

CAPE AGULHAS MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2023/2024 TO 2025/2026



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CAPE AGULHAS MUNICIPALITY
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ANNUAL BUDGET OF

CAPE AGULHAS MUNICIPALITY

2023/24 TO 2025/26

MEDIUM TERM REVENUE AND

EXPENDITURE FORECASTS

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- In the foyers of all municipal buildings
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Part 1 – Annual Budget

1.1 Vision & Mission

Our Vision

Together for excellence

Saam vir uitnemendheid

Sisonke siyagqwesa

Our Mission

To render excellent services through good governance, public ownership and partnership in order to create a safer environment that will promote socio-economic growth and ensure future financial sustainability in a prosperous southernmost community

This will be achieved through:

- Fairness
- Integrity
- Accountability and responsibility
- Transparency
- Innovativeness
- Responsiveness
- Empathy

1.2 Mayor's Report

In terms Section 152 of the Constitution of the Republic of South Africa, the objectives of local government are as follows:

- a) To provide democratic and accountable government for local communities;
- b) To ensure the provision of services to communities in a sustainable manner;
- c) To promote social and economic development;
- d) To promote a safe and healthy environment; and
- e) To encourage the involvement of communities and community organisations in the matters of Local Government.

A municipality must strive, within its financial and administrative capacity, to achieve these objective set out in Section 152.

As Mayor and Council we are committed to the following major focus areas:

- Youth Development;
- Development and upgrading of Recreational Facilities;
- Social Development and related projects;
- Local Economic Development (LED);
- Beautification of Communities;
- Sport Development;
- Uplift and support elderly;
- Safety and Security of the Community;
- Job creation initiatives/programs;

In order to achieve our goals in the focus areas identified, it is imperative that we:

- Spend at least 95% of our budget allocations;
- Tighten our oversight responsibility in each and every department (Financial monitoring and reporting);
- Be open minded, responsive and caring;
- Work closer as a collective and respect one another's job and responsibility;
- Employ capable officials who can contribute to service delivery;
- Ensure sustained financial viability for maximum development support;
- Sound financial administration;
- Ensure internal control over municipality's financial activities;
- Maximise Revenue potential through effective debt collection and credit control practices;
- Effective and efficient management of the municipality's assets and motor vehicle fleet to optimise the economic benefit over the useful life of the asset;
- Develop and implement ICT Governance to realise the following benefits:
 - o Integrates and institutionalise good practices to ensure that the ICT component supports the business objectives
 - o The organisation will use ICT Governance Framework to drive the Stakeholders' values.
 - o The organisation will also understand and manage the associated IT risks.
- Provide an effective and efficient financial management service to external and internal stakeholders in respect of council's assets, liabilities, revenue and expenditure in a sustained manner.

Real Gross Domestic Product (GDP) growth of 0,9 per cent is projected for 2023. Over the next three years, GDP growth is expected to average 1.8 per cent. Headline inflation is expected to remain between 3 to 6 per cent target range over the 2023/24 MTREF.

Commodity prices, which have supported South Africa's economic recovery, slowed and a number of other new risk is placing a developmental state like South Africa under additional growth pressures. Industrial action in the manufacturing sector, and the re-emergence of loadshedding, also slowed the pace of the recovery.

The following macro-economic forecasts was considered when preparing the 2023/24 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2021 - 2026

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

Source: Budget Review 2023.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

To implement the IDP the following strategic goals and objectives (aligned to both the National KPA's and the departments within the municipality) are contained in the IDP of Cape Agulhas Municipality:

National KPA	Municipal KPA	Strategic goal	Strategic objective	Department
KPA1: Good Governance and Public Participation	MKPA1: Good Governance and Public Participation	SG1: To ensure good governance and institutional sustainability	SO1: To create a culture of good governance	1.1 - Council Administration
				1.2 - Internal Audit
				1.3 - Municipal Manager
				1.4 - Council Support
				1.5 - Shared Services
				1.6 - Strategic Services
				1.9 - Administration
				1.1 - Council Administration
				1.10 - Human Resources & Organisational Development
KPA2: Municipal Institutional Development and Transformation	MKPA2: Municipal Institutional Development and Transformation	SG2: To ensure institutional sustainability	SO3: To create an administration capable of delivering on service excellence.	1.10 - Human Resources & Organisational Development
				1.9 - Administration
				2.7 - Information Systems
				4.2 - Beaches & Holiday Resorts
				4.3 - Buildings and Commonage
				4.8 - Parks and Sports Facilities
KPA3: Local Economic Development	MKPA3: Local Economic Development and Tourism	SG3: To promote local economic development in the Cape Agulhas Municipal Area	SO4: To create an enabling environment for economic growth and development	1.10 - Human Resources & Organisational Development
				1.6 - Strategic Services
				4.11 - Social Development
				4.8 - Parks and Sports Facilities
			SO5: To promote tourism in the Municipal Area	5.1 - Director: Engineering Services
				1.1 - Council Administration
				1.11 - Tourism
KPA4: Municipal Financial Viability and Management	MKPA4: Municipal Financial Viability and Management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	SO6: To provide effective financial, asset and procurement management	2.1 - Budget & Treasury
				2.2 - Expenditure Management
				2.3 - Director: Financial Services & ICT
				2.4 - Revenue Management
				2.5 - Supply Chain Management
KPA5: Basic Service Delivery	MKPA5: Basic Service Delivery	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	SO10: Development of sustainable vibrant human settlements	1.7 - Town Planning
				4.6 - Human Settlements
				5.7 - Building Control
			SO7: Provision of equitable quality basic services to all households SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	1.1 - Council Administration
				2.6 - Workshop
				5.1 - Director: Engineering Services
				5.10 - Air Quality
				5.2 - Sewerage Services
				5.3 - Refuse Removal Services
				5.4 - Streets & Stormwater
				5.5 - Water
				5.6 - Workshop
				5.8 - Electricity Services
				5.9 - PMU Unit
			SO9: To provide community facilities and services	4.10 - Public Services
				4.4 - Cemetery
				4.7 - Library Services
			SO10: Development of sustainable vibrant human settlements	4.6 - Human Settlements
KPA6: Social and youth development	MKPA6: Social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	SO11: To promote social and youth development	1.1 - Council Administration
				1.8 - Socio & Economic Development
				4.1 - Director: Management Services
			SO12: To create and maintain a safe and healthy environment	4.12 - Traffic & Law Enforcement
				4.13 - Traffic Licensing & Vehicle Testing Station
				4.5 - Environmental Services
				4.9 - Protective Services
				5.3 - Refuse Removal Services

The Integrated Development Plan (IDP) is a 5-year strategic developmental plan, setting strategic and budget priorities as required in terms of the Municipal Systems Act of 2000.

The municipal Council compile a new Integrated Development plan, titled the 5th Generation IDP.

The IDP, set our budget priorities for the next five years, should be aligned with the development plans of provincial and national government, and is agreed upon between Cape Agulhas Municipality and the residents during the public participation process. Therefore the IDP enables Cape Agulhas Municipality to make the best use of scarce resources and it also enables the councillors to make decisions based on the needs and priorities of their communities.

With the IDP, Cape Agulhas Municipality can:

- Develop a clear vision
- Identify its key development priorities
- Formulate appropriate strategies
- Develop the appropriate organisational structure and systems
- Align resources with development priorities

1.3 Draft Council Resolutions

1. Council resolves that the Draft budget of the municipality for the financial year 2023/24 as per Budget Related Resolutions of the budget document and indicative for the projected outer years 2024/25 and 2025/26 be tabled and adopted as set out in Annual Budget Tables in respect of the following schedules:

- 1.1 Executive summary of revenue & expenditure – Table A1;**
 - 1.2 Budgeted Financial Performance (Revenue and Expenditure by standard Classification) –Table A2;**
 - 1.3 Budgeted Financial Performance (revenue and expenditure by municipal vote) A – Table A3;**
 - 1.4 Budgeted Financial Performance (revenue and expenditure) – Table A4;**
 - 1.5 Budgeted Capital Expenditure by vote, standard classification and funding – Table A5;**
 - 1.6 Budgeted Financial Position – Table A6;**
 - 1.7 Budgeted Cash Flows Table A7;**
 - 1.8 Cash backed reserves/accumulated surplus reconciliation – Table A8;**
 - 1.9 Asset Management – Table A9;**
 - 1.10 Basic service delivery measurement table A10**
- 2. Council approves and adopts the Draft tariffs listing for services as per Appendix A with effect 1 July 2023. Council take note that the Draft tariff in respect of the Electricity increase is still subject to final approval by NERSA, and that after Nersa issue the document the tariff will be updated based on the outcome letter.**

3. Council adopts the Draft Service Delivery and Budget Implementation plan (SDBIP) in respect of the 2023/24 budget year per Appendix B
4. The Council of Cape Agulhas Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2023 the following Draft policies:
 - (i) The Draft Borrowing, funds and reserve policy as per Annexure C1
 - (ii) The Draft Budget and veriment policy as per Annexure C2
 - (iii) The Draft Cost containment policy as per Annexure C3
 - (iv) The Draft Cash and Investment policy as per Annexure C4
 - (v) The Draft Cost containment policy as per Annexure C5
 - (vi) The Draft Funding and reserves policy as per Annexure C6
 - (vii) The Draft Policy relating to the Long-term financial plan as per Annexure C7
 - (viii) The Draft Policy related to the Management and Disposal of the assets as per Annexure C8
 - (ix) The Draft policy relating to the dealing with Infrastructure investment and capital projects as per Annexure C9
5. **Council notes that the Executive Mayor will have an oversight role over the budget process before it is again submitted for final approval.**

1.4 Executive Summary

Over the 2023 MTEF period, local government allocations will increase by a total of R14.3 billion, made up of R8.1 billion in the local government equitable share and R6.2 billion in direct conditional grants. This takes the total direct allocation to R521.7 billion over the same period. These allocations alleviate some of the financial pressures, particularly in basic services, where the costs of providing services are rising.

The local government equitable share and related allocations increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.5 per cent over the 2023 MTEF period.

The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 MTEF period. It also includes allocations for the operational and maintenance costs associated with the provision of free basic services.

The 2023 Budget has ensured that sufficient provision has been made to ensure that all municipalities are fully subsidized to support indigent households. Following this, R1.35 billion has been left unallocated in the LGES formula for 2023/24 to serve as a precautionary measure should municipal electricity tariffs exceed the 20.7 per cent provided for in the formula (see section 5.7 on why this is above the 18.7 per cent approved by the Energy Regulator). If the actual increase in municipal bulk tariffs exceeds the provision made in the formula, it will be the first call on those unallocated funds. We will consider funding broader cost relief measures for municipalities if funds remain available after that.

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities, like Cape Agulhas Local Municipality, have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment.

The municipality must focus on maximising the revenue generation of the municipal revenue base, while also setting cost reflective tariffs.

It should also be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2023/24 Medium-term Revenue and Expenditure Framework:

Consolidated Overview of the 2023/24 MTREF (R'000)

Description R thousands	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance	(432 624)	(454 625)	(505 272)	(558 440)
Total Expenditure	433 171	454 229	493 737	530 392
Surplus/(Deficit)	547	(396)	(11 535)	(28 048)
Transfers and subsidies - capital (monetary allocations)	(33 322)	(16 628)	(14 019)	(12 422)
Surplus/(Deficit) after capital transfers & contributions	(32 775)	(17 024)	(25 553)	(40 470)
Surplus/(Deficit) for the year	(32 775)	(17 024)	(25 553)	(40 470)

As can be seen from the above, the municipality is projected to operate at an operating surplus over the 2023/24 MTREF. This is considered positive as sufficient revenue will be raised to cover both cash and non-cash expenditure to be incurred. As previously mentioned, this will have a positive impact on the cash resources and sustainability of the municipality.

The municipal surplus budget is under tremendous pressures and this is a direct result of the impact of the Global economic recessionary environment currently in operation as well as the impact of the Load shedding and currency depreciating that impact on the cost of fuel and diesel.

A new valuation roll is also being implemented and to accommodate that significant increases in the value of the properties the municipality needed to review the increases implemented for the property rates.

The budget presented is aligned to the following vote structure:

Vote	Executive and Council	Financial Services & ICT	Management Services	Engineering Services
Department	Council Administration	Budget & Treasury	Beaches & Holiday Resorts	Director: Engineering Services
	Strategic Services	Expenditure Management	Buildings and Commonage	Sewerage Services
	Town Planning	Director: Financial Services & ICT	Cemetery	Refuse Removal Services
	Socio & Economic Development	Revenue Management	Human Settlements	Water
	Administration	Supply Chain Management	Library Services	Building Control
	Human Resources & Organisational Development	Workshop	Parks and Sports Facilities	Electricity Services
	Tourism	Information Systems	Traffic & Law Enforcement	Streets & Stormwater
	Internal Audit		Traffic Licencing & Vehicle Testing Station	PMU Unit
	Municipal Manager		Director: Management Services	Air Quality
	Council Support		Environmental Services	
	Shared Services		Protective Services	
			Public Services	

In line with the municipal structure, the following revenue and expenditure is appropriated to each vote:

Description R thousands	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance	(432 624)	(453 612)	(504 160)	(557 196)
Total Expenditure	433 171	453 216	492 625	529 149
Surplus/(Deficit)	547	(396)	(11 535)	(28 048)
Transfers and subsidies - capital (monetary allocations)	(33 322)	(16 628)	(14 019)	(12 422)
Surplus/(Deficit) after capital transfers & contributions	(32 775)	(17 024)	(25 553)	(40 470)
Surplus/(Deficit) for the year	(32 775)	(17 024)	(25 553)	(40 470)

1.5 Operating Revenue Framework

Section 18 of the Municipal Finance Management Act, 2003, which deals with the funding of expenditure, states as follows:

- (1) "An annual budget may only be funded from –
 - (a) Realistically anticipated revenue to be collected from the approved sources of revenue;
 - (b) Cash-backed accumulated funds from previous financial years' surpluses not committed for other purposes; and
 - (c) Borrowed funds, but only for the capital budget referred to in section 17(2).
- (2) Revenue projections in the budget must be realistic, taking into account –
 - (a) projected revenue for the current year based on collection levels to date; and
 - (b) actual revenue collected in previous years."

The following table is a summary of the 2023/24 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source

Description	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Exchange Revenue	257 265	284 543	313 404	355 788
Service charges - Electricity	157 415	172 370	194 330	228 726
Service charges - Water	31 978	37 876	40 338	42 960
Service charges - Waste Water Management	18 314	20 019	21 319	22 703
Service charges - Waste Management	24 154	25 724	27 396	29 176
Sale of Goods and Rendering of Services	-	-	-	-
Agency services	1 750	1 855	1 940	2 030
Interest	-	-	-	-
Interest earned from Receivables	1 778	2 009	2 152	2 325
Interest earned from Current and Non Current Assets	5 506	6 194	6 968	7 665
Dividends	-	-	-	-
Rent on Land	2 081	2 289	2 401	2 514
Rental from Fixed Assets	9 410	9 972	10 948	11 810
Licence and permits	4 296	4 730	4 962	5 195
<i>Operational Revenue</i>	<i>583</i>	<i>1 506</i>	<i>650</i>	<i>683</i>
Non-Exchange Revenue	174 418	169 069	190 756	201 408
Property rates	86 396	93 065	98 795	104 881
Surcharges and Taxes	-	-	-	-
Fines, penalties and forfeits	3 500	5 000	5 230	5 471
Licences or permits	-	-	-	-
Transfer and subsidies - Operational	70 502	58 901	81 525	85 748
Interest	-	-	-	-
Fuel Levy	-	-	-	-
Operational Revenue	2 020	2 103	2 205	2 309
Gains on disposal of Assets	12 000	10 000	3 000	3 000
Other Gains	-	-	-	-
Discontinued Operations				
Total Revenue (excluding capital transfers and contributions)	431 683	453 612	504 160	557 196

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

For the financial year 2023/24 National Treasury issued the mSCOA chart version 6.7. The chart differ from the previous versions due to alignment of the chart with the Grap Annual Financial statements format. The municipality was required to reclassify the current financial year information to ensure correlation with the budgeted information.

This was done to ensure comparisons could be done with the current financial year as well as the MTREF budget period.

Summary of revenue classified by municipal vote

Vote Description		2023/24 Medium Term Revenue & Expenditure Framework		
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	Adjusted Budget			
Revenue by Vote				
Vote 1 - Executive and Council	42 846	46 114	46 569	48 526
Vote 2 - Financial Services and ICT	70 276	73 107	74 070	76 931
Vote 3 - Management Services	75 833	72 613	91 349	93 422
Vote 4 - Engineering Services	239 178	261 382	280 638	310 270
Total Revenue by Vote	428 133	453 216	492 625	529 149

Percentage growth in revenue base by main revenue source

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
Revenue								
Exchange Revenue	257 265	60%	284 543	63%	313 404	62%	355 788	64%
Service charges - Electricity	157 415	36%	172 370	38%	194 330	39%	228 726	41%
Service charges - Water	31 978	7%	37 876	8%	40 338	8%	42 960	8%
Service charges - Waste Water Man	18 314	4%	20 019	4%	21 319	4%	22 703	4%
Service charges - Waste Managemen	24 154	6%	25 724	6%	27 396	5%	29 176	5%
Sale of Goods and Rendering of Ser	-	0%	-	0%	-	0%	-	0%
Agency services	1 750	0%	1 855	0%	1 940	0%	2 030	0%
Interest	-	0%	-	0%	-	0%	-	0%
Interest earned from Receivables	1 778	0%	2 009	0%	2 152	0%	2 325	0%
Interest earned from Current and No	5 506	1%	6 194	1%	6 968	1%	7 665	1%
Dividends	-	0%	-	0%	-	0%	-	0%
Rent on Land	2 081	0%	2 289	1%	2 401	0%	2 514	0%
Rental from Fixed Assets	9 410	2%	9 972	2%	10 948	2%	11 810	2%
Licence and permits	4 296	1%	4 730	1%	4 962	1%	5 195	1%
<i>Operational Revenue</i>	<i>583</i>	<i>0%</i>	<i>1 506</i>	<i>0%</i>	<i>650</i>	<i>0%</i>	<i>683</i>	<i>0%</i>
Non-Exchange Revenue	174 418	40%	169 069	37%	190 756	38%	201 408	36%
Property rates	86 396	20%	93 065	21%	98 795	20%	104 881	19%
Surcharges and Taxes	-	0%	-	0%	-	0%	-	0%
Fines, penalties and forfeits	3 500	1%	5 000	1%	5 230	1%	5 471	1%
Licences or permits	-	0%	-	0%	-	0%	-	0%
Transfer and subsidies - Operational	70 502	16%	58 901	13%	81 525	16%	85 748	15%
Interest	-	0%	-	0%	-	0%	-	0%
Fuel Levy	-	0%	-	0%	-	0%	-	0%
Operational Revenue	2 020	0%	2 103	0%	2 205	0%	2 309	0%
Gains on disposal of Assets	12 000	3%	10 000	2%	3 000	1%	3 000	1%
Other Gains	-	0%	-	0%	-	0%	-	0%
Discontinued Operations		0%		0%		0%		0%
Total Revenue (excluding capital transfers and contributions)	431 683	100%	453 612	100%	504 160	100%	557 196	100%
Rates and services contribution	318 257	74%	349 053	77%	382 177	76%	428 447	77%

As can be seen from the above table, the new National Treasury reporting format, provides an interesting analysis between the Exchange and Non-exchange traded services as well as the total contribution from the Rates and Services to the municipal revenue budget.

Exchange traded services are classified and defined as services where there is an exchange of goods and services, the municipality delivers a service in exchange for the service tariffs or fees charged to the consumer or user. The table indicates that the municipality collects projected a total of 63% of revenue from exchange related functions.

A observation to note is the contribution of the Service revenue – Electricity charges. Although a increase of 18.49% is included as the proposed electricity increase based on the Nersa approve tariff, the municipal revenue from the

revenue source is only increasing from 36 to 38% over the reporting period. The low increase is mainly due to the impact of Loadshedding on the sale of electricity units. This income source will be carefully monitored over the budget period and any significant changes need to be addressed due to the significant contributor of electricity to the municipal revenues. Electricity has also always been used traditionally to cross-subsidize department that is not generating income or generate inadequate income to fund the function.

Non-exchange services are the opposite of exchange whereas no back and forth of services is exchanged in the production of income. The levied of property rates is regarded as a non-exchange service and contributes the biggest component of these revenues together with the Operational transfers.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise between 74 and 77 percent of the total revenue mix.

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

Operating Transfers and Grant Receipts

Description		2023/24 Medium Term Revenue & Expenditure Framework		
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	Adjusted Budget			
RECEIPTS:				
Operating Transfers and Grants				
National Government:	44 708	44 111	49 279	50 770
Local Government Equitable Share	37 037	40 380	43 729	47 082
Finance Management	1 550	1 550	1 550	1 688
Integrated National Electrification Programme	4 348	-	4 000	2 000
EPWP Incentive	1 773	2 181	-	-
Provincial Government:	26 867	14 158	33 653	34 421
Regional Socio Economic Program (RSEP)	1 117	130	-	-
Community Development Workers (CDW)	56	57	57	57
Housing	2 454	4 085	23 906	24 249
Housing - Rent to own	15 000	-	-	-
Library Support grant	7 395	9 796	9 600	10 020
Proclaimed Roads - subsidy	95	90	90	95
DPLG Capacity building Grant	300	-	-	-
Thusong Grant	150	-	-	-
WC Financial support grant	300	-	-	-
	-	-	-	-
Total Operating Transfers and Grants	71 575	58 269	82 932	85 191
Capital Transfers and Grants				
National Government:	28 929	17 260	12 612	12 979
Municipal Infrastructure Grant (MIG)	11 929	12 260	12 612	12 979
Water Service Infrastructure Grant (WSIG)	17 000	5 000	-	-
Provincial Government:	820	-	-	-
WC Meter Intervention Grant (Smart metering)	700	-	-	-
DPLG Capacity building Grant (Shieldhouse)	120	-	-	-
Total Capital Transfers and Grants	29 749	17 260	12 612	12 979
TOTAL RECEIPTS OF TRANSFERS & GRANTS	101 324	75 529	95 544	98 170

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 3-6 per cent, which is the current projected inflation rate for 2023/24.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates, also taking into account recovery rates achieved in the 2023/24 year to date. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. The process with regards to the collection of outstanding debts is currently under review with numerous processes being investigated that increase additional revenues relating to outstanding debt will be collected.

1.5.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The municipality as part of the compilation of the budget was required by legislation to implement a new valuation roll for the 2023/24 MTREF period after applying for exemption with the 2022/23 MTREF budget process.

The new valuation roll is currently out for public comment and available at all municipal facilities and offices.

The objection and appeal process for complains on the new valuation roll has lapse and the next phase of the implementation, is addressing the appeals and objections as received.

The impact of the new valuation roll is an 24% increase on the average property valuations of residential plots with even significantly higher increases on the vacant plots in certain areas.

Implementing a tariff increase during periods of implementing a new valuation roll is also complicated due to the “double taxation” nature of the circumstances. That is receiving an increase in the value of the property as well as an increase in the property rates tariff as per normal municipal practices.

To ensure affordability and the impact on the tariff can be kept to a minimum and not significantly negatively impacting the average household the municipality implemented a reduction in the c/R tariff for the 2023/24 financial year. That is also in line with communication received from Provincial government to ensure that the impact on households is limited given the current economic climate.

The proposal for the 2023/24 financial year is an average increase of 6% on the Property rates revenue budgeted, based on the Adjustment budget information for the 2022/23 financial year. This in effect means that no rates increases are anticipate for the financial year due to the New valuation roll with a subsequent reduction in the c/R value to accommodate property value increases.

1.5.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure cost reflective tariffs are achieved.

With effect from the 1st of July with the implementation of the new budget and tariffs the municipality implemented a significant changed that will impact most households within the municipal areas if implemented. Historically all municipal residential households received a 6kl free water monthly. Standards practice with most local municipalities is that this benefit is mostly only afforded to the municipal registered indigents on the municipal database.

The municipal administrative after numerous debated decided to implement the following as part of the budget process for the 2023/24 financial year:

- The 6kl free water will only be available to households registered on the municipal Indigent database register. The registration on the database is ongoing and all household that struggle with the payment of municipal accounts due to economic hardships are encouraged to register on the municipal database.
- All other households who historically also received the 6kl free water will only be given 3kl free with the implementation of the 2023/24 financial year, and this benefit will be reduce to 0 with effect from the 2024/25 financial year.
- The tariff for water usage is based on a scale with higher tariff charged the higher the usage of the household of the consumer.
- The scales currently implemented is also being reviewed and this is done to ensure the security of the water resources with the municipal boundaries.

- The average household usage will be determine and a penalty tariff will be implemented with the scales to deter wastage of the municipal water resources.

All the above are proposed to ensure the municipality project the limited natural water resources within the municipal boundaries.

An average increase of 6 per cent (in line with projected CPI) in the Water tariff is proposed for 2023/24 financial year.

The following projections are applicable to the water service:

Although this service is running, the following should also be taken into account when coming to a final conclusion with regards to the service provided:

- The increase in the tariff is aligned to the Long Term financial plan of the municipality. It is imperative that the service generates a surplus not only to provide the required funding needed for capital purposes, but also to increase the cash reserves of the municipality that will ensure that the basic services are provided on a sustainable manner.
- The service should be reviewed in conjunction with the provision of Sewerage and Sanitation Services. It is estimated that 70% of all water consumption eventually filters through into the sewerage systems of the municipality. In order to ensure that the level of services in the municipal area are maintained from a sewerage point of view, it is only considered fair that the large water consumers contribute to the needs of the Sewerage Infrastructure requirements of the municipality.

Full details regarding the tariffs are included as Appendix A to this document.

1.5.3 Sale of Electricity and Impact of Tariff Increases

An 18.49% increase in Electricity tariffs are currently factored into the projections below. This increase is subject to approval from NERSA during April/May 2023 and could potentially still be adjusted based on final determinations by NERSA.

The biggest component with respect to the adjustment to municipal household accounts is the component of Electricity charges on the account. The NERSA tariffs decision will have a significant impact on available disposable funds of households.

The municipality is mindful of above and residents is urge to register on the municipal indigent database if qualification criteria is met.

Full details regarding the tariffs are included as Appendix A to this document.

1.5.4 Sanitation and Impact of Tariff Increases

An average increase of 6 per cent in the Sanitation tariff is proposed for 2023/24 financial year. This is in line with projected CPI and is required to ensure that the service provides a surplus in order to provide support to the capital funding requirements associated with the service.

Full details regarding the tariffs are included as Appendix A to this document.

1.5.5 Waste Removal and Impact of Tariff Increases

An average increase of 6 per cent in the Refuse Removal tariff is proposed for 2023/24 financial year. The service is currently being operated at a deficit (also taking into account the municipality's obligation to rehabilitate landfill sites). The municipality should investigate the service to ensure that the service becomes cost reflective over time.

1.5.6 Overall impact of tariff increases on households

Information on the impact on households can be illustrated below.

Household profile used for municipal Account based on National Treasury guideline document:

{Household.: 1 000 kWh / 30 kl.}		30-Jun-23		01-Jul-23		R	%
Service Description	Units	Tariff	Amount	Tariff	Amount	Difference	Increase
Elec.: Single Phase (40Amp)	40	9,19	377,47	10,89	445,78	68,31	
Consumption	50	1,379249	68,96	1,635651	81,78	12,82	
Consumption	350	1,773051	620,57	2,102661	735,93	115,36	
Consumption	250	2,495825	623,96	2,959799	739,95	115,99	
Consumption	350	2,952460	1 033,36	3,501322	1 225,46	192,10	
Water : Basic Fee	1	173,04	173,04	184,29	184,29	11,25	
Consumption	3	0,00	0,00	0,00	0,00	0,00	
Consumption	6	0,00	0,00	9,58	28,74	28,74	
Consumption	14	9,04	126,56	10,25	143,50	16,94	
Consumption	10	9,67	96,70	13,75	137,50	40,80	
Sewerage	1	180,87	180,87	192,63	192,63	11,76	
Refuse Removal	1	204,88	204,88	218,20	218,20	13,32	
			3 506,37		4 133,77	627,39	17,89%
VAT i.r.o.services (15%)		0,15	525,96	0,15	620,06	94,11	
Sub-Total:	1 800 000		4 032,33		4 753,83	721,50	17,89%
Property Rates	1 500 000	0,009053	1 120,31	0,006835	1 016,71	-103,60	-9,25%
Total:			5 152,64		5 770,54	617,90	11,99%

{Household.: 500 kWh / 25 kl.}		30-Jun-23		01-Jul-23		R	%
Service Description	Units	Tariff	Amount	Tariff	Amount	Difference	styging
Elec.: Single Phase (40Amp)	40	9,19	377,47	10,89	445,78	68,31	
Consumption	50	1,379249	68,96	1,635651	81,78	12,82	
Consumption	350	1,773051	620,57	2,102661	735,93	115,36	
Consumption	100	2,495825	249,58	2,959799	295,98	46,40	
Water : Basic Fee	1	173,04	173,04	184,29	184,29	11,25	
Consumption	3	0,00	0,00	0,00	0,00	0,00	
Consumption	3	0,00	0,00	9,58	28,74	28,74	
Consumption	14	9,04	126,56	10,25	143,50	16,94	
Consumption	5	9,67	48,35	13,75	68,75	20,40	
Sewerage	1	180,87	180,87	192,63	192,63	11,76	
Refuse Removal	1	204,88	204,88	218,20	218,20	13,32	
			2 050,29		2 395,58	345,30	16,84%
VAT i.r.o.services (15%)		0,15	307,54	0,15	359,34	51,79	
Sub-Total:	900 000		2 357,83		2 754,92	397,09	16,84%
Property Rates	750 000	0,009053	554,50	0,006835	504,08	-50,42	-9,09%
Total:			2 912,33		3 259,00	346,67	11,90%

{Household.: 350 kWh / 20 kl.}		30-Jun-23		01-Jul-23		R	%
Service Description	Units	Tariff	Amount	Tariff	Amount	Difference	styging
Elektr.: Enkelfase (20Amp)	20	9,19	193,74	10,89	227,89	34,16	
Verbruik	50	1,379249	68,96	1,635651	81,78	12,82	
Verbruik	300	1,773051	531,92	2,102661	630,80	98,88	
Water : Basiese fooi	1	173,04	173,04	184,29	184,29	11,25	
Verbruik	3	0,00	0,00	0,00	0,00	0,00	
Verbruik	3	0,00	0,00	9,58	28,74	28,74	
Verbruik	14	9,04	126,56	10,25	143,50	16,94	
Riolering	1	180,87	180,87	192,63	192,63	11,76	
Afvalverwydering	1	204,88	204,88	218,20	218,20	13,32	
			1 479,97		1 707,83	227,86	15,40%
BTW op dienste (15%)		0,15	222,00	0,15	256,17	34,18	
Sub-Total:	600 000		1 701,96		1 964,00	262,04	15,40%
Eiendomsbelasting	500 000	0,009053	365,89	0,006835	333,21	-32,69	-8,93%
Total:			2 067,85		2 297,21	229,35	11,09%

3. L'Agulhas - Huish.: 800 kWh / 35 kl.		30-Jun-23		01-Jul-23		R	%
Diens	Eenh.	Tarief	Bedrag	Tarief	Bedrag	verskil	styging
Elektr.: Enkelfase (30Amp)	30	9,19	285,60	10,89	336,84	51,23	
Verbruik	50	1,379249	68,96	1,635651	81,78	12,82	
Verbruik	350	1,773051	620,57	2,102661	735,93	115,36	
Verbruik	250	2,495825	623,96	2,959799	739,95	115,99	
Verbruik	150	2,952460	442,87	3,501322	525,20	82,33	
Water : Basiese fooi	1	173,04	173,04	184,29	184,29	11,25	
Verbruik	3	0,00	0,00	0,00	0,00	0,00	
Verbruik	3	0,00	0,00	9,58	28,74	28,74	
Verbruik	14	9,04	126,56	10,25	143,50	16,94	
Verbruik	15	9,67	145,05	13,75	206,25	61,20	
Riolering (Sanitasie beskikb.)	1	44,54	44,54	47,44	47,44	2,90	
Afvalverwydering	1	204,88	204,88	218,20	218,20	13,32	
			2 736,03		3 248,11	512,08	18,72%
BTW op dienste (15%)		0,15	410,40	0,15	487,22	0,00	
			3 146,44		3 735,33	512,08	16,27%
Eiendomsbelasting	1 800 000	0,009053	1 120,31	0,006835	1 016,71	-103,60	-9,25%
	1 500 000		4 266,75		4 752,04	408,48	9,57%

4. HOP-huis: 50 kWh / 6 kl (Indigent - 100%)		30-Jun-23		01-Jul-23		R	%
Diens	Eenh.	Tarief	Bedrag	Tarief	Bedrag	verskil	styging
Elektr.: P/pay - Verbruik	50	1,155820	57,79	1,370687	68,53	10,74	
Water : Basiese fooi	1	173,04	173,04	184,29	184,29	11,25	
Verbruik	6	0,00	0,00	0,00	0,00	0,00	
Riolering	1	180,87	180,87	192,63	192,63	11,76	
Afvalverwydering	1	204,88	204,88	218,20	218,20	13,32	
			616,58		663,65	47,06	7,63%
BTW op dienste (15%)		0,15	92,49	0,15	99,55	7,06	
			709,07		763,20	54,12	7,63%
Eiendomsbelasting (Vrystelling - Eerste R200 000 van eiendom waardasie)		0,009053	0,00	0,006835	0,00	0,00	
	200 000		709,07		763,20	54,12	7,63%
MIN: Deernistoekenning - 100% Korting op basiese heffings (inkomste <R4 000 p.m.)			709,07		763,20	54,12	
			0,00		0,00	0,00	0,00%

4. HOP-huis: 50 kWh / 6 kl (Poor - 50%)		30-Jun-23		01-Jul-23		R	%
Diens	Eenh.	Tarief	Bedrag	Tarief	Bedrag	verskil	styging
Elektr.: P/pay - Verbruik	50	1,155820	57,79	1,370687	68,53	10,74	
Water : Basiese fooi	1	173,04	173,04	184,29	184,29	11,25	
Verbruik	6	0,00	0,00	0,00	0,00	0,00	
Riolering	1	180,99	180,99	192,63	192,63	11,64	
Afvalverwydering	1	204,88	204,88	218,20	218,20	13,32	
			616,70		663,65	46,95	7,61%
BTW op dienste (15%)		0,15	92,51	0,15	99,55	7,04	
			709,21		763,20	53,99	7,61%
Eiendomsbelasting (Vrystelling - Eerste R200 000 van eiendom waardasie)		0,000000	0,00	0,000000	0,00	0,00	
	200 000		709,21		763,20	53,99	7,61%
MIN: Deernistoekenning - 50% Korting op basiese heffings (inkomste <R4 001 p.m. - R7 000 p.m.)			354,61		381,60	26,99	
			354,61		381,60	26,99	7,61%

1.6 Operating Expenditure Framework

Municipalities are still urged to implement the cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation. With the implementation of cost containment measures, municipalities must control unnecessary spending on nice-to-have items and non-essential and non-priority activities.

The following table is a high-level summary of the 2023/24 budget and MTREF (classified per main type of operating expenditure):

Table 1 Summary of operating expenditure by standard classification item

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
Expenditure								
Employee related costs	163 292	38%	176 852	39%	181 776	37%	188 717	36%
Remuneration of councillors	5 549	1%	5 753	1%	5 753	1%	5 753	1%
Bulk purchases - electricity	106 248	25%	125 894	28%	141 932	29%	167 054	32%
Inventory consumed	27 833	7%	16 028	4%	24 913	5%	28 358	5%
Debt impairment	9 018	2%	9 835	2%	10 053	2%	10 234	2%
Depreciation and amortisation	10 827	3%	11 311	2%	11 818	2%	12 351	2%
Interest	10 763	3%	11 485	3%	12 059	2%	11 979	2%
Contracted services	27 239	6%	33 140	7%	29 166	6%	29 922	6%
Transfers and subsidies	1 758	0%	1 677	0%	1 682	0%	1 687	0%
Irrecoverable debts written off	-	0%	-	0%	-	0%	-	0%
Operational costs	65 605	15%	61 241	14%	73 473	15%	73 093	14%
Losses on disposal of Assets	-	0%	-	0%	-	0%	-	0%
Other Losses	-	0%	-	0%	-	0%	-	0%
Total Expenditure	428 133	100%	453 216	100%	492 625	100%	529 149	100%

Analyzing the budgeted expenditures, the following important observations can be observed –

Employee related cost –

The municipality has been struggling in recent years to keep the employee related cost within the National Treasury norms of 30-40% as per Circular 71 financial ratios. Numerous interventions have been implemented and this seem to bear the fruits with the compilation of the draft budget information. For the current as well as over the MTREF period the municipality managed to budget for employee related cost less than the 40% ratios.

Careful consideration needs to be made of the implementation of the budget as per planned targets to ensure actual performance is also within the stipulated targets. The impact of loadshedding due to the operational nature of restarting generations has however already indicated to be a huge challenging factor to ensure spending will be kept within targets. The current trend is that the loadshedding also contributes to significant increase in breakdown of infrastructure as well as the operating of the backup equipment that needed to be managed.

The improved planning of operational activities to date, however, proof fruitful in reducing the spending on overtime and standby budgets.

Bulk purchases electricity –

Bulk purchases contributed almost 25% of total operational expenditure over the MTREF period. The biggest risk currently experienced relating to these expenditures is the limited control the municipality have with respect to the yearly increases being implemented. The nature of the expenditures was traditionally offset with the collection of revenue from sale of electricity but the current trend for the foreseeable future is that the expenditures will significantly impact the municipal operations. This is mainly due to the calculation of the liability due to Eskom by the municipality. A huge component of the monthly payment is based on a fixed charges component, and this is not impacted by the total sales generated. This in effect results in a negative net monthly surplus in situations of extreme stages of loadshedding because the municipality will not be able to recover the cost from the consumer. This is negatively impacted the net surplus from the Electricity function. The proposed plan to address this impact is a review of the municipal tariff structure relating to the provision of electricity services. This will be implemented in the future MTREF periods to ensure that the municipality will be able adequately provide for the funding of the infrastructure network related expenses.

Remuneration of Councilors -

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Inventory consumed –

The biggest component relating to the inventory consumed is the Housing grant allocated recorded under this section. This records in the fluctuation of the weight of the component relative to the other expenditures. This range within the current 7% decreasing and settling on average 5% over the MTREF period.

Debt impairment –

Debt impairment account for the component of traffic fines not being collected as well as the provision for doubtful debts of service charges relating to the water / electricity / refuse / sewerage debtors.

In respect of the traffic fines the municipality implement a improved revenue from the current year performance to the protection services department. This is to account for the improved operational aspects currently being implemented in the unit. The collection rate has been increased to 25% that is significantly higher than the provincial average fine collection rate of other municipalities. The administration is however optimistic that these collections can be achieved.

The provision of debt impairment for service debtors was determined based on an annual collection rate of 98 per cent and the Debt Write-off Policy of the Municipality. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Depreciation and amortization -

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption.

Bulk purchases -

Bulk purchases are largely informed by the purchase of electricity from Eskom, which is projected to increase by 18.49%. Although the municipality is not in control of the increase in the cost of bulk purchases, the municipality could still implement measures to reduce distribution losses as well as internal consumption. The municipality should also explore options to reduce dependency on Eskom (ie solar initiatives).

Contracted services –

Contracted services accounts for 6% of operational cost on average over the MTREF period. These cost is mostly originating from contractual obligations or the hiring of expertise to perform specialized functions. The municipality is currently also exploring the possibility of utilizing the contracted services component of the budget to implement Local Economic development, by means of empowering local entrepreneurs to access municipal resources to stimulate the local economy.

Operational cost -

Other expenditure and Other materials comprise of various line items relating to the daily operations of the municipality (including repairs and maintenance as well as operating grant expenditure). These items should be reviewed by the municipality to ensure that all non-priority expenditure is eliminated.

1.6.1 Priority given to repairs and maintenance

National Treasury observed that budget appropriations for asset renewal as part of the capital programme and operational repairs and maintenance of existing asset infrastructure is still not receiving adequate priority by municipalities, regardless of guidance supplied in previous Budget Circulars. Asset management is a strategic imperative for any municipality and needs to be prioritised as a spending objective in the budget of municipalities.

For the 2023/24 budgets and MTREF's, municipalities must ensure they prioritise asset management and take into consideration the following:

- 1) 40 per cent of its 2023/24 to 2024/25 Capital Budget should be allocated to the renewal/upgrade of existing assets it.
- 2) Operational repairs and maintenance should not be less than 8 per cent of the asset value (write down value) of the municipality's Property Plant and Equipment (PPE).

The municipality have made great strides to achieve both these benchmarks. A large contributing factor to reaching the required levels of repairs and maintenance can be attributed to the costing system of the municipality where employee related and other costs directly related to repairs and maintenance projects now accurately being allocated to this line item.

1.6.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is financed by the municipality self and largely by utilising the municipality's unconditional equitable share grant, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act.

With the increase in households experiencing financial distress and the negative impact this have on the municipal financial performance the administration is currently in process of reviewing the complete provision of the free basic services component of the municipal operations. Numerous investigations has been conducted to establish the feasibility of a call centre to ensure optimal resources and collection of revenues can be achieved. This is currently in discussions.

To support these initiatives the policy related to the provisions of FBS to households are also being reviewed to ensure it is aligned with the current best practices and fairness to all residents and households within the municipality.

1.7 Capital expenditure

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

2022/23 Medium-term capital budget per vote

Vote Description	Current year	2023/24 Medium Term Revenue & Expenditure Framework		
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	Adjusted Budget			
Capital expenditure - Vote				
Vote 1 - Executive and Council	1 540	58	-	-
Vote 2 - Financial Services and ICT	1 494	3 066	1 319	2 852
Vote 3 - Management Services	3 501	6 464	800	3 245
Vote 4 - Engineering Services	65 095	45 840	48 249	57 174
Capital multi-year expenditure sub-total	71 629	55 428	50 367	63 271

Vote Description	Current year	2023/24 Medium Term Revenue & Expenditure Framework		
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	Adjusted Budget			
Funded by:				
National Government	30 802	15 128	14 019	12 422
Provincial Government	2 521	1 500	-	-
Transfers recognised - capital	33 322	16 628	14 019	12 422
Borrowing	21 859	21 184	17 230	31 671
Internally generated funds	16 433	17 615	19 118	19 178
Total Capital Funding	71 615	55 428	50 367	63 271

1.8 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2023/24 budget and MTREF to be approved by the Council.

Table A1 - Budget Summary

Table will be added to budget report as soon as available from the financial system

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The accumulated surplus is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.

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

Table will be added to budget report as soon as available from the financial system

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 16 mSCOA functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.
4. The table includes capital grant revenue, but excludes internal charges between various departments such as electricity, water, sanitation and refuse. These items, although correctly included/excluded, should also be taken into account before coming to any conclusion with regards to the cost reflectiveness of tariffs and fees raised by the municipality.

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

Table will be added to budget report as soon as available from the financial system

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

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

Table will be added to budget report as soon as available from the financial system

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

1. 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 as well as the mSCOA reporting framework.

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

Table will be added to budget report as soon as available from the financial system

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital program is funded from National, Provincial and Other grants and transfers, borrowing and internally generated funds from current and prior year surpluses.

MBRR Table A6 - Budgeted Financial Position

Table will be added to budget report as soon as available from the financial system

Explanatory notes to Table A6 - Budgeted Financial Position

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

MBRR Table A7 - Budgeted Cash Flow Statement

Table will be added to budget report as soon as available from the financial system

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget in full.

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Table will be added to budget report as soon as available from the financial system

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. As part of the budgeting and planning guidelines that informed the compilation of the 2022/23 MTREF the end objective of the medium-term framework is to ensure the budget is funded and aligned to section 18 of the MFMA.

MBRR Table A9 - Asset Management

Table will be added to budget report as soon as available from the financial system

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations.

MBRR Table A10 - Basic Service Delivery Measurement

Table will be added to budget report as soon as available from the financial system

Part 2 – Supporting Documentation

2.1 Overview of annual budget process

The municipal Council approved the “Schedule of the key deadlines” as per MFMA section 21(1)(b) that reads as follows –

(b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for —

- (i) the preparation, tabling and approval of the annual budget;
- (ii) the annual review of—
 - (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
 - (bb) the budget-related policies;
- (iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and
- (iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).

The administration as part of the Draft budget compilation process distributes the budget during February 2023. The process plan proposed the following dates that forms the cornerstone of the compilation of the draft budget as approved by Council.

PLANNED ACTIVITIES	Date	Timeframes
New budget MEMO guide	Tuesday	21 February 2023
Tariff discussions – CFO office	Wed / Thursday	01 and 02 March 2023
Update Budget MEMO -Circular 123 National Treasury information	Friday	03 March 2023
Management services budget discussion	Tuesday	7 March 2023
Infrastructure services budget discussion	Wednesday	8 March 2023
MM Office / Finance budget discussion	Wednesday	8 March 2023
<i>Mayoral committee – budget discussion</i>	<i>Wednesday</i>	<i>15 March 2023</i>
Budget due date		15 March 2023

<i>Mayco budget discussion</i>	<i>Friday</i>	<i>15 March 2023</i>
<i>Mayco budget discussion</i>	<i>Friday</i>	<i>20 March 2023</i>
<i>Mayco budget discussion</i>	<i>Friday</i>	<i>24 March 2023</i>
<i>Council workshop</i>	<i>Monday</i>	<i>27 March 2023</i>
Submit Budget information to Administration	Monday	27 March 2023
COUNCIL MEETING TABLING	Thursday	30 March 2023

After the tabling of the Draft concept budget the municipal administration advertise the budget as well Integrated Development plan documentation and invite the public to provide comments as per legislation. The public is also invited to participate in the community participation process where the Mayor table the budget to the communities.

The process with the compilation of the Annual budget will conclude with the Community participation meeting that will be scheduled during April / May as per approved process plan. The purpose of consultation process is to table the Draft concept Budget 2023/24 Medium Term Revenue and Expenditures framework (MTREF) as well as the Integrated Development plan to the community as per legislation.

2.2 Overview of alignment of annual budget with Integrated Development plan

STRATEGIC OBJECTIVE

Row Labels	Sum of TotBud 22/23	Sum of Bud 23/24	Sum of Bud 24/25	Sum of Bud 25/26
SO1: To create a culture of good governance	- 53 083 680	- 37 476 790	- 45 731 600	- 55 413 930
SO10: Development of sustainable vibrant human settlements	8 515 540	9 046 350	9 132 470	9 409 160
SO11:To promote social and youth development	6 192 690	7 437 940	7 600 970	7 684 170
SO12:To create and maintain a safe and healthy environment	22 183 037	27 909 510	27 427 940	27 934 355
SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	614 900	366 200	366 200	366 200
SO3: To create an administration capable of delivering on service excellence.	30 386 545	33 684 025	32 678 465	32 978 165
SO4: To create an enabling environment for economic growth and development	- 632 000	- 862 900	-	-
SO5:To promote tourism in the Municipal Area	3 747 200	4 240 000	4 252 980	4 386 770
SO6: To provide effective financial, asset and procurement management	- 51 265 800	- 56 272 430	- 54 591 860	- 59 469 699
SO7: Provision of equitable quality basic services to all households	25 449 500	23 710 960	25 252 170	26 893 560
SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	- 28 127 910	- 31 158 180	- 34 733 940	- 38 101 167
SO9: To provide community facilities and services	3 244 490	1 534 250	2 240 580	2 308 371
Grand Total	- 32 775 488	- 17 841 065	- 26 105 625	- 41 024 045

PER STRATEGIC GOAL

Row Labels	Sum of TotBud 22/23	Sum of Bud 23/24	Sum of Bud 24/25	Sum of Bud 25/26
MKPA1: Good Governance and Public Participation	- 52 468 780	- 37 110 590	- 45 365 400	- 55 047 730
MKPA2:Municipal Institutional Development and Transformation	30 386 545	33 684 025	32 678 465	32 978 165
MKPA3: Local Economic Development and Tourism	3 115 200	3 377 100	4 252 980	4 386 770
MKPA4: Municipal Financial Viability and Management	- 51 265 800	- 56 272 430	- 54 591 860	- 59 469 699
MKPA5: Basic Service Delivery	9 081 620	3 133 380	1 891 280	509 924
MKPA6: Social and youth development	28 375 727	35 347 450	35 028 910	35 618 525
Grand Total	- 32 775 488	- 17 841 065	- 26 105 625	- 41 024 045

2.3 Measurable performance objectives and indicators

2.4 Overview of budget related-policies

The following list of policies is consulted and formed the cornerstone of the budget compilation process. These policies is also tabled to council as part of the budget documentation for review and approval –

Policies tabled as follows:

- (i) The Borrowing, funds and reserve policy
- (ii) The Budget and veriment policy
- (iii) The Cost containment policy
- (iv) The Cash and Investment policy
- (v) The Cost containment policy
- (vi) The funding and reserves policy
- (vii) The Policy relating to the Long-term financial plan
- (viii) The Policy related to the Management and Disposal of the assets
- (ix) The policy relating to the dealing with infrastructure investment and capital projects

2.5 Overview of budget funding

The municipality is funding the municipal budget from the following list of sources –

Internal sources

- Property rates
- Services charges (basic services that include Water / Electricity / Refuse and Sewerages)
- Rental of facilities and equipment
- Fines, penalties and forfeits
- Gains from the sale of land.
-

External sources

- Transfers received from the via the National Division of Revenue act.
- Transfers and grants received via the Provincial Division of revenue.
- Functions performed on behalf of the Provincial and National departments.
- Other Ad-hoc donations received.

2.6 Expenditure on allocations and grant programmes

Expenditure of grant allocations will be processed based on the following table –

Description		2023/24 Medium Term Revenue & Expenditure Framework		
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	Adjusted Budget			
RECEIPTS:				
Operating Transfers and Grants				
National Government:	44 708	44 111	49 279	50 770
Local Government Equitable Share	37 037	40 380	43 729	47 082
Finance Management	1 550	1 550	1 550	1 688
Integrated National Electrification Programme	4 348	-	4 000	2 000
EPWP Incentive	1 773	2 181	-	-
Provincial Government:	26 867	14 158	33 653	34 421
Regional Socio Economic Program (RSEP)	1 117	130	-	-
Community Development Workers (CDW)	56	57	57	57
Housing	2 454	4 085	23 906	24 249
Housing - Rent to own	15 000	-	-	-
Library Support grant	7 395	9 796	9 600	10 020
Proclaimed Roads - subsidy	95	90	90	95
DPLG Capacity building Grant	300	-	-	-
Thusong Grant	150	-	-	-
WC Financial support grant	300	-	-	-
	-	-	-	-
Total Operating Transfers and Grants	71 575	58 269	82 932	85 191
Capital Transfers and Grants				
National Government:	28 929	17 260	12 612	12 979
Municipal Infrastructure Grant (MIG)	11 929	12 260	12 612	12 979
Water Service Infrastructure Grant (WSIG)	17 000	5 000	-	-
Provincial Government:	820	-	-	-
WC Meter Intervention Grant (Smart metering)	700	-	-	-
DPLG Capacity building Grant (Shieldhouse)	120	-	-	-
Total Capital Transfers and Grants	29 749	17 260	12 612	12 979
TOTAL RECEIPTS OF TRANSFERS & GRANTS	101 324	75 529	95 544	98 170

2.7 Allocations or grants made by the municipality.

Municipality made various allocations to organizations as per below table -

Vote Description		2023/24 Medium Term Revenue & Expenditure Framework		
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	Adjusted Budget			
Bursaries (non-employees)	120 000	100 000	100 000	100 000
Contribution - Elim community	847 600	847 600	847 600	847 600
Contribution - Ons huis	52 000	52 000	52 000	52 000
Contribution - Overberg radio	124 800	150 000	155 000	160 000
Contribution - Safe house	104 000	104 000	104 000	104 000
Contribution - Safe house (water & elec.servi)	27 000	15 000	15 000	15 000
Contribution - Shipwreck museum	72 800	72 800	72 800	72 800
Donations	135 200	135 200	135 200	135 200
Study bursaries	125 000	200 000	200 000	200 000
Total Revenue by Vote	1 608 400	1 676 600	1 681 600	1 686 600

2.8 Councilors and board member allowances and employee benefits

Row Labels	Sum of TotBud 22/23	Sum of Bud 23/24	Sum of Bud 24/25	Sum of Bud 25/26
01E008001001006 Expenditure Remuneration of Councilors Speaker Allowances and Service Related Benefits Basic Salary	536 900,00	532 000,00	532 000,00	532 000,00
01E008001001007 Expenditure Remuneration of Councilors Speaker Allowances and Service Related Benefits Cell phone Allowance	24 400,00	40 800,00	40 800,00	40 800,00
01E008001001010 Expenditure Remuneration of Councilors Speaker Allowances and Service Related Benefits Motor Vehicle Allowance	86 100,00	177 300,00	177 300,00	177 300,00
01E008001002001 Expenditure Remuneration of Councilors Speaker Social Contributions Pension Fund Contributions	-	-	-	-
01E008003001006 Expenditure Remuneration of Councilors Executive Mayor Allowances and Service Related Benefits Basic Salary	532 800,00	518 000,00	518 000,00	518 000,00
01E008003001007 Expenditure Remuneration of Councilors Executive Mayor Allowances and Service Related Benefits Cell phone Allowance	42 600,00	40 800,00	40 800,00	40 800,00
01E008003001010 Expenditure Remuneration of Councilors Executive Mayor Allowances and Service Related Benefits Motor Vehicle Allowance	223 700,00	223 700,00	223 700,00	223 700,00
01E008003002001 Expenditure Remuneration of Councilors Executive Mayor Social Contributions Pension Fund Contributions	103 200,00	101 000,00	101 000,00	101 000,00
01E008003002002 Expenditure Remuneration of Councilors Executive Mayor Social Contributions Medial Aid Benefits	-	29 500,00	29 500,00	29 500,00
01E008004001006 Expenditure Remuneration of Councilors Deputy Executive Mayor Allowances and Service Related Benefits Basic Salary	414 400,00	450 900,00	450 900,00	450 900,00
01E008004001007 Expenditure Remuneration of Councilors Deputy Executive Mayor Allowances and Service Related Benefits Cell phone Allowance	29 400,00	40 800,00	40 800,00	40 800,00
01E008004001010 Expenditure Remuneration of Councilors Deputy Executive Mayor Allowances and Service Related Benefits Motor Vehicle Allowance	204 000,00	170 600,00	170 600,00	170 600,00
01E008004002001 Expenditure Remuneration of Councilors Deputy Executive Mayor Social Contributions Pension Fund Contributions	80 400,00	87 900,00	87 900,00	87 900,00
01E008004002002 Expenditure Remuneration of Councilors Deputy Executive Mayor Social Contributions Medial Aid Benefits	-	-	-	-
01E008005001006 Expenditure Remuneration of Councilors Executive Committee Allowances and Service Related Benefits Basic Salary	875 600,00	834 700,00	834 700,00	834 700,00
01E008005001007 Expenditure Remuneration of Councilors Executive Committee Allowances and Service Related Benefits Cell phone Allowance	79 700,00	81 600,00	81 600,00	81 600,00
01E008005001010 Expenditure Remuneration of Councilors Executive Committee Allowances and Service Related Benefits Motor Vehicle Allowance	305 900,00	332 500,00	332 500,00	332 500,00
01E008005002001 Expenditure Remuneration of Councilors Executive Committee Social Contributions Pension Fund Contributions	152 100,00	162 800,00	162 800,00	162 800,00
01E008006001006 Expenditure Remuneration of Councilors Total for All Other Councilors Allowances and Service Related Benefits Basic Salary	1 089 800,00	1 098 000,00	1 098 000,00	1 098 000,00
01E008006001007 Expenditure Remuneration of Councilors Total for All Other Councilors Allowances and Service Related Benefits Cell phone Allowance	233 400,00	244 800,00	244 800,00	244 800,00
01E008006001010 Expenditure Remuneration of Councilors Total for All Other Councilors Allowances and Service Related Benefits Motor Vehicle Allowance	361 000,00	396 200,00	396 200,00	396 200,00
01E008006002001 Expenditure Remuneration of Councilors Total for All Other Councilors Social Contributions Pension Fund Contributions	173 300,00	189 400,00	189 400,00	189 400,00
Grand Total	5 548 700,00	5 753 300,00	5 753 300,00	5 753 300,00

Row Labels	Sum of TotBud 22/23	Sum of Bud 23/24	Sum of Bud 24/25	Sum of Bud 25/26
01E005001001001001 Expenditure Employee Related Cost Senior Management Municipal Manager (MM) Salaries and Allowances Basic Salary	931 200	911 600	955 400	998 400
01E005001001001003 Expenditure Employee Related Cost Senior Management Municipal Manager (MM) Salaries and Allowances Bonuses	124 740	170 000	178 200	186 200
01E005001001001005001 Expenditure Employee Related Cost Senior Management Municipal Manager (MM) Salaries and Allowances Allowance Cellular and Telephone	18 000	18 000	18 000	18 000
01E005001001001005003 Expenditure Employee Related Cost Senior Management Municipal Manager (MM) Salaries and Allowances Allowance Housing Benefits	-	93 500	98 000	98 000
01E005001001001005005 Expenditure Employee Related Cost Senior Management Municipal Manager (MM) Salaries and Allowances Allowance Travel or Motor Vehicle	119 200	119 200	119 200	119 200
01E005001001002002 Expenditure Employee Related Cost Senior Management Municipal Manager (MM) Social Contributions Medical	51 900	57 900	60 700	63 400
01E005001001002004 Expenditure Employee Related Cost Senior Management Municipal Manager (MM) Social Contributions Unemployment Insurance	2 100	2 200	2 300	2 400
01E005001002001001 Expenditure Employee Related Cost Senior Management Chief Financial Officer Salaries and Allowances Basic Salary	830 800	1 231 600	1 290 700	1 348 800
01E005001002001003 Expenditure Employee Related Cost Senior Management Chief Financial Officer Salaries and Allowances Bonuses	158 690	210 600	220 700	230 600
01E005001002001005001 Expenditure Employee Related Cost Senior Management Chief Financial Officer Salaries and Allowances Allowance Cellular and Telephone	14 400	14 400	14 400	14 400
01E005001002001005005 Expenditure Employee Related Cost Senior Management Chief Financial Officer Salaries and Allowances Allowance Travel or Motor Vehicle	120 000	120 000	120 000	120 000
01E005001002002001 Expenditure Employee Related Cost Senior Management Chief Financial Officer Social Contributions Group Life Insurance	37 500	42 900	45 000	47 000
01E005001002002002 Expenditure Employee Related Cost Senior Management Chief Financial Officer Social Contributions Medical	52 800	58 800	61 600	64 400
01E005001002002004 Expenditure Employee Related Cost Senior Management Chief Financial Officer Social Contributions Unemployment Insurance	2 100	2 200	2 300	2 400
01E005001002002009 Expenditure Employee Related Cost Senior Management Chief Financial Officer Social Contributions Bargaining Council	100	100	100	100
01E005001003001005001 Expenditure Employee Related Cost Senior Management Designation Salaries and Allowances Allowance Cellular and Telephone	25 700	16 200	16 200	16 200
01E005001003001005005 Expenditure Employee Related Cost Senior Management Designation Salaries and Allowances Allowance Travel or Motor Vehicle	60 000	60 000	60 000	60 000
01E005001004001001 Expenditure Employee Related Cost Senior Management Designation Salaries and Allowances Basic Salary	865 900	862 400	903 800	944 500
01E005001004001003 Expenditure Employee Related Cost Senior Management Designation Salaries and Allowances Bonuses	123 770	142 600	149 400	156 100
01E005001004002004 Expenditure Employee Related Cost Senior Management Designation Social Contributions Unemployment Insurance	2 100	2 200	2 300	2 400
01E005001005001001 Expenditure Employee Related Cost Senior Management Designation Salaries and Allowances Basic Salary	804 200	804 000	842 600	880 500
01E005001005001003 Expenditure Employee Related Cost Senior Management Designation Salaries and Allowances Bonuses	148 970	175 200	183 600	191 900
01E005001005001005009 Expenditure Employee Related Cost Senior Management Designation Salaries and Allowances Allowance Non-pensionable	-	63 400	66 400	69 400
01E005001005002003 Expenditure Employee Related Cost Senior Management Designation Social Contributions Pension	-	-	-	-
01E005001005002004 Expenditure Employee Related Cost Senior Management Designation Social Contributions Unemployment Insurance	4 950	8 000	8 400	8 800
01E005001005002009 Expenditure Employee Related Cost Senior Management Designation Social Contributions Bargaining Council	-	-	-	-
01E005002001001 Expenditure Employee Related Cost Municipal Staff Salaries, Wages and Allowances Basic Salary and Wages	106 043 364	114 578 320	117 397 320	122 218 220
01E005002001005003 Expenditure Employee Related Cost Municipal Staff Salaries, Wages and Allowances Allowances Cellular and Telephone	444 200	474 600	474 800	475 000
01E005002001005005003 Expenditure Employee Related Cost Municipal Staff Salaries, Wages and Allowances Allowances Housing Benefits and Incidental Housing Benefits	805 101	780 400	817 400	853 900
01E005002001005006 Expenditure Employee Related Cost Municipal Staff Salaries, Wages and Allowances Allowances Travel or Motor Vehicle	6 787 500	7 367 500	7 367 500	7 367 500
01E005002001005008 Expenditure Employee Related Cost Municipal Staff Salaries, Wages and Allowances Allowances Non-pensionable	-	-	-	-
01E005002001005009002 Expenditure Employee Related Cost Municipal Staff Salaries, Wages and Allowances Allowances Service Related Benefits Acting and Post Related Allowances	769 045	1 457 875	1 437 775	1 472 325
01E005002001005009003 Expenditure Employee Related Cost Municipal Staff Salaries, Wages and Allowances Allowances Service Related Benefits Bonus	7 810 025	8 592 000	9 003 900	9 409 100
01E005002001005009005 Expenditure Employee Related Cost Municipal Staff Salaries, Wages and Allowances Allowances Service Related Benefits Long Service Award	720 660	720 660	720 660	720 660
01E005002001005009008 Expenditure Employee Related Cost Municipal Staff Salaries, Wages and Allowances Allowances Service Related Benefits Standby Allowance	3 341 437	3 348 740	3 390 540	3 418 540
01E005002001005009012002 Expenditure Employee Related Cost Municipal Staff Salaries, Wages and Allowances Allowances Service Related Benefits Overtime Non Structured	3 879 360	3 306 900	3 306 900	3 306 900
01E005002001005009013 Expenditure Employee Related Cost Municipal Staff Salaries, Wages and Allowances Allowances Service Related Benefits Leave Pay	900 000	750 000	750 000	750 000
01E005002002002 Expenditure Employee Related Cost Municipal Staff Social Contributions Bargaining Council	48 400	53 700	55 900	58 100
01E005002002003 Expenditure Employee Related Cost Municipal Staff Social Contributions Group Life Insurance	2 802 500	3 200 000	3 353 700	3 504 600
01E005002002004 Expenditure Employee Related Cost Municipal Staff Social Contributions Medical	5 683 000	6 060 200	6 351 000	6 637 000
01E005002002005 Expenditure Employee Related Cost Municipal Staff Social Contributions Pension	17 022 700	18 449 200	19 334 800	20 204 800
01E005002002006 Expenditure Employee Related Cost Municipal Staff Social Contributions Unemployment Insurance	802 980	870 100	895 700	936 300
01E005002002007 Expenditure Employee Related Cost Municipal Staff Post-retirement Benefit Medical Current Service Cost	1 611 890	1 611 890	1 611 890	1 611 890
Grand Total	163 971 282	176 809 085	181 689 085	188 587 935

30 March 2023

2.9 Monthly targets for revenue, expenditure and cash flow

Will be updated with final budget tabled from system

2.10 Annual budgets and service delivery and budget implementation plans – internal departments

Will be updated with final budget tabled from system

2.11 Annual budgets and service delivery agreements – entities and other external mechanisms

Not applicable

2.12 Contracts having future budgetary implications.

Not applicable

2.13 Capital expenditure details

Row Labels	Sum of TotBud 22/23	Sum of Bud 23/24	Sum of Bud 24/25	Sum of Bud 25/26
COUNCIL , EXECUTIVE ADMINISTRATION	1 417 930	57 600	-	-
ENGINEERING SERVICES DIRECTORATE	49 579 225	24 603 230	28 710 762	31 848 932
ENGINEERING SERVICES DIRECTORATE2	15 515 473	21 236 306	19 537 864	25 325 000
FINANCIAL SERVICES , IT DIRECTORATE	1 493 947	3 066 400	1 318 770	2 852 390
MANAGEMENT SERVICES DIRECTORATE	876 560	1 860 000	400 000	550 000
MANAGEMENT SERVICES DIRECTORATE2	2 746 140	4 604 000	400 000	2 695 000
Grand Total	71 629 275	55 427 536	50 367 396	63 271 322

2.14 Legislation compliance status

Municipality comply with all applicable legislation.

2.15 Other supporting documentation

Will be updated with final budget tabled from system

Other Supporting documentation contained in SA1 to SA38 of the Treasury A Schedules.

2.16 Manager's quality certificate

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2023-24 (Draft budget)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 30 March 2023



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

QUALITY CERTIFICATE

I Eo Phillips, municipal manager of **Cape Agulhas Municipality**,
hereby certify that the **Draft Budget 2023-24 MTREF** and supporting documentation
have been prepared in accordance with the Municipal Finance Management Act and
the regulations made under the Act.

Print name Eo Phillips

Accounting Officer / Chief Financial Officer of **CAPE AGULHAS MUNICIPALITY**
WC033 (name and demarcation of municipality)

Signature [Signature]

Date 30.03.2023

Part 3 – Appendices

3.1 Appendix A – Tariff Listing

Attached.

3.2 Appendix B – SDBIP

Attached.

3.3 Appendix C – Budget compliance policies

Attached.

3.4 Service Level Standards

Attached.