



NDLAMBE

Local Municipality

DRAFT

**MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK**

2026/27 TO 2028/29

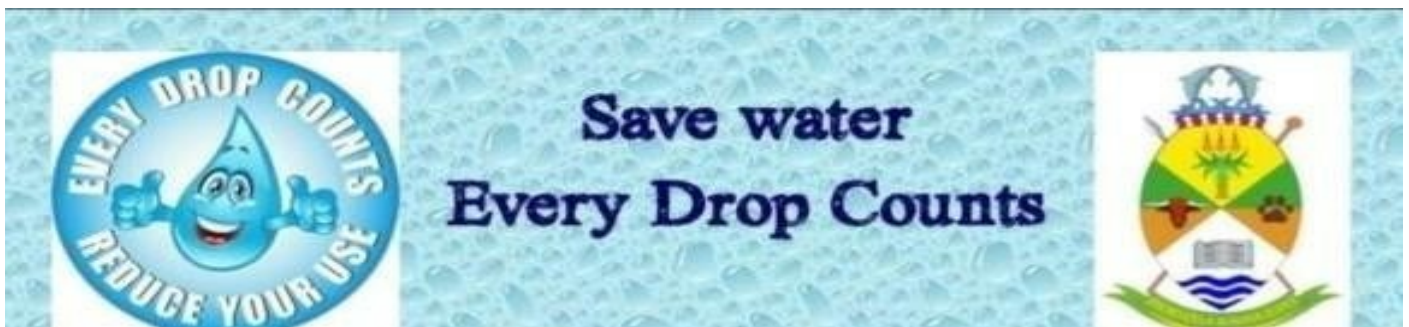


Table of Contents Abbreviations and Acronyms

PART 1 – ANNUAL BUDGET	4
1.1 MAYOR'S REPORT	4
1.2 COUNCIL RESOLUTION	6
1.3 EXECUTIVE SUMMARY	7
1.4 ANNUAL BUDGET TABLES.....	22
PART 2 – SUPPORTING DOCUMENTATION	36
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS	36
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	41
2.3 MEASURABLE PERFORMANCPPENDIE OBJECTIVES.....	48
2.4 MUNICIPAL TARIFFS	51
2.5 BUDGET RELATED POLICIES	52
2.6 OVERVIEW OF BUDGET ASSUMPTIONS	53
2.7 OVERVIEW BUDGET FUND.....	55
2.8 EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMS	56
2.9 ALLOCATION OF GRANTS MADE BY THE MUNICIPALITY	57
2.10 COUNCILLORS ALLOWANCE AND EMPLOYEE BENEFITS	58
2.11 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW.....	62
ANNUAL BUDGET AND SERVICE DELIVERY IMPLEMENTATION PLAN PER DIRECTORATE	63
2.12 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS.....	64
2.13 CAPITAL EXPENDITURE DETAILS.....	65
2.14 LEGISLATION COMPLIANCE STATUS	76
2.15 SERVICE DELIVERY STANDARDS.....	77
2.16 MUNICIPAL MANAGER'S QUALITY CERTIFICATE.....	82
PART 3 – ANNEXURES	
3.1 ANNEXURE A DRAFT TARIFF LISTING	
3.2 ANNEXURE B –DRAFT ANNUAL PROCUREMENT PLAN	
3.3 ANNEXURE C – DRAFT SDBIP	
3.4 ANNEXURE D –DRAFT BUDGET RELATED POLICIES	

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 2027 Medium-Term Revenue and Expenditure Framework (MTREF) is presented within a constrained economic and fiscal environment, requiring the Municipality to adopt a disciplined approach to prioritisation, cost containment, and financial sustainability. In response, the budget has been strategically aligned to focus on four key development priorities that are critical to sustaining service delivery and improving community well-being.

Key Development Priorities

1. Maintenance of Infrastructure

- The Municipality recognises that the sustainability of service delivery is heavily dependent on the effective maintenance of its existing infrastructure and fixed assets. Increased investment in maintenance is essential to prevent deterioration and ensure uninterrupted service delivery. However, the Municipality remains reliant on grant funding for major refurbishments and upgrades, which may delay critical interventions and accelerate infrastructure decline if not adequately addressed.

2. Water Services

- Addressing water-related challenges remains a priority, particularly in reducing water losses and mitigating supply shortages in certain areas. These challenges are closely linked to the state of infrastructure, reinforcing the importance of maintenance. Targeted interventions will focus on improving efficiency within the water network to enhance reliability and sustainability.

3. Roads Infrastructure

- The Municipality continues to address the backlog in road infrastructure through both upgrading and routine maintenance. Improved road conditions are essential for economic activity, accessibility, and overall service delivery.

4. Stormwater Management

- Investment in stormwater infrastructure is critical to mitigating flooding risks and protecting both public and private assets. Efficient stormwater systems contribute to the resilience of communities and support broader infrastructure sustainability.
- Collectively, improvements in these priority areas will enhance the quality of basic services provided to communities, thereby reducing service delivery disruptions and minimising the likelihood of public dissatisfaction and protests.

Budget Approach and Financial Overview

- The 2027 MTREF budget has been developed through a rigorous process of prioritisation and cost containment. This approach is reflected in the draft budget, where operating expenditure has decreased by -138% compared to the prior year’s adjusted budget.
- Encouragingly, the allocation towards maintenance has increased significantly from 2.7% of audited actual expenditure to 5.7% in the 2027 financial year. This allocation is projected to grow by an average of 2% over the outer years of the MTREF. While this reflects positive progress, it remains 2.3% below the recommended benchmark of 8%. In monetary terms, maintenance funding has increased to R70.3 million, representing an increase of R13.6 million.

- Budget allocations for water and roads infrastructure have also increased moderately, with an average growth of approximately 2%, supporting the Municipality's focus on strengthening core service delivery functions.

Alignment with the Integrated Development Plan (IDP)

- The Municipality has reaffirmed the central role of the Integrated Development Plan (IDP) in guiding budgeting decisions. A “back-to-basics” approach has been adopted, ensuring that community needs, as identified through the IDP, inform project prioritisation. This process has been undertaken collaboratively with senior management and political leadership, ensuring that all projects included in the budget are directly aligned with the IDP.
- National government has allocated capital transfers amounting to R70.79 million, which are fully directed towards infrastructure programmes. These include sewerage reticulation, refurbishment of water treatment works, road upgrades, electrification projects, and the upgrading of the Port Alfred substation.

Financial Sustainability and Revenue Challenges

- A key focus for the 2027/28 financial year is to reduce the level of debt impairment, which has placed significant pressure on the Municipality's financial position and contributed to operating deficits. Through the implementation of prioritisation, cost containment, and ring-fencing measures, the Municipality has successfully reduced the deficit by R-31.4 million.
- Despite this progress, challenges persist, particularly in areas supplied by Eskom, where the Municipality faces difficulties in revenue collection. To address this, the Municipality will implement water restrictions during the 2026/27 financial year as part of broader measures to improve revenue management and sustainability.

Conclusion

- In light of the above, I hereby submit the Draft 2027 MTREF Budget to Council for noting and approval for public consultation. The Municipality remains committed to ensuring that the final budget reflects the needs and priorities of the community while maintaining financial prudence and sustainability.

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 **R84,464 million** for 2026/2027, (2028 **R62,421 million**) and (2029 **R65,208 million**) be NOTED.

THAT the draft revenue of expenditure as outlined in **Table A2** - Budgeted Financial performance (revenue and expenditure by functional classification total revenue incl capital transfers valued at R746,173 million for 2026/2027, (2028 **R778,496 million**) and (2029 **R820,107 million**) and draft operating expenditure amounts to **R717,381 million** for 2026/27,(2028 **R764,073 million**) and(2029 **R798,716 million**) be NOTED.

THAT the draft operating budget for the 2026/2027 financial year as presented in **Table A4** - Budgeted Financial Performance (revenue and expenditure) reflecting the operating deficit of **R41,997 million (2028 R51,725 million)** and (**2029 R48,244 million**) be NOTED.

THAT the draft tariffs be NOTED with the following increases:

- **Property rates:** A 5.2% increase for 2026/2027.
- **Environmental fee:** A 5.2% increase for 2026/2027.
- **Water Basic Fee:** A 10.2% increase (comprising of 5.2% CPI inflation plus 5% for tariff structure change derived from cost of supply study conducted in 2023/24 and implemented in 2024/2025) for the current and two outer years.
- **Water Usage:** A 5.2% increase for 2026/2027.
- **Sewerage Basic Fee:** A 5.2% increase for 2026/2027
- **Sanitation/Pump Outs:** A 10.2% increase (5.2% inflationary plus a 5% for tariff structure change derived from cost of supply study conducted in 2023/24 and implemented in 2024/2025)
- **Waste Collection:** A 5.2% increase for 2026/2027.
- **Electricity tariff:** An average increase of 7% for 2026/27 due to tariff structure change derived from cost of supply study conducted in 2023/24
- **Miscellaneous tariffs:** An increase of 5.2% for 2026/2027

THAT the draft financial position for the 2026/2027 financial year as presented in Table A6- Budgeted Financial Position, reflecting the community wealth/equity of **R1,695,844 billion** for 2026/2027, (**2028 R1,710,267 billion**) and (**2029 R1,731,658 billion**) be NOTED with corrections still to be made before publishing.

THAT the draft cash flow for the 2026/2027 financial year as presented in **Table A7-** Budgeted Cash Flow reflecting a positive cash and cash equivalent at the end of 2026/2027 financial year **R43,306 million**, (**2028 R70,799 million**) and (**2029 R106,011 million**) be NOTED .

THAT the draft cash backed reserves/accumulated surplus reconciliation for the 2026/2027 financial year as presented in **Table A8-** Budgeted cash backed reserves/accumulated surplus reconciliation of 2026/2027 financial year **R165,063 million**, (**2028 R186,365 million**) and (**2029 R215,272 million**) be NOTED

THAT the draft asset management for the 2026/2027 financial year as presented in **Table A10-** Budgeted asset management with projected total asset register of **R1,241,659 billion** in 2026/2027 financial year, (**2028 R1,188,561 billion**) and (**2029 R1,131,355 billion**) be NOTED

THAT budget related policies reviewed for 2026/2027 MTREF be NOTED.

THAT the draft procurement plans for 2026/2027 budget be NOTED.

THAT the draft service delivery implementation plans for 2026/27 be NOTE

1.3 EXECUTIVE SUMMARY

One of the key objectives of the 2027 Medium-Term Revenue and Expenditure Framework (MTREF) budget process is to demonstrate how Ndlambe Municipality is aligning its annual budget with the broader budget and financial management reform agenda. This is achieved through a strong focus on key “game changers,” which include ensuring that the budget is fully funded, strengthening revenue management, improving asset management, enforcing compliance with supply chain management processes, correctly implementing mSCOA, and effectively addressing audit findings and matters of emphasis.

The compilation of the 2027 MTREF has been particularly challenging due to prevailing economic pressures, while the Municipality remains committed to delivering quality services and promoting local economic development to address unemployment. Demographic trends further intensify this challenge, with the number of households projected to grow at an average annual rate of 2.3%, and the population expected to increase by approximately 2.33% per annum, reaching an estimated 90,800 by the 2028 financial year. These statistics underscore the increasing demand for municipal services and the need for proactive planning.

A key constraint remains the Municipality’s collection rate, which has not yet reached acceptable norms. Currently averaging 82%, this rate has been used as the baseline for revenue projections in the 2027 MTREF. However, targeted revenue enhancement initiatives such as the rollout of water restrictions are expected to improve revenue collection over the medium term.

In response to these financial and service delivery pressures, the Municipal Council has identified four strategic development priorities that will guide the MTREF period:

- Maintenance of Infrastructure
- Water and Sanitation
- Roads
- Stormwater Management

These priorities are supported by the implementation of a tiered funding approach, whereby resources are first allocated to Tier 1 core service delivery functions, followed by Tier 2 support services, and lastly Tier 3 non-core services. Strict cost containment measures have been applied to redirect savings towards these critical priority areas.

The 2027 MTREF also outlines specific interventions aimed at addressing audit findings and strengthening financial governance. This includes initiatives to reduce water losses, improve operational efficiencies, and enhance overall sustainability. Furthermore, the Municipality has initiated the ring-fencing of trading services, as well as functions funded through property rates, to improve financial transparency, accountability, and long-term viability.

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.

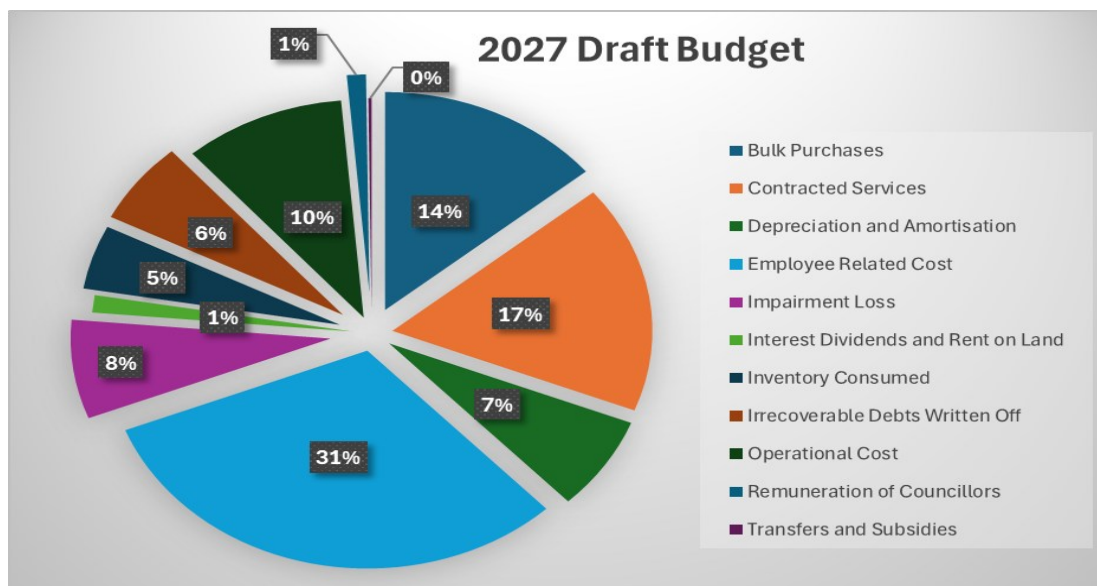
Table A1 Budget Summary

Choose name from list - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates	143,573	146,672	170,174	183,503	183,503	183,503	122,766	194,843	204,975	215,634
Service charges	181,743	192,625	235,511	252,866	263,741	263,741	168,720	279,614	298,952	319,706
Investment revenue	7,977	12,244	10,515	14,215	14,215	14,215	3,529	5,966	6,276	6,603
Transfer and subsidies - Operational	128,498	136,763	148,220	225,558	226,456	226,456	155,404	150,593	155,475	159,435
Other own revenue	42,093	34,570	42,971	43,951	43,951	43,951	29,058	44,367	46,671	49,095
Total Revenue (excluding capital transfers and contributions)	503,884	522,874	607,392	720,093	731,866	731,866	479,478	675,384	712,348	750,472
Employee costs	184,822	197,970	214,913	213,426	215,979	215,979	147,288	224,318	234,819	245,771
Remuneration of councillors	7,671	8,482	8,682	8,469	8,469	8,469	5,642	8,476	8,484	8,492
Depreciation, amortisation and impairment	52,364	54,599	52,763	51,635	51,635	51,635	30,796	56,502	57,999	61,861
Interest, Dividends and Rent on Land	7,967	8,295	8,498	8,679	8,679	8,679	–	9,178	9,706	10,264
Inventory consumed and bulk purchases	136,643	144,278	144,067	146,806	141,857	141,857	90,164	134,661	143,472	150,916
Transfers and subsidies	4,529	4,304	5,196	5,738	5,562	5,562	4,268	1,480	1,385	1,438
Other expenditure	188,125	199,826	240,921	359,990	373,072	373,072	142,104	282,766	308,209	319,974
Total Expenditure	582,120	617,753	675,040	794,742	805,252	805,252	420,262	717,381	764,073	798,716
Surplus/(Deficit)	(78,236)	(94,879)	(67,647)	(74,649)	(73,386)	(73,386)	59,216	(41,997)	(51,725)	(48,244)
Transfers and subsidies - capital (monetary allocations)	141,420	120,205	171,705	169,700	246,801	246,801	(142,881)	70,790	66,148	69,635
Transfers and subsidies - capital (in-kind)	113	517	1,168	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	63,298	25,843	105,225	95,051	173,416	173,416	(83,666)	28,792	14,423	21,391
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	63,298	25,843	105,225	95,051	173,416	173,416	(83,666)	28,792	14,423	21,391
Capital expenditure & funds sources										
Capital expenditure	135,336	120,758	169,424	158,518	232,934	232,934	133,419	84,464	62,421	65,208
Transfers recognised - capital	123,143	109,219	157,100	146,845	221,260	221,260	128,213	61,556	57,520	60,552
Borrowing	(2)	–	–	–	–	–	–	–	–	–
Internally generated funds	12,243	11,003	11,155	11,673	11,673	11,673	5,206	22,908	4,901	4,656
Total sources of capital funds	135,384	120,222	168,256	158,518	232,934	232,934	133,419	84,464	62,421	65,208
Financial position										
Total current assets	267,638	374,887	365,017	317,631	341,070	341,070	445,143	354,493	364,705	383,100
Total non current assets	1,433,371	1,497,336	1,639,052	1,604,811	1,820,351	1,820,351	1,740,005	1,855,270	1,859,692	1,863,040
Total current liabilities	248,107	380,036	360,759	292,363	333,050	333,050	339,671	183,511	174,016	164,104
Total non current liabilities	124,259	135,403	149,675	144,082	161,320	161,320	149,675	169,030	178,736	188,999

Community wealth/Equity	1,328,643	1,356,784	1,493,977	1,485,998	1,667,052	1,667,052	1,668,321	1,695,844	1,710,267	1,731,658
Cash flows										
Net cash from (used) operating	7,603	(483,075)	(648,616)	124,536	214,612	234,662	234,662	110,698	98,747	109,572
Net cash from (used) investing	(159,062)	(124,712)	(175,746)	(173,938)	(260,344)	(260,344)	(260,344)	(93,917)	(71,254)	(74,360)
Net cash from (used) financing	(2,072)	(1,439)	(973)	–	–	–	–	–	–	–
Cash/cash equivalents at the year end:	(75,745)	(541,990)	(685,812)	89,151	20,959	41,009	41,009	43,306	70,799	106,011
Cash backing/surplus reconciliation										
Cash and investments available	(75,700)	(541,944)	(685,768)	89,197	21,003	41,053	41,068	43,350	70,843	106,055
Application of cash and investments	68,454	215,012	184,611	103,317	121,362	119,570	23,707	(121,743)	(115,522)	(109,217)
Balance - surplus (shortfall)	(144,155)	(756,956)	(870,379)	(14,120)	(100,359)	(78,517)	17,361	165,093	186,365	215,272
Asset management										
Asset register summary (WDV)	1,260,630	1,178,773	1,303,338	1,201,299	1,262,478	1,262,478		1,241,659	1,188,561	1,131,355
Depreciation	48,972	43,683	43,907	42,648	42,648	42,648		49,900	51,397	55,548
Renewal and Upgrading of Existing Assets	68,455	89,447	103,243	55,649	75,565	75,565		28,220	14,701	31,968
Repairs and Maintenance	25,376	32,589	35,266	51,562	56,694	56,694		70,301	84,343	87,371
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		–	–	–
Revenue cost of free services provided	(75,641)	(76,647)	(48,458)	(52,084)	(61,676)	(61,676)		(43,803)	(67,105)	(70,660)

EXPENDITURE RATIOS



The graph above illustrates the proportion of each expenditure category relative to total operating expenditure, indicating the extent to which these align with established norms:

- Employee-related costs and Councillors' remuneration account for 32% of total operating expenditure, which falls within the acceptable norm of 25%–40%. The Municipality continues to enforce strict controls to prevent unnecessary expansion of the organisational structure, while prioritising the filling of critical vacancies, particularly in Tier 1 service delivery functions. Key positions at middle management level, such as the Revenue Manager and Fleet Officer, are also prioritised due to their strategic importance.
- Contracted services constitute 17% of total operating expenditure, significantly exceeding the norm of 2%–5%.

This is largely due to the outsourcing of electrical and security services, as well as the management and maintenance of reverse osmosis plants, necessitated by limited internal technical capacity. These expenditures are essential to ensure uninterrupted service delivery and to safeguard municipal assets, thereby optimising long-term investments.

- Bulk purchases represent 14% of total operating expenditure and are primarily ring-fenced for Eskom bulk electricity purchases. Within the 2027 MTREF, Eskom tariff increase as approved by NERSA is 9.01% which will have a direct impact on this cost category.
- Depreciation accounts for 10% of total operating expenditure and relates to the depreciation of assets recorded in the fixed asset register. Assets are depreciated on a straight-line basis, measured at cost from the date they are available for use.
- Impairment losses make up 8% of total operating expenditure, with debt impairment being the primary contributor, alongside impairments on non-current assets. This trend reflects a relatively low projected collection rate of approximately 82%. To address this, revenue enhancement strategies will be intensified, particularly in Eskom-supplied areas where outstanding debt levels are highest.
- Irrecoverable debt write-offs comprise 6% of total operating expenditure. This is largely attributable to the Municipality not having control over collecting arear debt in Eskom electricity licence arears and increasing debt linked to deceased estates where no executors have been appointed, limiting the Municipality's ability to recover outstanding amounts.

The tables below outline the capital projects per ward over the 2027 MTREF period

Capital projects for 2027 MTREF

Function	Project	Region/Ward	2027 Draft Budget	2028 Draft Budget	2029 Draft Budget
Electricity Services	Capital Spares: Installation of smart meters	Whole	2,500,000	1,500,000	1,000,000
	MV Networks: Rerouting of 11MV lines from midblock to safe section of Eagle Street	Ward 2	640,119	0	0
	MV Networks: Electrification of Bathurst Infill	Ward 5	0	6,361,739	0
	MV Networks: Electrification of Boknes Roads	Ward 2	0	0	6,649,565
	HV Transmission Conductors: Installation of 500kva mini substation at Dekselfontein in Alexandria	Ward 2	1,894,000	0	0
	MV Substations: Replacement of 5 way RMU in Albany substation	Ward 10	805,141	0	0
	MV Substations: Replacement of 5 way RMU at Chatham substation	Ward 10	805,141	0	0
	MV Substations: Normalisation of Port Alfred Receiving Substation	Ward 6	12,138,261	0	0
	MV Substations: Normalisation of Port Alfred Receiving Substation	Ward 6	1,600,000	0	0
	MV Substations: Abstraction plant RMU	Ward 10	276,817	0	0
Water Services	Transport Assets: Vehicle Acquisition	Whole of the Municipality	1,800,000	0	0
	Water Treatment Works: Supply and delivery of water quality monitoring equipment	Ward 10	500,000	0	0
	Water Treatment Works: Supply and delivery of water infrastructure signage	Ward 10	250,000	0	0
	Water Treatment Works: Refurbishment of Bathurst Water Treatment Plant	Ward 5	4,347,826	5,217,391	3,342,853
	Distribution: Replacement of water meters and valves	Whole of the Municipality	910,000	0	0
	Replacement of valves: East Bank Reservoirs	Ward 10	0	55,000	57,750
	Replacement of valves: West Bank Reservoirs	Ward 10	0	55,000	57,750
	Replacement of valves: Rosehill Reservoirs	Ward 10	0	55,000	57,750
	Replacement of valves: Nkwenkwezi Reservoirs	Ward 8	0	40,000	42,000
	Replacement of valves: Santa Reservoirs	Ward 6	0	40,000	42,000
	Replacement of valves: Thornhill Elevated Tower	Ward 6	0	45,000	47,250
	Replacement of valves: Nemato Reservoirs	Ward 8	0	50,000	52,500
	Replacement of valves: Seafield Reservoirs	Ward 6	0	45,000	47,250

Replacement of valves: Alexandria Main Reservoirs	Ward 1	0	50,000	52,500
Replacement of valves: Cannon Rocks Reservoirs	Ward 2	0	75,000	78,750
Replacement of valves: Boknes Reservoirs	Ward 2	0	75,000	78,750
Replacement of valves: Toposcope Reservoirs	Ward 5	0	50,000	52,500
Replacement of valves: Kenton-On-Sea Reservoirs	Ward 4	0	60,000	63,000
Replacement of valves: Bushmans Reservoirs	Ward 3	0	40,000	42,000
Replacement of valves: Sarel Hayward Dam	Whole of the Municipality	100,000	105,000	110,250
Replacement of valves: Central Belt Boreholes	Whole of the Municipality	50,000	52,500	55,125
Replacement of valves: Mansfield Dam	Ward 5	250,000	100,000	100,000
Replacement of valves: Cape Padrone Raw Water	Ward 2	100,000	105,000	110,250
Replacement of valves: Fish Kraal Raw Water	Ward 2	0	100,000	105,000
Replacement of valves: Cannon Rocks Boreholes	Ward 2	100,000	105,000	110,250
Distribution Points: Refurbishment of Telemetry System	Whole of the Municipality	1,600,000	0	0
Replacement of valves: Cape Padrone Pump	Ward 2	40,000	42,000	44,100
Replacement of valves: Fish Kraal Pump Station	Ward 1	0	40,000	42,000
Replacement of valves: Main Transfer Pump	Ward 2	40,000	42,000	44,100
Replacement of valves: Wentzel Park Booster Pump Station	Ward 2	0	20,000	21,000
Replacement of valves: Mandela Booster Pump Station	Ward 1	0	20,000	21,000
Replacement of valves: Boknes Booster Pump Station	Ward 1	0	40,000	42,000
Replacement of valves: Ekuphumleni Booster Pump Station	Ward 4	0	45,000	47,250
Replacement of valves: Marselle Booster Pump Station	Ward 3	0	20,000	21,000
Replacement of valves: Bushmans Booster Pump Station	Ward 3	0	15,000	15,750
Replacement of valves: Smith Street Pump Station	:Ward 10	75,000	78,750	82,688
Replacement of valves: Alfred Road Pump Station	Ward 10	80,000	84,000	88,200
Replacement of valves: Rosehill Booster Pump Station	Ward 10	0	25,000	26,250
Replacement of valves: Nemato Water Plant Station	Ward 8	60,000	63,000	66,150
Replacement of valves: Pump Station No 1 (Port Alfred Bulk Water Supply)	Whole of the Municipality	80,000	84,000	88,200

	Replacement of valves: Pump Station No 2 (Port Alfred Bulk Water Supply)	Whole of the Municipality	80,000	84,000	88,200
	Replacement of valves: Pump Station No 3 (Port Alfred Bulk Water Supply)	Whole of the Municipality	80,000	84,000	88,200
	Replacement of valves: Lushington Pump Station	Ward:Ward 5	30,000	31,500	33,075
	Replacement of valves: Golden Ridge Dam Pump Station	Ward:Ward 5	0	30,000	31,500
	Replacement of valves: Port Alfred Water Reticulation Network	Whole of the Municipality	250,000	262,500	275,625
	Replacement of valves: Bathurst Water Reticulation Network	Ward 5	200,000	210,000	220,500
	Replacement of valves: Seafield Water Reticulation Network	Ward 6	150,000	157,500	165,375
	Replacement of valves: Alexandria Water Reticulation Network	Ward 2	100,000	105,000	110,250
	Replacement of valves: Cannon Rocks and Boknes Water Reticulation Network	Ward 2	150,000	157,500	165,375
	Replacement of valves: Kenton-On-Sea Water Reticulation Network	Ward 4	150,000	157,500	165,375
Refuse Disposal	Transport Assets: Vehicle Acquisition	Whole of the Municipality	3,300,000	0	0
Sports ground and Stadiums	Outdoor Facilities: Upgrading of Marselle Sportfield Phase 3	Ward 3	782,609	0	0
Roads and general works	Upgrading of Ndlambe Roads: Alexandria Port Alfred Bathurst Station Hill Marselle Kenton-On-Sea	Whole of the Municipality	0	0	21,225,522
Roads and general works	Upgrading of Gladiola Road: Alexandria	Ward 2	2,768,631	0	0
Roads and general works	Roads:Upgrading of Atherstone Road	Ward 10	6,599,130	0	0
Roads and general works	Roads: Upgrading of Ndlambe Roads (Small Town Revitalisation)	Ward 3	1,385,217	0	0
Sewerage: Sanitation	Transport Assets: Vehicle Acquisition	Whole of the Municipality	2,300,000	0	0
Sewerage:Sewerage	Pump Station: Upgrading of Port Alfred Sewage Pump Stations	Ward 10	5,134,761	6,282,472	4,043,557
	Reticulation: Port Alfred Sewerage Industrial Area Reticulation and Bulk Link	Ward 10	3,478,261	5,535,789	7,865,018
	Reticulation: Port Alfred Sewerage Infrastructure Phase 1 Reticulation	Ward 10	4,430,457	0	0
	Upgrading of Sewer System Port Alfred: Phase 1	Ward 10	4,347,826	5,790,435	7,860,746
	Waste Water Treatment Works: Wastewater Treatment Works and Bulk Sewer Reticulation in Bathurst	Ward 5	16,143,108	28,332,478	9,565,217
Council General	Transport Assets: Vehicle Acquisition	Administrative	711,630	0	0
Office of the Speaker	Transport Assets: Vehicle Acquisition	Administrative	700,000	0	0
Information Technology	Computer Equipment: Computer Equipment	Administrative	150,000	200,000	300,000
Capital expenditure			84,463,935	62,421,054	65,208,266

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

Ward based	2027 Budget	2028 Budget	2029 Budget
EC105 Ndlambe: Administrative or Head Office (Including Satellite Offices)	4,158,560.00	4,387,488.00	4,606,861.00
Buildings: Maintenance of Building and Facilities	308,000.00	323,400.00	339,570.00
Buildings: Maintenance of municipal offices	60,000.00	63,000.00	66,150.00
Buildings: Maintenance of Office Buildings	1,515,560.00	1,591,338.00	1,670,904.00
Computer Equipment: Maintenance of Computer Equipment	10,000.00	10,500.00	11,025.00
Furniture and Office Equipment: Maintenance of Furniture and Office Equipment	50,000.00	52,500.00	55,125.00
Machinery and Equipment: Maintenance of plant and equipment	800,000.00	840,000.00	882,000.00
Transport Assets: Maintenance- Vehicles	370,000.00	409,500.00	429,975.00
Transport Assets: Maintenance of motor vehicles	1,045,000.00	1,097,250.00	1,152,112.00
EC105 Ndlambe: Ward 1	2,491,000.00	3,959,750.00	3,899,754.00
Civil Structure: Alexandria Reservoirs	-	70,000.00	73,500.00
Maintenance of Highmast: Alexandria	270,000.00	529,200.00	297,675.00
Maintenance of Street lights: Bokness Cannon Rocks	471,000.00	494,550.00	519,278.00
Pavements: Pothole Patching of Alexandria Wentzel Park KwaNonkqubela CBD & Suburb Area	555,000.00	582,750.00	611,888.00
Pavements: Re-gravelling of Alexandria Wentzel Park KwaNonkqubela CBD & Suburb Area	-	493,500.00	518,175.00
Pavements: Slurry Sealing of Alexandria of Wentzel Park KwaNonkqubela CBD & Suburb Area	-	160,000.00	168,000.00
Pipe Work: Boknes Booster Pumps	-	105,000.00	110,250.00
Pipe Work: Cape Padrone Pumpstation	170,000.00	178,500.00	187,425.00
Pipe Work: Clearing of stormwater channels and grass on paved roads in Alexandria Wentzel Park KwaNonkqubela CBD & Suburb Area	325,000.00	341,250.00	358,313.00
Pipe Work: Fish Kraal Pumpstation	-	170,000.00	178,500.00
Pipe Work: Mandela Booster Pump	-	70,000.00	73,500.00
Repairs and Maintenance: Cannon Rocks RO Plant	300,000.00	315,000.00	330,750.00
Wastewater Treatment Plant: Alexandria	400,000.00	450,000.00	472,500.00

EC105 Ndlambe:Ward 10	2,821,588.00	4,992,835.00	4,476,686.00
Buildings: Maintenance of Krantz - Ntakaz'lali	80,000.00	84,000.00	88,200.00
Civil Structure: East Bank Reservoirs	-	75,000.00	78,750.00
Civil Structure: West Bank Reservoirs	-	75,000.00	78,750.00
Drainage: Clearing of stormwater channels and grass on paved roads in Port Alfred East Bank	128,251.00	134,664.00	141,397.00
Drainage: Clearing of stormwater channels and grass on paved roads in Port Alfred West Bank	389,185.00	408,644.00	429,076.00
Maintenance of Buildings: Willows Caravan Park	100,000.00	105,000.00	110,250.00
Pavements: Pothole patching of Broadway and Falcon Street	79,780.00	160,557.00	87,957.00
Pavements: Pothole patching of Cause Way and Main Street	78,740.00	158,464.00	86,811.00
Pavements: Pothole patching of Greenmantle and Gleneagles Street	119,130.00	239,749.00	131,341.00
Pavements: Pothole patching of Henry and Becker Street	51,500.00	103,644.00	56,779.00
Pavements: Pothole patching of Mentone Road and Stocks Avenue	90,550.00	182,232.00	99,831.00
Pavements: Pothole patching of Miles and Hill Street	53,776.00	108,224.00	59,288.00
Pavements: Pothole patching of Miles Bowker Road	75,790.00	152,527.00	83,559.00
Pavements: Pothole patching of Muller and Oriole Street	75,880.00	152,708.00	83,658.00
Pavements: Pothole patching of Sea Breeze and Freshwater Street	69,140.00	139,144.00	76,227.00
Pavements: Pothole patching of Sports Road and Dove Lane	63,460.00	127,713.00	69,965.00
Pavements: Re-gravelling of Muirfield Street	93,633.00	98,314.00	103,230.00
Pavements: Slurry sealing of Atherston Road	-	78,850.00	82,793.00
Pavements: Slurry sealing of Halsted Lane and Beach Crescent	-	133,110.00	139,766.00
Pavements: Slurry sealing of Hirtzel Road	-	36,060.00	37,863.00
Pavements: Slurry sealing of Putt Road	-	117,470.00	123,344.00
Pavements: Slurry sealing of Southdowns Avenue	-	235,530.00	247,307.00
Pavements: Slurry sealing of Umdoni Road	-	115,850.00	121,643.00
Pavements: Slurry sealing of Wesley Hill and Smith Street	-	223,970.00	235,169.00
Pipe Work: Clearing stormwater pipes in Pascoe Crescent Wharf Street Becker Street etc	29,518.00	30,994.00	32,544.00

Pipe Work: Clearing stormwater pipes on road to dumpsite	3,255.00	3,417.00	3,588.00
Pipe Work: Rose Hill Booster Pump	-	210,000.00	220,500.00
Pipe Work: Smith Street Pumpstation	240,000.00	252,000.00	264,600.00
Repairs and Maintenance: Port Alfred RO Plant	200,000.00	210,000.00	220,500.00
Wastewater Treatment Plant: Port Alfred	800,000.00	840,000.00	882,000.00
EC105 Ndlambe: Ward 2	2,144,800.00	3,572,540.00	3,751,168.00
Civil Structure: Bokness Reservoirs	-	150,000.00	157,500.00
Civil Structure: Cape Padrone Raw Water Collection	230,000.00	241,500.00	253,575.00
Civil Structure: Fish Kraal Raw Water Abstraction	-	150,000.00	157,500.00
Maintenance of Streetlights: Alexandria	209,800.00	220,290.00	231,305.00
Pavements: Pothole Patching of Boknes & Cannon Rocks	250,000.00	262,500.00	275,625.00
Pavements: Re-gravelling of Boknes & Cannon Rocks	-	220,500.00	231,525.00
Pavements: Slurry Sealing of Boknes & Cannon Rocks	-	230,000.00	241,500.00
Pipe Work: Alexandria Water Reticulation Network	300,000.00	515,000.00	540,750.00
Pipe Work: Cannon Rocks Water Reticulation Network	350,000.00	517,500.00	543,375.00
Pipe Work: Clearing of stormwater channels and grass on paved roads in Boknes & Cannon Rocks	150,000.00	157,500.00	165,375.00
Pipe Work: Kenton-on-Sea Water Reticulation Network	400,000.00	570,000.00	598,500.00
Pipe Work: Main Transfer Pumpstation	255,000.00	267,750.00	281,138.00
Pipe Work: Wentzel Park Booster Pump	-	70,000.00	73,500.00
EC105 Ndlambe: Ward 3	1,364,400.00	2,052,620.00	2,155,251.00
Civil Structure: Bushmans Reservoirs	-	90,000.00	94,500.00
Civil Structure: Cannon Rocks Reservoirs	-	70,000.00	73,500.00
Maintenance of Buildings: Bushmans Caravan Park	100,000.00	105,000.00	110,250.00
Maintenance of Highmast: Marselle	270,000.00	283,500.00	297,675.00
Maintenance of Street lights: Marselle/Bushmans	164,400.00	172,620.00	181,251.00
Pavements: Slurry Sealing of Klipfontein Marselle Riversbend & Bushmans	-	310,000.00	325,500.00

Pipe Work: Bushmans Booster Pumpstation	-	75,000.00	78,750.00
Pipe Work: Cannon Rocks Boreholes	200,000.00	210,000.00	220,500.00
Pipe Work: Clearing of stormwater channels and grass on paved roads in Klipfontein Marselle Riversbend and Bushmans	330,000.00	346,500.00	363,825.00
Pipe Work: Marselle Booster Pumpstation	-	40,000.00	42,000.00
Wastewater Treatment Plant: Bushmans	300,000.00	350,000.00	367,500.00
EC105 Ndlambe: Ward 4	2,257,000.00	3,868,700.00	4,062,137.00
Civil Structure: Kenton-on-Sea Reservoirs	-	90,000.00	94,500.00
Maintenance of Highmast: Kenton-on-Sea	166,000.00	176,400.00	185,220.00
Maintenance of Streetlights: Kenton-on-Sea	471,000.00	494,550.00	519,278.00
Pavements: Pothole Patching of Kenton Merryhill Ekuphumleni CBD & Suburb Area	440,000.00	462,000.00	485,100.00
Pavements: Pothole Patching of Klipfontein Marselle Riversbend & Bushmans	485,000.00	509,250.00	534,713.00
Pavements: Re-gravelling of Kenton Merryhill Ekuphumleni CBD & Suburb Area	-	325,500.00	341,775.00
Pavements: Re-gravelling of Klipfontein Marselle Riversbend & Bushmans	-	446,250.00	468,563.00
Pavements: Slurry Sealing of Kenton Merryhill Ekuphumleni CBD & Suburb Area	-	470,000.00	493,500.00
Pipe Work: Clearing of stormwater channels and grass on paved roads in Kenton Merryhill Ekuphumleni CBD & Suburb Area	295,000.00	309,750.00	325,238.00
Pipe Work: Ekuphumleni Booster Pumpstation	-	165,000.00	173,250.00
Wastewater Treatment Plant: Kenton-On-Sea	400,000.00	420,000.00	441,000.00
EC105 Ndlambe: Ward 5	2,416,889.00	3,221,065.00	3,321,421.00
Civil Structure: Bathurst Reservoirs	-	85,000.00	89,250.00
Civil Structure: Bathurst Water Treatment Plant	-	240,000.00	252,000.00
Drainage: Clearing of stormwater channels and grass on paved roads in Bathurst	190,410.00	199,930.00	209,927.00
Maintenance of Highmast: Bathurst	270,000.00	283,500.00	297,675.00
Maintenance of Streetlights: Bathurst	90,000.00	95,025.00	99,776.00
Pavements: Pothole patching of Memani Street and Nico Malan Road	60,060.00	120,871.00	66,216.00
Pavements: Re-gravelling of Bird Street	124,478.00	130,701.00	137,237.00

Pavements: Re-gravelling of Boundary Road	315,054.00	330,807.00	347,347.00
Pavements: Re-gravelling of Donkin Terrace	137,697.00	144,582.00	151,811.00
Pavements: Re-gravelling of Main Road to Thembisa	283,108.00	297,263.00	312,127.00
Pavements: Re-gravelling of Milkwood Road	196,082.00	205,886.00	216,180.00
Pipe Work: Bathurst Water Reticulation Network	450,000.00	622,500.00	653,625.00
Pipe Work: Lushington Pump Station	300,000.00	315,000.00	330,750.00
Wastewater Treatment Plant: Bathurst	-	150,000.00	157,500.00
EC105 Ndlambe: Ward 6	1,420,598.00	3,234,961.00	3,120,087.00
Civil Structure: Santa Reservoirs	-	90,000.00	94,500.00
Civil Structure: Seafield Reservoirs	-	75,000.00	78,750.00
Civil Structure: Thornhill Reservoirs	-	60,000.00	63,000.00
Drainage: Clearing of stormwater channels and grass on paved roads in Kleinemonde and Seafield	54,957.00	57,705.00	60,590.00
Maintenance of Streetlights: Kleinemonde	13,700.00	14,385.00	15,104.00
Pavements: Porhole patching of Cuyler Road	13,770.00	14,459.00	15,181.00
Pavements: Pothole patching of Beach Crescent	17,780.00	35,782.00	19,602.00
Pavements: Pothole patching of Disa Street	20,576.00	41,409.00	22,685.00
Pavements: Pothole patching of Ferndale Road	31,714.00	63,825.00	34,965.00
Pavements:Pothole patching of Freeman Crescent	30,934.00	62,255.00	34,105.00
Pavements: Pothole patching of Groenvlei Street	23,610.00	47,515.00	26,030.00
Pavements: Pothole patching of Hillcrest Road	38,670.00	77,823.00	42,634.00
Pavements: Pothole patching of Island Road	34,770.00	69,975.00	38,334.00
Pavements: Pothole patching of Malgas Street	20,836.00	41,932.00	22,972.00
Pavements: Pothole Patching of Nelson Street	22,136.00	44,549.00	24,405.00
Pavements: Pothole patching of Purdon Road	32,690.00	65,789.00	36,041.00
Pavements: Re-gravelling of Hill Street	384,455.00	403,678.00	423,862.00
Pavements: Slurry sealing of Bathurst Road	-	115,850.00	121,643.00

Pavements: Slurry Sealing of Cross Road	-	30,970.00	32,519.00
Pavements: Slurry sealing of Dickinson Drive	-	170,830.00	179,372.00
Pavements: Slurry sealing of Fletcher Road	-	196,450.00	49,602.00
Pavements: Slurry sealing of Island Road	-	103,160.00	108,318.00
Pavements: Slurry sealing of Marina Glen	-	78,490.00	82,415.00
Pavements: Slurry sealing of Nature's Way	-	144,100.00	151,305.00
Pavements: Slurry sealing of North and Galpin Close	-	152,080.00	159,684.00
Pavements: Slurry sealing of Peninsula Road	-	47,240.00	206,273.00
Pavements: Slurry sealing of Yolk Road	-	115,710.00	121,496.00
Pipe Work: Alfred Road Pumpstation	280,000.00	294,000.00	308,700.00
Pipe Work: Seafield Water Reticulation Network	400,000.00	520,000.00	546,000.00
EC105 Ndlambe: Ward 7	447,243.00	469,605.00	493,086.00
Pavements: Re-gravelling of Msimbithi Street	240,696.00	252,731.00	265,368.00
Pavements: Re-gravelling of Sakhwatsha Street	206,547.00	216,874.00	227,718.00
EC105 Ndlambe: Ward 8	657,559.00	933,118.00	977,773.00
Civil Structure: Nkwenkwezi Reservoirs	-	65,000.00	68,250.00
Pavements: Re-gravelling of Dan Tloame and Rhayi Street	354,712.00	372,448.00	391,070.00
Pavements: Slurry sealing of Gwala Street	-	90,820.00	95,361.00
Pavements: Slurry sealing of Ntente Street	-	86,860.00	91,203.00
Pipe Work: Clearing of stormwater culverts in Joe Slovo and Dan Tloame Street	12,847.00	13,490.00	14,164.00
Pipe Work: Nemato Water Treatment Works	290,000.00	304,500.00	317,725.00
EC105 Ndlambe:Ward 9	1,703,013.00	2,288,620.00	2,180,468.00
Civil Structure: Nemato Reservoirs	-	130,000.00	136,500.00
Maintenance of Highmast: Port Alfred	540,000.00	567,000.00	595,350.00
Pavements: Pothole patching of Gwala Street	32,040.00	64,480.00	35,324.00
Pavements: Pothole patching of Mabindisa Street	13,250.00	26,666.00	14,608.00

Pavements: Pothole patching of Mbenxa Street	50,590.00	101,812.00	55,776.00
Pavements: Pothole patching of Mdoda Street	29,872.00	60,117.00	32,934.00
Pavements: Pothole patching of Ngxokolo Street	29,872.00	60,117.00	32,934.00
Pavements: Pothole patching of Ntente Street	13,250.00	26,666.00	14,608.00
Pavements: Pothole patching of Tyali Street	51,370.00	103,382.00	56,635.00
Pavements: Re-gravelling of Shiceka Street	250,611.00	263,141.00	276,298.00
Pavements: Re-gravelling of Tholetyuka Road	310,097.00	325,602.00	341,882.00
Pavements: Slurry sealing of Jauka Street	-	91,780.00	96,369.00
Pavements: Slurry sealing of Ntontela Street	-	86,440.00	90,762.00
Pipe Work: Clearing of stormwater culverts in Nemato entrance	3,255.00	3,417.00	3,588.00
Pipe Work: Clearing of stormwater pipes in Centenary Park Road	18,806.00	-	-
Pipe Work: Nemato Water Treatment Works	360,000.00	378,000.00	396,900.00
EC105 Ndlambe: Whole of the Municipality	48,418,564.00	51,361,711.00	54,326,616.00
Buildings: Kap River and Roundhill	155,000.00	162,750.00	170,887.00
Buildings: Maintenance of Building and Facilities	674,000.00	739,200.00	776,160.00
Buildings: Maintenance of Office Buildings	35,000.00	36,750.00	38,587.00
Drainage: Clearing of stormwater channels and grass on paved roads in Nemato	558,432.00	586,354.00	615,671.00
Drainage: Clearing of stormwater channels and grass on paved roads in Station Hill	126,644.00	132,977.00	139,625.00
Electrical Equipment: RO Plant Operation and Maintenance(Inclusive of Electricity and Chemicals)	33,748,618.00	35,436,050.00	37,207,852.00
External Facilities: Maintenance of Sport Fields in Ndlambe Area	170,000.00	178,500.00	187,425.00
External Facilities: Maintenance of landfill sites	7,480,200.00	7,854,210.00	8,246,921.00
Machinery and Equipment: Machinery and Equipment	65,000.00	66,250.00	71,663.00
Machinery and Equipment: Maintenance of plant and equipment	120,000.00	126,000.00	132,300.00
Machinery and Equipment: Maintenance of Fencing	350,000.00	367,500.00	385,875.00
Maintenance of Streetlights: Port Alfred	840,000.00	882,000.00	926,100.00
Pipe Work: Central Belt Boreholes	100,000.00	105,000.00	110,250.00

Pipe Work: Golden Ridge Dam	-	250,000.00	262,500.00
Pipe Work: Port Alfred Water Reticulation Network	800,000.00	1,090,000.00	1,144,500.00
Pipe Work: Pump Station 1 Horseshoe	520,000.00	546,000.00	573,300.00
Pipe Work: Pump Station 2	470,000.00	493,500.00	518,175.00
Pipe Work: Pump Station 3	370,000.00	388,500.00	407,925.00
Transport Assets: Maintenance of motor vehicles	1,835,670.00	1,920,170.00	2,410,900.00
Total Maintenance	70,301,214.00	84,343,013.00	87,371,308.00

The repair and maintenance costs have increased by 24% compared to the previous budget and are forecasted to rise by 19% for 2027/28 and 3.5% for 2028/29. The norm has increased from 4.5% to 5.7% in 2026/27, 7.1% for 2027/28 and 7.7% for 2028/29

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 2026/2027 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)

EC105 Ndlambe - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome						
Revenue - Functional										
<i>Governance and administration</i>		249,255	228,303	280,327	297,948	297,948	297,948	310,277	324,767	341,118
Executive and council		4,943	2,065	4,587	4,763	4,763	4,763	4,930	5,101	5,260
Finance and administration		244,312	225,738	275,295	293,185	293,185	293,185	305,347	319,666	335,858
Internal audit		-	500	444	-	-	-	-	-	-
<i>Community and public safety</i>		10,729	19,622	10,057	78,896	80,738	80,738	5,119	4,263	4,461
Community and social services		3,291	3,345	2,758	3,469	5,311	5,311	3,531	3,539	3,699
Sport and recreation		487	10,459	1,298	1,666	1,666	1,666	1,193	308	324
Public safety		3,137	2,272	192	299	299	299	112	118	124
Housing		1,860	2,109	1,978	71,270	71,270	71,270	(7)	(7)	(8)
Health		1,956	1,436	3,830	2,193	2,193	2,193	290	305	321
<i>Economic and environmental services</i>		23,826	28,291	47,504	60,360	63,248	63,248	25,992	14,276	37,463
Planning and development		5,174	6,369	9,242	8,165	7,321	7,321	9,453	9,885	8,434
Road transport		17,463	20,709	37,324	50,570	54,302	54,302	13,395	1,083	25,549
Environmental protection		1,189	1,212	938	1,625	1,625	1,625	3,145	3,308	3,480
<i>Trading services</i>		357,922	365,559	438,679	447,512	531,656	531,656	400,479	430,662	432,300
Energy sources		86,268	98,124	116,188	141,866	141,866	141,866	170,474	174,371	185,959
Water management		100,534	115,541	134,576	146,124	205,325	205,325	101,058	109,253	114,891
Waste water management		142,601	114,981	132,960	101,691	126,634	126,634	82,337	98,004	79,867
Waste management		28,520	36,914	54,955	57,830	57,830	57,830	46,609	49,033	51,583
<i>Other</i>	4	3,686	1,821	3,698	5,076	5,076	5,076	4,305	4,529	4,764
Total Revenue - Functional	2	645,418	643,596	780,265	889,793	978,668	978,668	746,173	778,496	820,107
Expenditure - Functional										
<i>Governance and administration</i>		152,269	163,382	166,788	201,590	196,742	196,742	167,704	176,100	183,508
Executive and council		41,821	45,577	44,176	50,978	53,063	53,063	40,014	41,449	42,961
Finance and administration		102,350	109,157	114,447	140,556	133,623	133,623	118,708	125,303	130,879
Internal audit		8,098	8,648	8,165	10,056	10,056	10,056	8,982	9,348	9,668
<i>Community and public safety</i>		44,179	45,250	54,090	130,620	132,614	132,614	50,909	53,821	56,479
Community and social services		11,655	11,486	14,360	18,845	19,587	19,587	14,378	14,906	15,610
Sport and recreation		14,681	15,287	19,254	21,511	21,372	21,372	17,485	18,240	19,118
Public safety		11,531	12,234	13,008	12,367	12,421	12,421	12,825	14,152	14,918
Housing		4,178	4,170	5,037	75,131	76,487	76,487	3,196	3,343	3,498
Health		2,133	2,072	2,431	2,766	2,746	2,746	3,025	3,179	3,336
<i>Economic and environmental services</i>		100,352	96,843	105,378	103,578	102,058	102,058	108,290	118,943	120,980
Planning and development		38,785	33,370	38,056	35,675	34,585	34,585	33,956	35,560	35,150
Road transport		58,604	60,948	64,870	65,104	64,714	64,714	70,515	79,398	81,373
Environmental protection		2,963	2,525	2,452	2,798	2,758	2,758	3,819	3,985	4,456
<i>Trading services</i>		282,536	308,957	346,212	356,365	371,188	371,188	387,168	411,739	434,109
Energy sources		110,010	126,326	125,255	133,085	133,085	133,085	161,442	169,971	181,073
Water management		106,294	100,798	122,624	116,370	122,370	122,370	119,283	129,181	135,616
Waste water management		29,376	34,432	47,044	46,934	55,276	55,276	54,377	56,643	58,515
Waste management		36,855	47,401	51,290	59,976	60,458	60,458	52,065	55,944	58,905
<i>Other</i>	4	2,785	3,321	2,572	2,589	2,650	2,650	3,311	3,470	3,639
Total Expenditure - Functional	3	582,120	617,753	675,040	794,742	805,252	805,252	717,381	764,073	798,716
Surplus/(Deficit) for the year		63,298	25,843	105,225	95,051	173,416	173,416	28,792	14,423	21,391

The table above outlines the revenue and expenditure by functional classification:

Governance and Administration

- The revenue budget for Governance and Administration for 2026/27 amounts to R310.277 million, reflecting an increase of R12.329 million (4%) from the 2025/26 adjusted budget. This growth is primarily driven by increases in operating grants, notably the equitable share, as well as property rates, which remain the key revenue contributors.
- Operating expenditure for this function is projected at R167.704 million in 2026/27, increasing to R176.100 million in 2027/28 and R183.508 million in 2028/29. This represents a decrease of R29.038 million (-15%) compared to the 2025/26 adjusted budget, with expenditure expected to grow at an average rate of 5% over the outer years.

Community and Public Safety

- Total revenue for Community and Public Safety in 2026/27 is budgeted at R5.119 million, representing a significant decrease of R75.619 million (-94%) compared to the 2025/26 adjusted budget. This decline is mainly due to Human Settlements grants not yet being confirmed for the upcoming financial year, noting that these grants were previously the primary revenue source for this function.
- Operating expenditure is projected at R50.909 million for 2026/27, reflecting a decrease of R81.705 million (-62%), and is expected to increase by an average of 5% over the two outer years.

Economic and Environmental Services

- Revenue for Economic and Environmental Services is projected at R25.992 million for 2026/27, reflecting a decrease of R37.256 million (-59%) compared to the 2025/26 adjusted budget. This reduction is mainly attributable to the absence of a confirmed disaster grant previously allocated for road paving.
- Operating expenditure is budgeted at R108.290 million, reflecting an increase of R6.232 million (6%). This function includes roads and general works, with roads identified among the municipality's top four development priorities, thereby justifying the increased allocation.

Trading Services (Water, Wastewater, Waste, and Electricity)

- Trading services revenue for 2026/27 is projected at R400.479 million, largely driven by tariffs as well as grants and subsidies. This reflects a decrease of R131.177 million (-25%) compared to the 2025/26 adjusted budget, mainly due to the Regional Bulk Infrastructure Grant not yet being confirmed or approved by the funding authority. The municipality continues to submit annual business plans, as this grant forms part of Schedule 6B of the Division of Revenue Act (DoRA).
- Operating expenditure for trading services is budgeted at R387.168 million, representing an increase of R15.980 million (4%) compared to the 2025/26 adjusted budget, and is projected to grow at an average of 5% over the outer years. Trading services are ring-fenced; however, apart from electricity, other services show a decline relative to the 2025/26 adjusted budget. This is primarily due to limited revenue projections driven by tariff income, coupled with high levels of outstanding debt requiring impairment and the write-off of irrecoverable amounts.

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

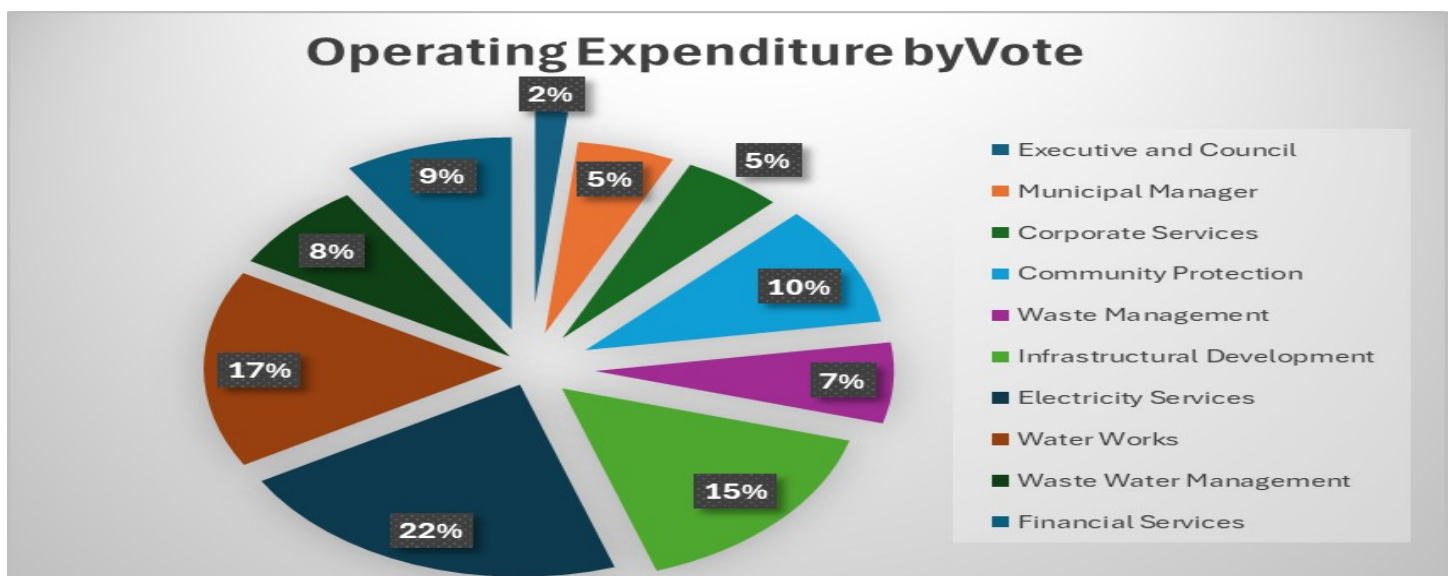
EC105 Ndlambe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		4,443	2,048	4,581	4,763	4,763	4,763	4,930	5,101	5,260
Vote 2 - MUNICIPAL MANAGER		504	517	450	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		14,793	4,366	3,938	3,999	5,842	5,842	3,914	3,941	4,123
Vote 4 - COMMUNITY AND PROTECTION SERVICES		2,486	2,015	4,294	3,902	3,902	3,902	1,613	1,697	1,785
Vote 5 -		8,240	15,526	5,821	7,000	7,000	7,000	8,461	7,954	8,368
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		24,220	28,882	47,192	129,963	132,851	132,851	21,812	9,878	32,836
Vote 7 - ELECTRICITY SERVICES		86,268	98,124	116,188	141,866	141,866	141,866	170,474	174,371	185,959
Vote 8 - WATER WORKS		100,534	115,541	134,576	146,124	205,325	205,325	101,058	109,253	114,891
Vote 9 - FINANCIAL SERVICES		232,810	224,683	275,310	292,655	292,655	292,655	304,964	319,263	335,435
Vote 10 -		-	0	-	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT		28,520	36,914	54,955	57,830	57,830	57,830	46,609	49,033	51,583
Vote 12 - WASTE WATER MANAGEMENT		142,601	114,981	132,960	101,691	126,634	126,634	82,337	98,004	79,867
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	645,418	643,596	780,265	889,793	978,668	978,668	746,173	778,496	820,107
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		12,922	13,522	14,349	15,180	15,547	15,547	12,657	12,828	13,008
Vote 2 - MUNICIPAL MANAGER		38,363	42,125	40,132	48,645	49,763	49,763	37,904	39,602	41,324
Vote 3 - CORPORATE SERVICES		40,883	40,391	47,965	43,256	45,786	45,786	38,918	40,531	42,344
Vote 4 - COMMUNITY AND PROTECTION SERVICES		35,216	34,906	40,303	40,045	40,334	40,334	37,674	39,409	41,414
Vote 5 -		25,095	28,082	29,324	31,457	31,167	31,167	35,029	37,378	39,518
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		102,376	102,960	107,041	174,471	175,101	175,101	111,086	122,361	123,962
Vote 7 - ELECTRICITY SERVICES		107,962	123,276	123,631	129,809	129,809	129,809	156,158	164,174	175,245
Vote 8 - WATER WORKS		106,294	100,798	122,624	116,370	122,370	122,370	119,283	129,181	135,616
Vote 9 - FINANCIAL SERVICES		50,210	53,657	60,885	92,250	83,774	83,774	65,662	69,622	72,765
Vote 10 -		26	7	(5,453)	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT		33,396	43,598	47,196	56,326	56,326	56,326	48,631	52,344	55,004
Vote 12 - WASTE WATER MANAGEMENT		29,376	34,432	47,044	46,934	55,276	55,276	54,377	56,643	58,515
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	582,120	617,753	675,040	794,742	805,252	805,252	717,381	764,073	798,716
Surplus/(Deficit) for the year	2	63,298	25,843	105,225	95,051	173,416	173,416	28,792	14,423	21,391

The table above outlines revenue and expenditure by vote

The total operating expenditure amounts to R717,381 million for 2026/27, which reflects a decrease of R87,871 million (-11%) compared to 2025/26 adjusted budget. The two service departments were prioritized as a tier 1.

The pie chart below illustrates the operating expenditure allocations to the votes of the municipality for the period of 2026/27.



The prioritisation of projected revenue from the municipality's own revenue sources is strategically aligned to support core service delivery functions and key supporting departments. This approach ensures that the municipality's top four development priorities remain adequately funded and are not compromised.

As illustrated in the accompanying pie chart, **Infrastructure Development and its associated trading services** continue to receive the largest share of allocations. The distribution is as follows:

- **Electricity Services** account for 22% of the allocation, reflecting a 6% increase compared to the 2025/26 adjusted budget.
- **Water Works** represent 17%, showing a marginal increase of 1% from the 2025/26 adjusted budget.
- **Infrastructure Development** (including roads and general works) comprises 15%, reflecting a significant decrease of 16% compared to the 2025/26 adjusted budget. This decline is primarily due to housing grants that have not yet been confirmed for the 2026/27 financial year.
- **Community Protection Services** constitute 10%, with a 1% increase from the previous adjusted budget.
- **Financial Services** (including revenue collection and property valuations) account for 9%, reflecting a slight decrease of 1% compared to 2025/26.
- **Wastewater Management** represents 8%, with a 1% increase from the prior year.
- **Waste Management**, including landfill site rehabilitation, accounts for 7% and remains unchanged. This stability is attributed to curb operational expenditure for waste and allow for the acquisition of a refuse compactor from projected surpluses.
- The two supporting directorates, **Corporate Services** and the **Municipal Manager's Office** (which includes Local Economic Development), each account for 5%, reflecting a combined decrease of 1% compared to the 2025/26 adjusted budget.
- **Executive and Council Services**, including public participation, represent 2% and remain unchanged.

It is important to note that, although ring-fencing has been implemented across the municipality's five main revenue sources, certain trading services particularly **Water Services** and **Wastewater Management** continue to face financial constraints. The approved tariff increase of 5.2% has not been sufficient to fully fund all critical operational and capital requirements necessary to deliver quality services. As a result, difficult prioritisation decisions were required to balance affordability with service delivery imperatives.

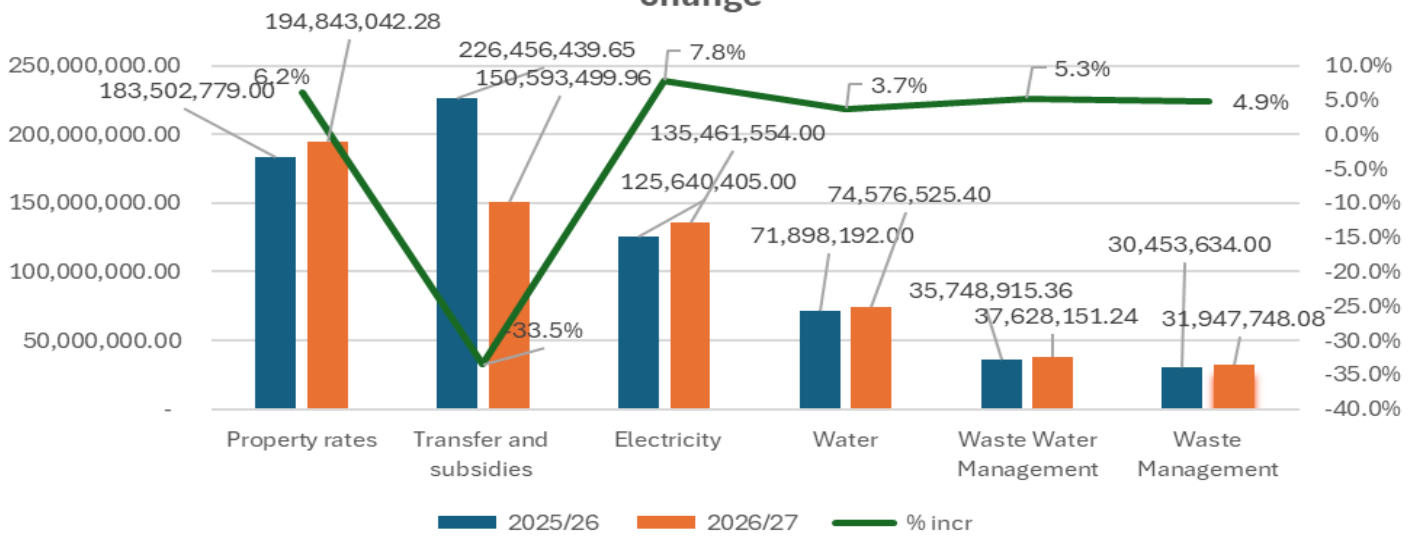
1.6.3 TABLE A4 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE) Table A4 represents the revenue per source as well as the expenditure per type. This classification is aligned to the GRAP disclosures in the annual financial statements of the municipality.

EC105 Ndlambe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	80,662	92,197	113,862	125,640	125,640	125,640	86,700	135,462	144,944	155,090
Service charges - Water	2	64,111	59,338	68,605	71,898	71,898	71,898	38,219	74,577	80,656	87,276
Service charges - Waste Water Management	2	16,705	18,928	24,318	24,874	35,749	35,749	23,636	37,628	39,743	41,983
Service charges - Waste Management	2	20,266	22,161	28,727	30,454	30,454	30,454	20,165	31,948	33,609	35,357
Sale of Goods and Rendering of Services	2	3,130	3,694	3,978	4,128	4,128	4,128	3,595	5,614	5,906	6,213
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	8,096	9,656	14,255	18,219	18,219	18,219	8,036	12,525	13,176	13,861
Interest earned from Current and Non Current Assets	2	7,977	12,244	10,515	14,215	14,215	14,215	3,529	5,966	6,276	6,603
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	1,047	1,080	1,121	1,317	1,317	1,317	1,320	2,029	2,135	2,245
Licence and permits	2	3,686	1,821	4,263	5,076	5,076	5,076	3,524	4,305	4,529	4,764
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	1,935	2,491	3,734	2,719	2,719	2,719	1,061	1,789	1,879	1,973
Non-Exchange Revenue											
Property rates	2	143,573	146,672	170,174	183,503	183,503	183,503	122,766	194,843	204,975	215,634
Surcharges and Taxes	2	7,540	8,212	6,614	7,327	7,327	7,327	4,784	7,584	7,978	8,393
Fines, penalties and forfeits	2	343	401	(80)	550	550	550	315	489	515	541
Licences or permits	2	1,266	1,314	1,166	1,968	1,968	1,968	1,960	3,431	3,609	3,797
Transfer and subsidies - Operational	2	128,498	136,763	148,220	225,558	225,558	225,558	155,404	150,393	155,475	159,435
Interest	2	3,846	4,603	6,665	2,647	2,647	2,647	3,878	6,601	6,945	7,306
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	0	577	431	-	-	-	457	-	-	-
Other Gains	2	11,206	722	824	-	-	-	127	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)		503,884	522,874	607,392	720,093	731,866	731,866	479,478	675,384	712,348	750,472
Expenditure											
Employee related costs	2	184,822	197,970	214,913	213,426	215,979	215,979	147,288	224,318	234,819	245,771
Remuneration of councillors	2	7,671	8,482	8,682	8,469	8,469	8,469	5,642	8,476	8,484	8,492
Bulk purchases - electricity	2	84,363	96,280	94,526	92,354	92,354	92,354	61,574	100,536	105,576	110,867
Inventory consumed	2,8	52,280	47,998	49,541	54,452	49,502	49,502	28,590	34,124	37,896	40,049
Debt impairment	2,3	59,636	58,337	84,353	50,948	50,948	50,948	-	45,905	51,732	54,310
Depreciation, amortisation and impairment	2	52,364	54,599	52,763	51,635	51,635	51,635	30,796	56,502	57,999	61,861
Interest, Dividends and Rent on Land	2	7,967	8,295	8,498	8,679	8,679	8,679	-	9,178	9,706	10,264
Contracted services	2	72,787	89,795	90,557	181,915	189,656	189,656	86,508	120,970	137,160	141,189
Transfers and subsidies	2	4,529	4,304	5,196	5,738	5,562	5,562	4,268	1,480	1,385	1,438
Irrecoverable debts written off	2	191	21	31	41,774	41,774	41,774	8,478	43,874	43,774	45,965
Operational costs	2	41,237	46,749	62,729	85,354	90,694	90,694	45,435	72,018	75,543	78,510
Disposal of Fixed and Intangible Assets	2	14,262	4,907	8,679	-	-	-	1,484	-	-	-
Other Losses	2	12	17	(5,428)	-	-	-	199	-	-	-
Total Expenditure		582,120	617,753	675,040	794,742	805,252	805,252	420,262	717,381	764,073	798,716
Surplus/(Deficit)		(78,236)	(94,879)	(67,647)	(74,649)	(73,386)	(73,386)	59,216	(41,997)	(51,725)	(48,244)
Transfers and subsidies - capital (monetary allocations)	6	141,420	120,205	171,705	169,700	246,801	246,801	(142,881)	70,790	66,148	69,635
Transfers and subsidies - capital (in-kind)	6	113	517	1,168	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		63,298	25,843	105,225	95,051	173,416	173,416	(83,666)	28,792	14,423	21,391
Income Tax	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		63,298	25,843	105,225	95,051	173,416	173,416	(83,666)	28,792	14,423	21,391
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		63,298	25,843	105,225	95,051	173,416	173,416	(83,666)	28,792	14,423	21,391
Share of Surplus/Deficit attributable to Associate	/	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	63,298	25,843	105,225	95,051	173,416	173,416	(83,666)	28,792	14,423	21,391

- The municipality has five main own revenue sources that fund the operating budget. Its service charges: Electricity, Water, Wastewater and Waste services, the service charges are trading services their revenue is generated from the tariffs. Property rate is the fifth source which is also generated from the rate imposed on property values derived from the valuations. Operation grants and subsidies are external funding sources allocated on ring fenced activities within the operating budget that includes equitable share.

Comparison of Revenue Sources 2025/6vs2026/27 with % change

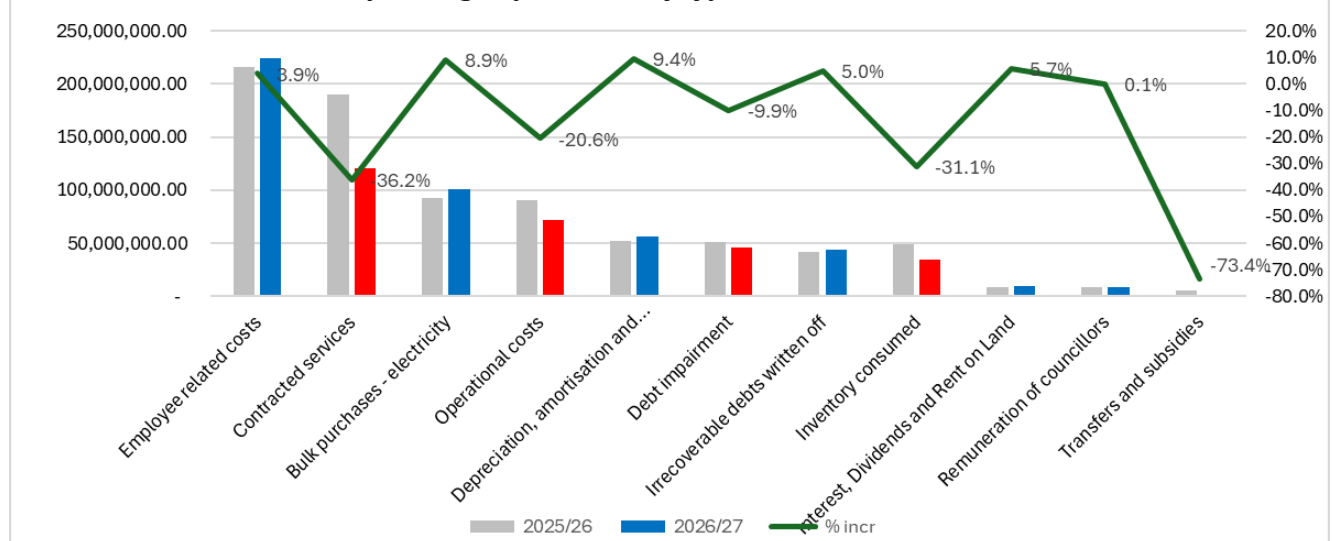


- The revenue analysis for 2026/27 reflects steady growth across key own revenue sources, particularly Electricity and Property Rates, indicating improved revenue generation. However, a significant 33.5% decline in Transfers and Subsidies places increased reliance on internally generated revenue. This shift necessitates stronger financial management, prioritisation of expenditure, and enhanced revenue collection efforts to sustain service delivery and support municipal priorities.

Operating Expenditure:

The budget allocation for the total operating expenditure for 2026/27 amounts to R717,381 million, that reflects a decline of R87,871 million (-138%) due to various factors such reduction in operational grants and subsidies particularly Human Settlement which was previously reported in the statement of performance as well as cost containment and prioritization.

Operating expenditure by type 2025/26vs 2026/27



- The 2026/27 operating expenditure reflects a strong focus on cost containment and the reprioritisation of resources. Significant reductions in **Contracted Services**, **Operational Costs**, and **Inventory Consumed** demonstrate deliberate efforts to improve efficiency and limit discretionary spending.

- Core expenditure items such as **Employee Costs** and **Bulk Electricity Purchases** have increased moderately, driven by inflationary pressures and the need to sustain essential service delivery. The notable decline in **Transfers and Subsidies** further underscores the constrained funding environment.
- It is important to highlight that **debt impairment remains the main contributor to the operating deficit**, presenting an ongoing challenge to the municipality's financial health despite overall expenditure controls.
- Nevertheless, the municipality has made measurable progress by reducing the operating deficit by **R31.388 million (-138%)** in the 2026/27 budget. This improvement reflects the positive impact of cost containment measures.
- Looking ahead, further reviews will be conducted during the 2027/28 budget process to strengthen these efforts, with the goal of progressively reducing the deficit and achieving a budget surplus by 2028/29.
- Overall, the expenditure pattern demonstrates a strategic shift toward financial discipline, prioritising critical services while actively working to restore fiscal sustainability

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

Vote Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
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		-	-	-	-	-	-	-	-	-	-
Vote 7 - ELECTRICITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - WATER WORKS		-	-	-	-	-	-	-	-	-	-
Vote 9 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 12 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		829	745	9	560	513	513	-	1,412	-	-
Vote 2 - MUNICIPAL MANAGER		1,211	491	272	771	108	108	-	150	200	300
Vote 3 - CORPORATE SERVICES		1,683	664	870	187	274	274	-	-	-	-
Vote 4 - COMMUNITY AND PROTECTION SERVICES		1,141	449	506	3,507	2,052	2,052	-	-	-	-
Vote 5 -		2,908	12,023	1,638	580	74	74	-	783	-	-
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		16,663	17,607	36,362	45,332	50,909	50,909	-	10,753	-	21,226
Vote 7 - ELECTRICITY SERVICES		1,852	558	-	12,834	10,971	10,971	-	20,659	7,862	7,650
Vote 8 - WATER WORKS		23,316	26,548	42,762	42,458	101,034	101,034	-	11,573	8,418	6,699
Vote 9 - FINANCIAL SERVICES		941	1,115	668	371	321	321	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT		1,934	3,358	2,667	-	-	-	-	3,300	-	-
Vote 12 - WASTE WATER MANAGEMENT		82,857	57,199	83,670	51,919	66,677	66,677	-	35,834	45,941	29,335
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		135,336	120,758	169,424	158,518	232,934	232,934	-	84,464	62,421	65,208
Total Capital Expenditure - Vote		135,336	120,758	169,424	158,518	232,934	232,934	-	84,464	62,421	65,208
Capital Expenditure - Functional											
Governance and administration		3,078	2,468	1,686	2,464	1,447	1,447	570	1,562	200	300
Executive and council		2,040	1,188	281	1,291	581	581	157	1,562	200	300
Finance and administration		1,038	1,232	1,405	1,133	826	826	380	-	-	-
Internal audit		-	48	-	40	40	40	33	-	-	-
Community and public safety		5,083	12,792	2,246	3,407	1,419	1,419	143	783	-	-
Community and social services		1,667	570	162	-	164	164	53	-	-	-
Sport and recreation		749	9,592	1,334	2,307	1,151	1,151	1	783	-	-
Public safety		2,659	2,622	749	580	50	50	38	-	-	-
Housing		-	-	-	20	15	15	13	-	-	-
Health		7	9	-	500	39	39	38	-	-	-
Economic and environmental services		16,952	17,663	36,363	44,862	51,385	51,385	49,406	10,753	-	21,226
Planning and development		391	277	1,352	30	59	59	52	-	-	-
Road transport		16,561	17,385	35,010	44,832	51,327	51,327	49,354	10,753	-	21,226
Environmental protection		-	-	1	-	-	-	-	-	-	-
Trading services		110,223	87,663	129,098	107,786	178,682	178,682	83,299	71,367	62,221	43,683
Energy sources		1,852	558	-	12,834	10,971	10,971	7,002	20,659	7,862	7,650
Water management		23,316	26,548	42,762	42,458	101,034	101,034	46,412	11,573	8,418	6,699
Waste water management		82,857	57,199	83,670	51,919	66,677	66,677	29,884	35,834	45,941	29,335
Waste management		2,198	3,358	2,667	575	-	-	-	3,300	-	-
Other		-	172	31	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	135,336	120,758	169,424	158,518	232,934	232,934	133,419	84,464	62,421	65,208
Funded by:											
National Government		95,442	63,792	80,424	86,770	142,413	142,413	87,660	60,171	57,520	60,552
Provincial Government		23,415	41,951	75,337	58,586	77,358	77,358	39,509	-	-	-
District Municipality		2,556	2,129	55	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		1,730	1,835	1,284	1,489	1,489	1,489	1,044	1,385	-	-
Transfers recognised - capital	4	123,143	109,708	157,100	146,845	221,260	221,260	128,213	61,556	57,520	60,552
Borrowing	6	(2)	-	-	-	-	-	-	-	-	-
Internally generated funds		12,243	11,003	11,155	11,673	11,673	11,673	5,206	22,908	4,901	4,656
Total Capital Funding	7	135,384	120,712	168,256	158,518	232,934	232,934	133,419	84,464	62,421	65,208

❖ The capital expenditure for the 2026/2027 financial year has decreased by 64%, with a further projected decline of 26% in 2027/2028. A modest increase of 4% is anticipated in 2028/2029. The municipality remains predominantly dependent on grant funding to finance its capital programme, while also utilising depreciation as an internal funding source, subject to affordability.

❖ Capital transfers have declined by 72% in 2026/2027 and are forecasted to decrease further by 7% in 2027/2028, before increasing by 5% in 2028/2029. The budget makes provision only for grants that have been formally confirmed by the funding authorities.

1.6.5 TABLE A6 BUDGETED FINANCIAL POSITION

EC105 Ndlambe - Table A6 Budgeted Financial Position

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents	1	67,235	139,523	66,691	80,272	32,230	32,230	81,913	37,774	56,510	82,376
Short term Investments	2	-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	3	52,685	70,667	52,959	71,785	57,646	57,646	91,142	48,262	34,597	21,257
Receivables from non-ex change transactions	3	19,803	24,341	73,981	24,509	74,148	74,148	81,634	80,005	83,643	87,503
Current portion of non-current receivables	4	-	-	-	-	-	-	-	-	-	-
Inventory	5	1,185	1,439	2,909	2,148	8,568	8,568	2,217	19,974	21,477	23,487
VAT Receivable	6	125,991	137,397	168,068	137,397	168,068	168,068	188,153	168,068	168,068	168,068
Other current assets	7	740	1,519	409	1,519	409	409	84	409	409	409
Total current assets		267,638	374,887	365,017	317,631	341,070	341,070	445,143	354,493	364,705	383,100
Non current assets											
Investments	8	45	46	44	46	44	44	59	44	44	44
Investment property	9	248,071	242,891	232,149	241,717	230,975	230,975	228,762	227,947	224,920	221,892
Property, plant and equipment	10	1,185,146	1,254,346	1,406,813	1,362,996	1,590,468	1,590,468	1,512,325	1,627,218	1,634,671	1,641,050
Biological assets	11	-	-	-	-	-	-	-	-	-	-
Living resources	12	-	-	-	-	-	-	-	-	-	-
Heritage assets	13	0	0	0	0	(1,200)	(1,200)	(1,200)	0	0	0
Intangible assets	14	110	53	46	52	64	64	59	60	57	53
Trade and other receivables from exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-ex change transactions	15	-	-	-	-	-	-	-	-	-	-
Other non-current assets	16	-	-	-	-	-	-	-	-	-	-
Total non current assets		1,433,371	1,497,336	1,639,052	1,604,811	1,820,351	1,820,351	1,740,005	1,855,270	1,859,692	1,863,040
TOTAL ASSETS		1,701,010	1,872,223	2,004,069	1,922,442	2,161,421	2,161,421	2,185,147	2,209,763	2,224,398	2,246,140
LIABILITIES											
Current liabilities											
Bank overdraft	17	-	-	-	-	-	-	-	-	-	-
Financial liabilities	18	1,464	973	0	-	-	-	-	-	-	-
Consumer deposits	19	2,662	2,828	2,892	2,828	2,892	2,892	3,025	2,892	2,892	2,892
Trade and other payables from exchange transactions	20	73,757	91,469	101,632	94,398	98,888	98,888	70,029	112,157	107,756	103,271
Trade and other payables from non-exchange transactions	21	23,238	112,464	73,409	17,522	43,131	43,131	61,971	44,161	44,476	44,806
Provision	22	12,498	13,069	13,465	13,069	13,465	13,465	13,465	13,465	13,465	13,465
VAT Payable	23	130,840	154,266	165,203	159,579	170,516	170,516	187,023	7,906	2,498	(3,261)
Other current liabilities	24	3,648	4,967	4,158	4,967	4,158	4,158	4,158	2,930	2,930	2,930
Total current liabilities		248,107	380,036	360,759	292,363	333,050	333,050	339,671	183,511	174,016	164,104
Non current liabilities											
Financial liabilities	25	986	(0)	(0)	-	0	0	0	0	0	0
Provision	26	60,296	65,660	70,686	74,339	79,365	79,365	70,686	90,041	99,746	110,010
Long term portion of trade payables	27	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	28	62,977	69,743	78,989	69,743	81,955	81,955	78,989	78,989	78,989	78,989
Total non current liabilities		124,259	135,403	149,675	144,082	161,320	161,320	149,675	169,030	178,736	188,999
TOTAL LIABILITIES		372,367	515,439	510,433	436,444	494,370	494,370	489,346	352,541	352,752	353,103
NET ASSETS		1,328,643	1,356,784	1,493,636	1,485,998	1,667,052	1,667,052	1,695,802	1,857,223	1,871,646	1,893,037
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	1,328,643	1,356,784	1,493,977	1,485,998	1,667,052	1,667,052	1,668,321	1,695,844	1,710,267	1,731,658
Reserves and funds	30	-	-	-	-	-	-	-	-	-	-
Other	31	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	32	1,328,643	1,356,784	1,493,977	1,485,998	1,667,052	1,667,052	1,668,321	1,695,844	1,710,267	1,731,658

- It should be noted that **mSCOA Chart 7.1** has introduced significant changes to the VAT segments, aimed at enhancing compliance with **GRAP 1** standards. Further adjustments are still required to ensure that VAT is correctly configured within the budget module, so that the figures presented accurately reflect realistic amounts. As a result, the **budgeted financial position** is expected to show significant changes in both **current assets** and **current liabilities** in the final 2026/27 budget, providing a more accurate representation of the municipality's liquidity and working capital.

1.6.6 Table A7 Budgeted Cash Flows

EC105 Ndlambe - Table A7 Budgeted Cash Flows											
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		140,967	-	-	160,808	160,808	160,808	160,808	191,392	202,585	212,898
Service charges		158,470	-	-	241,574	251,953	251,953	251,953	262,626	279,717	296,886
Other revenue		61,383	-	-	72,236	62,211	82,261	82,261	23,305	24,515	25,787
Transfers and Subsidies - Operational	1	170,841	-	-	222,200	224,745	224,745	224,745	149,371	155,214	160,479
Transfers and Subsidies - Capital	1	138,630	127,763	-	111,682	218,393	218,393	218,393	79,590	74,693	78,718
Interest		7,567	-	-	16,174	16,174	16,174	16,174	13,871	14,592	15,351
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(631,605)	(610,615)	(648,469)	(694,599)	(714,051)	(714,051)	(714,051)	(607,976)	(651,183)	(679,109)
Finance charges		(417)	(222)	(147)	-	-	-	-	-	-	-
Transfers and Subsidies	1	(38,233)	-	-	(5,538)	(5,621)	(5,621)	(5,621)	(1,480)	(1,385)	(1,438)
NET CASH FROM/(USED) OPERATING ACTIVITIES		7,603	(483,075)	(648,616)	124,536	214,612	234,662	234,662	110,698	98,747	109,572
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		95	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		2	1	(2)	-	-	-	-	-	-	-
Insurance Refund - Capital		-	-	-	-	-	-	-	(105)	(107)	(110)
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(159,159)	(124,714)	(175,744)	(173,938)	(260,344)	(260,344)	(260,344)	(93,812)	(71,147)	(74,250)
Retention (Capital)		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(159,062)	(124,712)	(175,746)	(173,938)	(260,344)	(260,344)	(260,344)	(93,917)	(71,254)	(74,360)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		218	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(2,290)	(1,439)	(973)	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2,072)	(1,439)	(973)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(153,531)	(609,226)	(825,335)	(49,402)	(45,732)	(25,682)	(25,682)	16,781	27,493	35,212
Cash/cash equivalents at the year begin:	2	77,786	67,235	139,523	138,552	66,691	66,691	66,691	26,525	43,306	70,799
Cash/cash equivalents at the year end:	2	(75,745)	(541,990)	(685,812)	89,151	20,959	41,009	41,009	43,306	70,799	106,011

- It should be noted that the cash flow statement is currently under review to ensure that the recent VAT changes, as well as other potential discrepancies, are properly addressed. Adjustments arising from this review may result in material changes to the draft cash flow statement in the final 2026/27 budget, ensuring a more accurate and balanced financial position.

1.6.7 Table A8 Cash backed reserves/accumulated surplus reconciliation.

EC105 Ndlambe - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(75,745)	(541,990)	(685,812)	89,151	20,959	41,009	41,009	43,306	70,799	106,011
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current investments	1	45	46	44	46	44	44	59	44	44	44
Cash and investments available:		(75,700)	(541,944)	(685,768)	89,197	21,003	41,053	41,068	43,350	70,843	106,055
Application of cash and investments											
Unspent conditional transfers		15,175	112,464	73,409	17,522	43,290	43,290	61,986	44,799	45,114	45,445
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(13,579)	(6,957)	(8,052)	4,582	4,009	4,009	(3,304)	(169,140)	(168,434)	(167,572)
Other working capital requirements	3	50,712	91,469	101,632	63,177	56,441	54,649	(17,353)	(10,867)	(5,667)	(555)
Other provisions		16,146	18,036	17,623	18,036	17,623	17,623	(17,623)	13,465	13,465	13,465
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		68,454	215,012	184,611	103,317	121,362	119,570	23,707	(121,743)	(115,522)	(109,217)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Beneficiaries		(144,155)	(756,956)	(870,379)	(14,120)	(100,359)	(78,517)	17,361	165,093	186,365	215,272
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Beneficiaries		(144,155)	(756,956)	(870,379)	(14,120)	(100,359)	(78,517)	17,361	165,093	186,365	215,272

- The **draft cash-backed reserves** are directly linked to both the **budgeted financial position** and the **cash flow statement**, which are currently under review. As a result, these reserves will be impacted by any adjustments arising from the revisions to both the financial position and cash flow statement. Accordingly, the final figures are expected to change once these reviews have been concluded, ensuring alignment and overall budget consistency

1.6.8 Table A9 Asset Management

Choose name from list - Table A9 Asset Management

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year+1 2027/28	Budget Year+2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	66,880	31,311	66,181	102,870	157,369	157,369	56,244	47,720	33,241
Roads Infrastructure		-	252	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1,852	-	527	12,334	10,971	10,971	18,132	7,862	7,650
Water Supply Infrastructure		9,041	9,431	26,458	35,810	90,810	90,810	750	-	-
Sanitation Infrastructure		43,985	11,773	32,699	47,000	47,671	47,671	28,400	39,659	25,291
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		10	42	-	-	-	-	-	-	-
Infrastructure		54,888	21,498	59,684	95,144	149,451	149,451	47,282	47,520	32,941
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	700	57	57	-	-	-
Community Assets		-	-	-	700	57	57	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1,452	-	-	-	26	26	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		1,452	-	-	-	26	26	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		1,653	1,135	1,148	530	480	480	150	200	300
Furniture and Office Equipment		659	1,085	191	564	374	374	-	-	-
Machinery and Equipment		1,142	359	68	1,182	149	149	-	-	-
Transport Assets		7,086	7,235	5,094	4,750	6,833	6,833	8,812	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	65	38	1,474	1,785	2,039	2,039	2,510	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		30	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	998	-	1,900	1,900	2,510	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		30	-	998	-	1,900	1,900	2,510	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	476	1,785	1,039	1,039	-	-	-
Community Assets		-	-	476	1,785	1,039	1,039	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		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	88,390	89,409	101,769	53,864	72,626	72,626	25,710	14,701	31,968
Roads Infrastructure		15,832	17,017	34,150	44,567	50,660	50,660	10,753	-	21,226
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	2,527	-	-
Water Supply Infrastructure		14,073	17,104	15,305	4,348	2,590	2,590	6,513	8,418	6,699
Sanitation Infrastructure		37,731	45,400	50,972	4,919	19,007	19,007	5,135	6,282	4,044
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		67,635	79,522	100,427	53,834	72,267	72,267	24,928	14,701	31,968
Community Facilities		281	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		204	9,186	859	-	-	-	783	-	-
Community Assets		485	9,186	859	-	-	-	783	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		270	702	484	30	369	369	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		270	702	484	30	369	369	-	-	-
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	135,336	120,758	169,424	158,518	232,934	232,934	84,484	62,421	65,208
Roads Infrastructure		15,832	17,269	34,150	44,567	50,660	50,660	10,753	-	21,226
Storm water Infrastructure		30	-	-	-	-	-	-	-	-
Electrical Infrastructure		1,852	-	527	12,334	10,971	10,971	20,659	7,862	7,650
Water Supply Infrastructure		23,114	26,535	42,762	40,158	95,300	95,300	9,773	8,418	6,699
Sanitation Infrastructure		81,716	57,173	83,670	51,919	66,677	66,677	33,534	45,941	29,335
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		10	42	-	-	-	-	-	-	-
Infrastructure		122,553	101,019	161,109	148,977	223,608	223,608	74,720	62,221	64,908
Community Facilities		281	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		204	9,186	1,334	2,485	1,096	1,096	783	-	-
Community Assets		485	9,186	1,334	2,485	1,096	1,096	783	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1,722	702	484	30	395	395	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		1,722	702	484	30	395	395	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		1,689	1,173	1,146	530	480	480	150	200	300
Furniture and Office Equipment		659	1,085	191	564	374	374	-	-	-
Machinery and Equipment		1,142	359	66	1,182	149	149	-	-	-
Transport Assets		7,086	7,235	5,094	4,750	6,833	6,833	8,812	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

ASSET REGISTER SUMMARY - PPE (WDV)	5	1,260,630	1,178,773	1,303,338	1,201,299	1,262,478	1,262,478	1,241,659	1,188,561	1,131,355
<i>Roads Infrastructure</i>		320,802	320,859	354,106	310,925	340,810	340,810	348,363	331,834	315,017
<i>Storm water Infrastructure</i>		56	56	485	55	484	484	451	418	385
<i>Electrical Infrastructure</i>		108,337	104,112	106,076	102,064	102,665	102,665	100,761	97,657	90,984
<i>Water Supply Infrastructure</i>		218,782	206,481	210,023	193,030	198,674	198,674	189,630	179,909	169,731
<i>Sanitation Infrastructure</i>		147,334	139,482	169,698	132,442	162,659	162,659	155,346	146,006	136,955
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		795,310	770,990	840,388	738,516	805,293	805,293	794,551	755,824	713,073
Community Assets		111,579	125,601	134,046	122,277	130,722	130,722	129,947	129,163	128,368
Heritage Assets		0	0	0	0	(1,200)	(1,200)	0	0	0
Investment properties		248,071	242,891	232,149	241,717	230,975	230,975	227,947	224,920	221,892
Other Assets		3,906	(65,441)	(7,741)	(7,835)	(10,446)	(10,446)	(16,183)	(20,723)	(25,266)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		110	53	46	52	64	64	60	57	53
<i>Computer Equipment</i>		3,484	3,920	4,211	3,466	3,687	3,687	2,436	1,742	1,147
<i>Furniture and Office Equipment</i>		2,263	2,800	2,402	2,761	2,173	2,173	(1,036)	(1,565)	(2,096)
<i>Machinery and Equipment</i>		(10,915)	(10,874)	(11,548)	(10,145)	(11,853)	(11,853)	(12,331)	(12,809)	(13,287)
Transport Assets		23,841	25,802	26,604	27,459	30,282	30,282	33,485	29,172	24,691
<i>Land</i>		82,983	83,031	82,781	83,031	82,781	82,781	82,781	82,781	82,781
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,260,630	1,178,773	1,303,338	1,201,299	1,262,478	1,262,478	1,241,659	1,188,561	1,131,355
EXPENDITURE OTHER ITEMS		74,347	76,272	79,173	94,210	99,342	99,342	120,202	135,740	142,919
Depreciation	7	48,972	43,683	43,907	42,648	42,648	42,648	49,900	51,397	55,548
Repairs and Maintenance by Asset Class	3	25,376	32,589	35,268	51,562	56,694	56,694	70,301	84,343	87,371
<i>Roads Infrastructure</i>		236	436	6,127	6,200	6,530	6,530	5,953	12,620	11,926
<i>Storm water Infrastructure</i>		852	1,047	854	1,400	1,200	1,200	2,616	2,727	2,863
<i>Electrical Infrastructure</i>		-	-	-	3,276	3,276	3,276	-	-	-
<i>Water Supply Infrastructure</i>		7,548	11,297	12,489	17,812	24,366	24,366	40,734	46,440	48,760
<i>Sanitation Infrastructure</i>		1,131	1,126	840	3,450	3,180	3,180	1,900	2,210	2,321
<i>Solid Waste Infrastructure</i>		4,447	5,936	6,356	8,725	7,875	7,875	7,480	7,854	8,247
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		14,214	19,841	26,667	40,863	46,427	46,427	58,682	71,851	74,116
<i>Community Facilities</i>		(114)	-	45	60	60	60	235	247	259
<i>Sport and Recreation Facilities</i>		-	162	232	300	300	300	170	179	187
Community Assets		(114)	162	277	360	360	360	405	425	447
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		148	51	-	70	70	70	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		148	51	-	70	70	70	-	-	-
<i>Operational Buildings</i>		4,840	4,480	3,801	4,898	4,815	4,815	2,793	2,964	3,112
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		4,840	4,480	3,801	4,898	4,815	4,815	2,793	2,964	3,112
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Services</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
<i>Computer Equipment</i>		14	30	10	103	101	101	10	11	11
<i>Furniture and Office Equipment</i>		44	112	30	467	235	235	50	53	55
<i>Machinery and Equipment</i>		2,692	3,599	2,067	932	774	774	5,111	5,613	5,838
Transport Assets		3,538	4,315	2,414	3,870	3,913	3,913	3,251	3,427	3,993
<i>Land</i>		-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		74,347	76,272	79,173	94,210	99,342	99,342	120,202	135,740	142,919
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		50.6%	74.1%	60.9%	35.1%	32.4%	32.4%	33.4%	23.6%	49.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		139.8%	204.8%	235.1%	130.5%	177.2%	177.2%	56.6%	28.6%	57.5%
<i>R&M as a % of PPE & Investment Property</i>		2.0%	2.8%	2.7%	4.3%	4.5%	4.5%	5.7%	7.1%	7.7%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>		7.4%	10.4%	10.6%	8.9%	10.5%	10.5%	7.9%	8.3%	10.5%

PART 2 SUPPORTING DOCUMENTATION

1.1 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.

In the 2027 budget process, the Municipality reaffirmed a fundamentals-based approach by ensuring that the Integrated Development Plan (IDP) remains the primary driver of budget formulation, thereby safeguarding the alignment between strategic priorities and resource allocation and preventing any compromise to IDP objectives

The table below is the extract of budget timetable for 2026/27 budget process approved by Ndlambe council on the 29 August 2025.

BUDGET TIMETABLE FOR THE 2026/2027 FINANCIAL YEAR

TIME SCHEDULE OF KEY DEADLINES				
Mayor to Table in Council 10 Months Prior to Start of Budget Year 2026/2027				
Date	Mayor and Council		Administration - Municipality	Evidence
30 July 2025	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	30 July 2025	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 evaluation checklist/ Contracts performance report
29 August 2025	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	08 August 2025	IDP and Finance to prepare the schedule of key deadlines and align the IDP and Budget process.	Attendance register/ Council resolutions
15 September 2025 to 10 October 2025	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	1st-20 October 2025	Budget office to set parameters for the next 3 years based on marked trends and other information available. <ul style="list-style-type: none"> • Tariff increases • Salary increases • General expenses 	Next three Budget parameters and revenue projections/funding envelopes

			<ul style="list-style-type: none"> Repairs and maintenance Key changes to be reflected considering all strategies and studies (including institutional study) Developed priority areas Grant allocations <p>Reflect on all factors that could potentially impact on future budgets.</p>	
21 October 2025	Budget Steering Committee to consider budget parameters for the next three years and national plans	31 October 2025	<p>Accounting officer does initial reviews of national policies and budget plans and potential price increases of bulk resources with function and department officials</p> <p>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>Budget Steering Minutes and attendance register.</p> <p>National Adjusted budget25/26</p>
		<p>12-20 October 2025</p> <p>24 October 2025</p> <p>27-29 October 2025</p> <p>30 October to 6 November 2025</p>	<p>Accounting officer reviews and drafts initial changes to IDP</p> <p>MSA s 34</p> <p>A working session for the IDP Manager and directorates to complete the project template.</p> <p>IDP manager captures projects to strategic objectives and Key performance indicators (KPIs) in the financial system to create IDP data strings.</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>Budget and Treasury to workshop the directorates on how to complete the budget template.</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>The submission on all offices and directorates human resources requirements to be considered by the Municipal Manager which then must be submitted to the LLF by HR department</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>Attendance registers</p> <p>Revised organogram with new proposed positions with motivations</p> <p>Minutes of the management and LLF meeting</p> <p>Schedule of depreciation, insurance premium and debt impairment for the next three years.</p>

<p>30 November 2025</p>	<p>Council finalizes tariff (rates and service charges) policies for next financial year MSA s 74, 75</p>	<p>5 December 2025</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>30 January 2026</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>Mayor must table the mid-year performance assessment report to Council for noting</p>	<p>8-19 January 2026</p> <p>20 January 2026</p> <p>23 January 2026</p> <p>25 January 2026</p>	<p>Budget Office to compile mid-year performance assessments MFMA s 72</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>Submission of the mid-year assessment report to Audit performance Committee (APC) for reviews</p> <p>Budget Steering committee meeting report -mid-year assessment report and next three years budget progress report</p> <p>Municipal Manager to submit mid-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>Mid-year performance assessment report</p> <p>Division of revenue Bill for 2024/2025 MTREF</p> <p>Minutes and review comments</p> <p>Attendance registers and minutes</p> <p>Proof of submission to the Mayor</p> <p>2024 Schedule B document/ proposed resolutions</p> <p>2024 Schedule B document/Council resolution</p> <p>Council Resolution</p>
<p>28 February 2026</p>	<p>Mayor tables the mid-year adjustment budget to Council MFMA s 28</p>	<p>26 Jan 2026-13 February 2026</p> <p>11 February 2026</p> <p>19 February 2026</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</p> <p>Proof of adjustment budget submission</p> <p>Correspondence</p> <p>Presentation slides/attendance register/PT assessment feedback report</p> <p>Attendance register/ Minutes</p> <p>2026 B Schedule document/mid-year adjustment council resolution</p>

27 March 2026	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>6 March 2026</p> <p>9 March 2026</p> <p>12 March 2026</p> <p>15 March 2026</p> <p>27-31 March 2026</p>	<p>Budget and Treasury finalize the draft budget consolidation and reconcile Mscoa new version (6.10) changes</p> <p>Final reconciliation of the IDP/Budget/ draft SDBIP for the next three years</p> <p>Budget steering committee meeting- Draft budget 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>Uploads mSCOA data strings IDP/Tabled Budget 2027</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>Draft budget data strings</p> <p>IDP /Budget Reconciliation Table A6,A7</p> <p>Attendance register and minutes</p> <p>Correspondences/ Eskom/Budget circular</p> <p>Council resolution</p> <p>NT upload validation/upload report</p> <p>Proof of publication</p>
By end of April 2025	Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc MFMA s 21	<p>9 -30 April 2026I</p> <p>16 April 2026</p> <p>23 April 2026</p> <p>30 April 2026</p>	<p>Draft budget document open for consultation for comments</p> <p>Draft Budget/Benchmark Engagement with Provincial Treasury</p> <p>APC to make comments on the draft IDP/ Budget/SDBIP</p> <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.</p>	<p>Correspondence</p> <p>Draft budget Public comments</p> <p>Presentation slides/Attendance register/PT draft budget assessment report</p> <p>APC review comments</p> <p>Revised budget extract</p>
8 May 2026 29 May 2026	<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>12 May 2026</p> <p>22 May 2026</p>	<p>Final reconciliation of the IDP/Budget/ draft SDBIP for the next three years considering public comments</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>Budget steering Committee meeting- Final A Schedule</p>	<p>Public comments, attendance registers</p> <p>IDP /Budget Reconciliation Table A6,A7</p> <p>Revised A schedule documents</p> <p>Attendance register/Minutes</p> <p>Council resolution</p>

28 June 2026	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)	10 June 2026	PMS finalise the SDBIP for submission to the Mayor	Final SDBIP
		12 June 2026	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	Proof of submission
	Council must finalise a system of delegations. MFMA s 59, 79, 82; MSA s 59-65	29 June 2026	Accounting officers of municipality publishes adopted budget and plans MFMA s 75, 87	Mayor's approval 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</p>	
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1.2 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. The table below is filtered on capital expenditure for 2027 MTREF however the details can be perused in the IDP chapter 7.

Strategic Objectives	Sub objectives	2027 Budget	2028 Draft Budget	2029 Draft Budget
Electricity: Electricity Administration (102045)	Electricity: Electricity Administration (102045)	2,500,000.00	1,500,000.00	1,000,000.00
Construct and Upgrade reliable infrastructure to attract and enable investment	Construct and upgrade of Electrical Infrastructure	2,500,000.00	1,500,000.00	1,000,000.00
Electricity: Electricity Distribution HT (102049)	Electricity: Electricity Distribution HT (102049)	4,144,401.00	6,361,739.00	6,649,565.00
Construct and Upgrade reliable, infrastructure to attract and enable investment	Construct and upgrade of Electrical Infrastructure	1,894,000.00	-	-
Construct and Upgrade reliable infrastructure to attract and enable investment	Construct and upgrade of Electrical Infrastructure	-	6,361,739.00	-
Construct and Upgrade reliable infrastructure to attract and enable investment	Construct and upgrade of Electrical Infrastructure	-	-	6,649,565.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade of Electrical Infrastructure	640,119.00	-	-
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade of Electrical Infrastructure	805,141.00	-	-
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade of Electrical Infrastructure	805,141.00	-	-
Electricity: Electricity Substation (102052)	Electricity: Electricity Substation (102052)	14,015,078.00	-	-
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade of Electrical Infrastructure	276,817.00	-	-
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade of Electrical Infrastructure	13,738,261.00	-	-

Mayor and Council: Council General (013010)	Mayor and Council: Council General (013010)	711,630.00	-	-
Strengthen institutional capacity and corporate support services to enable delivery on Ndlambe Top 4 development priorities	Ensure Council and committees fast-track decisions that enable Top 4 projects	711,630.00	-	-
Mayor and Council: Office of the Speaker (013014)	Mayor and Council: Office of the Speaker (013014)	700,000.00	-	-
Strengthen institutional capacity and corporate support services to enable delivery on Ndlambe Top 4 development priorities	Ensure Council and committees fast-track decisions that enable Top 4 projects	700,000.00	-	-
Municipal Manager Town Secretary and Chief Executive: Information Technology (011506)	Municipal Manager Town Secretary and Chief Executive: Information Technology (011506)	150,000.00	200,000.00	300,000.00
Strengthen ICT systems and digital service delivery	Maintain ICT systems, data security, and digital tools to support service delivery	150,000.00	200,000.00	300,000.00
Roads: Roads and general works(012020)	Roads: Roads and general works(012020)	10,752,978.00	-	21,225,522.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade municipal road networks (gravel and tar)	6,599,130.00	-	-
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade municipal road networks (gravel and tar)	1,385,217.00	-	-
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade municipal road networks (gravel and tar)	2,768,631.00	-	-
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade municipal road networks (gravel and tar)	-	-	21,225,522.00
Sewerage: Sanitation (011010)	Sewerage: Sanitation (011010)	2,300,000.00	-	-
Ensure reliable, well-maintained infrastructure to attract and enable investment	Maintenance of water and sanitation service infrastructure	2,300,000.00	-	-
Sewerage: Sewerage (012025)	Sewerage: Sewerage (012025)	33,534,413.00	45,941,174.00	29,334,538.00

Ensure reliable, well-maintained infrastructure to attract and enable investment –	Maintenance of water and sanitation service infrastructure	5,134,761.00	6,282,472.00	4,043,557.00
Ensure reliable, well-maintained infrastructure to attract and enable investment –	Maintenance of water and sanitation service infrastructure	3,478,261.00	5,535,789.00	7,865,018.00
Ensure reliable, well-maintained infrastructure to attract and enable investment –	Maintenance of water and sanitation service infrastructure	4,430,457.00	-	-
Ensure reliable, well-maintained infrastructure to attract and enable investment –	Maintenance of water and sanitation service infrastructure	4,347,826.00	5,790,435.00	7,860,746.00
Ensure reliable, well-maintained infrastructure to attract and enable investment –	Maintenance of water and sanitation service infrastructure	16,143,108.00	28,332,478.00	9,565,217.00
Solid Waste Removal: Refuse Disposal (011035)	Solid Waste Removal: Refuse Disposal (011035)	3,300,000.00	-	-
Ensure safe, healthy, and resilient communities through effective protection, compliance, and community services	Ensure consistent removal and public cleansing in all wards	3,300,000.00	-	-
Sports Grounds and Stadiums: Sports ground and Stadiums(011057)	Sports Grounds and Stadiums: Sports ground and Stadiums(011057)	782,609.00	-	-
Ensure safe, healthy, and resilient communities through effective protection, compliance, and community services		782,609.00	-	-
Water Distribution: Water Administration (152055)	Water Distribution: Water Administration (152055)	2,550,000.00	-	-
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	1,800,000.00	-	-
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	250,000.00	-	-
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	500,000.00	-	-
Water Distribution: Water Reticulation (152061)	Water Distribution: Water Reticulation (152061)	5,257,826.00	5,217,391.00	3,342,853.00

Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	910,000.00	-	-
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	4,347,826.00	5,217,391.00	3,342,853.00
Water Storage: Water Reservoirs (152060)	Water Storage: Water Reservoirs (152060)	-	735,000.00	771,750.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	50,000.00	52,500.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	40,000.00	42,000.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	75,000.00	78,750.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	55,000.00	57,750.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	75,000.00	78,750.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	60,000.00	63,000.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	50,000.00	52,500.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	40,000.00	42,000.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	55,000.00	57,750.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	40,000.00	42,000.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	45,000.00	47,250.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	45,000.00	47,250.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	50,000.00	52,500.00

Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	55,000.00	57,750.00
Water Storage: Water Sarel Hayward Dam (152063)	Water Storage: Water Sarel Hayward Dam (152063)	600,000.00	567,500.00	590,875.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	100,000.00	105,000.00	110,250.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	100,000.00	105,000.00	110,250.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	50,000.00	52,500.00	55,125.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	100,000.00	105,000.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	250,000.00	100,000.00	100,000.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	100,000.00	105,000.00	110,250.00
Water Treatment: Water Purification (152059)	Water Treatment: Water Purification	3,165,000.00	1,898,250.00	1,993,163.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	1,600,000.00	-	-
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	30,000.00	31,500.00	33,075.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	80,000.00	84,000.00	88,200.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	100,000.00	105,000.00	110,250.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	80,000.00	84,000.00	88,200.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	200,000.00	210,000.00	220,500.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	40,000.00	42,000.00

Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	15,000.00	15,750.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	150,000.00	157,500.00	165,375.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	40,000.00	42,000.00	44,100.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	45,000.00	47,250.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	40,000.00	42,000.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	30,000.00	31,500.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	150,000.00	157,500.00	165,375.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	40,000.00	42,000.00	44,100.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	20,000.00	21,000.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	20,000.00	21,000.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	60,000.00	63,000.00	66,150.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	250,000.00	262,500.00	275,625.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	80,000.00	84,000.00	88,200.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	80,000.00	84,000.00	88,200.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	25,000.00	26,250.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	150,000.00	157,500.00	165,375.00

Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	75,000.00	78,750.00	82,688.00
Construct and Upgrade reliable, infrastructure to attract and enable investment -	Construct and upgrade water and sanitation service infrastructure	-	20,000.00	21,000.00
		84,463,935.00	62,421,054.00	65,208,266.00

1.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

The measurable performance objectives used to the budget for 2026/27 MTREF are extracted from the IDP.

KPA	Strategic Objective Description	Strategic Objective Code	Performance Objective Cost Centre	Performance Objective Code
2 Service delivery	Ensure reliable, well-maintained infrastructure to attract and enable investment – Maintain Infra	000T1	Maintenance of municipal road networks (gravel and tar)	RMAIN Operational
2 Service delivery	Ensure reliable, well-maintained infrastructure to attract and enable investment – Maintain Infra	000T1	Maintain and clear stormwater infrastructure ahead of rainy season	SMAIN Operational
2 Service delivery	Ensure reliable, well-maintained infrastructure to attract and enable investment – Maintain Infra	000T1	Maintenance of water and sanitation service infrastructure	WMAIN Operational
2 Service delivery	Ensure reliable, well-maintained infrastructure to attract and enable investment – Maintain Infra	000T1	Maintenance of Electrical Infrastructure	T1EM Operational
2 Service delivery	Ensure reliable, well-maintained infrastructure to attract and enable investment – Maintain Infra	000T1	Maintenance of existing Tourism Infrastructure	TMAIN Operational
3 Institutional	Maintenance of Municipal Buildings, Offices, Halls,	005T1	Upgrade and modernise the physical conditions of operational building	T1BUILD
3 Institutional	Strengthen ICT systems and digital service delivery	004T1	Maintain ICT systems, data security, and digital tools to support service delivery	T1ICT Operational
2 Service delivery	Construct and Upgrade reliable, infrastructure to attract and enable investment - Capital Infra	001T1	Construct and upgrade water and sanitation service infrastructure	WCOUN Capital
2 Service delivery	Construct and Upgrade reliable, infrastructure to attract and enable investment - Capital Infra	001T1	Construct and upgrade municipal road networks (gravel and tar)	RCOUN Capital
2 Service delivery	Construct and Upgrade reliable, infrastructure to attract and enable investment - Capital Infra	001T1	Construct and upgrade stormwater infrastructure	SCOUN Capital
2 Service delivery	Construct and Upgrade reliable, infrastructure to attract and enable investment - Capital Infra	001T1	Construct and upgrade of Electrical Infrastructure	ECOUN Capital
2 Service delivery	Construct and Upgrade reliable, infrastructure to attract and enable investment - Capital Infra	001T1	Construct and upgrade Tourism Infrastructure	TCOUN Capital
1 Spatial Land Enviro Mgt	Ensure sustainable, compliant and well-managed land use and building development in line with legislation, the Spatial Development Framework, and National Building Regulations.	002T1	Ensure orderly, sustainable land use and development in line with the Spatial Development Framework and planning legislation.?	0T1TP Operational
1 Spatial Land Enviro Mgt	Ensure sustainable, compliant and well-managed land use and building development in line with legislation, the Spatial Development Framework, and National Building Regulations	002T1	Ensure safe, compliant building development in line with the National Building Regulations	0T1B1 Operational
2 and 1	Ensure safe, healthy, and resilient communities through effective protection, compliance, and community services	002T1	Improve road safety and ensure compliance with traffic and licensing regulations. Traffic	0T1TS Operational
2 Service delivery	Ensure safe, healthy, and resilient communities through effective protection, compliance, and community services	002T1	Enhance fire safety, prevention, and emergency response capacity.	0T1FS AGENCY Operational Cost
2 Service delivery	Ensure safe, healthy, and resilient communities through effective protection, compliance, and community services	002T1	Strengthen community resilience and preparedness for disasters and emergencies.	0T1DM AGENCY Operational Cost
2 Service delivery	Ensure safe, healthy, and resilient communities through effective protection, compliance, and community services	002T1	Promote sustainable environmental management and protect natural biodiversity	0T1EB Operational
2 Service delivery	Ensure safe, healthy, and resilient communities through effective	002T1	Improve community safety through traffic services, by-law enforcement and emergency response Community Safety	0T1CS Operational

	protection, compliance, and community services			
2 Service delivery	Ensure safe, healthy, and resilient communities through effective protection, compliance, and community services	002T1	Ensure dignified and well-maintained cemeteries for the community cemeteries	00T1C Operational
2 Service delivery	Ensure safe, healthy, and resilient communities through effective protection, compliance, and community services	002T1	Maintain and improve recreational facilities to promote community wellbeing and social cohesion recreational facilities	0T1RF Operational
2 Service delivery	Ensure safe, healthy, and resilient communities through effective protection, compliance, and community services	002T1	Safeguard public health through environmental monitoring.	0CPEV Operational
1 Spatial Land Enviro Mgt	Ensure safe, healthy, and resilient communities through effective protection, compliance, and community services	003T1	Safeguard public health through monitoring of food premises and products	0T1EH Operational
1 Spatial Land Enviro Mgt	Ensure safe, healthy, and resilient communities through effective protection, compliance, and community services	003T1	Ensure consistent refuse removal and public cleansing in all wards	T1WRC Operational
1 Spatial Land Enviro Mgt	Ensure safe, healthy, and resilient communities through effective protection, compliance, and community services	003T1	Maintain clean, safe, and compliant public beaches and coastal facilities to support community use and tourism	TMAIN Operational
5 Financial Plans & Budgets	Maintain financial sustainability through effective revenue, expenditure, and compliance management	000T2	Enhance revenue collection, billing accuracy, and credit control systems to support financial sustainability	REVCR Operational
5 Financial Plans & Budgets	Maintain financial sustainability through effective revenue, expenditure, and compliance management	000T2	?Ensure efficient and compliant processing of all municipal expenditure and payroll .?	T2EXP Operational
5 Financial Plans & Budgets	Maintain financial sustainability through effective revenue, expenditure, and compliance management	000T2	Implement transparent and compliant supply chain processes that promote value for money and local economic participation	T2SCM Operational
5 Financial Plans & Budgets	Maintain financial sustainability through effective revenue, expenditure, and compliance management	000T2	Maintain credible budgets , effective cash flow , and statutory reporting in line with the MFMA	T2B&T Operational
5 Financial Plans & Budgets	Maintain financial sustainability through effective revenue, expenditure, and compliance management	000T2	Ensure sound financial and resource planning	T2FRP Operational
3 Institutional	Strengthen institutional capacity and corporate support services to enable delivery on Ndlambe Top 4 development priorities	001T2	Ensure Council and committees fast-track decisions that enable Top 4 projects.	0T2CS Operational
3 Institutional	Strengthen institutional capacity and corporate support services to enable delivery on Ndlambe Top 4 development priorities	001T2	Recruit, train , and manage staff with priority on water, sanitation, roads, stormwater, and tourism infrastructure.	0T2HR Operational
3 Institutional	Strengthen institutional capacity and corporate support services to enable delivery on Ndlambe Top 4 development priorities	001T2	Digitise and manage infrastructure/service delivery documentation for quick access.	T2R&R Operational
3 Institutional	Strengthen institutional capacity and corporate support services to enable delivery on Ndlambe Top 4 development priorities	001T2	Resolve legal blockages and maintain by-laws that enable infrastructure and CPS delivery	LEGAL Operational
6 Good Govern.	Ensure integrated planning, performance, risk, and audit systems that enable accountable governance and effective service delivery	002T2	Credible Integrated Development Planning (IDP)	T2IDP Operational
6 Good Govern.	Ensure integrated planning, performance, risk, and audit systems that enable accountable governance and effective service delivery	002T2	Performance Management System (PMS)	T2PMS Operational
6 Good Govern.	Ensure integrated planning, performance, risk, and audit systems that enable accountable governance and effective service delivery	002T2	Internal Audit and Risk Management are currently together. If could separate them???	AUDIT Operational

4 LED	Promote local economic development through strategic initiatives and position Ndlambe as a potential logistics and trade hub.	002T3	Support sustainable livelihoods through targeted LED , SMME, EPWP/CWP projects / initiatives	T3LED Operational
6 Good Govern.	Promote inclusive development and community participation through economic facilitation, stakeholder engagement, and mainstreaming of vulnerable groups	003T3	Build community trust through communication, public participation and responsiveness to complaints and queries from the public	0T3PP Operational
6 Good Govern.	Promote inclusive development and community participation through economic facilitation, stakeholder engagement, and mainstreaming of vulnerable groups	002T2	<ul style="list-style-type: none"> Ensure mainstreaming of vulnerable groups 	T3SPU Operational
6 Good Govern.	Promote inclusive development and community participation through economic facilitation, stakeholder engagement, and mainstreaming of vulnerable groups	003T3	<ul style="list-style-type: none"> Promote / facilitate integrated youth development and skills upliftment 	T3SPU Operational
1 Spatial Land Enviro Mgt	Facilitate housing delivery projects and informal settlement upgrading in partnership with Provincial and National.	000T3	Facilitate housing delivery projects and informal settlement upgrading in partnership with Provincial and National Human Settlements	0T3HS AGENCY Operational Cost
3 Institutional	Facilitate library and community facility programmes on behalf of District and Provincial mandates.	001T3	Libraries & Community Facilities (Facilitated Delivery)	T3LIB AGENCY Operational Cost
3 Institutional	Facilitate library and community facility programmes on behalf of District and Provincial mandates.	001T3	Libraries & Community Facilities (Facilitated Delivery)	T3LIB AGENCY Operational Cost
3 Institutional	Facilitate library and community facility programmes on behalf of District and Provincial mandates.	001T3	Libraries & Community Facilities (Facilitated Delivery)	T3LIB AGENCY Operational Cost
2 Service delivery	Ensure safe, healthy, and resilient communities through effective protection, compliance, and community services	002T1	Enhance fire safety, prevention, and emergency response capacity.	0T1FS AGENCY Operational Cost

1.4 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 .

This short summary describes the situation in respect of the Ndlambe Municipality' (Ndlambe) electricity tariffs.

Ndlambe undertook a detailed electricity cost of supply and tariff study during 2024. The study found the following:

- Domestic tariffs without basic charges are heavily subsidised over and above free basic electricity funded by the equitable share.
- Most tariffs do not have any charges to reflect the capacity on the network.
- Bulk consumers did not contain time of signals.

A new set of tariffs were developed to reflect the various cost components namely:

- A basic charge to reflect the fixed customer services costs.
- A capacity charge to reflect the network costs and for bulk consumers a maximum demand charge.
- Energy charges to reflect the energy cost and for bulk consumers based on time of use.
- A 20 Amp tariff without fixed charges for the poor was continued.

These tariffs would be phased in over 3 years.

Every year an annual price increase was determined to ensure that the municipal costs are covered due to changing costs, and provision is made for a surplus to cover capital cost. The same process was followed for the annual increase as from 1 July 2026:

- This provides for the Eskom increase, almost 70% of total electricity costs, determined at 9.13% due to the Eskom tariff Municflex restructuring, rather than the Eskom average increase for municipalities at 9.01%.
- This provides for the various municipal operating costs and various critical capital expenditure including funding of the Smart meters for small scale embedded generation (SSEG) consumers.

This yielded a required average increase of 7%. It must be remembered that the 7% average price increase will be applied to the tariffs as restructured in terms of the final stage of the 3-year phase in plan. This means that the actual % increase will depend on the capacity selected, and the amount of kWh used every month.

The proposed tariffs have been published on the municipal website and was presented at various public participation sessions and request for written comments was made.

These tariffs have been noted by the Council and is being submitted to NERSA for its approval.

Once NERSA has approved the tariffs it will be taken back to Council for approval and implementation as from 1 July 2026.

The proposed tariffs for 2026/2027 are detailed in the **Annexure A tariffs listing**.

1.5 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 2026/27 financial year.

Policy	Policy Amended			Amendment Date
	Yes	No	New	
Rates Policy		No		
Indigent Policy	YES			23/03/2026
Budget Policy		NO		
Creditors, Staff and Councilors Payment Policy		NO		
Customer Care & Credit Control and Debt Collection Policy		NO		
Funding and Reserve Policy		NO		
Virement Policy	YES			23/03/2026
Banking & Investment policy		NO		
Subsistence and Travel Policy		NO		
Irregular Expenditure Reduction Strategy			NEW	19/03/2026
Fixed Asset Policy		NO		
Supply Chain Management Policy	YES			19/03/2026
Write-off of Irrecoverable Debt Policy	YES			23/03/2026
Loans Policy		NO		
Tariff Policy	YES			23/03/2026
Management of Accumulated Surplus and Bad Debt Policy		NO		
Loss Control Policy		NO		
Fuel Card Policy	YES			19/03/2026
Financial Management Internship Programme Policy		NO		
Cost Containment Policy		NO		
Donations Policy		NO		
Insurance Policy		NO		
Small Scale Embedded Generation Policy	YES			23/03/2026
Entertainment Policy		NO		
Long Term Financial Planning Policy		NO		
Petty Cash Policy		NO		
Overtime Policy		NO		
Debt Impairment Policy	YES			23/03/2026
Unallocated Deposits and Debtors with Credit Balances	YES			23/03/2026
Consultant Policy		NO		

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

1.6 OVERVIEW OF BUDGET ASSUMPTIONS

2.6.1 Projected Collection Rate

The municipality has projected an average collection rate per service as per table below:

Source of Income	Projected Collection Rates
Property Rates	90%
Billed Electricity	82%
Sewerage / Sanitation	81%
Refuse Removal	82%
Environmental levy	75%
Housing Rental/Rentals	83%
Lease	
Interest Earned Outstanding Debtors	21%

The prepaid electricity and 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 2026/27 MTREF.

Fiscal year	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Estimate	2026/27	2027/28	2028/29
					Forecast		
CPI Inflation	6.9%	5.9%	4.4%	3.3%	3.7%	3.3%	3.2%

Source: 2026/27 MTREF Budget Circular No. 132.

2.6.3 Revenue Services

The percentage increases are based on the cost-reflective analysis and the cost-of-supply study conducted during the 2025 budget process. The implementation of the tariff structure changes is being carried out progressively over a five-year period.

Non-exchange transactions (property rates and environmental fee)

- **Property rates** tariff has been projected to increase by 5.2% in 2026/27 and the subsequent two years.
- **Environmental fee** : 5.2% for 2026/27 and 5.2% for the two outer years.

Exchange Transaction Service charges tariffs projected increases are as follows:

- **Water Basic Fee:** A 10.2% increase (comprising 5.2% plus an estimated 5% for tariff structure) over the next two years, including the two outer years for the 2027 MTREF.
- **Water Usage:** A 5.2% increase for 2026/27, with 5.2% applied for the outer years.
- **Sewerage Basic Fee:** A 5.2% increase with 5.2% increases projected for the two outer years.
- **Sanitation/Pump Outs:** A 10.2% increase (5.2% plus an estimated 5% for tariff structure) for 2026/27, including the two outer years for the 2027 MTREF.
- **Waste Collection:** A 5.2% increase and over the two years of 2027MTREF.
- **Electricity tariff:** An increase of 7% for the current year and two outer years
- **Miscellaneous tariffs** : A 5.2% increase applied for 2026/27 and 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 9.01% Eskom increase considered and expected to decline to 5% over the two outer years .
- **Bulk water purchases** The costs for bulk water purchases are determined by the contract value of 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 4.75%, as per the bargaining agreement and 0.25% applied for notching.
- **Impairment Loss on Fixed Assets:** The impairment loss on fixed assets is expected to decline in the 2027 MTREF period compared to previous years, due to additional security enforcement and maintenance routines to address wear and tear.
- **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 2026/27 budget includes historical debt considering 2024/25 annual financial statements and 5% increase for the outer years.

2.6.5 Financial Position and other

The opening balance budget was based on 2026 adjustment budget opening balances and followed the same principle for the two outer years.

1.7 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 2026/2027 MTREF, this simply means others will be addressed in the subsequent budget years.

The 2026/2027 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 projected receipts from Trading services and property rates that are mainly funding the budget: Projected opening cash and cash equivalent of R 26,525 million for 2026/27

Description R thousand	2026/27 Medium Term Revenue & Expenditure Framework		
	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates	191,392	202,585	212,898
Service charges	262,626	279,717	296,886
Other revenue	23,305	24,515	25,787
Transfers and Subsidies - Operational	149,371	155,214	160,479
Transfers and Subsidies - Capital	79,590	74,693	78,718
Interest	13,871	14,592	15,351
Dividends			

1.8 EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMS

EC105 Ndlambe - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		123,516	132,677	140,692	147,880	147,036	144,462	147,504	152,401	156,224
Local Government Financial Management Grant		2,650	2,650	2,500	2,500	2,500	830	2,700	2,800	2,900
Municipal Infrastructure Grant		1,635	1,491	1,556	3,261	2,417	1,513	3,517	3,640	1,864
Equitable Share		119,231	128,536	136,636	142,119	142,119	142,119	141,288	145,961	151,460
Provincial Government:		2,713	58,063	54,116	75,828	77,570	9,405	3,389	3,389	3,542
Alien Plant Eradication Grant		-	-	-	1,200	1,200	(660)	-	-	-
Human Settlement		-	55,302	51,474	71,270	71,270	8,049	-	-	-
Libraries and Archives Grant DESRAC		2,713	2,761	2,642	3,358	5,100	2,015	3,389	3,389	3,542
District Municipality:		-	-	1,007	-	-	(48)	(300)	(315)	(331)
Specify (Add grant description)		-	-	-	-	-	61	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	(300)	(315)	(331)
Specify (Add grant description)		-	-	(0)	-	-	(108)	-	-	-
Public Safety		-	-	1,007	-	-	-	-	-	-
Other grant providers:		-	-	14,114	-	-	293	-	-	-
Housing Development Agency		-	-	14,114	-	-	293	-	-	-
Total operating expenditure of Transfers and Grants		126,229	190,740	209,930	223,708	224,606	154,113	150,593	155,475	159,435
Capital expenditure of Transfers and Grants										
National Government:		108,918	71,366	90,451	103,604	163,649	98,766	69,197	66,148	69,635
Municipal Infrastructure Grant		29,092	28,328	29,573	29,285	30,129	26,135	30,238	32,582	35,409
Integrated National Electrification Programme Grant		1,394	-	-	12,057	12,057	7,031	13,959	7,316	7,647
Regional Bulk Infrastructure Grant		-	3,784	23,278	-	101,201	50,216	-	-	-
Water Services Infrastructure Grant		78,432	39,253	37,600	62,262	20,262	15,384	25,000	26,250	26,579
Provincial Government:		27,734	(15,367)	38,280	64,607	81,664	42,923	-	-	-
Disaster Relief/Alien Eradication		-	1,224	11,718	100	100	27,783	-	-	-
Office of the Premier		3,376	3,900	5,352	-	-	-	-	-	-
Department of Water and Sanitation		16,508	-	-	-	-	84	-	-	-
Human Settlement		-	(20,551)	21,210	34,087	48,156	12,399	-	-	-
Distaster Relief		-	-	-	30,420	33,308	2,710	-	-	-
Libraries and Archives Grant DESRAC		2	60	-	-	100	(53)	-	-	-
Specify (Add grant description)		1,363	-	-	-	-	-	-	-	-
Office of the Premier		6,485	-	-	-	-	-	-	-	-
District Municipality:		1,858	2,192	-	-	-	-	-	-	-
Specify (Add grant description)		1,858	2,192	-	-	-	-	-	-	-
Other grant providers:		1,730	1,486	1,317	1,489	1,489	1,201	1,593	-	-
Human Settlement Re-development Programme		1,730	1,486	1,317	1,489	1,489	1,201	1,593	-	-
Total capital expenditure of Transfers and Grants		140,239	59,676	130,048	169,700	246,801	142,890	70,790	66,148	69,635
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		266,468	250,416	339,978	393,408	471,408	297,002	221,383	221,623	229,070

3.1 ALLOCATIONS AND GRANTS MADE BY NDLAMBE MUNICIPALITY

Description	#REF!	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
<u>Monetary Transfers to Entities/Other External Mechanisms</u>											
Public Protection and Safety: Public Security in Ndlambe Area		-	230	104	222	222	222	-	180	189	198
Human Resource Management: Bursaries for non-employees		-	500	528	554	554	554	-	300	315	331
Library Programmes: Grade 12 Intervention Programme		-	240	509	300	544	544	-	480	504	529
Community Development Initiatives: Donations		-	330	800	755	755	755	-	100	105	110
Protecting the Poor: Mayoral Assistance		-	140	150	158	158	158	-	-	-	-
Feeding/Nutritional Scheme: Support for Soup Kitchen		-	240	210	240	240	240	-	200	210	221
Sport Development and Sponsorships (Internal): Sport Donations		-	240	346	250	250	250	-	-	-	-
Disability: Casual Day		-	10	10	20	20	20	-	10	11	11
Youth Development: Youth Empowerment		-	50	200	100	-	-	-	30	32	33
Child Programmes: Donations		-	100	100	100	80	80	-	-	-	-
Gender Development: Woman's Month		-	50	200	200	100	100	-	-	-	-
Gender Development: Gender Based Violence		-	100	140	140	106	106	-	20	21	22
Gender Development: Men's Forum		-	25	40	100	50	50	-	-	-	-
Municipal Games: Mayoral Cup		-	30	64	100	-	-	-	-	-	-
Youth Development: Youth Empowerment		-	50	110	200	100	100	-	-	-	-
Entrepreneurial Support System: SMME Support		-	675	765	800	935	935	-	100	105	110
Tourism Development: Tourism Development		-	900	990	999	1,089	1,089	-	-	-	-
Project Implementation: LED Project Implementation		-	310	500	500	690	690	-	60	63	66
Total Monetary Transfers To Entities/Ems'		-	4,220	5,766	5,738	5,892	5,892	-	1,480	1,554	1,632

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.

3.2 COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

EC105 Ndlambe- Supporting Table SA22 Summary councillor and staff benefi

Summary of Employee and Councillor remuneration R thousand	##	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
		A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other) Allowances and Service Related Benefits</u>	1									
Basic Salary		4,993	5,760	5,941	5,719	5,719	5,719	5,702	5,702	5,702
Cell phone Allowance		816	856	864	864	864	864	864	864	864
Housing Allowance		-	-	-	-	-	-	-	-	-
In-kind Benefits		-	-	-	-	-	-	-	-	-
Market Related Non-pensionable Allowance		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Office-bearer Allowance		-	-	-	-	-	-	-	-	-
Out of pocket Expenses		-	-	-	-	-	-	-	-	-
Travelling Allowance		-	-	-	-	-	-	-	-	-
Use of Personal Facilities		-	-	-	-	-	-	-	-	-
Total Allowances and Service Related Benefits		7,170	7,976	8,165	7,943	7,943	7,943	7,926	7,926	7,926
Social Contributions										
Medial Aid Benefits		157	138	130	127	127	127	152	160	168
Pension Fund Contributions		345	367	387	398	398	398	398	398	398
Total Social Contributions		502	506	517	525	525	525	550	558	566
Total Councillors		7,671	8,482	8,682	8,469	8,469	8,469	8,476	8,484	8,492
<u>% increase Senior Managers of the Municipality Salaries and Allowances</u>	4		10.6%	2.4%	(2.5%)	-	-	0.1%	0.1%	0.1%
	2									
Basic Salary		5,197	6,413	7,802	6,950	6,950	6,950	7,579	7,958	8,356
Bonuses		831	1,061	1,339	579	584	584	1,363	1,395	1,272
Allowance										
Accommodation, Travel and Incidental		-	-	-	-	-	-	-	-	-
Cellular and Telephone	3	117	123	123	123	123	123	123	123	123
Housing Benefits	3	130	132	132	140	140	140	139	145	153
Non-pensionable		57	60	60	63	63	63	63	66	69
Travel or Motor Vehicle	3	942	972	972	972	972	972	972	972	972

Voluntary Work		-	-	-	-	-	-	-	-
Total Allowance Service Related Benefits		1,247	1,286	1,286	1,298	1,298	1,298	1,296	1,306
Acting	3	102	71	199	199	199	199	214	224
Bonus	3	-	-	-	-	-	-	-	-
Danger Allowance	3	-	-	-	-	-	-	-	-
Entertainment	3	-	-	-	-	-	-	-	-
Fire Brigade		-	-	-	-	-	-	-	-
In-kind Benefits	3	-	-	-	-	-	-	-	-
Leave Pay	3	425	639	540	614	614	614	-	-
Lifeguard/Duty Squads		-	-	-	-	-	-	-	-
Long Service Award		-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-
Scarcity	3	-	-	-	-	-	-	-	-
Standby Allowance	3	-	-	-	-	-	-	-	-
Tools Allowance	3	-	-	-	-	-	-	-	-
Uniform/Special/Protective Clothing	3	-	-	-	-	-	-	-	-
Leave gratuity		-	-	-	-	-	-	-	-
Long Term Service Award		-	-	-	-	-	-	-	-
Total Service Related Benefits		527	710	739	813	813	813	214	224
Total Salaries and Allowances		7,802	9,470	11,167	9,641	9,646	9,646	10,452	10,884
Social Contributions									
Bargaining Council		1	1	1	1	1	1	1	1
Group Life Insurance		-	-	-	-	-	-	-	-
Medical		249	287	304	320	320	320	372	390
Pension		769	1,058	1,172	1,289	1,289	1,289	1,406	1,476
Unemployment Insurance		10	11	11	11	11	11	11	12
Total Social Contributions		1,028	1,356	1,488	1,620	1,620	1,620	1,789	1,879
Post-retirement Benefit	6								
Medical		-	-	-	-	-	-	-	-
Other Benefits		-	-	-	-	-	-	-	-
Pension		-	-	-	-	-	-	-	-
Total Post-retirement Benefit		-	-	-	-	-	-	-	-
Costs Capitalised to PPE		-	-	-	-	-	-	-	-

Sub Total - Senior Managers of Municipality		8,830	10,826	12,654	11,261	11,266	11,266	12,242	12,762	13,154
% increase	4		22.6%	16.9%	(11.0%)	0.0%	-	8.7%	4.3%	3.1%
Other Municipal Staff Salaries and Allowances										
Basic Salary		96,547	105,895	114,574	132,023	130,068	130,068	138,828	145,769	153,058
Bonuses		-	-	-	-	-	-	-	-	-
Allowance										
Accommodation, Travel and Incidental		-	-	-	-	-	-	-	-	-
Cellular and Telephone	3	248	320	322	305	312	312	308	308	308
Housing Benefits	3	504	491	1,038	497	514	514	489	509	529
Non-pensionable		1,085	869	831	824	824	824	792	792	792
Travel or Motor Vehicle	3	4,579	5,226	5,886	5,495	5,539	5,539	5,807	5,807	5,807
Voluntary Work		-	-	-	-	-	-	-	-	-
Total Allowance		6,416	6,906	8,077	7,121	7,189	7,189	7,396	7,416	7,436
Service Related Benefits										
Acting	3	1,101	679	820	743	795	795	1,293	1,380	1,424
Bonus	3	8,080	8,978	9,876	10,789	10,752	10,752	11,528	12,104	12,709
Danger Allowance	3	-	-	-	-	-	-	14	14	14
Entertainment	3	-	-	-	-	-	-	-	-	-
Fire Brigade		-	-	-	-	-	-	-	-	-
In-kind Benefits	3	-	-	-	-	-	-	154	162	170
Leave Pay	3	404	921	73	-	-	-	-	-	-
Lifeguard/Duty Squads		-	-	-	-	-	-	-	-	-
Long Service Award		742	604	858	-	6	6	35	30	30
Overtime		14,596	13,018	13,170	6,650	8,412	8,412	1,301	1,287	1,332
Scarcity	3	-	-	-	-	-	-	-	-	-
Standby Allowance	3	3,239	3,253	3,350	1,955	1,955	1,955	1,416	1,416	1,416
Tools Allowance	3	-	-	-	-	-	-	-	-	-
Uniform/Special/Protective Clothing	3	-	-	-	-	-	-	-	-	-
Leave gratuity		-	-	-	-	-	-	-	-	-
Long Term Service Award		-	-	-	-	-	-	-	-	-
Total Service Related Benefits		28,163	27,454	28,146	20,137	21,920	21,920	15,743	16,393	17,096
Total Salaries and Allowances		131,125	140,255	150,797	159,280	159,177	159,177	161,967	169,578	177,590
Social Contributions										
Bargaining Council		63	69	71	76	75	75	79	79	79

Group Life Insurance		251	268	235	373	373	373	401	429	450
Medical		13,376	14,930	16,084	18,634	18,492	18,492	20,994	21,904	22,929
Pension		16,657	18,485	19,766	22,687	22,516	22,516	24,354	25,572	26,850
Unemployment Insurance		1,041	1,043	1,038	1,116	1,113	1,113	1,158	1,215	1,274
Total Social Contributions		31,388	34,794	37,193	42,884	42,570	42,570	46,985	49,198	51,583
Post-retirement Benefit	6									
Medical		8,109	9,337	10,187	-	2,966	2,966	3,124	3,280	3,444
Other Benefits		-	-	-	-	-	-	-	-	-
Pension		-	-	-	-	-	-	-	-	-
Total Post-retirement Benefit		8,109	9,337	10,187	-	2,966	2,966	3,124	3,280	3,444
Costs Capitalised to PPE		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		170,622	184,386	198,178	202,165	204,713	204,713	212,076	222,057	232,617
% increase	4		8.1%	7.5%	2.0%	1.3%	-	3.6%	4.7%	4.8%
Total Parent Municipality		187,124	203,694	219,514	221,895	224,447	224,447	232,794	243,303	254,263
TOTAL MANAGERS AND STAFF	5,7	181,910	195,212	210,832	213,426	215,979	215,979	224,318	234,819	245,771

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																
MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term	Revenue and	Expenditure	
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source														1		
Property rates	15,931	15,927	16,061	15,955	15,997	15,988	15,899	15,927	15,927	15,927	15,927	15,927	15,927	191,392	202,585	212,898
Service charges - electricity revenue	10,898	10,898	10,980	10,898	10,898	10,898	10,898	10,898	10,898	10,898	10,898	10,898	10,898	130,860	139,673	149,051
Service charges - water revenue	5,731	5,731	5,731	5,731	5,731	5,731	5,731	5,731	5,731	5,731	5,731	5,731	5,731	72,667	77,750	82,198
Service charges - sanitation revenue	2,706	2,706	2,706	2,706	2,706	2,706	2,706	2,706	2,706	2,706	2,706	2,706	2,706	32,472	34,286	36,172
Service charges - refuse revenue	2,219	2,219	2,219	2,219	2,219	2,219	2,219	2,219	2,219	2,219	2,219	2,219	2,219	26,626	28,009	29,465
Rental of facilities and equipment	143	143	143	143	143	143	143	143	143	143	143	143	143	1,718	1,807	1,901
Interest earned - external investments	497	497	497	497	497	497	497	497	497	497	497	497	497	5,966	6,276	6,603
Interest earned - outstanding debtors	659	659	659	659	659	659	659	659	659	659	659	659	659	7,905	8,316	8,748
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	23	23	23	23	23	23	23	23	23	23	23	23	23	276	290	305
Licences and permits	636	636	636	636	636	636	636	636	636	636	636	636	636	7,637	8,034	8,452
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	46,895	1,401	1,491	1,401	1,401	46,834	1,401	1,401	42,940	1,401	1,401	1,401	1,401	149,371	155,214	160,479
Other revenue	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	13,675	14,384	15,129
Cash Receipts by Source	87,478	41,980	42,286	42,009	42,051	91,368	41,952	41,980	83,518	41,981	41,980	41,980	640,564	676,621	711,401	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (national / Provincial and District)	6,482	6,482	6,482	6,482	6,482	6,482	6,482	6,482	6,482	6,482	6,482	6,482	6,482	77,789	74,693	78,718
Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	150	150	150	150	150	150	150	150	150	150	150	150	150	1,801	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(105)	(107)	(110)
Interest on Short Term Investment (Greater than 90 days) and Long	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	94,102	48,604	48,910	48,633	48,675	97,992	48,576	48,604	90,142	48,605	48,604	48,604	720,049	751,208	790,009	
Cash Payments by Type																
Employee related costs	18,790	18,780	18,805	18,780	18,780	19,417	18,780	19,512	18,780	18,780	18,780	18,780	18,780	226,766	236,992	247,971
Remuneration of councillors	731	731	731	731	731	731	731	731	731	731	731	731	731	8,776	8,794	8,812
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	9,635	9,635	9,635	9,635	9,635	9,635	9,635	9,635	9,635	9,635	9,635	9,635	9,635	115,617	121,412	127,497
Contracted services	11,293	11,282	12,669	11,644	11,824	11,872	11,184	11,282	11,282	11,282	11,282	11,282	11,286	138,185	156,783	161,371
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	123	123	123	123	123	123	123	123	123	123	123	123	123	1,480	1,385	1,438
Other expenditure	6,617	6,644	7,552	6,660	6,592	6,477	6,477	6,592	6,592	6,592	6,592	6,592	6,592	79,980	84,343	87,708
Cash Payments by Type	50,410	50,417	52,737	50,795	50,907	51,476	50,151	51,096	50,364	50,370	50,364	50,368	609,456	652,568	680,547	
Other Cash Flows/Payments by Type																
Capital assets	7,020	9,473	15,782	8,944	7,864	6,644	6,644	7,104	6,127	6,069	6,069	6,069	6,069	93,812	71,147	74,250
Retention (Capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	57,431	59,890	68,519	59,739	58,771	58,121	56,796	58,200	56,491	56,439	56,434	56,437	703,268	723,715	754,797	
NET INCREASE/(DECREASE) IN CASH HELD	36,672	(11,286)	(19,609)	(11,107)	(10,096)	39,871	(8,220)	(9,596)	33,651	(7,835)	(7,830)	(7,834)	16,781	27,493	35,212	
Cash/cash equivalents at the month/year begin:	26,525	63,196	51,910	32,301	21,194	11,098	50,969	42,750	33,153	66,804	58,969	51,140	26,525	43,306	70,799	
Cash/cash equivalents at the month/year end:	63,196	51,910	32,301	21,194	11,098	50,969	42,750	33,153	66,804	58,969	51,140	43,306	43,306	70,799	106,011	

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

The draft service delivery budget implementation plan for 2026/2027 is tabled with the draft budget. See Annexure C

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.

Ndlambe - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.	Balances
Name of organisation		Number			R thousand	R thousand
Nuwater Systems	Yrs	5	Operational water services	04-Oct-26	17,291	-27,205,943
Sizwe Amanzi	Yrs	1	Maintenance of RO plant	31-Jul-26	11,648	1,299,835
CDR Tenchical	Yrs	10	Thornhill Bulk MV Support Infrastructure & Switch House Upgrade and Protection Schemes	30-May-30	15,500,000	14,679,088
CDR Technical (monthly variable)	Yrs	10	Provision of electricity to household	30-May-30	29,779,375	13,380,597
CDR Technical (Monthly Fixed)	Yrs	10	Provision of electricity to household	30-May-30	169,087,217	105,200,550
Richefond Pearls	Yrs	1	Free basic alternative energy (gel and stoves)	31-Aug-26	8,184	673,281
Mphele Engineers and Projects Mangement	Yrs	3	External facilities: Maintenance of landfill sites	30-Nov-27	23,064	5,471,176
NJH Group	Yrs	3	Public security in Ndlambe area	30-Jun-28	8,667,331	8,184
Cacadu Security Services	Yrs	3	Public security in Ndlambe area	30-Jun-28	11,562,260	9,399,073
Ibubesi IikaNoni Security and Cleaning	Yrs	3	Public security in Ndlambe area	30-Jun-28	9,447	6,857,854
Multi Security Services	Yrs	3	Public security in Ndlambe area	30-Jun-28	1,286	347,399
Umhlanga Consulting Group	Yrs	5	Operational: Municipal Running Cost	30-Jun-29	5,758,709	2,135,447
Penny Lindstrom VA	Yrs	5	Annual property valuations and valuation certificate	30-Jun-29	3,595	3,595
Munsoft	Yrs	3		30-Jun-28	1,781,770	0
RUMAS	Yrs	6	Addressing of Audit Findings To Improve the Audit Outcomes	30-Oct-28	2,526,550	524,256.61

4.4 CAPITAL EXPENDITURE DETAILS

Table SA34a, SA34b, SA34c, SA34d and sa34e are the supporting tables for table A5.

Capital expenditure on new assets by asset class

EC105 Ndlambe - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		54,888	21,498	59,684	95,144	149,451	149,451	47,282	47,520	32,941
Roads Infrastructure		-	252	-	-	-	-	-	-	-
Roads		-	252	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1,852	-	527	12,334	10,971	10,971	18,132	7,862	7,650
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	1,894	-	-
MV Substations		1,852	-	-	4,348	4,348	4,348	13,738	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	7,986	6,623	6,623	-	6,362	6,650
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	527	-	-	-	2,500	1,500	1,000
Water Supply Infrastructure		9,041	9,431	26,458	35,810	90,810	90,810	750	-	-
Dams and Weirs		6,897	576	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		1,941	3,069	7,026	2,609	2,609	2,609	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	5,449	19,372	33,202	88,001	88,001	750	-	-
Bulk Mains		10	29	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		193	308	60	-	200	200	-	-	-
Sanitation Infrastructure		43,985	11,773	32,699	47,000	47,671	47,671	28,400	39,659	25,291
Pump Station		-	488	299	-	-	-	-	-	-
Reticulation		-	160	24,482	40,334	44,178	44,178	7,909	5,536	7,865
Waste Water Treatment Works		22,871	2,267	864	5,440	1,801	1,801	20,491	34,123	17,426
Outfall Sewers		21,114	8,858	7,054	1,226	1,691	1,691	-	-	-
Information and Communication Infrastructure		10	42	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		10	42	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Community Assets	-	-	-	700	57	57	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	700	57	57	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	700	57	57	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-

Other assets		1,452	-	-	-	26	26	-	-	-
Operational Buildings		1,452	-	-	-	26	26	-	-	-
Municipal Offices		1,452	-	-	-	26	26	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		1,653	1,135	1,146	530	480	480	150	200	300
Computer Equipment		1,653	1,135	1,146	530	480	480	150	200	300
Furniture and Office Equipment		659	1,085	191	564	374	374	-	-	-
Furniture and Office Equipment		659	1,085	191	564	374	374	-	-	-
Machinery and Equipment		1,142	359	66	1,182	149	149	-	-	-
Machinery and Equipment		1,142	359	66	1,182	149	149	-	-	-
Transport Assets		7,086	7,235	5,094	4,750	6,833	6,833	8,812	-	-
Transport Assets		7,086	7,235	5,094	4,750	6,833	6,833	8,812	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	66,880	31,311	66,181	102,870	157,369	157,369	56,244	47,720	33,241

Capital expenditure on the renewal of the existing assets

EC105 Ndlambe - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		30	-	998	-	1,900	1,900	2,510	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		30	-	-	-	-	-	-	-	-
Drainage Collection		30	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	998	-	1,900	1,900	2,510	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	1,900	1,900	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	998	-	-	-	910	-	-
Distribution Points		-	-	-	-	-	-	1,600	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Community Assets		-	-	476	1,785	1,039	1,039	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	476	1,785	1,039	1,039	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	476	1,785	1,039	1,039	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Computer Equipment		35	38	-	-	-	-	-	-	-
Computer Equipment		35	38	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing asse	1	65	38	1,474	1,785	2,939	2,939	2,510	-	-
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.9%	1.1%	1.3%	1.3%	3.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.1%	0.1%	3.4%	4.2%	6.9%	6.9%	5.0%	0.0%	0.0%

Repairs and Maintenance expenditure by asset class

EC105 Ndlambe - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		14,214	19,841	26,667	40,863	46,427	46,427	58,682	71,851	74,116
Roads Infrastructure		236	436	6,127	6,200	6,530	6,530	5,953	12,620	11,926
Roads		236	436	6,127	6,200	6,530	6,530	5,953	12,620	11,926
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		852	1,047	854	1,400	1,200	1,200	2,616	2,727	2,863
Drainage Collection		852	1,047	854	1,400	1,200	1,200	2,616	2,727	2,863
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	3,276	3,276	3,276	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	3,276	3,276	3,276	-	-	-
Water Supply Infrastructure		7,548	11,297	12,489	17,812	24,366	24,366	40,734	46,440	48,760
Dams and Weirs		83	83	100	80	80	80	230	392	411
Boreholes		135	75	172	112	112	112	300	315	331
Reservoirs		71	-	98	570	580	580	-	1,125	1,181
Pump Stations		769	634	1,561	3,190	3,190	3,190	3,255	4,573	4,799
Water Treatment Works		6,490	10,505	10,559	13,860	20,405	20,405	34,249	36,201	38,011
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	2,700	3,835	4,027
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		1,131	1,126	840	3,450	3,180	3,180	1,900	2,210	2,321
Pump Station		1,131	1,030	840	2,700	2,430	2,430	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	650	650	650	1,900	2,210	2,321
Outfall Sewers		-	96	-	100	100	100	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		4,447	5,936	6,356	8,725	7,875	7,875	7,480	7,854	8,247
Landfill Sites		4,447	5,936	6,356	8,725	7,875	7,875	7,480	7,854	8,247
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Community Assets		(114)	162	277	360	360	360	405	425	447
Community Facilities		(114)	-	45	60	60	60	235	247	259
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		(114)	-	45	60	60	60	80	84	88
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	155	163	171
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	162	232	300	300	300	170	179	187
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	162	232	300	300	300	170	179	187
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		148	51	-	70	70	70	-	-	-
Revenue Generating		148	51	-	70	70	70	-	-	-
Improved Property		148	51	-	70	70	70	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		4,840	4,480	3,801	4,898	4,815	4,815	2,793	2,964	3,112
Operational Buildings		4,840	4,480	3,801	4,898	4,815	4,815	2,793	2,964	3,112
Municipal Offices		4,840	4,480	3,801	4,898	4,815	4,815	2,793	2,964	3,112
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		14	30	10	103	101	101	10	11	11
Computer Equipment		14	30	10	103	101	101	10	11	11
Furniture and Office Equipment		44	112	30	467	235	235	50	53	55
Furniture and Office Equipment		44	112	30	467	235	235	50	53	55
Machinery and Equipment		2,692	3,599	2,067	932	774	774	5,111	5,613	5,638
Machinery and Equipment		2,692	3,599	2,067	932	774	774	5,111	5,613	5,638
Transport Assets		3,538	4,315	2,414	3,870	3,913	3,913	3,251	3,427	3,993
Transport Assets		3,538	4,315	2,414	3,870	3,913	3,913	3,251	3,427	3,993
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	25,376	32,589	35,266	51,562	56,694	56,694	70,301	84,343	87,371
R&M as a % of PPE & Investment Property		2.0%	2.6%	2.7%	4.3%	4.5%	4.5%	5.7%	7.1%	7.7%
R&M as % Operating Expenditure		4.4%	5.3%	5.2%	6.5%	7.0%	7.0%	16.7%	11.8%	11.4%

Depreciation by class

EC105 Ndlambe - Supporting Table SA34d Depreciation by asset class

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Depreciation by Asset Class/Sub-class										
Infrastructure		38,326	32,601	33,533	31,800	31,800	31,800	37,538	38,877	42,845
Roads Infrastructure		14,272	13,264	13,482	12,659	12,659	12,659	15,858	16,141	16,429
Roads		14,028	11,919	11,897	11,680	11,680	11,680	14,004	14,287	14,576
Road Structures		243	1,320	1,458	914	914	914	1,677	1,677	1,677
Road Furniture		0	25	126	63	63	63	174	174	174
Capital Spares		1	1	1	1	1	1	2	2	2
Storm water Infrastructure		-	9	80	1	1	1	33	33	33
Drainage Collection		-	9	7	1	1	1	11	11	11
Storm water Conveyance		-	-	73	-	-	-	22	22	22
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		3,753	3,767	3,765	3,747	3,747	3,747	3,908	4,108	7,176
Power Plants		37	37	37	37	37	37	37	37	37
HV Substations		-	-	4	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		352	353	351	350	350	350	354	404	404
MV Substations		637	629	628	627	627	627	637	687	797
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		12	12	12	12	12	12	22	22	22
LV Networks		93	98	97	97	97	97	98	98	98
Capital Spares		2,623	2,638	2,637	2,624	2,624	2,624	2,760	2,860	5,818
Water Supply Infrastructure		14,335	9,917	10,150	9,991	9,991	9,991	11,309	12,065	12,676
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		37	37	37	37	37	37	37	37	47
Reservoirs		27	28	27	27	27	27	48	48	58
Pump Stations		746	954	993	942	942	942	1,263	1,363	1,573
Water Treatment Works		11,357	6,672	6,775	6,727	6,727	6,727	7,433	7,559	7,689
Bulk Mains		132	180	180	179	179	179	281	311	422
Distribution		1,743	1,749	1,836	1,776	1,776	1,776	1,947	2,319	2,328
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		47	48	47	47	47	47	48	68	90
Capital Spares		245	250	255	255	255	255	252	361	471
Sanitation Infrastructure		5,966	5,644	6,054	5,402	5,402	5,402	6,431	6,531	6,531
Pump Station		278	389	388	388	388	388	391	391	391
Reticulation		-	-	598	-	-	-	627	627	627
Waste Water Treatment Works		-	-	88	-	-	-	494	494	494
Outfall Sewers		5,131	4,695	4,423	4,491	4,491	4,491	4,357	4,357	4,357
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		557	559	557	523	523	523	562	662	662
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-

Community Assets		417	418	637	416	416	416	775	785	795
Community Facilities		0	0	0	0	0	0	0	0	0
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		0	0	0	0	0	0	0	0	0
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		417	418	637	416	416	416	774	784	794
Indoor Facilities		64	64	64	64	64	64	65	65	65
Outdoor Facilities		269	270	490	269	269	269	606	606	606
Capital Spares		83	83	83	83	83	83	104	114	124
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		1,177	1,179	1,175	1,174	1,174	1,174	3,028	3,028	3,028
Revenue Generating		1,177	1,179	1,175	1,174	1,174	1,174	3,028	3,028	3,028
Improved Property		1,177	1,179	1,175	1,174	1,174	1,174	3,028	3,028	3,028
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		4,148	4,321	4,157	4,257	4,257	4,257	4,213	4,216	4,218
Operational Buildings		4,148	4,321	4,157	4,257	4,257	4,257	4,213	4,216	4,218
Municipal Offices		4,134	4,307	4,142	4,242	4,242	4,242	4,200	4,202	4,205
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		6	6	6	6	6	6	3	3	3
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		8	9	9	9	9	9	10	10	10
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		41	38	7	2	2	2	4	4	4
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		41	38	7	2	2	2	4	4	4
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		41	38	7	2	2	2	4	4	4
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		518	696	750	984	984	984	854	854	854
Computer Equipment		518	696	750	984	984	984	854	854	854
Furniture and Office Equipment		511	450	521	590	590	590	522	522	523
Furniture and Office Equipment		511	450	521	590	590	590	522	522	523
Machinery and Equipment		491	466	411	453	453	453	369	369	370
Machinery and Equipment		491	466	411	453	453	453	369	369	370
Transport Assets		3,344	3,515	2,715	2,973	2,973	2,973	2,599	2,744	2,912
Transport Assets		3,344	3,515	2,715	2,973	2,973	2,973	2,599	2,744	2,912
Total Depreciation	1	48,972	43,683	43,907	42,648	42,648	42,648	49,900	51,397	55,548

Capital expenditure on the upgrading of existing assets by assets class

EC105 Ndlambe - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class										
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		67,635	79,522	100,427	53,834	72,257	72,257	24,928	14,701	31,968
Roads Infrastructure		15,832	17,017	34,150	44,567	50,660	50,660	10,753	-	21,226
Roads		15,832	17,017	34,150	44,567	50,660	50,660	10,753	-	21,226
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	2,527	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	1,887	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	640	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		14,073	17,104	15,305	4,348	2,590	2,590	6,513	8,418	6,699
Dams and Weirs		667	-	-	-	-	-	600	568	591
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	735	772
Pump Stations		-	-	-	-	-	-	565	848	891
Water Treatment Works		7,129	17,104	15,305	4,348	2,590	2,590	4,348	5,217	3,343
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		6,277	-	-	-	-	-	1,000	1,050	1,103
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		37,731	45,400	50,972	4,919	19,007	19,007	5,135	6,282	4,044
Pump Station		34,993	42,186	28,708	4,919	10,492	10,492	5,135	6,282	4,044
Reticulation		2,738	3,214	22,264	-	8,514	8,514	-	-	-

Community Assets		485	9,186	859	-	-	-	783	-	-
Community Facilities		281	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		281	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		204	9,186	859	-	-	-	783	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		204	9,186	859	-	-	-	783	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		270	702	484	30	369	369	-	-	-
Operational Buildings		270	702	484	30	369	369	-	-	-
Municipal Offices		270	702	484	30	369	369	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	68,390	89,409	101,769	53,864	72,626	72,626	25,710	14,701	31,968
Upgrading of Existing Assets as % of total capex		50.5%	74.0%	60.1%	34.0%	31.2%	31.2%	30.4%	23.6%	49.0%
Upgrading of Existing Assets as % of deprechn"		139.7%	204.7%	231.8%	126.3%	170.3%	170.3%	51.5%	28.6%	57.5%

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

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 2026/2027 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 2026/2027

EC105 (Ndlambe Local Municipality) Schedule of Service Delivery Standards 2026/2027	
Description	
Standard	2026/2027 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 polytime 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 months'/three month's/longer period)	Averages based on past 6 months
On average, 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 connections affected (number of hours)	(50mm PVC) at least 2 hours
Up to 20 service connections 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 at least 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 months'/three month's/longer period)	Averages based on past 6 months
On average, 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 prevent 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 take to provide electricity service where existing infrastructure can be used? (working days)	7 Days
How long does the municipality take to provide electricity service for low voltage users where network extension is not required? (working days)	2 Weeks
How long does the municipality take to provide electricity service for high voltage users where network extension is not required. (working days)	1 Month
Sewerage Service	

Is your purification system effective enough to put water back in to the system after purification?	Yes
To what extent 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 hours, 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%
Is the financial statement outsourcing? (Yes/No)	No
Are there Council adopted business process structuring the flow and management of documentation feeding to Trial Balance?	Process to be developed
How long does it take for a 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 quarterly and annually including for the next two to three years procurement plans?	Yes, Supply Chain co-ordinates the procurement plan for the current financial year and outer years will be incorporated in the future.
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 do 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 driver's 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 private 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 private companies or Department of Health
Economic Development	
Did your municipality participate in the Sub-National Doing Business Survey, and have the results been	No

analyses 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 Imbizo 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)

25/03/2026

DATE