserve Policy		No		
Virement Policy		No		
Subsistence and Travel Policy	Yes			
Policy and Procedures for Irregular and Fruitless Expenditure		No		
Fixed Asset Policy	Yes			
Supply Chain Management Policy		No		
Write-off of Irrecoverable Debt Policy		No		
Loans Policy		No		
Tariff Policy		No		
Management of Accumulated Surplus and Bad Debt Policy		No		
Loss Control Policy		No		
Fuel Card Policy	Yes			
Internship Programme Policy		No		
Cost Containment Policy		No		
Donations Policy			New	
Insurance Policy			New	
Small Scale Embedded Generation Policy			New	

THAT the draft procurement plans for 2025/26 budget be NOTED.



1.3 EXECUTIVE SUMMARY

One of the key objectives of the 2026 MTREF budget process is to demonstrate how the municipality is preparing its annual budget in line with the budget and financial management reform agenda, with a focus on key "game changers." These game changers include ensuring that municipal budgets are fully funded, optimizing revenue management, efficiently managing assets, adhering to supply chain management processes, correctly implementing mSCOA, and addressing audit findings.

1. *The South African economy and inflation targets*

The National Treasury has revised its 2024 economic growth forecast down to 1.1 percent, from the 1.3 percent predicted in the 2024 Budget Review, due to inconsistent economic growth and persistent inflation during the first half of the year. GDP growth is projected to average 1.8 per cent from 2025 to 2027, up from 1.2 per cent in the preceding three years

Compiling Ndlambe Municipality's budget was challenging due to current economic pressures, while still ensuring the delivery of quality services to residents and promoting local economic development to address unemployment. The projected average annual growth rate for households is 2.3%, with the municipality's population expected to grow by 2.33% annually, reaching approximately 90,800 by 2028 financial year. The recent statistical data has been a wake-up call for the municipality, highlighting the growing number of households it will need to serve in the near future.

Ndlambe Local Municipality's economic growth is projected to maintain a steady annual growth rate of 1.07% throughout the MTREF period. Despite this stable growth, it remains essential to make every effort to collect outstanding debts from consumers who are able to pay, while also focusing on registering indigent consumers. This approach aims to increase the number of registered indigent households, with the goal of securing a higher equitable share. As a result, the allocation of the equitable share is expected to reflect an average increase of 4% over the MTREF period. Our goal is to maintain high-quality services at affordable rates and taxes, while focusing on maintaining infrastructure and other fixed assets as a result asset management and maintenance plans are being developed and continuing to lobby for funds to support capital projects in this budget, the municipality has successfully secured the allocation of the Integrated National Electrification Grant (INEP) for the MTREF period.

The municipality Council has made a decisive move by identifying the top four development priorities that will shape the MTREF period:

1. Maintenance of Infrastructure
2. Water and Sanitation
3. Roads
4. Stormwater Management

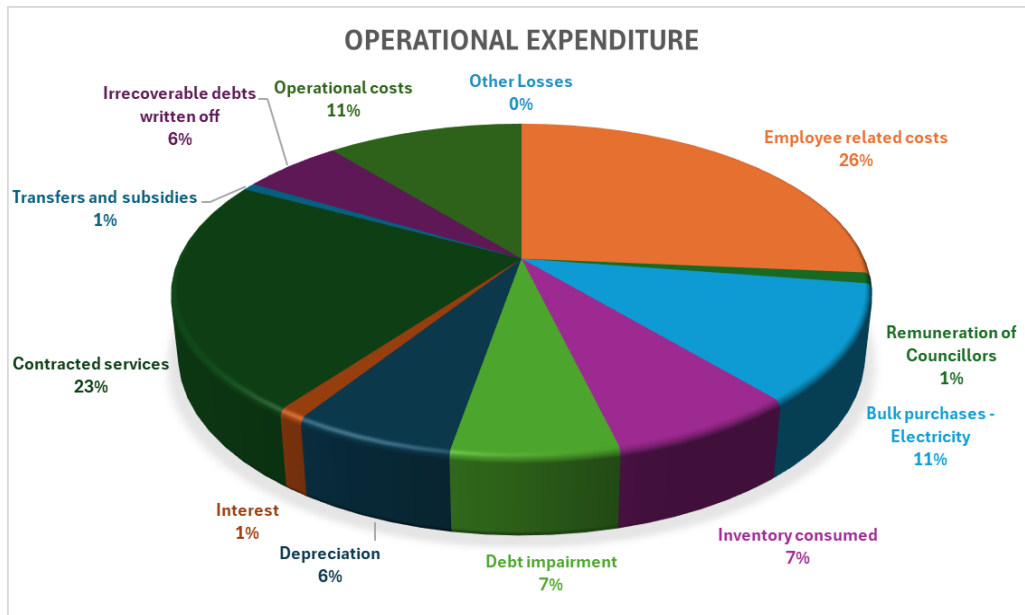
The 2026 MTREF for Ndlambe Municipality also highlights the initiatives implemented to address audit findings and matters of emphasis in the audit report. Non-cash items, which were major contributors to unauthorized expenditure, such as the impairment of debtors, are now fully budgeted for, unlike in the past when they were cut to balance the budget. Additionally, the impairment of fixed assets is projected and included in the budget for the first time.



The table presents a summary of the MTREF, with detailed breakdowns to be provided in the subsequent tables in the next section of the document.

Table A1 Budget Summary

Choose name from list - Table A1 Budget Summary										
Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands										
Financial Performance										
Property rates	134,432	143,572	146,733	177,996	177,996	177,996	177,996	183,503	191,760	196,554
Service charges	162,102	178,438	189,825	226,197	226,197	226,197	226,197	252,866	271,501	287,943
Investment revenue	4,203	7,869	12,317	10,858	10,858	10,858	10,858	14,215	14,855	15,226
Transfer and subsidies - Operational	116,901	127,602	196,697	226,609	277,727	277,727	277,727	220,059	158,807	163,961
Other own revenue	34,813	41,509	34,116	37,020	37,020	37,020	37,020	46,598	48,753	50,263
Total Revenue (excluding capital transfers and contributions)	452,452	498,989	578,689	678,680	729,798	729,798	729,798	717,242	685,677	713,947
Employee costs	163,265	164,142	188,139	204,080	204,450	204,450	204,450	213,372	226,256	238,335
Remuneration of councillors	7,704	7,666	8,492	8,573	8,688	8,688	8,688	8,469	8,475	8,482
Depreciation and amortisation	44,119	49,030	50,779	51,434	51,434	51,434	51,434	51,600	49,526	48,408
Interest	583	420	184	9,501	9,501	9,501	9,501	8,679	9,286	9,937
Inventory consumed and bulk purchases	94,626	122,916	128,168	137,669	140,707	140,707	140,707	152,044	164,851	177,617
Transfers and subsidies	2,980	4,432	4,304	5,368	5,765	5,765	5,765	5,738	5,996	6,263
Other expenditure	151,855	165,954	235,829	272,812	320,232	320,232	320,232	369,416	320,441	338,625
Total Expenditure	465,131	514,560	615,894	689,438	740,778	740,778	740,778	809,318	784,830	827,665
Surplus/(Deficit)	(12,679)	(15,571)	(37,205)	(10,758)	(10,980)	(10,980)	(10,980)	(92,076)	(99,154)	(113,717)
Transfers and subsidies - capital (monetary allocations)	96,475	129,882	112,368	126,491	210,975	210,975	101,456	85,698	63,577	68,308
Transfers and subsidies - capital (in-kind)	110	-	378	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	83,907	114,311	75,541	115,733	199,994	199,994	90,475	(6,378)	(35,576)	(45,409)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	83,907	114,311	75,541	115,733	199,994	199,994	90,475	(6,378)	(35,576)	(45,409)
Capital expenditure & funds sources										
Capital expenditure	107,018	137,598	111,635	140,494	215,175	215,175	97,648	87,002	56,645	59,399
Transfers recognised - capital	85,506	114,673	102,236	126,521	201,202	201,202	91,269	77,728	55,285	59,399
Borrowing	26	-	-	-	-	-	-	-	-	-
Internally generated funds	21,456	22,925	9,352	13,973	13,973	13,973	6,379	9,274	1,360	-
Total sources of capital funds	106,989	137,598	111,588	140,494	215,175	215,175	97,648	87,002	56,645	59,399
Financial position										
Total current assets	284,276	269,662	390,092	383,562	397,728	397,728	402,221	341,356	307,140	259,868
Total non current assets	1,363,933	1,440,571	1,490,089	1,534,141	1,661,668	1,661,668	1,560,576	1,533,330	1,540,449	1,551,440
Total current liabilities	203,828	222,787	345,649	311,680	357,300	357,300	321,977	346,034	345,227	344,418
Total non current liabilities	115,586	113,587	124,259	132,686	144,816	144,816	135,462	144,082	153,368	163,305
Community wealth/Equity	1,328,085	1,381,132	1,403,789	1,473,337	1,557,281	1,557,281	1,504,541	1,384,569	1,348,993	1,303,584
Cash flows										
Net cash from (used) operating	48,298	(3,005)	176,364	142,376	208,721	208,721	208,721	80,971	43,989	35,601
Net cash from (used) investing	(123,891)	(158,915)	(124,162)	(148,425)	(234,948)	(234,948)	(234,948)	(98,559)	(62,212)	(63,628)
Net cash from (used) financing	(1,695)	(2,072)	(1,121)	(758)	(758)	(758)	(758)	-	-	-
Cash/cash equivalents at the year end	(757)	(86,206)	118,317	132,603	112,540	112,540	112,540	120,964	102,741	74,713
Cash backing/surplus reconciliation										
Non current investments	22,887	34,879	108,457	79,963	80,886	80,886	64,742	80,387	80,387	80,387
Statutory requirements	(3,026)	(14,778)	(37,306)	(26,776)	(71,797)	(71,797)	(1,909)	(63,376)	(92,434)	(131,955)
Balance - surplus (shortfall)	25,914	49,656	145,763	106,739	152,683	152,683	66,651	143,763	172,822	212,343
Asset management										
Asset register summary (WDV)	1,099,637	1,215,751	1,215,484	1,232,303	1,198,872	1,198,872	1,198,872	1,198,847	1,153,512	1,105,104
Depreciation	44,119	49,030	50,779	51,434	51,434	51,434	51,434	42,613	42,613	42,647
Renewal and Upgrading of Existing Assets	43,415	65,010	82,522	17,420	107,207	107,207	107,207	31,775	18,455	17,036
Repairs and Maintenance	30,671	25,868	32,462	48,519	43,835	43,835	43,835	57,777	60,630	63,641
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	79,286	77,563	76,556	52,129	52,129	52,129	52,129	52,084	54,487	55,926
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-



- The overall operating revenue, excluding capital transfers, has decreased by an average of 1% across the budget years of 2026 MTREF. This decline is primarily due to a reduction in the Human Settlement grant.
- On the other hand, the overall operating expenditure has increased by an average of 4% across the budget years.
- The pie chart above illustrates the proportional distribution of expenditure across various categories in relation to the total operating expenditure.
- - **High Expenditure Areas:** Employee costs, contracted services, and bulk purchases of electricity dominate the budget. Whereas employee related costs are high the ratio is within the norm of 25-40 .
 - **Operational Essentials:** Inventory consumables, debt impairment, and depreciation show essential operational and financial management costs.
 - **Smaller Categories:** Remuneration of councillors, interest, and transfers/subsidies have minimal shares, but they still play a role in the budget.
- Debt impairment has increased by 565% compared to the previous budget. To address the audit finding regarding the unauthorized expenditure, the impairment has been fully provided for, based on historical and current debt. In the next two years there is an expected decline of 8%.



The tables below outline the capital projects per ward over the MTREF period

Table.1: Capital projects for 2025/26 per ward

PROJECT NAME BY WARD	BUDGET 2026
EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	1,458,000.00
Computer Equipment:Establishment of Asset Management	47,000.00
Computer Equipment:Computer Equipment	548,000.00
Furniture and Office Equipment:Furniture and Office Equipment	363,000.00
Transport Assets:Vehicle Acquisition	500,000.00
EC105 Ndlambe:Ward:Ward 10	22,850,435.00
Construction of retaining wall at West Beach Drive: Phase 1	700,000.00
Outdoor Facilities:Kelly's Beach Restoration Project Port Alfred	485,000.00
Pump Station:Upgrading of Port Alfred Sewage Pump Stations	4,919,158.00
Reticulation:Port Alfred Sewerage Infrastructure Phase 1 Reticulation	8,352,147.00
Roads:Upgrading of Atherstone Road	3,341,727.00
Roads:Upgrading of Park Road	5,052,403.00
EC105 Ndlambe:Ward:Ward 2	4,319,568.00
Roads:Upgrading of Gladiola Road	2,830,568.00
Upgrading of Gladiola Road: Alexandria	1,489,000.00
EC105 Ndlambe:Ward:Ward 4	435,000.00
Upgrading of Kariega Road: Kenton on Sea	435,000.00
EC105 Ndlambe:Ward:Ward 5	11,523,953.00
Roads:Upgrading of Koti Street	1,736,084.00
Waste Water Treatment Works:Waste Water Treatment Works and Bulk Sewer Reticulation in Bathurst	5,440,043.00
Water Treatment Works:Refurbishment of Bathurst Water Treatment Plant	4,347,826.00
EC105 Ndlambe:Ward:Ward 6	34,315,836.00
Construction of Civil Engineering Services for Thornhill: Phase 1B1	22,605,518.00
MV Substations:Normalisation of Port Alfred Receiving Substation	10,484,348.00
Thornhill Link Sanitation Services - Portion 1: Pump station and pumping mains	1,225,970.00
EC105 Ndlambe:Ward:Ward 8	5,838,335.00
Roads:Upgrading of Mbundwini Road Phase 2	2,625,000.00
Upgrading of Mswela Road: Nemato	3,213,335.00
EC105 Ndlambe:Whole of the Municipality	6,261,000.00
Furniture and Office Equipment:Furniture and Office Equipment	106,000.00
Machinery and Equipment:Machinery and Equipment	1,075,000.00
Outdoor Facilities:Fencing of cemeteries	1,300,000.00
Transport Assets:Vehicle Acquisition	3,780,000.00
Grand Total	87,002,127.00

*Table.2: Capital projects for 2026/27 per ward*

PROJECT NAME BY WARD	BUDGET 2027
EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	60,000.00
Computer Equipment:Computer Equipment	60,000.00
EC105 Ndlambe:Ward:Ward 1	5,095,023.00
Roads:Upgrading of Phandle Street	5,095,023.00
EC105 Ndlambe:Ward:Ward 10	14,837,334.00
Pump Station:Upgrading of Port Alfred Sewage Pump Stations	2,642,676.00
Reticulation:Port Alfred Sewerage Infrastructure Phase 1 Reticulation	10,219,502.00
Reticulation:Port Alfred Sewerage Infrastructure Phase 4 Sewer Reticulation and Pumpstation	984,506.00
Upgrading of Sewer System Port Alfred: Phase 1	990,650.00
EC105 Ndlambe:Ward:Ward 2	2,830,568.00
Roads:Upgrading of Gladiola Road	2,830,568.00
EC105 Ndlambe:Ward:Ward 5	26,434,902.00
Waste Water Treatment Works:Waste Water Treatment Works and Bulk Sewer Reticulation in Bathurst	19,533,106.00
Water Treatment Works:Refurbishment of Bathurst Water Treatment Plant	6,901,796.00
EC105 Ndlambe:Ward:Ward 6	6,086,957.00
MV Substations:Normalisation of Port Alfred Receiving Substation	6,086,957.00
EC105 Ndlambe:Whole of the Municipality	1,300,000.00
Machinery and Equipment:Machinery and Equipment	1,300,000.00
Grand Total	56,644,784.00

Table.3: Capital projects for 2027/28 per ward

PROJECT NAME BY WARD	BUDGET 2028
EC105 Ndlambe:Ward:Ward 10	22,826,087.00
Pump Station:Upgrading of Port Alfred Sewage Pump Stations	11,093,156.00
Reticulation:Port Alfred Sewerage Industrial Area Reticulation and Bulk Link	990,650.00
Reticulation:Port Alfred Sewerage Infrastructure Phase 4 Sewer Reticulation and Pumpstation	4,951,846.00
Upgrading of Sewer System Port Alfred: Phase 1	5,790,435.00
EC105 Ndlambe:Ward:Ward 5	30,210,826.00
Waste Water Treatment Works:Waste Water Treatment Works and Bulk Sewer Reticulation in Bathurst	30,210,826.00
EC105 Ndlambe:Ward:Ward 6	6,361,739.00
MV Substations:Normalisation of Port Alfred Receiving Substation	6,361,739.00
Grand Total	59,398,652.00



The budget allocated to repairs and maintenance over the MTREF period is as outlined in the table below:

MAINTENANCE BY CLASS OF ASSETS	BUDGET 2026	BUDGET 2027	BUDGET 2028
Infrastructure and Planning	8,650,000	9,082,500	9,536,625
Maintenance of Buildings and Facilities	5,138,006	5,357,289	5,606,637
Maintenance of Equipment	1,311,116	1,377,795	1,446,762
Maintenance of Infrastructure Assets	31,420,079	32,991,382	34,641,266
Maintenance of Transport assets	4,468,046	4,691,445	4,923,629
Maintenance of Roads infrastructure	6,790,000	7,129,500	7,485,975
Grand Total	57,777,247.00	60,629,911.00	63,640,894.00

The repair and maintenance costs have increased by 32% compared to the previous budget and are forecasted to rise by an average of 5% annually over the next two years. We are committed to gradually increasing the maintenance budget, with the goal of reaching the 8% norm over time.



1.4 BUDGET SUPPORTING TABLES

Budget supporting tables present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality’s 2024/2025 budget and MTREF to be approved by the Council. The tables will be presented as the appendix of this document and the *explanatory note* for each table is provided below. The narrations of these tables are outlined in the overview and executive summary.

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

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

1.6.1.2 Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

1.6.1.3 Other functions that show a deficit between revenue and expenditure are being financed from property rates revenues and other revenue sources.

1.6.1.4 It must be noted that the total revenue in the table below includes the revenue from capital transfers.

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional	1									
Governance and administration		204,291	236,994	227,600	290,813	290,813	290,813	297,948	310,148	320,758
Executive and council		5,073	4,941	2,070	4,576	4,576	4,576	4,763	4,954	5,151
Finance and administration		199,218	232,053	225,465	286,237	286,237	286,237	293,185	305,194	315,607
Internal audit		-	-	66	-	-	-	-	-	-
Community and public safety		10,630	10,595	78,781	84,998	137,645	137,645	73,298	6,465	6,596
Community and social services		2,843	3,295	3,253	3,445	4,541	4,541	3,469	3,469	3,476
Sport and recreation		1,822	487	10,459	249	249	249	366	382	392
Public safety		62	3,024	2,549	77	946	946	299	312	320
Housing		4,281	1,860	61,405	79,215	129,897	129,897	66,971	-	-
Health		1,622	1,930	1,114	2,013	2,013	2,013	2,193	2,301	2,407
Economic and environmental services		12,187	24,726	29,187	26,750	63,071	63,071	32,940	19,498	8,825
Planning and development		6,010	5,564	6,985	7,300	5,816	5,816	8,165	8,641	7,077
Road transport		5,032	17,974	20,991	17,602	55,406	55,406	23,150	9,159	49
Environmental protection		1,145	1,189	1,210	1,849	1,849	1,849	1,625	1,698	1,698
Trading services		311,480	342,575	353,937	398,286	444,920	444,920	393,677	407,838	440,640
Energy sources		105,565	84,883	96,356	114,288	114,288	114,288	141,866	147,798	159,005
Water management		117,220	89,067	122,730	89,661	102,678	102,678	101,124	110,381	107,232
Waste water management		53,901	140,103	97,921	140,320	173,938	173,938	90,209	86,414	109,332
Waste management		34,793	28,523	36,931	54,017	54,017	54,017	60,477	63,245	65,071
Other	4	10,451	13,981	1,930	4,323	4,323	4,323	5,076	5,305	5,437
Total Revenue - Functional	2	549,038	628,871	691,435	805,171	940,772	940,772	802,940	749,254	782,256
Expenditure - Functional										
Governance and administration		123,620	137,686	152,885	168,182	164,039	164,039	206,734	217,643	228,531
Executive and council		35,879	41,115	44,165	51,983	51,992	51,992	50,836	53,149	55,409
Finance and administration		80,719	88,464	100,609	107,145	102,967	102,967	145,894	153,983	162,073
Internal audit		7,022	8,108	8,111	9,054	9,080	9,080	10,004	10,510	11,049
Community and public safety		37,290	41,547	103,281	133,304	185,750	185,750	125,957	62,547	65,956
Community and social services		10,443	11,229	11,177	16,673	17,333	17,333	18,892	20,141	21,389
Sport and recreation		12,259	13,948	15,232	18,197	18,347	18,347	20,835	22,038	23,157
Public safety		8,212	10,417	12,183	12,727	13,939	13,939	12,386	13,061	13,735
Housing		3,314	3,885	62,649	82,967	133,550	133,550	71,058	4,382	4,603
Health		3,062	2,068	2,040	2,739	2,580	2,580	2,786	2,926	3,072
Economic and environmental services		80,619	83,148	92,267	95,398	94,172	94,172	106,740	109,975	112,548
Planning and development		23,137	23,740	28,504	29,834	28,515	28,515	35,548	35,682	35,166
Road transport		54,533	56,523	61,237	62,838	62,946	62,946	68,972	71,951	74,919
Environmental protection		2,949	2,885	2,526	2,726	2,711	2,711	2,342	2,463	2,919
Trading services		221,106	249,599	264,077	289,204	293,444	293,444	367,298	391,925	417,740
Energy sources		100,963	97,419	110,968	121,250	125,547	125,547	133,085	144,237	155,301
Water management		69,205	95,462	92,216	90,761	90,761	90,761	125,818	133,543	142,025
Waste water management		23,822	25,491	27,727	30,016	30,016	30,016	48,584	51,040	53,892
Waste management		27,115	31,227	33,166	47,177	47,120	47,120	59,811	63,106	66,522
Other	4	2,495	2,580	3,384	3,350	3,373	3,373	2,589	2,740	2,890
Total Expenditure - Functional	3	465,131	514,560	615,894	689,438	740,778	740,778	809,318	784,830	827,665
Surplus/(Deficit) for the year		83,907	114,311	75,541	115,733	199,994	199,994	(6,378)	(35,576)	(45,409)



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

Table A3 is a view of the budgeted financial performance in relation to revenue and expenditure per municipal vote. Ndlambe Municipality has 5 municipal votes which are:

1. Executive and Council
2. Office of the Municipal Manager
3. Corporate Services
4. Community Protection Services
5. Infrastructure Development

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		4,443	4,443	2,052	4,576	4,576	4,576	4,763	4,954	5,151
Vote 2 - MUNICIPAL MANAGER		630	502	84	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		3,160	3,603	3,586	3,733	4,829	4,829	3,999	4,024	4,045
Vote 4 - COMMUNITY AND PROTECTION SERVICES		38,264	30,983	38,624	56,491	56,491	56,491	63,079	65,973	67,919
Vote 5 -		13,248	18,423	15,909	6,247	7,116	7,116	7,000	7,315	7,456
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		67,605	165,223	186,996	244,224	364,845	364,845	188,454	104,169	116,409
Vote 7 - ELECTRICITY SERVICES		105,565	84,883	96,356	114,288	114,288	114,288	141,866	147,798	159,005
Vote 8 - WATER WORKS		117,220	89,067	122,730	89,661	102,678	102,678	101,124	110,381	107,232
Vote 9 - FINANCIAL SERVICES		198,901	231,744	225,098	285,949	285,949	285,949	292,655	304,640	315,039
Vote 10 -		-	-	0	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	549,038	628,871	691,435	805,171	940,772	940,772	802,940	749,254	782,256
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		12,384	12,812	13,468	14,510	14,556	14,556	15,180	15,520	15,871
Vote 2 - MUNICIPAL MANAGER		31,512	37,801	40,203	48,891	48,880	48,880	48,451	51,073	53,664
Vote 3 - CORPORATE SERVICES		26,981	30,741	31,398	38,939	40,322	40,322	43,258	45,964	48,539
Vote 4 - COMMUNITY AND PROTECTION SERVICES		58,531	61,617	64,302	81,536	80,923	80,923	95,334	100,739	106,097
Vote 5 -		20,952	23,838	27,803	28,913	30,348	30,348	31,029	32,658	34,306
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		102,891	108,837	180,367	203,717	253,119	253,119	219,455	157,920	163,112
Vote 7 - ELECTRICITY SERVICES		100,963	97,419	110,968	121,250	125,547	125,547	133,085	144,237	155,301
Vote 8 - WATER WORKS		69,205	95,462	92,216	90,761	90,761	90,761	125,818	133,543	142,025
Vote 9 - FINANCIAL SERVICES		41,711	46,007	55,161	60,922	56,322	56,322	97,708	103,175	108,749
Vote 10 -		-	26	7	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	465,131	514,560	615,894	689,438	740,778	740,778	809,318	784,830	827,665
Surplus/(Deficit) for the year	2	83,907	114,311	75,541	115,733	199,994	199,994	(6,378)	(35,576)	(45,409)



1.6.3 TABLE A4 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE)

Table A4 represents the revenue per source as well as the expenditure per type. This classification is aligned to the GRAP disclosures in the annual financial statements of the municipality.

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	82,132	79,277	90,429	112,636	112,636	112,636	76,556	125,640	136,425	147,140
Service charges - Water	2	47,448	62,190	58,299	65,125	65,125	65,125	44,797	71,898	77,117	81,218
Service charges - Waste Water Management	2	14,750	16,705	18,925	19,782	19,782	19,782	15,159	24,874	26,135	26,966
Service charges - Waste Management	2	17,771	20,266	22,172	28,654	28,654	28,654	19,447	30,454	31,824	32,620
Sale of Goods and Rendering of Services		4,692	3,130	3,685	3,743	3,743	3,743	2,410	4,128	4,314	4,422
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		5,657	8,105	9,663	9,222	9,222	9,222	9,085	18,219	19,072	19,722
Interest earned from Current and Non Current Assets		4,203	7,869	12,317	10,858	10,858	10,858	7,629	14,215	14,855	15,226
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		3	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		914	1,037	1,084	1,150	1,150	1,150	685	1,317	1,376	1,410
Licence and permits		10,451	13,981	1,930	4,323	4,323	4,323	3,023	5,076	5,305	5,437
Special Rating Levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		1,623	1,935	2,385	1,448	1,448	1,448	1,086	2,719	2,840	2,931
Non-Exchange Revenue											
Property rates	2	134,432	143,572	146,733	177,996	177,996	177,996	116,510	183,503	191,760	196,554
Surcharges and Taxes		6,466	7,540	8,215	7,287	7,287	7,287	4,641	7,327	7,657	7,848
Fines, penalties and forfeits		675	343	401	418	418	418	315	550	575	589
Licences or permits		1,212	1,266	1,312	1,991	1,991	1,991	1,135	1,968	2,056	2,065
Transfer and subsidies - Operational		116,901	127,602	195,697	226,609	277,727	277,727	150,067	220,059	158,807	163,961
Interest		2,979	3,857	4,662	7,437	7,437	7,437	4,601	5,294	5,558	5,836
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		141	301	745	-	-	-	1,347	-	-	-
Other Gains		-	15	34	-	-	-	12	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib)		452,452	498,989	578,689	678,680	729,798	729,798	458,503	717,242	685,677	713,947
Expenditure											
Employee related costs	2	163,265	164,142	188,139	204,080	204,450	204,450	137,977	213,372	226,256	238,335
Remuneration of councillors		7,704	7,666	8,492	8,573	8,688	8,688	5,861	8,469	8,475	8,482
Bulk purchases - electricity	2	62,105	72,492	82,155	88,969	91,896	91,896	61,176	92,354	102,175	111,808
Inventory consumed	8	32,521	50,424	46,012	48,701	48,811	48,811	30,265	59,690	62,676	65,809
Debt impairment	3	27,254	44,729	-	7,972	7,972	7,972	-	53,019	57,250	62,338
Depreciation and amortisation		44,119	49,030	50,779	51,434	51,434	51,434	28,432	51,600	49,526	48,408
Interest		583	420	184	9,501	9,501	9,501	59	8,679	9,286	9,937
Contracted services		76,583	72,238	145,817	174,514	225,575	225,575	102,672	183,121	121,934	126,390
Transfers and subsidies		2,980	4,432	4,304	5,368	5,765	5,765	3,696	5,738	5,996	6,263
Irrecoverable debts written off		(2)	-	38,286	24,591	24,591	24,591	2,589	45,000	46,526	48,157
Operational costs		48,020	48,599	48,427	65,735	62,094	62,094	35,390	88,276	94,730	101,739
Losses on disposal of Assets		-	376	3,280	-	-	-	3,777	-	-	-
Other Losses		-	12	17	-	-	-	21	-	-	-
Total Expenditure		465,131	514,560	615,894	689,438	740,778	740,778	411,913	809,318	784,830	827,665
Surplus/(Deficit)		(12,679)	(15,571)	(37,205)	(10,758)	(10,980)	(10,980)	46,589	(92,076)	(99,154)	(113,717)
Transfers and subsidies - capital (monetary)	6	96,475	129,882	112,368	126,491	210,975	210,975	101,456	85,698	63,577	68,308
Transfers and subsidies - capital (in-kind)	6	110	-	378	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		83,907	114,311	75,541	115,733	199,994	199,994	148,045	(6,378)	(35,576)	(45,409)
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		83,907	114,311	75,541	115,733	199,994	199,994	148,045	(6,378)	(35,576)	(45,409)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		83,907	114,311	75,541	115,733	199,994	199,994	148,045	(6,378)	(35,576)	(45,409)
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	83,907	114,311	75,541	115,733	199,994	199,994	148,045	(6,378)	(35,576)	(45,409)



1.6.4 TABLE A5. BUDGETED CAPITAL EXPENDITURE BY VOTE, FUNCTIONAL CLASSIFICATION, AND FUNDING

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The capital program is funded from National, Provincial and Other grants and transfers and internally generated funds from current and prior year surpluses.

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY AND PROTECTION SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 -		-	-	-	-	-	-	-	-	-	-
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		1,886	-	-	-	-	-	-	-	-	-
Vote 7 - ELECTRICITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - WATER WORKS		-	-	-	-	-	-	-	-	-	-
Vote 9 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	1,886	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		205	831	657	-	-	-	-	60	-	-
Vote 2 - MUNICIPAL MANAGER		939	1,120	491	254	254	254	-	721	-	-
Vote 3 - CORPORATE SERVICES		198	13,675	741	3,700	3,700	3,700	-	187	-	-
Vote 4 - COMMUNITY AND PROTECTION SERVICES		5,183	3,050	3,668	2,700	1,938	1,938	-	3,420	-	-
Vote 5 -		1,436	2,764	12,256	-	1,665	1,665	-	580	-	-
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		33,158	96,841	71,115	121,064	166,651	166,651	-	64,001	42,296	53,037
Vote 7 - ELECTRICITY SERVICES		13,999	1,212	558	1,169	7	7	-	10,984	7,387	6,362
Vote 8 - WATER WORKS		49,664	17,164	21,036	10,891	40,244	40,244	-	6,678	6,902	-
Vote 9 - FINANCIAL SERVICES		350	940	1,113	715	715	715	-	371	60	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		105,132	137,598	111,635	140,494	215,175	215,175	-	87,002	56,645	59,399
Total Capital Expenditure - Vote		107,018	137,598	111,635	140,494	215,175	215,175	-	87,002	56,645	59,399
Capital Expenditure - Functional											
Governance and administration		2,067	2,957	2,591	3,225	2,289	2,289	384	1,914	60	-
Executive and council		1,145	1,952	1,100	254	254	254	227	741	-	-
Finance and administration		923	1,005	1,443	2,971	2,035	2,035	157	1,133	60	-
Internal audit		-	-	48	-	-	-	-	40	-	-
Community and public safety		3,851	16,933	13,190	2,500	4,645	4,645	2,075	3,300	-	-
Community and social services		164	13,660	646	2,500	2,539	2,539	47	-	-	-
Sport and recreation		3,636	720	9,470	-	1,347	1,347	1,334	2,220	-	-
Public safety		28	2,546	2,622	-	759	759	694	580	-	-
Housing		-	-	443	-	-	-	-	-	-	-
Health		22	7	9	-	-	-	-	500	-	-
Economic and environmental services		6,378	17,510	17,637	17,895	59,491	59,491	31,312	21,008	7,926	-
Planning and development		152	391	277	475	415	415	54	20	-	-
Road transport		6,220	17,119	17,359	17,420	59,076	59,076	31,257	20,988	7,926	-
Environmental protection		6	-	-	-	-	-	1	-	-	-
Trading services		94,722	100,199	78,044	116,875	148,702	148,702	63,855	60,780	48,659	59,399
Energy sources		13,999	1,212	558	1,169	7	7	-	10,984	7,387	6,362
Water management		49,664	17,164	21,036	10,891	40,244	40,244	31,049	6,678	6,902	-
Waste water management		28,244	79,626	53,092	102,114	107,140	107,140	32,806	42,543	34,370	53,037
Waste management		2,815	2,197	3,358	2,700	1,311	1,311	-	575	-	-
Other		-	-	172	-	48	48	22	-	-	-
Total Capital Expenditure - Functional	3	107,018	137,598	111,635	140,494	215,175	215,175	97,648	87,002	56,645	59,399
Funded by:											
National Government		60,678	94,092	63,201	60,792	68,937	68,937	49,086	53,569	55,285	59,399
Provincial Government		23,681	16,295	35,155	64,382	130,873	130,873	40,879	22,671	-	-
District Municipality		-	2,556	2,129	-	45	45	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		1,147	1,730	1,751	1,347	1,347	1,347	1,304	1,489	-	-
Transfers recognised - capital	4	85,506	114,673	102,236	126,521	201,202	201,202	91,269	77,728	55,285	59,399
Borrowing	6	26	-	-	-	-	-	-	-	-	-
Internally generated funds		21,456	22,925	9,352	13,973	13,973	13,973	6,379	9,274	1,360	-
Total Capital Funding	7	106,989	137,598	111,588	140,494	215,175	215,175	97,648	87,002	56,645	59,399



1.6.5 TABLE A6 BUDGETED FINANCIAL POSITION

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



Choose name from list - Table A6 Budgeted Financial Position

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Current assets											
Cash and cash equivalents		81,978	59,862	139,527	132,403	112,340	112,340	91,037	109,939	80,074	39,744
Trade and other receivables from exchange transactions	1	46,432	41,682	58,978	54,095	60,789	60,789	88,660	30,525	21,440	10,106
Receivables from non-exchange transactions	1	22,572	20,700	22,151	45,084	51,554	51,554	35,240	27,999	32,675	37,066
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	6,951	2,269	2,261	1,537	1,681	1,681	1,020	1,529	1,587	1,587
VAT		115,583	144,539	165,952	149,579	169,845	169,845	185,593	169,845	169,845	169,845
Other current assets		10,760	609	1,223	865	1,519	1,519	671	1,519	1,519	1,519
Total current assets		284,276	269,862	390,092	383,562	397,728	397,728	402,221	341,358	307,140	259,888
Non current assets											
Investments		67	48	46	45	46	46	46	46	46	46
Investment property		260,020	260,337	243,821	258,541	241,711	241,711	238,172	241,717	240,543	239,369
Property, plant and equipment	3	1,104,468	1,180,910	1,246,100	1,275,464	1,419,876	1,419,876	1,322,307	1,291,517	1,299,813	1,311,982
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		0	0	0	0	0	0	0	0	0	0
Intangible assets		(622)	(725)	123	91	35	35	51	50	46	43
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		1,383,933	1,440,571	1,490,089	1,534,141	1,661,668	1,661,668	1,580,576	1,533,330	1,540,449	1,551,440
TOTAL ASSETS		1,668,209	1,710,233	1,880,182	1,917,702	2,059,396	2,059,396	1,982,797	1,874,688	1,847,589	1,811,307
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		43	(370)	(43)	0	0	0	516	-	-	-
Consumer deposits		2,538	2,662	2,860	2,877	3,043	3,043	2,826	2,828	2,828	2,828
Trade and other payables from exchange transactions	4	43,714	17,993	55,486	67,212	81,236	81,236	48,276	70,537	57,550	43,834
Trade and other payables from non-exchange transactions	5	23,480	36,147	108,457	79,963	81,114	81,114	64,742	80,387	80,387	80,387
Provision		12,329	13,188	13,728	16,146	18,036	18,036	18,036	18,036	18,036	18,036
VAT		111,716	136,026	162,742	145,481	173,870	173,870	187,582	174,246	186,427	199,333
Other current liabilities		10,008	17,142	2,418	-	-	-	-	-	-	-
Total current liabilities		203,828	222,787	345,649	311,680	357,300	357,300	321,977	346,034	345,227	344,418
Non current liabilities											
Financial liabilities	6	4,428	2,915	986	-	(0)	(0)	59	-	-	-
Provision	7	61,193	68,184	68,052	77,465	82,733	82,733	73,320	81,999	91,285	101,222
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		49,965	42,489	55,221	55,221	62,083	62,083	62,083	62,083	62,083	62,083
Total non current liabilities		115,586	113,587	124,259	132,686	144,816	144,816	135,462	144,082	153,368	183,305
TOTAL LIABILITIES		319,414	336,375	469,908	444,366	502,115	502,115	457,439	490,116	498,595	507,723
NET ASSETS		1,328,795	1,373,858	1,410,274	1,473,337	1,557,281	1,557,281	1,505,358	1,384,569	1,348,993	1,303,584
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	1,328,085	1,381,132	1,403,789	1,473,337	1,557,281	1,557,281	1,504,541	1,384,569	1,348,993	1,303,584
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	1,328,085	1,381,132	1,403,789	1,473,337	1,557,281	1,557,281	1,504,541	1,384,569	1,348,993	1,303,584



1.6.7 Table A7 Budgeted Cash Flows

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

Choose name from list - Table A7 Budgeted Cash Flows											
Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		128,564	140,967	142,050	152,712	151,539	151,539	151,539	156,719	163,771	167,865
Service charges		145,889	158,470	168,285	216,639	218,148	218,148	218,148	241,583	259,431	275,238
Other revenue		106,886	58,091	64,902	48,807	69,303	69,303	69,303	69,119	56,026	57,312
Transfers and Subsidies - Operational	1	135,587	166,769	272,758	226,609	276,632	276,632	276,632	220,059	158,807	163,961
Transfers and Subsidies - Capital	1	105,170	138,630	127,763	126,491	180,397	180,397	180,397	87,187	63,577	68,308
Interest		2,895	7,547	11,313	19,282	19,282	19,282	19,282	16,151	16,881	17,315
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(563,584)	(632,278)	(610,484)	(642,908)	(701,154)	(701,154)	(701,154)	(704,311)	(668,719)	(708,357)
Interest		(595)	(417)	(222)	(89)	(89)	(89)	(89)	-	-	-
Transfers and Subsidies	1	(12,514)	(40,783)	-	(5,168)	(5,337)	(5,337)	(5,337)	(5,538)	(5,786)	(6,042)
NET CASH FROM/(US ED) OPERATING ACTIVITIES		48,298	(3,005)	178,364	142,378	208,721	208,721	208,721	80,971	43,989	35,801
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	238	550	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	5	1	-	-	-	-	-	-	-
Payments											
Capital assets		(123,891)	(159,159)	(124,714)	(148,425)	(234,948)	(234,948)	(234,948)	(98,559)	(62,212)	(63,628)
NET CASH FROM/(US ED) INVESTING ACTIVITIES		(123,891)	(158,915)	(124,162)	(148,425)	(234,948)	(234,948)	(234,948)	(98,559)	(62,212)	(63,628)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	218	318	215	215	215	215	-	-	-
Payments											
Repayment of borrowing		(1,695)	(2,290)	(1,439)	(973)	(973)	(973)	(973)	-	-	-
NET CASH FROM/(US ED) FINANCING ACTIVITIES		(1,695)	(2,072)	(1,121)	(758)	(758)	(758)	(758)	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD		(77,288)	(163,982)	51,081	(8,807)	(26,985)	(26,985)	(26,985)	(17,588)	(18,223)	(28,028)
Cash/cash equivalents at the year begin:	2	76,531	77,788	87,235	139,410	139,525	139,525	139,525	138,552	120,964	102,741
Cash/cash equivalents at the year end:	2	(757)	(86,206)	118,317	132,803	112,540	112,540	112,540	120,964	102,741	74,713



1.6.8 Table A8 Cash backed reserves/accumulated surplus reconciliation.

1.6.8.1 The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

1.6.8.2 In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

1.6.8.3 The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality’s budget must be “funded”. The municipality’s budget is cash-funded and thus in compliance with the requirements of the MFMA.

1.6.8.4 As part of the budgeting and planning guidelines that informed the compilation of the 2022/23 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at the year end	1	(757)	(86,206)	118,317	132,603	112,540	112,540	112,540	120,964	102,741	74,713
Other current investments > 90 days		82,736	146,068	21,210	(200)	(200)	(200)	(21,503)	(11,025)	(22,667)	(34,970)
Non current Investments	1	67	48	46	45	46	46	46	46	46	46
Cash and investments available:		82,045	59,910	138,573	132,448	112,386	112,386	91,084	109,985	80,120	39,790
Application of cash and investments											
Unspent conditional transfers		22,887	34,879	108,457	79,963	80,886	80,886	64,742	80,387	80,387	80,387
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(3,867)	(8,514)	(3,209)	(4,097)	4,026	4,026	(1,900)	4,401	16,582	29,488
Other working capital requirements	3	43,714	17,993	55,486	67,212	81,236	81,236	48,276	70,537	57,550	43,834
Other provisions		22,337	30,329	16,146	16,146	18,036	18,036	(18,036)	18,036	18,036	18,036
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		85,072	74,687	178,879	159,224	184,184	184,184	92,992	173,381	172,555	171,745
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(3,026)	(14,778)	(37,306)	(26,776)	(71,797)	(71,797)	(1,909)	(63,376)	(92,434)	(131,955)
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(3,026)	(14,778)	(37,306)	(26,776)	(71,797)	(71,797)	(1,909)	(63,376)	(92,434)	(131,955)



1.6.9 Table A9 Asset Management

1.6.9.1 Table A9 provides an overview of municipal capital allocations to building new assets and the renewal and upgrade of existing assets, as well as spending on repairs and maintenance by asset class in line with the mSCOA classifications.

1.6.9.2 National Treasury has recommended that municipalities should allocate at least 40 per cent. of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations for the 2022/23 budget year.

Choose name from list - Table A9 Asset Management										
Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CAPITAL EXPENDITURE										
Total New Assets	1	63,603	72,588	29,113	123,075	107,968	107,968	55,227	38,190	42,363
<i>Roads Infrastructure</i>		-	-	252	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		22	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		14,014	1,212	443	-	-	-	10,484	6,087	6,362
<i>Water Supply Infrastructure</i>		25,973	4,576	7,941	10,891	23,911	23,911	-	-	-
<i>Sanitation Infrastructure</i>		12,497	43,038	10,820	102,114	76,947	76,947	37,624	30,743	36,001
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		54	10	42	-	-	-	-	-	-
Infrastructure		52,561	48,837	19,498	113,005	100,858	100,858	48,108	36,830	42,363
<i>Community Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	700	-	-
Community Assets		-	-	-	-	-	-	700	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		56	13,444	-	2,500	2,500	2,500	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		56	13,444	-	2,500	2,500	2,500	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	30	-	-	-	-	-	-
Intangible Assets		-	-	30	-	-	-	-	-	-
<i>Computer Equipment</i>		662	1,545	1,016	306	592	592	595	60	-
<i>Furniture and Office Equipment</i>		341	642	1,064	363	468	468	469	-	-
<i>Machinery and Equipment</i>		1,036	769	359	-	105	105	1,075	1,300	-
<i>Transport Assets</i>		8,948	7,351	7,146	6,900	3,446	3,446	4,280	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	567	65	224	-	1,512	1,512	1,785	-	991
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		551	30	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	1,036	1,036	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	991
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-



Infrastructure		551	30	-	-	1,036	1,036	-	-	991
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	476	476	1,785	-	-
Community Assets		-	-	-	-	476	476	1,785	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	186	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	186	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		15	35	38	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	42,848	64,945	82,298	17,420	105,696	105,696	29,990	18,455	16,045
<i>Roads Infrastructure</i>		5,647	16,384	16,990	17,420	59,016	59,016	20,723	7,926	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		20,844	12,385	13,083	-	15,300	15,300	4,348	6,902	-
<i>Sanitation Infrastructure</i>		13,570	35,447	42,246	-	30,194	30,194	4,919	3,627	16,045
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		40,060	64,216	72,319	17,420	104,510	104,510	29,990	18,455	16,045
Community Facilities		110	281	-	-	-	-	-	-	-
Sport and Recreation Facilities		1,383	204	9,205	-	859	859	-	-	-
Community Assets		1,493	485	9,205	-	859	859	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1,295	244	774	-	328	328	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		1,295	244	774	-	328	328	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-



Total Capital Expenditure	4	107,018	137,598	111,635	140,494	215,175	215,175	87,002	56,645	59,399
<i>Roads Infrastructure</i>		5,647	16,384	17,241	17,420	59,016	59,016	20,723	7,926	-
<i>Storm water Infrastructure</i>		574	30	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		14,014	1,212	443	-	-	-	10,484	6,087	6,362
<i>Water Supply Infrastructure</i>		46,817	16,961	21,024	10,891	40,247	40,247	4,348	6,902	-
<i>Sanitation Infrastructure</i>		26,067	78,485	53,066	102,114	107,140	107,140	42,543	34,370	53,037
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		54	10	42	-	-	-	-	-	-
Infrastructure		93,173	113,083	91,816	130,425	206,403	206,403	78,098	55,285	59,399
Community Facilities		110	281	-	-	-	-	-	-	-
Sport and Recreation Facilities		1,383	204	9,205	-	1,334	1,334	2,485	-	-
Community Assets		1,493	485	9,205	-	1,334	1,334	2,485	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1,350	13,688	960	2,500	2,828	2,828	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		1,350	13,688	960	2,500	2,828	2,828	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	30	-	-	-	-	-	-
Intangible Assets		-	-	30	-	-	-	-	-	-
Computer Equipment		677	1,580	1,054	306	592	592	595	60	-
Furniture and Office Equipment		341	642	1,064	363	468	468	469	-	-
Machinery and Equipment		1,036	769	359	-	105	105	1,075	1,300	-
Transport Assets		8,948	7,351	7,146	6,900	3,446	3,446	4,280	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		107,018	137,598	111,635	140,494	215,175	215,175	87,002	56,645	59,399
ASSET REGISTER SUMMARY - PPE (WDV)	5	1,099,637	1,215,751	1,215,484	1,232,303	1,198,872	1,198,872	1,198,847	1,153,512	1,105,104
<i>Roads Infrastructure</i>		319,068	311,211	306,138	305,621	306,210	306,210	310,737	300,231	286,976
<i>Storm water Infrastructure</i>		574	56	56	56	56	56	55	53	52
<i>Electrical Infrastructure</i>		90,770	102,477	104,569	104,569	100,345	100,345	100,215	96,353	92,510
<i>Water Supply Infrastructure</i>		99,341	190,240	204,510	204,153	192,887	192,887	193,030	180,380	168,174
<i>Sanitation Infrastructure</i>		133,066	131,013	141,153	141,367	133,515	133,515	132,442	125,781	119,292
<i>Solid Waste Infrastructure</i>		65	65	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		642,884	735,063	756,425	755,766	733,013	733,013	736,479	702,798	667,004



Community Assets		99,204	110,739	111,161	111,161	126,042	126,042	122,277	119,623	117,343
Heritage Assets		0	0	0	0	0	0	0	0	0
Investment properties		260,020	260,337	243,821	258,541	241,711	241,711	241,717	240,543	239,369
Other Assets		(2,281)	6,371	(1,715)	2,637	(5,385)	(5,385)	(7,865)	(12,122)	(16,380)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		(622)	(725)	123	91	35	35	50	46	43
Computer Equipment		2,748	3,388	3,827	3,071	3,793	3,793	3,708	3,010	2,253
Furniture and Office Equipment		2,838	2,891	2,754	2,023	2,665	2,665	2,714	2,111	1,511
Machinery and Equipment		(7,671)	(8,367)	(10,941)	(11,431)	(11,285)	(11,285)	(9,752)	(8,905)	(9,355)
Transport Assets		20,322	23,858	27,047	26,683	25,253	25,253	26,489	23,376	20,286
Land		82,195	82,195	82,983	83,761	83,031	83,031	83,031	83,031	83,031
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,099,637	1,215,751	1,215,484	1,232,303	1,198,872	1,198,872	1,198,847	1,153,512	1,105,104
EXPENDITURE OTHER ITEMS		74,790	74,898	83,241	99,953	95,270	95,270	100,391	103,243	106,288
Depreciation	7	44,119	49,030	50,779	51,434	51,434	51,434	42,613	42,613	42,647
Repairs and Maintenance by Asset Class	3	30,671	25,868	32,462	48,519	43,835	43,835	57,777	60,630	63,641
Roads Infrastructure		216	236	436	7,350	5,785	5,785	7,490	7,865	8,258
Storm water Infrastructure		288	852	1,047	550	550	550	1,450	1,523	1,599
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		14,785	7,581	11,263	18,815	15,412	15,412	21,859	22,952	24,100
Sanitation Infrastructure		1,877	1,431	1,126	920	920	920	3,450	3,623	3,804
Solid Waste Infrastructure		1,059	4,447	5,936	6,400	6,461	6,461	8,725	9,161	9,619
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		18,225	14,547	19,807	34,035	29,128	29,128	42,974	45,123	47,379
Community Facilities		169	(114)	-	50	50	50	60	63	67
Sport and Recreation Facilities		24	-	162	150	350	350	300	315	331
Community Assets		193	(114)	162	200	400	400	360	378	398
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		47	148	51	55	55	55	70	74	78
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		47	148	51	55	55	55	70	74	78
Operational Buildings		5,459	5,007	4,410	4,593	5,175	5,175	5,068	5,283	5,529
Housing		42	-	-	-	-	-	-	-	-
Other Assets		5,501	5,007	4,410	4,593	5,175	5,175	5,068	5,283	5,529
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		57	14	30	57	27	27	103	108	113
Furniture and Office Equipment		43	36	112	346	173	173	477	502	527
Machinery and Equipment		2,142	2,692	3,599	4,937	5,080	5,080	4,258	4,470	4,694
Transport Assets		4,462	3,538	4,291	4,296	3,798	3,798	4,468	4,691	4,924
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		74,790	74,898	83,241	99,953	95,270	95,270	100,391	103,243	106,288
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		40.6%	47.2%	73.9%	12.4%	49.8%	49.8%	36.5%	32.6%	28.7%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		98.4%	132.6%	162.5%	33.9%	208.4%	208.4%	74.6%	43.3%	39.9%
<i>R&M as a % of PPE</i>		2.8%	2.1%	2.7%	3.9%	3.7%	3.7%	4.8%	5.3%	5.8%
<i>Renewal and upgrading and R&M as a % of PPE</i>		6.7%	7.5%	9.5%	5.4%	12.6%	12.6%	7.5%	6.9%	7.3%



PART 2 SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS

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

The Budget Steering Committee consists of the Chief Financial officer and senior officials of the municipality meeting under the chairpersonship of the Portfolio Councillor.

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

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

The table below is the extract of budget timetable for 2025/26 budget process approved by Ndlambe council on the 31 August 2024.

BUDGET TIMETABLE FOR THE 2025/2026 FINANCIAL YEAR

TIME SCHEDULE OF KEY DEADLINES			
Mayor to Table in Council 10 Months Prior to Start of Budget Year			
Month	Municipality Ndlambe Municipality	Budget Year 2025/2026	
	Mayor and Council	Administration - Municipality	Evidence
July 2024	Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process MFMA s 53 Planning includes review of the previous year’s budget process and completion of the Budget Evaluation Checklist	Accounting officers and senior officials of municipality and entities begin planning for next three-year budget MFMA s 68, 77 Accounting officers and senior officials of municipality review options and contracts for service delivery MSA s 76-81	Budget time schedule IDP/Budget process plan
August 2024	Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year. MFMA s 21,22, 23; MSA s 34, Ch 4 as amended Mayor establishes committees and consultation forums for the budget process	Accounting Officer to assist Mayor to prepare the schedule of key deadlines and aligns the IDP and Budget process.	Council resolutions



<p>September 2024</p>	<p>Council through the IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans</p>	<p>Budget office to set parameters for the next 3 years based on marked trends and other information available.</p> <ul style="list-style-type: none"> • Tariff increases • Salary increases • General expenses • Repairs and maintenance • Key changes to be reflected considering all strategies and studies (including institutional study) • Develop priority areas • <p>Reflect on all factors that could potentially impact on future budgets.</p>	<p>Next three Budget parameters and revenue projections</p>
<p>October 2024</p>	<p>Budget Steering Committee to consider budget parameters for the next three year and national plans</p>	<p>Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials MFMA s 35, 36, 42; MTBPS</p> <p>Municipalities receive inputs from National and Provincial Government and other bodies on factors influencing the budget – reference to legislation.</p>	<p>Next three Budget parameters and revenue projections Budget Steering Minutes and attendance register</p>
<p>November 2024</p>		<p>Accounting officer reviews and drafts initial changes to IDP MSA s 34 IDP manager aligns IDP projects to the strategic objectives and indicators in the financial system to create IDP data strings.</p> <p>Budget office to compile Budget templates for circulations</p> <p>Managers and directors assess the Human Resources component (organogram) of their operating budget for the next year and for the two following years and make submissions to the human resources department.</p> <p>Submissions would include full motivations for each post and assessments must take into consideration all known studies, establishment plan (organogram) and any other future developments over the next three years that would require a provision for costing.</p> <p>The submission on all offices and directorates human resources requirements to be considered by the Municipal Manager in consultation with each manager and director and to be facilitated by the chairperson of the IDP/Budget Steering Committee.</p> <p>The budget and treasury office will assist directorates where required in determining budget figures for: Insurance Depreciation Provision for bad debts</p>	<p>IDP Projects Extracts compile Budget templates for circulations</p> <p>Draft Budget Templates</p> <p>Revised organogram with new proposed positions with motivations</p> <p>Minutes of the management meeting</p> <p>Schedule of depreciation, insurance premium and debt impairment for the next three years.</p>
<p>December 2024</p>	<p>Council finalizes tariff (rates and service charges) policies for next financial year MSA s 74, 75</p>	<p>Budget Offices and directorates are to breakdowns IDP projects into activities(items) and to align activities(items) to the other mScoa segments(Function, Funding, Region & Costing) to allocate budget for the next three years. complete the relevant capital request forms as provided by the Budget and Treasury with all required information and to provide a summary of capital requirements for the next three financial years.</p> <p>Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements</p> <p>Revenue and Budget Office to review tariffs and charges and ensure that all costs of trading and economic services are covered by the tariff submitted by offices and directorates.</p> <p>Budget office to advise the Mayor, chairperson of the budget steering committee, CFO and Municipal Manager, in writing, of any office or directorate that has not submitted all budget related documentation to the finance directorate by the stipulated date.</p>	<p>Three-year budget plans submissions</p> <p>Cost reflective tariffs tool</p> <p>Email to the Mayor/Chairperson of the budget steering committee , CFO and MM</p>



<p>January 2025</p>	<p>Mayor tables the special adjustment budget for the unauthorized expenditure incurred in the previous together with the annual report in respect of MFMA s172 (2) MFMA s 32(2) (a)(i),</p>	<p>Chief Financial Officer and Budget manger reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January) MFMA s 36</p> <p>Budget Office to compile mid-year performance assessments MFMA s 72</p> <p>Budget Steering committee meeting report -mid-year assessment report and next three years budget progress report</p> <p>Municipal Manager to submit mdi-year performance assessment report to the Mayor, National Treasury and relevant Provincial Treasury MFMA s 72 (b)</p> <p>Chief financial offices and budget office to compile adjustment budget for the previous year unauthorized expenditure to table to Council MFMA s 32</p>	<p>2024 Schedule B document/Council resolution</p> <p>Division of revenue Bill for 2024/2025 MTREF</p> <p>Mid-year performance assessment report</p> <p>Attendance registers and minutes</p> <p>Proof of submission to the Mayor</p> <p>2024 Schedule B document</p>
<p>February 2025</p>	<p>Mayor tables the mid-year adjustment budget to Council MFMA s 28</p>	<p>Accounting officer incorporates mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report.</p> <p>Compilation of midyear adjustment budget by directorates</p> <p>Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year MFMA s 37(2)</p> <p>Mid-year Budget Performance engagements with Provincial Treasury</p> <p>Budget Steering Committee- midyear adjustment budget</p>	<p>2025 B Schedule document/mid-year adjustment council resolution</p> <p>2025 B Schedule</p> <p>Presentation slides/attendance register/PT assessment feedback report</p> <p>Attendance register/ Minutes</p>
<p>March 2025</p>	<p>Mayor tables municipality budget, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year MFMA s 16, 22, 23, 87; MSA s 34</p>	<p>Final reconciliation of the IDP/Budget/ draft SDBIP for the next three years</p> <p>Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March MFMA s 42</p> <p>Budget steering committee meeting- Draft budget for the next three years</p> <p>Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed MFMA s 22 & 37; MSA Ch 4 as amended</p>	<p>Council resolution</p> <p>IDP /Budget Reconciliation Table A6,A7</p> <p>Proof of publication</p>
<p>April 2025</p>	<p>Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc MFMA s 21</p>	<p>Draft budget document open for consultation for comments</p> <p>Draft Budget/Benchmark Engagement with Provincial Treasury</p>	<p>Draft budget Public comments</p> <p>Presentation slides/Attendance register/PT draft budget assessment report</p>



		Budget office assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year.	Revised budget extract
May 2025	<p>Public hearings on the budget, and council debate. Council consider views of the local community, NT, PT, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30 days before start of budget year. MFMA s 23, 24; MSA Ch 4 as amended</p> <p>Mayor tables the annual budget for the next three years MFMA s 16, 24, 26, 53</p> <p>Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year MFMA s 16, 24, 26</p>	<p>Final reconciliation of the IDP/Budget/ draft SDBIP for the next three years considering public comments</p> <p>Budget steering Committee meeting- Final A Schedule</p> <p>Budget office assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature</p>	<p>Public comments, attendance registers</p> <p>IDP /Budget Reconciliation Table A6,A7</p> <p>Attendance register/Minutes</p> <p>Revised A schedule documents</p> <p>Council resolution</p>
June 2025	<p>Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval. MFMA s 53; MSA s 38-45, 57(2)</p> <p>Council must finalise a system of delegations. MFMA s 59, 79, 82; MSA s 59-65</p>	<p>PMS finalise the SDBIP for submission to the Mayor</p> <p>Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA. MFMA s 69; MSA s 57</p> <p>Accounting officers of municipality publishes adopted budget and plans MFMA s 75, 87</p>	<p>Final SDBIP</p> <p>Proof of submission</p> <p>Mayor's approval</p> <p>Proof of publication</p>

Abbreviations: IDP - Integrated Development Plan; MFMA - Local Government: Municipal Finance Management Act, No. 56 of 2003; MSA - Local Government: Municipal Systems Act, No. 32 of 2000, as amended; MTBPS - National Treasury annual publication, Medium Term Budget and Policy Statement; NT - National Treasury; PT - Provincial Treasuries; SDBIP - Service Delivery and Budget Implementation Plan



2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE INTEGRATED DEVELOPMENT PLAN

Directorates aligned all operating and capital expenditure to the goals and actions as set out in the Integrated Development Plan. On the capital budget, the operating budget and the service delivery budget implementation plan directors have provided IDP numbers where it is possible to highlight the linkages. The budget is linked to the following main strategic goals and objectives as per the Integrated Development Plan.

Strategic Objective	Goal	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
BASIC SERVICE DELIVERY	BASIC SERVICE DELIVERY	–	–	187,022	210,179	210,179	210,179	84,153	56,585	59,399
Develop state-of-the art physical infrastructure	An efficient competitive and responsive economic infrastructure network	–	–	27,607	16,009	16,009	16,009	6,145	2,643	12,084
		–	–	27,607	16,009	16,009	16,009	6,145	2,643	12,084
Develop state-of-the-art physical infrastructure	An efficient competitive and responsive economic infrastructure network	–	–	92,895	86,780	86,780	86,780	5,440	20,524	36,001
		–	–	92,895	86,780	86,780	86,780	5,440	20,524	36,001
Improve financial viability of the municipality	An efficient competitive and responsive economic infrastructure network	–	–	1,945	60	60	60	–	–	–
		–	–	1,945	60	60	60	–	–	–
Improve the efficient running of and the governance of the municipality	An efficient effective and development-oriented public service	–	–	1,300	226	226	226	–	–	–
		–	–	1,300	226	226	226	–	–	–
Preserve the natural beautiful environment		–	–	53,411	103,659	103,659	103,659	68,288	33,418	11,314

Provide sustainable efficient cost effective adequate and affordable services to all our citizens	An efficient competitive and responsive economic infrastructure network	-	-	53,150	103,659	103,659	103,659	68,288	33,418	11,314
	An efficient effective and development-oriented public service	-	-	261	-	-	-	-	-	-
		-	-	9,864	3,446	3,446	3,446	4,280	-	-
	Responsive, accountable, effective and efficient local government	-	-	9,864	3,446	3,446	3,446	4,280	-	-
FINANCIAL VIABILITY AND MANAGEMENT	-	-	10,310	1,334	1,334	1,334	1,832	-	-	
Improve financial viability of the municipality	-	-	10,310	1,334	1,334	1,334	1,832	-	-	
LOCAL ECONOMIC DEVELOPMENT	An efficient effective and development-oriented public service	-	-	10,310	1,334	1,334	1,334	1,832	-	-
		-	-	350	-	-	-	-	-	-
Develop a vibrant rapidly growing agri-based employment generating economy		-	-	350	-	-	-	-	-	-
	An efficient competitive and responsive economic infrastructure network	-	-	350	-	-	-	-	-	-
		-	-	2,541	1,059	1,059	1,059	1,017	60	-
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	-	-								
Improve financial viability of the municipality	-	-	1,262	468	468	468	469	-	-	
Improve the efficient running of and the governance of the municipality	An efficient effective and development-oriented public service	-	-	1,262	468	468	468	469	-	-
		-	-	1,279	592	592	592	548	60	-
	An efficient competitive and responsive economic infrastructure network	-	-	100	-	-	-	-	-	-
	An efficient effective and development-oriented public service	-	-	1,179	592	592	592	548	60	-
Total Capital Expenditure	-	-	200,223	212,573	212,573	212,573	87,002	56,645	59,399	



2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

The measurable performance objectives used to the budget for 2024/25 MTREF are extracted from the IDP.

Ndlambe Local Municipality Strategic goals and Objectives

Strategic Goal 1	1. A premier place to work and do business
<i>Strategic Objectives</i>	1.1. Improve the governance of the Municipality
	1.2. Improve financial viability of the municipality
	1.3. Develop state-of-the-art innovative physical and technological infrastructure
	1.4. Create a comfortable remote working environment and develop new economy skills
	1.5. Develop a vibrant rapidly growing employment generating economy based on tourism, agriculture, ocean resources and new digital technologies



	1.6. Develop Port Alfred as a logistics hub
	1.7. Develop ICT as a Strategic Enabler
Strategic Goal 2	2. Destination of choice for laid-back living for families
<i>Strategic Objectives</i>	2.1. Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens
	2.2. Provide efficient and effective public & private health services
	2.3. Create a pleasant, safe and secure living environment for all our citizens
	2.4. Mainstreaming of vulnerable groups into our growing society
Strategic Goal 3	3. Tourist destination of choice for people who love natural and cultural heritage, adventure, and water sports
<i>Strategic Objectives</i>	3.1. Preserve the natural beautiful environment, cultural heritage, and biodiversity
	3.2. Develop a cultural heritage, and biodiversity economy
	3.3. Develop and support adventure and extreme water sports
	3.4. Enable more events which attract visitors to NLM



2.4 MUNICIPAL TARIFFS ON SERVICE CHARGES AND PROPERTY RATES

Ndlambe Municipality has initiated cost reflective tariff as required by Section 74(2) of the MSA which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering .

The proposed tariffs for 2025/2026 are detailed in the **tariffs listing**.

In the 2023/2024 financial year, the municipality conducted a cost of supply study for electricity, water, sewer/sanitation, and refuse, with plans for implementation over a 3-year period. The outcomes of this study were used as the basis for the increase percentages for the current financial year.

The municipality is currently awaiting further communication from NERSA regarding the criteria to be used for the electricity tariff increase. As a result, it should be noted that additional changes to the electricity tariff increase are expected.

**2.5 BUDGET RELATED POLICIES**

The Municipal Finance Management Act and Reporting Regulations require that all budget and budget related policies be reviewed, and where applicable, be updated on an annual basis.

The table below outlines the budget related policies that are amended for implementation in 2025/26 financial year.

Policy	Policy Amended			Amendment Date
	Yes	No	New	
Rates Policy		No		28/03/2025
Indigent Policy		No		28/03/2025
Budget Policy		No		28/03/2025
Creditors, Staff and Councilors Payment Policy		No		28/03/2025
Credit Control and Debt Collection Policy		No		28/03/2025
Funding and Reserve Policy		No		28/03/2025
Virement Policy		No		28/03/2025
Subsistence and Travel Policy	Yes			28/03/2025
Policy and Procedures for Irregular and Fruitless Expenditure		No		28/03/2025
Fixed Asset Policy	Yes			28/03/2025
Supply Chain Management Policy		No		28/03/2025
Write-off of Irrecoverable Debt Policy		No		28/03/2025
Loans Policy		No		28/03/2025
Tariff Policy		No		28/03/2025
Management of Accumulated Surplus and Bad Debt Policy		No		28/03/2025
Loss Control Policy		No		28/03/2025
Fuel Card Policy	Yes			28/03/2025
Internship Programme Policy		No		28/03/2025
Cost Containment Policy		No		28/03/2025
Donations Policy			New	28/03/2025
Insurance Policy			New	28/03/2025
Small Scale Embedded Generation Policy			New	28/03/2025

All the above policies can be viewed on the Ndlambe Municipality website www.ndlambe.gov.za



2.6 OVERVIEW OF BUDGET ASSUMPTIONS

2.6.1 Projected Collection Rate

The municipality has projected an average collection rate of 83% for property rates and service charges billed, other miscellaneous tariffs are expected to be collected at 100%.

2.6.2 General inflation outlook and its impact on the municipal activities

The inflation outlook for South Africa is indicated below and has been taken into consideration in the compilation of the 2025/26 MTREF.

Fiscal year	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Forecast		
CPI Inflation	5.9%	4.6%	4.4%	4.5%	2.5%

Source: 2025/26 MTREF Budget Circular No. 129.

2.6.3 Revenue Services

Non-exchange transactions (property rates and environmental fee)

- **Property rates** tariff has been projected to increase by 5% in 2025/26 and the CPI in the subsequent two years.
- **Environmental fee** : 4.4% CPI inflation for 2025/26 and CPI inflation for the two outer years.

Exchange Transaction Service charges tariffs projected increases are as follows:

- **Water Basic Fee:** A 9.4% increase (comprising 4.4% CPI inflation plus an estimated 5% for tariff structure) over the next four years, including the two outer years for the 2026 MTREF.
- **Water Usage:** A 4.4% increase based on CPI inflation for 2025/26, with CPI inflation applied for the outer years.
- **Sewerage Basic Fee:** A 9.4% increase (4.4% CPI inflation plus an estimated 5% for tariff structure) for 2025/26, with further increases projected based on CPI inflation for the two outer years.
- **Sanitation/Pump Outs:** A 9.4% increase (4.4% CPI inflation plus an estimated 5% for tariff structure) for 2025/26, with CPI inflation plus an additional 5% for the tariff structure over the remaining years, including the two outer years for the 2026 MTREF.
- **Waste Collection:** A 4.4% increase based on CPI inflation for 2025/26, with CPI inflation applied for the outer years.
- **Electricity tariff:** Various proposed electricity tariff increases can be seen from the attached tariff listing which are based on the 2023/2024 cost of supply study to be phased in over 3 years and the review thereof considering the actual costs and revenue of the 2024/2025 financial year and the budgeted figures for the 2025/2026 financial year.
- **Miscellaneous tariffs** : A 4.4% increase based on CPI inflation for 2025/26, with CPI inflation applied for the outer years.



2.6.4 Operating Costs

- **Depreciation** is calculated based on the rates outlined in the asset management policy. The municipality has no intention of changing these estimates; therefore, the cost model will remain consistent throughout the entire MTREF period. At the start of each financial year, it is standard practice for the municipality to review and revise the useful lives of assets.
- **Bulk Electricity Purchase:** A 10% increase was initially projected but is expected to decline by 5% over the next two years due to a reduction in loadshedding.
- **Bulk water purchases** The costs for bulk water purchases are determined by the contract value with the current suppliers. To account for inflation CPI is applied annually to adjust the contract price. A CPI is applied annually for the two outer years
- **Employee related costs:** Salaries are projected to increase by 4.4%, equivalent to the CPI, from February 1, 2024, to January 2025, with an additional 0.75%. For the outer years, salaries will increase by CPI plus 0.75%, as per the collective agreement. Additionally, a 1% increase is projected for notching. The travel allowance is set at 25% in accordance with the approved travel allowance policy. The telephone allowance will be R500 per month for Task Grade 15 and above, and R200 per month for Task Grades 14 to 12.
- **Impairment Loss on Fixed Assets:** The impairment loss on fixed assets is expected to decline in the 2026 MTREF period compared to previous years, due to additional security enforcement and maintenance routines to address wear and tear.
- **Long Service Expense:** The long service expense is based on the actuarial valuation for the 2023/24 financial year, which has been projected.
- **Budgeted Expenditure and VAT:** The budgeted expenditure excludes Value Added Tax (VAT) throughout the MTREF, except for exempt and zero-rated items. Supplies of goods and services are charged at a standard VAT rate of 15%, excluding zero-rated and exempted supplies, as referenced in VAT Guide 419 and other relevant legislation.
- **The impairment loss for debtor's** budget provision for the 2025/26 budget includes historical debt considering 2023/24 annual financial statements and 5% increase for the outer years.

2.6.5 Financial Position and other

I. Opening balance budget were based on 2023 opening balances plus extrapolated movements of 2024 and followed the same principle for the two outer years.



2.7 OVERVIEW OF BUDGET FUNDING

It is the requirement of National Treasury that Council must adopt a funded MTREF budget. It is therefore imperative that the unlimited wants from Ndlambe Community are prioritized considering the availability of resources and they were allocated over the 2025/2026 MTREF, this simply means others will be addressed in the subsequent budget years

The 2025/2026 MTREF is funded by various funding sources such as property rates, service charges and the equitable share. Conditional grants are approved by National government and other spheres of government to fund authorized expenditure to achieve a specific objective outlined in DORA or in an approved business plan.

Revenue Collections by Service

The table below outlines the receipts from Trading services and property rates that are mainly funding the budget: Opening cash and cash equivalent of R138,552,000 2027R120,964,000 and 2028- R102,741,000

Description	2025/26 Medium Term Revenue & Expenditure Framework		
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand			
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates	156,719	163,771	167,865
Service charges	241,583	259,431	275,238
Other revenue	69,119	56,026	57,312
Transfers and Subsidies - Operational	220,059	158,807	163,961
Transfers and Subsidies - Capital	85,698	63,577	68,308
Interest	16,151	16,881	17,135
Dividends	-	-	-



2.8 EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMS

EC105 Ndlambe - Supporting Table SA18 Transfers and grant receipts

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		111,665	123,417	132,784	142,182	140,698	140,698	147,880	153,506	158,564
Expanded Public Works Programme Integrated Grant		-	(0)	-	-	-	-	-	-	-
Local Government Financial Management Grant		2,650	2,650	2,650	2,500	2,500	2,500	2,500	2,700	2,800
Municipal Infrastructure Grant		1,433	1,536	1,598	3,046	1,562	1,562	3,261	3,517	1,829
Equitable Share		107,582	119,231	128,536	136,636	136,636	136,636	142,119	147,290	153,935
Provincial Government:		2,640	2,400	71,706	82,573	133,255	19,994	70,329	3,358	3,358
EC Human Settlement		-	-	68,956	79,215	129,897	16,781	66,971	-	-
Libraries and Archives (DESRAC)		2,640	2,400	2,750	3,358	3,358	3,214	3,358	3,358	3,358
District Municipality:		497	994	(1,800)	-	824	-	-	-	-
Environmental Health Subsidy		-	-	-	-	824	-	-	-	-
Public Safety		497	994	(1,800)	-	-	-	-	-	-
Other grant providers:		-	-	4,809	-	-	-	-	-	-
Housing Development Agency		-	-	4,809	-	-	-	-	-	-
Total Operating Transfers and Grants	5	114,802	126,811	207,499	224,754	274,777	160,692	218,209	156,864	161,922
Capital Transfers and Grants										
National Government:		84,143	125,958	58,968	60,792	73,809	96,208	46,342	46,515	42,058
Municipal Disaster Relief Grant		-	-	-	-	-	30,000	-	-	-
Municipal Infrastructure Grant		27,230	29,191	28,221	28,192	28,192	24,708	29,285	31,578	34,742
Integrated National Electrification Programme Grant		15,000	1,394	-	-	-	-	12,057	7,000	7,316
Regional Bulk Infrastructure Grant		21,913	-	3,784	-	13,016	8,900	-	-	-
Water Services Infrastructure Grant		20,000	95,373	26,962	32,600	32,600	32,600	5,000	7,937	-
Provincial Government:		24,108	9,860	127,873	64,382	105,226	7,837	22,606	-	-
Municipal Disaster Grant		-	-	10,762	-	-	-	-	-	-
Water and Sanitation Infrastructure Grant (OTP)		16,298	3,376	3,900	6,987	6,987	2,576	-	-	-
Specify (Add grant description)		-	6,134	-	-	-	-	-	-	-
EC Human Settlement		-	-	113,211	57,394	68,348	5,117	22,606	-	-
Specify (Add grant description)		-	-	-	-	29,891	-	-	-	-
Libraries and Archives (DESRAC)		110	350	-	-	-	145	-	-	-
COGTA Disaster Grant		7,700	-	-	-	-	-	-	-	-
District Municipality:		-	-	2,882	-	45	-	15,262	17,063	26,250
Public Safety		-	-	1,800	-	45	-	-	-	-
Public Safety		-	-	1,082	-	-	-	15,262	17,063	26,250
Other grant providers:		800	1,730	1,486	1,317	1,317	1,317	2,978	-	-
Human Settlement Re-development Programme		800	1,730	1,486	1,317	1,317	1,317	2,978	-	-
Total Capital Transfers and Grants	5	109,051	137,548	191,209	126,491	180,397	105,362	87,187	63,577	68,308
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	223,853	264,359	398,708	351,245	455,174	266,054	305,397	220,442	230,230

3.

3.1 ALLOCATIONS AND GRANTS MADE BY NDLAMBE MUNICIPALITY

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Non-Cash Transfers to other Organs of State											
Public Protection and Safety: Public Security in Ndlambe Area	3	-	-	230	104	104	104	104	222	233	245
Human Resource Management: Bursaries for non-employees		-	-	500	528	528	528	528	554	582	611
Library Programmes: Grade 12 Intervention Programme		-	-	240	509	509	509	509	301	275	244
Community Development Initiatives: Donations		-	-	330	800	1,147	1,147	1,147	755	793	832
Protecting the Poor: Mayoral Assistance		-	-	140	150	(200)	(200)	(200)	158	165	174
Feeding/Nutritional Scheme: Support for Soup Kitchen		-	-	240	210	210	210	210	240	252	265
Sport Development and Sponsorships (Internal): Sport Donations		-	-	240	346	346	346	346	250	263	276
Disability: Casual Day		-	-	10	10	26	26	26	20	21	22
Youth Development: Youth Empowerment		-	-	50	200	54	54	54	100	105	110



Child Programmes: Donations		-	-	100	100	110	110	110	100	105	110
Gender Development: Woman's Month		-	-	50	200	200	200	200	200	210	221
Gender Development: Gender Based Violence		-	-	100	140	140	140	140	140	147	154
Gender Development: Men's Forum		-	-	25	40	40	40	40	100	105	110
Municipal Games: Mayoral Cup		-	-	30	64	54	54	54	100	105	110
Youth Development: Youth Empowerment		-	-	50	110	110	110	110	200	210	221
Entrepreneurial Support System: SMME Support		-	-	675	765	977	977	977	800	844	890
Tourism Development: Tourism Development		-	-	900	990	990	990	990	999	1,054	1,112
Project Implementation: LED Project Implementation		-	-	310	500	500	500	500	500	528	557
Total Non-Cash Transfers To Other Organs Of State:		-	-	4,220	5,766	5,845	5,845	5,845	5,738	5,996	6,263

The table above are the only allocations and grants budgeted for by the municipality. During the financial year, Council may resolve to make further allocations or grants based on the merits of the applicant. The grants/ donations are eligible to the non-profit organizations, SMME's and Matriculants who obtained grade 12 certificates, that reside within the jurisdiction of Ndlambe municipality. The applications to be considered for the donations / grants are made through the office of the Local Economic development, Special Programme Unit and Human Resources. Each individual application will be evaluated and assessed based on its merits and authorized by the Municipal Manager. A donation policy has been implemented and will be adopted with the 2026 MTREF to regulate donations provided to applicants.



3.2 COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

EC105 Ndlambe - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		5,140	4,993	5,760	5,663	5,880	5,880	5,719	5,719	5,719
Pension and UIF Contributions		280	345	367	395	388	388	398	398	398
Medical Aid Contributions		52	151	138	151	144	144	127	133	140
Motor Vehicle Allowance		1,367	1,360	1,360	1,446	1,396	1,396	1,360	1,360	1,360
Cellphone Allowance		829	816	867	918	880	880	864	864	864
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		36	-	-	-	-	-	-	-	-
Sub Total - Councillors		7,704	7,666	8,492	8,573	8,688	8,688	8,469	8,475	8,482
% increase	4		(0.5%)	10.8%	0.9%	1.3%	-	(2.5%)	0.1%	0.1%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		5,163	4,991	6,413	6,960	6,400	6,400	6,950	7,385	7,810
Pension and UIF Contributions		755	779	1,069	1,157	1,157	1,157	1,300	1,380	1,459
Medical Aid Contributions		210	249	287	312	312	312	320	336	353
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		748	831	1,061	1,091	1,091	1,091	579	615	651
Motor Vehicle Allowance	3	902	942	972	972	973	973	972	972	972
Cellphone Allowance	3	112	102	120	130	130	130	123	123	123
Housing Allowances	3	114	130	132	140	140	140	140	149	157
Other benefits and allowances	3	4	67	140	64	64	64	64	64	68
Payments in lieu of leave		332	425	639	515	515	515	614	653	690
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		100	67	71	85	85	85	199	211	224
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		8,440	8,582	10,903	11,426	10,868	10,868	11,261	11,888	12,506
% increase	4		1.7%	27.0%	4.8%	(4.9%)	-	3.6%	5.6%	5.2%
Other Municipal Staff										
Basic Salaries and Wages		90,529	96,755	105,895	123,454	123,586	123,586	131,969	140,193	148,232
Pension and UIF Contributions		16,590	17,949	19,795	22,944	22,969	22,969	24,175	26,072	27,508
Medical Aid Contributions		12,181	13,382	14,930	17,673	17,682	17,682	18,634	19,717	20,641
Overtime		10,863	14,414	13,053	7,843	8,430	8,430	6,650	6,956	7,290
Performance Bonus		7,410	7,670	8,687	10,453	10,453	10,453	10,789	11,463	12,122
Motor Vehicle Allowance	3	4,108	4,579	5,226	5,106	5,102	5,102	5,495	5,495	5,495
Cellphone Allowance	3	232	248	310	325	326	326	305	305	305
Housing Allowances	3	597	504	491	507	528	528	497	522	545
Other benefits and allowances	3	7,145	4,388	4,191	3,191	3,289	3,289	2,855	2,857	2,857
Payments in lieu of leave		742	(1,917)	875	245	205	205	-	-	-
Long service awards		475	742	604	18	103	103	-	-	-
Post-retirement benefit obligations	6	-	(6,750)	2,499	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		1,473	1,140	679	897	910	910	743	790	835
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		152,345	153,103	177,235	192,654	193,583	193,583	202,111	214,368	225,829
% increase	4		0.5%	15.8%	8.7%	0.5%	-	4.4%	6.1%	5.3%
Total Parent Municipality		168,488	169,351	196,631	212,653	213,139	213,139	221,841	234,731	246,816
			0.5%	16.1%	8.1%	0.2%	-	4.1%	5.8%	5.1%

4.



4.1 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

From the information provided it is clear to note that expenditure can only be incurred if the revenue is available in our bank account. The municipality has always been prudent in Cash flow management.

Choose name from list - Supporting Table SA30 Budgeted monthly cash flow														Medium Term Revenue and Expenditure Framework			
MONTHLY CASH FLOWS	Budget Year 2025/26												Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June					
Cash Receipts By Source																	
Property rates	13,060	13,060	13,060	13,060	13,060	13,060	13,060	13,060	13,060	13,060	13,060	13,060	13,060	1	156,719	163,771	167,865
Service charges - electricity revenue	10,170	10,170	10,170	10,170	10,170	10,170	10,170	10,170	10,170	10,170	10,170	10,170	10,170		122,040	132,473	142,828
Service charges - water revenue	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,399		65,401	70,241	74,086
Service charges - sanitation revenue	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029		24,350	25,580	26,390
Service charges - refuse revenue	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483		29,792	31,137	31,934
Rental of facilities and equipment	112	112	112	112	112	112	112	112	112	112	112	112	112		1,339	1,399	1,434
Interest earned - external investments	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185		14,215	14,855	15,226
Interest earned - outstanding debtors	161	161	161	161	161	161	161	161	161	161	161	161	161		1,936	2,026	2,089
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Fines, penalties and bribes	16	16	16	16	16	16	16	16	16	16	16	16	16		192	201	206
Licences and permits	453	453	453	453	453	453	453	453	453	453	453	453	453		5,437	5,682	5,775
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Transfers and Subsidies - Operational	55,975	6,466	6,466	6,929	6,466	52,251	6,929	6,466	52,251	6,929	6,466	6,466	6,466		220,059	158,807	163,961
Other revenue	3,818	3,845	4,964	6,068	6,460	6,800	6,928	6,278	5,621	4,624	3,687	3,057	3,057		62,151	48,744	49,897
Cash Receipts by Source	94,918	45,434	46,554	48,120	48,049	94,175	48,980	47,867	92,996	46,675	45,277	44,591		703,632	654,916	681,662	
Other Cash Flows by Source																	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	25,022	5,298	5,608	5,598	5,423	5,723	5,518	5,398	5,324	5,098	5,098	5,098	5,098		84,209	63,577	68,308
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)	248	248	248	248	248	248	248	248	248	248	248	248	248		2,978	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Total Cash Receipts by Source	120,186	50,981	52,410	53,967	53,720	100,148	54,746	53,514	98,567	52,022	50,623	49,937		790,820	718,493	750,000	
Cash Payments by Type																	
Employee related costs	17,916	17,612	17,760	18,293	18,386	18,576	18,641	18,534	18,426	18,096	17,832	17,635	17,635		217,707	230,728	242,953
Remuneration of councillors	797	706	706	797	706	706	797	706	706	793	706	706	706		8,829	8,853	8,879
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Bulk purchases - electricity	(9)	(9)	3,669	8,928	13,978	16,768	18,786	16,768	13,978	8,928	3,669	752	752		106,208	117,501	128,579
Acquisitions - water & other inventory	5,581	5,588	5,590	5,586	5,588	5,589	5,586	5,588	5,589	5,586	5,581	5,581	5,581		67,033	70,330	73,758
Contracted services	13,057	15,198	18,971	18,314	19,624	20,994	20,800	19,722	18,432	16,341	14,304	12,842	12,842		208,599	138,137	143,159
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Transfers and subsidies - other	291	435	541	441	348	462	769	774	240	616	273	348	348		5,538	5,786	6,042
Other expenditure	6,774	9,165	9,261	8,639	9,139	9,480	8,711	7,568	7,952	6,704	6,604	5,937	5,937		95,934	103,170	111,030
Cash Payments by Type	44,407	48,665	56,498	60,997	67,769	72,575	74,091	69,660	65,323	57,063	48,970	43,800		709,848	674,505	714,400	
Other Cash Flows/Payments by Type																	
Capital assets	11,248	9,207	8,661	13,407	9,586	8,021	9,211	6,914	5,938	5,456	5,456	5,456	5,456		98,559	62,212	63,628
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Total Cash Payments by Type	55,655	57,902	65,159	74,404	77,355	80,596	83,302	76,574	71,261	62,519	54,428	49,256		809,406	736,716	779,029	
NET INCREASE/(DECREASE) IN CASH HELD	64,531	(6,922)	(12,749)	(20,437)	(23,634)	19,550	(28,555)	(23,060)	27,306	(10,497)	(8,802)	682		808,406	736,716	779,029	
Cash/cash equivalents at the month/year begin:	138,552	203,083	196,162	183,413	162,975	139,341	158,890	130,335	107,275	134,581	124,084	120,282	120,282		138,552	120,964	102,741
Cash/cash equivalents at the month/year end:	203,083	196,162	183,413	162,975	139,341	158,890	130,335	107,275	134,581	124,084	120,282	120,964	120,964		120,964	102,741	74,713



4.2 ANNUAL BUDGETS AND SERVICES DELIVERY AND BUDGET IMPLEMENTATION PLANS PER DIRECTORATE

The draft service delivery budget implementation plan for 2025/2026 is tabled with the draft budget. See appendix E



4.3 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

The contracts that are outlined in the table below are the current contracts that the municipality has entered for more than a year.

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
CDR Technical (Monthly Fixed)	Yrs	10	Construction, Operation, Management & Maintenance Services	30 May 2030	166,081,485
MPHELE ENGINEERS AND PROJECT MANAGEMENT	Yrs	3	Operation, Maintenance & Management	30 November 2027	23,064,400
Munsoft	Mths	2.5	SOFTWARE LICENSE AND SUPPORT	30 June 2025	9,930,134
HLOMELANG MARKETING	Mths	11	Supply & Delivery of gel stoves	30 June 2025	8,541,188
CDR TECHNICAL (MONTH VARIABLE)	Yrs	10	Construction, Operation, Management & Maintenance Services	31 May 2030	5,665,375
UMHLABA CONSULTING GROUP	Yrs	3	SOFTWARE LICENSE AND SUPPORT	30 June 2029	4,722,996
Wheeldon Rushmere and Cole Inc	Yrs	3	Consulting	24 August 2026	4,333,057
GLENSHAW BUSINESS TRUST (P & S CONSULTING)	Yrs	3	Consulting	24 August 2026	4,100,835
PENNY LINDSTROM VALUERS	Yrs	5	Property Valuations	30 June 2029	3,595,000
SMEC SOUTH AFRICA	Yrs	1	Consulting Services	30 April 2026	2,660,072



4.4 CAPITAL EXPENDITURE DETAILS

See table SA34a, SA34b, SA34c, SA34d and sa34e in Appendix A of this document. The tables are long, and they paste outside the margins.

4.5 LEGISLATION COMPLIANCE STATUS

The Ndlambe Municipal Councilors and staff are committed to comply fully with all legislation impacting on local government. Section 195(1) of the Constitution sets the basic values and principles that local government must adhere to. To comply fully with all legislation, the municipality must also adhere to circulars issued in line with the legislation and all regulations promulgated to give effect to certain legislation.

The main pieces of legislation that Ndlambe Municipality needs to comply with are.

- The Constitution of the Republic of South Africa
- Local Government: Municipal Structures Act, Act 117 of 1998 with all amendments to date
- Local Government: Municipal Systems Act, Act 32 of 2000 with all amendments to date
- Local Government: Municipal Finance Management Act, Act 56 of 2004 with all amendments to date
- Local Government: Property Rates Act, Act 6 of 2004 with all amendments to date
- Electricity Act of 1987
- Labour Relations Act of 1995
- Financial and Fiscal Commission Act of 1997
- Intergovernmental Fiscal Relations Act of 1997
- Water Services Act of 1997
- Municipal Demarcation Act of 1998
- National Environmental Management Act of 1998
- Remuneration of Political Office Bearers Act of 1998
- Skills Development Act
- Preferential Procurement Policy Framework Act of 2000
- Intergovernmental Relations Framework Act of 2005
- Division of Revenue Act
- Fuel Card User Policy

Circulars and regulations are published from time to time to give effect to the stipulations of the legislation and these also need to be complied with. Certain circulars are however only to be complied with if adopted by Council.

At present the Ndlambe Municipality does not comply with all the existing legislation and the aim is to ensure that by the end of the 2025/26 financial year all legislation is complied with. This matter has been pointed out in the report of the Auditor-General for the prior years and is in the process of been addressed.



4.6 SERVICE DELIVERY STANDARDS

The report on service delivery standards is an initiative by Ndlambe Municipality to make a commitment to the community and advise the community on the service delivery that they can expect from the municipality from the budget that is available. By documenting service delivery standards, the community will have realistic expectations about the nature of the services being delivered. The community will know how often a service will be provided, how long it will take to receive a service, what level of service can be expected, how much the service will cost and be able to monitor performance against the set standards. It must be mentioned that the service delivery standards represent an ideal service to be provided, the aging infrastructure and fleet are key mechanisms to deliver the promised standards. In the event of failure by these mechanisms, Ndlambe municipality will communicate with the community while finding alternatives to minimize service interruption.

EC105 Final Schedule of Service Delivery Standards 2025/2026

EC105 (Ndlambe Local Municipality) Schedule of Service Delivery Standards 2025/2026	
Description	
Standard	2025/2026 Service Level
Solid Waste Removal	
Premise based removal (Residential Frequency)	Once a week
Premise based removal (Business Frequency)	Twice a week
Bulk Removal (Frequency)	Once a week
Removal Bags provided(Yes/No)	No
Garden refuse removal Included (Yes/No)	Yes (limit to 2 bags)
Street Cleaning Frequency in CBD	Daily
Street Cleaning Frequency in areas excluding CBD	Weekly
How soon are public areas cleaned after events (24hours/48hours/longer)	Within 24hrs (by organizer and exceptions by municipality)
Clearing of illegal dumping (24hours/48hours/longer)	Longer
Recycling or environmentally friendly practices(Yes/No)	Yes (privately run; Blue Flag beaches & recreational nodes polytimber benches, bins and disabled access ramp)
Licensed landfill site(Yes/No)	Yes
Water Service	
Water Quality rating (Blue/Green/Brown/NO drop)	Blue Drop
Is free water available to all? (All/only to the indigent consumers)	Only indigents
Frequency of meter reading? (per month, per year)	Monthly
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	Averages based on past 6 months
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	Average only if access to meter is restricted



Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
One service connection affected (number of hours)	(25mm HDPE) 45 minutes
Up to 5 service connection affected (number of hours)	(50mm PVC) at least 2 hours
Up to 20 service connection affected (number of hours)	(75mm pvc) 2 and half up to 2 hours
Feeder pipe larger than 800mm (number of hours)	(350mm) on the PVC pipe it takes atleast 8 hours
What is the average minimum water flow in your municipality?	Residential 2 bars
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No
How long does it take to replace faulty water meters? (days)	Bulk meters 10 days Residential 4 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No
Electricity Service	
What is your electricity availability percentage on average per month?	98% excluding loadshedding
Do your municipality have a ripple control in place that is operational? (Yes/No)	Yes
How much do you estimate the cost saving in utilizing the ripple control system?	1 MEGA WATT
What is the frequency of meters being read? (per month, per year)	Monthly
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	Averages based on past 6 months
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	Average only if access to meter is restricted
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	Immediately
Are accounts normally calculated on actual readings? (Yes/no)	Yes
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No
How long does it take to replace faulty meters? (days)	2 hrs
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes
How effective is the action plan in curbing line losses? (Good/Bad)	Good, below the norm
How soon does the municipality provide a quotation to a customer upon a written request? (days)	6 hrs
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	7 Days



How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	2 Weeks
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	1 Month
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	Yes
To what extend do you subsidize your indigent consumers?	100% on Rates and availabilities. Water 6kl and Electricity 50 kwh
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	Within 24 hours
Sewer blocked pipes: Large pipes? (Hours)	Less than 6 hours
Sewer blocked pipes: Small pipes? (Hours)	At least 2 hours
Spillage clean-up? (hours)	At least 2 hours
Replacement of manhole covers? (Hours)	24 hours
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	1 and half hour, even less depending on the size.
Time taken to repair a single pothole on a minor road? (Hours)	1 hour, even less depending on the size.
Time taken to repair a road following an open trench service crossing? (Hours)	8 Hours
Time taken to repair walkways? (Hours)	8 hours depending on the damage
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	one month
Do you have any special rating properties? (Yes/No)	Yes
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease by 50%
Are the financial statement outsources? (Yes/No)	No
Are there Council adopted business process structuring the flow and management of documentation feeding to Trial Balalnce?	Process to be developed
How long does it take for an Tax/Invoice to be paid from the date it has been received?	30 Days from date received by finance
Is there advance planning from SCM unit linking all departmental plans quaterly and annualy including for the next two to three years procurement plans?	Supply Chain decentralised
Administration	



Reaction time on enquiries and requests?	This varies from day to day also depending on the medium used.
Time to respond to a verbal customer enquiry or request? (working days)	Same day but not longer than 3 days
Time to respond to a written customer enquiry or request? (working days)	Same day but not longer than 3 days
Time to resolve a customer enquiry or request? (working days)	Same day but not longer than 3 days
What percentage of calls are not answered? (5%,10% or more)	Not recorded
How long does it take to respond to voice mails? (hours)	We do not use voice mails
Does the municipality have control over locked enquiries? (Yes/No)	Yes there is a system used by the Customer Relations Officer
Is there a reduction in the number of complaints or not? (Yes/No)	Yes
How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	Same day but not longer than 3 days or as soon as the deeds office reflect the registration
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	As and when required
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	15 minutes
How long does it take to renew a vehicle license? (minutes)	10 min
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	10 min submit the application; DoT take 31 days maximum to return to Ndlambe Traffic department
How long does it take to de-register a vehicle? (minutes)	15 minutes
How long does it take to renew a drivers license? (minutes)	30 min
What is the average reaction time of the fire service to an incident? (minutes)	5 min (urban and residential subject to the distance the incident is in relation to where the fire station is situated ie 5min in Port Alfred as the Fire department otherwise longer pending the town)
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	Ndlambe does not have an ambulance service on its books, its either provate companies or Department of Health
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	Ndlambe does not have an ambulance service on its books, its either provate companies or Department of Health
Economic Development	
Did your municipality participate in the Sub-National Doing Business Survey, and have the results been	No



analysed to design interventions to promote the ease of doing business in your municipality? (Yes/No)	
Does the municipality have a consolidated spatial view of its key business districts and the interventions required to unlock or promote economic growth in these areas, and is this information taken into account in the City's infrastructure planning – including the Built Environment Performance Plan? (Yes/No)	Yes
How many job opportunities have been created through the municipality's EPWP and/or Community Work Programme in the last financial year?	1705 through EPWP and 30 through Cwp
How many projects does the municipality drive to support small business growth and entrepreneurship?	190 Informal traders
How many economic development projects does the municipality drive?	13 SMME's
Does the municipality have an active partnership with academic institutions in the region in order to grow the local skills base? (Yes/No)	No
Does the municipality have an internship and/or apprenticeship programme to support skills development? (Yes/No)	Yes, Nelson Mandela Metro, Dept of Tourism
Does the municipality have active programmes to promote its business sectors and attract investments? (Yes/No)	Yes
Does the municipality have any incentive plans in place to create a conducive environment for economic development? (Yes/No)	No, municipality is heavily reliant on donor funding
Other service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	No
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes through indigent registration and Mayoral Imbizoz and Ward meetings
Are customers treated in a professional and humanly manner? (Yes/No)	Yes



4.7 MUNICIPAL MANAGERS' QUALITY CERTIFICATION



QUALITY CERTIFICATE

I **Rolly Dumezweni**, Municipal Manager of **Ndlambe Municipality**, hereby certify that the budget and the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and the annual budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Rolly Dumezweni

Municipal Manager of Ndlambe Municipality (EC105)

31/03/2025

DATE