

MANDENI MUNICIPALITY (KZN 291) mSCOA DRAFT ANNUAL BUDGET 2023/24 MTREF



MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR	Automated Meter Reading	kWh	kilowatt
ASGISA	Accelerated and Shared Growth Initiative	ℓ	litre
BPC	Budget Planning Committee	LED	Local Economic Development
CBD	Central Business District	MEC	Member of the Executive Committee
CFO	Chief Financial Officer	MFMA	Municipal Financial Management Act Programme
CM	Municipality Manager	MIG	Municipal Infrastructure Grant
CPI	Consumer Price Index	MMC	Member of Mayoral Committee
CRRF	Capital Replacement Reserve Fund	MPRA	Municipal Properties Rates Act
DBSA	Development Bank of South Africa	MSA	Municipal Systems Act
DoRA	Division of Revenue Act	MTEF	Medium-term Expenditure Framework
DWA	Department of Water Affairs	MTREF	Medium-term Revenue and Expenditure Framework
EE	Employment Equity	NERSA	National City Regulator South Africa
EEDSM	Energy Efficiency Demand Side Management	NGO	Non-Governmental organisations
EM	Executive Mayor	NKPIs	National Key Performance Indicators
FBS	Free basic services	OHS	Occupational Health and Safety
GAMAP	Generally Accepted Municipal Accounting Practice	OP	Operational Plan
GDP	Gross domestic product	PBO	Public Benefit Organisations
GDS	Gauteng Growth and Development Strategy	PHC	Provincial Health Care
GFS	Government Financial Statistics	PMS	Performance Management System
GRAP	General Recognised Accounting Practice	PPE	Property Plant and Equipment
HR	Human Resources	PPP	Public Private Partnership
HSRC	Human Science Research Council	PTIS	Public Transport Infrastructure System
IDP	Integrated Development Strategy	RG	Restructuring Grant
IT	Information Technology	RSC	Regional Services Council
kl	kilolitre	SALGA	South African Local Government Association
km	kilometre	SAPS	South African Police Service
KPA	Key Performance Area	SDBIP	Service Delivery Budget Implementation Plan
KPI	Key Performance Indicator	SMME	Small Micro and Medium Enterprise

Part 1 – mSCOA Annual Budget

1.1 Mayor’s Report

**SPEECH BY HIS WORSHIP, THE MAYOR CLLR TP MDLALOSE TABLING THE DRAFT
MSCOA BUDGET, 5 YEAR INTERGRATED DEVELOPMENT PLAN (IDP), SERVICE
DELIVERY BUDGET AND IMPLEMENTATION PLAN/SCORECARDS AND
ORGANOGRAM FOR 2023/24 FINANCIAL YEAR AT COUNCIL MEETING HELD ON 31
MARCH 2023 AT ISIBUSISWE HALL**

PRESENTATION

OF:

2023-2024 DRAFT BUDGET, IDP and SDBIP



**Honorable Speaker,
Amakhosi Asendlunkulu
Deputy Mayor**

**Members of the Executive Committee
Chairperson of MPAC and the respected Committee
Honorable Councilors
Municipal Manager
Senior Management, Managers and staff
Ward Committees,
and all protocol observed**

It gives me great pleasure and honor to stand in front of you to present to Council

- The Municipal Draft Reviewed IDP and MSCOA Annual Budget for 2023/24 Financial Year.

Madam Speaker nomkhandlu wonke nezithameli zonke zomhlangano, umhlangano womkhandlu uhleli okokuqala emva kokufihlwa kukazakwethu the late Cllr N Nxumalo, asidlulise ukubonga kubona bonke ozakwethu nestaff nge-support enikwe umndeni kanye nezakhamizi zase Ward 15. Somlomo nomkhandlu, kubukeka uhulumeni wasemakha

Somlomo, sihleli namhlanje siwumkhandlu silandela izethulo ezenziwe abahlonishwa abahlukene ezigabeni ezahlukene zikaHulumeni, siqale sathola isethulo kuMongameli Wezwe (His Excellence Mr Cyril Ramaphosa) ngesimo nomhlahlandlela uzothathwa izwe ukuyisa izimpilo zabanatu phambili; kwalandela Unqonqoshe wezimali uMnumzane Enock Godongwane owethule isabelo zimali zezwe lonke; saphinde sathola isethulo sesifundazwe sakithi ngomlomo kaNdunankulu uMrs Nomusa Dube Ncube kwavala ngoMphathiswa wezimali esifundazweni sethu uMrs Peggy Nkonyeni.

Hon Speaker and Council, all the above directions as outlined by different Leaders in Government have been considered as precursors to guide the focus areas by Local Government hence the drafting of the reviewed IDP and Budget for 2023/24.

Also, Council embarked on two days working session to take stock on the progress made on the implementation of the First Year of the Five Year IDP; Community Priorities emanating from the Public Consultation and the need for reprioritization as a result of 2022 Disasters which occurred just after Five IDP was consolidated by Council.

Today I am presenting to this council a Draft IDP and Budget for the year 2023/2024 of the Municipality guided by both the Municipal Systems Act in the case of IDP and the Municipal Finance Management in the case of the Budget.

Madam Speaker and Council, as reflected above, I am satisfied that the processes of drafting this Draft Reviewed IDP for 2023/24 met all the requirements as outlined in the Municipal Systems Act as per Chapter 4 and 5 of the said Act. Also, Madam Speaker and Council, the consideration of this item of the Draft Budget for 2023/24 by this Council today is in full compliance with Section 16(1) of the Municipal Finance Management Act 56 of 2003 which stipulates that the Mayor of the municipality must table Annual budget at a Council meeting at least 90 days before the start of a new financial year.

The Act further emphasizes that once the Annual Budget tabled at Council, the municipal Council must make public such Budget and invite the local Community to submit representations in connection with the budget hence it will be necessary that Council embark on full Public Consultation during the month of April and May 2023. Somlomo nomkhandlu wakho, ngicela ukuphakamisa ukuthi siqale sibe nomhlangano naMakhosi ezizwe ezakhele iMandeni ukuwethulela usomqulu odidiyelwe kanye nohlahlo lwabiwa mali (Budget) ngaphambi kokuhambela yonke imiphakathi.

Madam Speaker and Council, when reviewing the IDP we noted with concern that the state of our rural roads is in dire situation as a result of last year disasters and seasonal rains and the non-approval of the municipal disaster Grant funding application by National Disaster Management Centre also increased the burden to the municipality to mobilize more resources. The recent engagements between the Municipality and Provincial Cogta on possible funding are giving us a positive hope that some relief funding may be received even though it will not be enough to redress the state of Rural Roads infrastructure.

ECONOMIC OUTLOOK

GDP is expected to grow by 0.9 per cent in real terms in 2023, compared with an estimate of 1.4 per cent at the time of the medium-term budget policy statement (MTBPS), recovering slowly to 1.8 per cent in 2025.

The economy grew by 1.4 per cent in the first half of 2022 compared with the first half of 2021. Real GDP grew more than expected in the first quarter of 2022, with output returning to pre-pandemic levels. However, a deteriorating global environment, flooding in KwaZulu-Natal and the Eastern Cape, industrial action in the electricity and mining sectors, and prolonged and intense power cuts resulted in a broad-based contraction across most sectors during the second quarter.

The third quarter was marked by frequent and prolonged power cuts, which significantly disrupted economic activity. The economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state.

Sizimisele ukubeka konke okusemqoka eqhulwini, sisebenzise izimali ngendlela efanele, siqinisekise ukuthi izinhlelo zethu zishintsha izimpilo zabantu ngendlela efanele.

BUDGET SUMMARY

The Medium-Term Expenditure Framework proposes a total budget of **R401 million** for the 2023/24 financial year. It appropriates a total operating expenditure of **R401 million** and capital expenditure of **R 119.5 million**. The amount of **R94,9,0 million has been funded from the reserves** / investments which has funded the Capital budget and Debt Impairment. The above presented figures are VAT exclusive

Total operating revenue has increased by 9.6 per cent or R33.0 million for the 2023/2024 financial year when compared to the 2022/2023 Adjustments Budget.

Total operating expenditure for the 2023/2024 financial year has been appropriated at **R401,1 million** and translates into a surplus budget of R24.5 million. Operational expenditure has increased by 7.9 per cent in the 2023/2026 budget and by 3.9 and 4.7 per cents for each of the respective outer years of the MTREF. Further to that it should also be noted that budget allocated has excluded VAT on all VATABLE Items in line with guidelines.

Total capital budget of R119,5 million has been committed for 2023/2024 however this shows increase by 39 per cent when compared to the 2022/2023 Adjustment Budget.

The ability of the municipality to collect outstanding debt has been considered when estimating the cash flows. At **the collection rate of 68 per cent** as the municipality will always closely monitor its performance in this regard. Madam Speaker one must appreciate the commitment that is shown by all Councillors and support by Staff towards the implementation of Rand for Rand campaign as the current revenue enhancement strategy of the municipality hence the view to extend it to end of the current Financial Year.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality.

An increase of **5.3 per cent** is proposed to be effected on Rates Tariffs; **18.7 per cent** increase in proposed for electricity tariffs as NERSA rapproval, Refuse and other sources of revenue have been aligned to the Consumer Price Index (CPI) inflation of **5.3 per cent**. Siyakuqonda ukuthi abantu bakithi bathwele kanzima ngakwezomnotho njengoba nentengo kaPetrol inyuka ngamandla okunomthelele kumanani okudla kanye nezokuthutha, yingakho nomkhandlu unyuse izindleko ngo kuhambisana ne CPI.

NERSA has approved **18.7 per cent** tariff increase in 2023/24 financial Year and approved an increase of **18.7 per cent** for Bulk Purchase from EKOM in 2023/24 FY and this shows that the municipality will pay Eskom more than what they will charge the local consumers. The proposed increase on electricity rates is on the backdrop of the loadshedding the Country is face with and the impact thereof on creation of new jobs opportunities and the loss of existing jobs due to less productive hours by many companies. It is therefore necessary for Council as the voice of its communities to deliberate on the possibility of seeking a legal counselling on what actions can be taken to prevent such high electricity increase which will end up not affordable at all to the ordinary people and the pressure to the municipality to subsidise its resident on this regard.

Madam Speaker and Council, the engagements that are on-going between the municipality and both Provincial and National Disaster Management Centres are giving us hope that the municipality will be receiving some disaster relief grant funding which will come handy towards addressing some roads infrastructure that was affected by 2022 Floods.

It has been indicated that the municipality will possible be receiving at least R17 mil and once that money is received, it shall be directed to fix the following Roads:

- Upgrading of gravel Road of D2022 in Ward 14 (R2.9 mil)
- Rehabilitation of Road off D1293 in Ward 12 (R5.2mil)
- Regravelling of Novas Farm Road in Ward 4 (4.1mi)
- Regravelling of Road from Tugela Bus Stop to Efaletu in Ward 3 (R4.5mil).

All grants to be received by the Municipality during 2023/24 FY are summarised as follow:

- i. **Equitable Share** allocation is R230,8 million which has been increased by R18,0 million.
- ii. **MIG** allocation is R49,7 million which has been increased by R9.7 million with a directive to ringfence R8 mil towards the construction of Endlondlweni Sportsfield in Ward 10.
- iii. **EPWP** allocation is R2.6 million which has been decreased by R181 thousand.
- iv. **FMG** allocation is R1.9 million which has remained the same as prior year.
- v. **INEP** allocation is R7,4 million which has increased by R184 thousand
- vi. **Library Grant** allocation of R4.4 million has remained the same as prior financial year

The Employee related Costs are guided by The Salary and Wage Collective Agreement approved by the Bargaining Committee of the Central Council the salary and wage increase has been factored at **five comma four percent (5.4%)** with effect from 1 July 2023.

The Remuneration of Councilors shall be in accordance with determination by National Minister of Cogta however the municipality has budgeted for a proposed increase of **5.3 percent** increase aligned with CPI.

Madam Speaker and Council, as we continue to implement our 5 Year IDP, the outcomes of the Council Working Session in preparations for next Financial Year shows that ayikho iWard ngaphansi kukaMasipala okuzobe kucwebe iziziba, kuzobe kushunqa uthuli kuwona wonke amaward awu-18. Uma nginganikezela Isithombe esincane ukuthi zizoma kanjani izinhlelo zentuthuko:

Umasipala usuqalile ukwakha iground lakwaHlomendlini elizodla ngaphezulu kancane ku R8mil uma seliphelile yingakho sibeke u **R5.9 mil** ku2023/24 ukuqedele kahle umsebenzi; Sibeke imali engage **engago R6.8 million ukuqala ukulungiswa kabusha komgwaqo uMajuba nesstorm-water eWard 15**, R8mil esiwubekele ukuqala ukwakhiwa kweground lase-Ndlondlweni ku Ward 10 elizodla ngaphezu kuka-R14 mil uma seliphelile; siphinde sabeka uR8mil ukuqala ukulungiswa kabusha kwemigwaqo ne-storm water yase Ward 13 ngaphansi kwesigaba sokuqala okuhlanganisa lemigwaqo **MTHOMBOTHI, MBABALA, UMGAKLA AND SONDEZA** kanti sizoqhubekela nakwisigaba sesibili okuhlanganisa nengxenywe ewela ngaphansi kukaWard 14 lapho sizophinde sisebenzise imali engu R8mil nakhona ukulungisa kabusha imigwaqo **PHUMLA, INDUMISO AND MALANDELA Roads, ngikhuluma nje amathenda okuhlonza osonkontileka abazolungisa yonke lemigwaqo esengiyibalile ayavala kusasa ngomhlaka 31 March 2023**. Sizoqhubeka nokuhlelela ukulungiswa kweminye imigwaqo nestorm-water eSundumbili lapho sibeke khona R2mil ukuqalisa ngezinhlelo zokulungiswa komgwaqo uBumbanani Road; sphinde sabeka imali eceleni ukuqalisa ukuhlelela ukulungiswa kabusha kuka Quartz and Platinum Roads kuWard 4. Siphinde sabeka imali elinganiselwa ku R3mil ukuqalisa ngokuhlelela amaprojects amaningi athinta eminye imigwaqo yase Sundumbili okuzomele ilungiswe kabusha esikhathinin esizayo okuhlanganisa izingxenywe zase White City, uPhase 4 wecivil works wase Khenana, amaground ase Ward 1, 2, and 10 (ekhenana) kanye neHholo lase Ward 8. Siphinde sabeka imali elinganiselwa kuR2.8mil esizothenga ngayo iTLB and 2 Cage Trucks okuzolekelela ekuphuculeni izinga lokuqoqwa kukadoti nokusikwa kotshani nezihlahla. Yonke lemali esengiyibale ngasenhla iqhamuka kwi Municipal Infrastructure Grant.

Somlomo nomkhandlu ohloniphekile, siphinde sathatha nasemalini yomkhandlu esemgodleni esizoyisebenzisela intuthuko yabantu lapho si beke khona **R1.2mil** ukuthenga imigqomo emikhulu yokufaka udoti (waste skips) ukwengeza isibalo lapho kushoda khona; sizothenga ugandaganda ozolekelela ukusika utshani lapho sibeke **uR1.5mil**; sibeke imali engaphezulu kuka R1.3 mil ukubhekelela ukuphepha emabhishi kanye neR1mil we-landscaping uma ungena edolobheni lethu. Siphinde sabeka imali engango R6mil ukuqedela iDLTC, R8.9 mil ukuqala ukwakhiwa kwendawo yokukhanda

izimoto zikamasipala; R19 mil ukuthenga imishini emisha yokusebenza imigwaqo yasemakhaya (Grader, 2x Tipper Trucks, 16 000L water Tanker, smooth roller and Jetting Machine); R3 mil ukulungiswa kabusha komgwaqo othinta uMasomonco nomgwaqo ans storm-water ongenelela elokishini eWard 13; R2.5 mil ukulungisa umgwaqo waseHlanzeni ku Ward 7; sibeke uR22mil ukulungiswa kwemigwaqo eyahlukene emaWadini lapho kubekwe uR2mil kwi Ward ne Ward ukulungisa lemigwaqo:

- Ward 1: Regravelling of the Road from Induna uSithole to Thembalihle Store
- Ward 2: Regravelling of the Road to Ezihlabathini
- Ward 5: Regravelling of the Road to Emathuneni
- Ward 6: Regravelling of the Road to Ematshamhlophe/ Bridge to
- Ward 8: Regravelling of Esikhoveni Road
- Ward 9: Regravelling of KwaMoya to KwaGina Road
- Ward 11: Regravelling of the Road from Tribal Court to KwaNxumalo ePhoyiseni
- Ward 16: Regravelling of the Road from Swidi Church to Winya Road
- Ward 17: Regravelling of the road from Zavutha to Vusumuzi High School
- Ward 18: Regravelling of the road from kwaNdovela to Isithebe Library.

Somlomo nomkhandlu, siphinde sabeka imali elinganiselwa kuR5mil esizoqhubeka nokulungiswa kwemigwaqo yasemakhaya ngohlelo olujwayelekile. Siphinde sabeka imali engu R7 mil yokwakha izindawo zosomabhizinisi abancane ezizokwakhiwa Edolobheni naseKhenana. Ngikhuluma nje isikhangiso sokuhlonza usonkontileka ozokwakha ama-Mini Factories Ekhenana sesiphumile emaphepheni.

Somlomo nomkhandlu sibeke imali engango **R1.8mil** ukufaka ama streetlights (Ward 3) ukusuka erobothini kuya edolobheni nokusuka erobhothini kuya esangweni lakwa Sappi.

Somlomo nomkhandlu, siphinde sabeka imali yokufakelwa kukagesi esiyithola kwaCogta ngaphansi kwe Massification Programme lapho sibeke R1.5 mil wokufaka ugesi eKhenana ngaphansi kuka Phase 5 Electrification Programme ngikhuluma izinhlelo zokuhlonza usonkontileka ziyaqhubeka; saphinda sabeka uR3.5mil wokufaka ugesi Emhlubulweni (Ward 9) naseMantshangula (Ward2). Umkhandlu uzothola imali elinganiselwa kuR7.3 mil kwa INEP ozosetshenziswa ukuqala uhlelo lokulungingwa nokunyuswa kwamandla kwesiphehli mandla kagesi eWard 3.

Ikhona futhi imali esiyibeke ecaleni engaphezulu kuka **R4.5mil** ethinta izinhlelo zokuthuthukiswa kwabantu abasha ngaphansi kwehhovisi labo uma ngibala okumbalwa-ukusizwa kwabantu abasha nge Drivers License Programme; School Bursaries; Sports and Artistic Development, SALGA Games; kodwa angikusho Somlomo noSihlalo wekomidi labantu abasha ukuthi yonke iminyango eyahlukahlukene ziningi izinto ezenzayo ezithinta abantu abasha okusho ukuthi imali ezogcina ihlomulise ukuthuthukiswa kwabantu abasha

ingaphezulu kuka **R7 mil.** Siphinde sabeka imali engaphezulu kuka R1mil ukubhekelela izinhlelo zokuthuthukiswa kwabantu besifazane ngaphansi kohlelo lwe Womens Caucus. Futhi siphinde sabeka nemali engaphezulu kuk R700 000 ukubhekelele izihlelo ezithinta iGender and Disability kanye nezinhlelo zama Special Programmes. Siphinde sabeka imali engaphezulu kuka R1.2 mil ukubhekelela izimo zezinhlekelele ezingeni likamasipala noma sazi ukuthi kuye kungenelele kakhulu uhulumeni ongasenhla uma kuvele izinhlekelele.

Somlomo, bengikha phezulu nje okuqukethwe yi Integrated Development Plan ne Budget kodwa usomqulu ophelile wentuthuko edidiyelwe neBudget sizowufaka kwi Municipal Website siphinde siwubeke ezakhiweni ezahlukeni zikamasipala okuzofikelele kuwo umphakathi.

Hon Speaker and Council, you will agree with me that based on the brief outline above on the service delivery projects the municipality will focus on during the 2023/24 FY, indeed this Draft IDP talks to full scale of service delivery and nothing else. The 2023/2024 Integrated Development Plan focusses on changing the lives of people of Mandeni from service delivery; socio-economic development and social upliftment of all categories of the Community hence it is important that we all work together in ensuring implementation, constant reporting to the community on progress made on implementation of this IDP and Budget.

Somlomo and Council, after having considered the First Draft Integrated Development Plan and Budget for 2023/24, we further considered the element of human resources to drive the implementation of these two critical Municipal Strategic Service Delivery Plans hence the reviewed Organisational Structure for 2023/24 FY which is also aligned with the IDP and Budget.

Over the next three years, we will have to adjust to significant changes in expenditure plans while improving accountability. It is therefore my pleasure to present to this Council and the Community at large the total Municipal Budget of **R520,6 million** for the 2023/24 Financial Year and it for the first time that the Municipal Budget has reached over half a billion rand, kancane kancane uyakhula loMasipala wethu. Asiphumeni sonke siyoxhumana nomphakathi emaWadini ngale Draft IDP and Budget for 2023/24 Financial Year.

In Conclusion:

Therefore, I recommend that:

The Council considers and adopt the Draft Reviewed IDP and mSCOA Budget for 2023/2024 MTREF and the Proposed Draft Organisational Structure for 2023/24 as stated on the document of the Council Agenda **(C98, C99 and C101)** with all recommendations under each item.

I thank you all

CLLR TP Mdlalose

The Mayor

1.2 Council Resolutions

Resolution No: C099

COUNCIL:30/03/23

On the Council of Mandeni Municipality met through Sibusisiwe Hall Mandeni to consider the mSCOA Draft Annual Budget of the municipality for the financial year 2023/24. The Council approved and adopted the following resolutions:

1. The Council of Mandeni Municipality, acting in terms of section 16 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The mSCOA Annual Budget of the Municipality for the financial year 2023/24 and the multi-year and single- year capital appropriations as set out in the following tables of the budget document:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 13 on page 31;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 14 on page 33.
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table15 on page 35; and
 - 1.1.4. Multi-year and single-year capital appropriations by Municipal vote and standard classification and associated funding by source as contained in Table 16 on page 38.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables of the budget document:
 - 1.2.1. Budgeted Financial Position as contained in Table 17 on page 39;
 - 1.2.2. Budgeted Cash Flows as contained in Table 18 on page 41;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 19 on page 43;
 - 1.2.4. Assets management as contained in Table 20 on page 44; and
 - 1.2.5. Basic Service delivery measurement as contained in Table 21 on page 46.
 - 1.3 The Council of Mandeni Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves Schedule of Tariffs
 - 1.3.1. Schedule of tariffs– as set out in Annexure B,
2. The Council of Mandeni Municipality, acting in terms of Section 16 of the local government: Municipal Finance Management Act (Act 56 of 2003) approves and adopts with effect from 1st July 2022 the reviewed budget related policies.
3. The Council resolves to approved the Service Level Standards as per MFMA circular No.72

1.3 Executive Summary

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51,82, 93,98,107,115,122 and 123, mSCOA Circular No.12 were used to guide the compilation of the 2023/24 & MTREF.

The main challenges experienced during the compilation of the 2023/24 & MTREF can be summarized as follows:

The ongoing difficulties in the national and local economy;
Aging and poorly maintained electricity, roads and municipal infrastructure;
The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
Wage increases for municipal staff that continues to exceed consumer inflation, as well as the need to fill critical vacancies;
The continued difficulty in collecting all that is due to the municipality by consumers: and
Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2023/24 MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2023/24 MTREF:

The 2022/23 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2023/24 annual budget;
Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
The commitments made with Auditor General in maintaining the clean audit initiatives;
The need to fulfill the municipal mandate on the provision of services on disaster management and public safety;
Tariff and property rates increase should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity.
In addition, tariffs need to remain or move towards being cost reflective, and should consider the need to address infrastructure backlogs;

Municipal Standard Chart of Accounts (mSCOA)

The mSCOA Regulations applied to all municipalities and municipal entities with effect from 1 July 2017. Mandeni municipality has compiled its 2023/24 MTREF Budget transacting across all the mSCOA seven segments in Version 6.7 as per MFMA Circular 123. Furthermore, we have ensured a seamless integration of the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and Budget facilities into the core financial system as these documents create a point of departure for the transacting.

Mandeni municipality has tabled its mSCOA Draft Annual Budget & IDP for 2023/24 MTREF in an mSCOA classification framework and the data string (IDP and Budget) will be uploaded to the LG Database portal on the 31st March 2023 immediately after tabling at a Council Meeting. The municipality has also ensured that our main core system (SAGE Evolution) and all subsystems are integrating seamless.

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

Table 1 Consolidated Overview of the 2023/24 & MTREF

KZN291 Mandeni - Table A1 Budget Summary									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Total Revenue (excluding capital transfers and contributions)	278,869	334,074	345,330	328,592	344,324	344,324	377,205	400,094	404,746
Total Expenditure	131,260	298,998	304,510	361,725	371,753	371,753	401,060	412,511	431,468
Surplus/(Deficit) for the year	166,047	76,540	85,919	5,329	11,689	11,689	24,526	28,906	16,364
Capital expenditure & funds sources									
Capital expenditure	254,468	272,457	302,868	78,311	85,993	85,993	119,514	35,933	37,466

Total operating revenue has increased by 9.5 per cent or R32.8 million for the 2023/24 financial year when compared to the 2022/23 Adjustments Budget. For the two outer years, operational revenue will increase by 6.0 and 1.0 per cent respectively, equating to a total revenue growth of R27.5 million over the MTREF when compared to the 2022/23 financial year.

Total operating expenditure for the 2023/24 financial year has been appropriated at R401.0 million and translates into a surplus budget of R24.5 million. Operational expenditure has increased by 7.9 per cent in the 2023/24 budget and the outer years have increased by 4.6 and 3.7 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R30.4 million. The municipality has reprioritized its operational expenditure to be able to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R119.5 million for 2023/24 has increased by 39.0 per cent when compared to the 2022/23 Adjustment Budget. The capital programme decreases to R35.9 million from 2024/25 financial year and then increases in 2025/26 to R37.5 million.

The reduction is due to affordability in the light of the current economic circumstances. A substantial portion of the capital budget will be funded from government grants. The balance will be funded from internally generated funds from cash backing reserves.

1.4 Operating Revenue Framework

For Mandeni Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 68 per cent annual collection rate for property rates and other key service charges;
- The Municipality tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- The Tariff policies of the Municipality.

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

Table 2 Summary of revenue classified by main revenue source

KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Revenue										
Exchange Revenue										
Service charges - Electricity	2	29,909	34,672	45,958	35,824	35,824	35,824	50,439	52,910	55,397
Service charges - Water	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Water M	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Manage	2	8,534	9,150	10,818	8,504	8,504	8,504	9,044	9,347	9,787
Sale of Goods and Rendering of		647	631	588	501	501	501	618	648	679
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		2,704	805	1,059	916	916	916	3,755	3,939	4,124
Interest earned from Current and		6,819	7,470	10,694	5,700	19,200	19,200	10,500	11,004	11,543
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		256	232	175	-	-	-	-	-	-
Rental from Fixed Assets		204	101	150	178	178	178	192	202	211
Licence and permits		20	22	9	10	10	10	-	-	-
Operational Revenue		873	515	465	244	1,931	1,931	396	415	435
Non-Exchange Revenue										
Property rates	2	32,030	49,997	47,363	48,880	48,880	48,880	59,329	60,779	62,237
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		131	281	1,202	278	1,478	1,478	1,210	1,269	1,329
Licences or permits		742	778	782	681	681	681	737	777	814
Transfer and subsidies - Operatic		174,636	210,180	220,162	224,045	223,389	223,389	240,985	258,804	258,192
Interest		9,126	3,279	2,329	2,831	2,831	2,831	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		12,239	15,961	3,577	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital		278,869	334,074	345,330	328,592	344,324	344,324	377,205	400,094	404,746

Table 3 Percentage growth in revenue by main revenue source

KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	Re	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	%	
R thousand	1									
Revenue										
Exchange Revenue										
Service charges - Electricity	2	35,824	10.40	50,439	13.37	52,910	13.22	55,397	13.69	
Service charges - Water	2	-	-	-	-	-	-	-	-	
Service charges - Waste Water M	2	-	-	-	-	-	-	-	-	
Service charges - Waste Manage	2	8,504	2.47	9,044	2.40	9,347	2.34	9,787	2.42	
Sale of Goods and Rendering of		501	0.15	618	0.16	648	0.16	679	0.17	
Agency services		-	-	-	-	-	-	-	-	
Interest		-	-	-	-	-	-	-	-	
Interest earned from Receivables		916	0.27	3,755	1.00	3,939	0.98	4,124	1.02	
Interest earned from Current and		19,200	5.58	10,500	2.78	11,004	2.75	11,543	2.85	
Dividends		-	-	-	-	-	-	-	-	
Rent on Land		-	-	-	-	-	-	-	-	
Rental from Fixed Assets		178	0.05	192	0.05	202	0.05	211	0.05	
Licence and permits		10	0.00	-	-	-	-	-	-	
Operational Revenue		1,931	0.56	396	0.10	415	0.10	435	0.11	
Non-Exchange Revenue										
Property rates	2	48,880	14.20	59,329	15.73	60,779	15.19	62,237	15.38	
Surcharges and Taxes		-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		1,478	0.43	1,210	0.32	1,269	0.32	1,329	0.33	
Licences or permits		681	0.20	737	0.20	777	0.19	814	0.20	
Transfer and subsidies - Operatic		223,389	64.88	240,985	63.89	258,804	64.69	258,192	63.79	
Interest		2,831	0.82	-	-	-	-	-	-	
Fuel Levy		-	-	-	-	-	-	-	-	
Operational Revenue		-	-	-	-	-	-	-	-	
Gains on disposal of Assets		-	-	-	-	-	-	-	-	
Other Gains		-	-	-	-	-	-	-	-	
Discontinued Operations		-	-	-	-	-	-	-	-	
Total Revenue (excluding capital		344,324	100%	377,205	100%	400,094	100%	404,746	100%	

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

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise just below one thirds of the total revenue mix. In the 2023/24 financial year, revenue from rates and services charges totaled R118.8 million or 31.5 per cent.

This increases to R123.3 million and R127.7 million in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and service charges which increases from 3.7 per cent in 2024/25 to 3.6 percent in 2025/26.

The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 53 MBRR SA1 (see page [112](#)).

Property rates are the second largest revenue source totaling to 15.7 per cent or 59.3 million and increases to R62.2 or 15.4 per cent by 2025/26. The third largest source is service charges from electricity revenue source totaling to 50.4 or 13.4 percent, contributing is the proposed increase of 18.7 per cent for municipal electricity tariffs for 2023/24 as approved guideline on municipal electricity price increase tariff.

As NERSA has published guideline on the municipal electricity price tariffs for the 2023/24 municipal financial year and approved an increase of 18.7%.

Interest on outstanding debtors have increased from R3.7 million to R3.8 million with an increase of 4.9 per cent which has considered current year to date performance and also considered 2 per cent interest rate as approved by municipal council. The interest rate will be 2 per cent however the debt in question will still increase and we anticipate that given the collection rate, the increase in the actual debt will result to an increase the interest category regardless of the decrease in the actual rate itself.

Operating grants and transfers totals R240.9 million in the 2023/24 financial year and steadily increases to R258.2 million by 2025/26. Note that there is an increase of 7.9 per cent for the 2023/24 financial year and the year-on-year growth is 7.4 per cent and then increases to 0.2 per cent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

KZN291_Mandeni - Supporting Table SA18 Transfers and grant receipts										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		181,862	192,581	201,955	226,202	226,202	226,202	244,496	268,808	268,782
Local Government Equitable Share		167,483	181,342	191,149	212,818	212,818	212,818	230,823	250,161	249,287
EPWP Incentive		2,234	2,387	2,435	2,372	2,372	2,372	2,553		
Finance Management		1,900	2,346	1,850	1,850	1,850	1,850	1,850	1,850	1,950
Integrated National Electrification Program		9,500	6,506	4,872	7,200	7,200	7,200	7,384	14,622	15,277
Municipal Infrastructure Grant				1,649	1,962	1,962	1,962	1,886	2,175	2,268
Disaster Relief Grant COVID 19		745								
Other transfers/grants [insert description]										
Provincial Government:		2,493	6,219	54,847	20,005	9,387	9,387	3,873	4,618	4,825
Community Library Services Grant		1,228	6,219	4,214	1,477	1,477	1,477	1,477	1,542	1,611
Provincialization of Government		515			2,566	1,910	1,910	2,396	3,076	3,214
Municipal Employment Initiative (EDTEA)					1,000	1,000	1,000			
Human Settlement				50,633	14,962	-	-			
Spetial Development Framework Support		750				5,000	5,000			
Massification Grant										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	184,355	198,800	256,803	246,207	235,589	235,589	248,369	273,426	273,607
Capital Transfers and Grants										
National Government:		33,954	41,647	42,300	38,082	38,082	38,082	47,831	41,323	43,086
Municipal Infrastructure Grant (MIG)		33,954	41,647	42,300	38,082	38,082	38,082	47,831	41,323	43,086
Other capital transfers/grants [insert desc]										
Provincial Government:		1,131	2,990	-	380	1,036	1,036	550	-	-
Provincialization of Libraries		1,131	2,990		380	1,036	1,036	550		
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	35,085	44,637	42,300	38,462	39,118	39,118	48,381	41,323	43,086
TOTAL RECEIPTS OF TRANSFERS & GRANTS		219,440	243,436	299,103	284,669	274,707	274,707	296,750	314,749	316,693

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

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 3- 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment. The percentage increases of Eskom bulk tariffs are moderate this year at 18.7 per cent. Given that these tariff increases are determined by external agencies, the impact they have on the municipality and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.5 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.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance and Traditional affairs. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. All these pieces of legislation have been taken into consideration during this budget process.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA)
- An Additional R85 000 of the Market Value of a property used for residential purposes is excluded from the rate-able value
- Furthermore, all properties with a Market Value below the R130 000 are exempt from paying property rates
- We have also proposed a 50% rebate on all agricultural properties and a 40% rebate on all industrial properties
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy; for pensioners, physically and mentally disabled persons, a maximum/total rebate of 100 per cent will be granted to owners of rate-able property. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.

The municipality started the processes of compiling a new general valuation roll in 2022/23 which will be implemented in the 1st of July 2023. The new general valuation roll has reflected an increase in properties from 7093 to 7145 with an increase of 52 properties.

Following the implementation of the new valuation roll, we were advised by COGTA to ensure that we consider the issue of rate shock. It was clear that there was a significant increase in the Market value of properties subsequently an increase in the Ratable value. This is the last year of this GV as the municipality is now engaging processes of appointing services provider who will be assisting the municipality with preparing the new General Valuation Roll.

Any increase in the tariff of charges would have had a serious negative impact on consumers, which might have resulted to a resistance on the part of consumers. We then decided not to effect any changes in these tariffs. We are therefore proposing an increase of 5.3% for the year 2023/24 which is aligned with CPI. While noting the Provisions of circular 123 and the fact that the CPI reflect an increase of 5,3%. It is our conviction that our tariffs have always been below the break-even line and we intend to phase in the correction by effecting an annual increase which is slightly above the CPI as an acceptable norm. Budget allocated for property rates has also considered the decrease in the number of properties that were due Supplementary Valuation Roll.

The PSI and Agricultural tariffs have been revised to be in accordance with the regulation which stipulate that it should be 1:4 of the residential tariff.

Revenue forgone has increased to R12.1 million by 11.3 per cent in the 2023/24 which has taken into consideration the indigent customers and pensioners under residential category, phasing discount for PSI properties, Agricultural and Industrial categories. Reduction in revenue foregone is due increase in the number of properties as per results of the new valuation roll.

Property rates increased from R48.9 million to R59.3 million in the 2023/24 financial year by 17.61 per cent from the 2022/23 adjustment budget. Increase in property rates has considered the increase in other tariffs by 5.3 per cent and increase in the number of number of properties as per the new roll as there are additional 52 properties identified.

The significant decline in Property Rates Revenue is as a result of the Prohibition on the rating of certain Public Service Infrastructure (PSI) and the phasing in of the prohibition in terms of Section 17 (1) (Aa) and 93A of the Local Government: Municipal Property Rates Amendment Act, 2004 (MPRA). The Municipality has also taken a decision to temporally suspend the rating of State Trust and Communal Land category, these two (2) categories had a significant contribution in the Property Rate Revenue and hence the significant decline after the implementation of these exemptions

The breakdown of the calculation applied in obtaining the budget amount has been included in the supporting document submitted. In calculating the properties rates budget, the municipality has taken into account the amendments of the MPRA.

Table 5 Comparison of proposed rates to be levied for the 2023/24 financial year

PROPERTY CATEGORY USE	CURRENT TARIFF 2022/23	PROPOSED TARIFF 2023/24
Residential	0.0155	0.0155
Industrial	0.0262	0.0262
Commercial	0.0262	0.0262
Farms Agricultural Purpose	0.0039	0.0039
State Trust Land	0.0195	0.0195
Mining Properties	0.0262	0.0262
State owned Properties	0.0245	0.0245
Municipal Properties	0.0245	0.0245
Public Service Infrastructure	0.0039	0.0039
Public benefit organisation	0.0039	0.0039
Place of Worship	0.0245	0.0245
Vacant Land	0.0245	0.0245

1.6 Sale of Electricity and Impact of Tariff Increases

The National Energy Regulator of South Africa (NERSA) has published its guideline on municipal electricity price for 2023/24 and approved an increase of 18.7 per cent.

However, having considered the Eskom increases, the consumer tariff had to be increased by 18.7 per cent to offset the additional bulk purchase cost from 1 July 2023.

This will still be reviewed upon the receipt of the final Bench Marks from the energy regulator. Registered indigents will again be granted 50 kWh per 30-day period free of charge. In addition, those residential customers that are not registered as indigent, but that consume less than 50 kWh per 30-day period will receive 50 kWh free of charge.

It should further be noted that the municipality has adhered to NERSA's advice that a stepped tariff structure needs to be implemented from 1 July 2023. The effect thereof is that the higher the consumption, the higher the cost per kWh. The aim is to subsidize the lower consumption users (mostly the poor).

Inclining Block Tariff

The following is the basis of the price increases that has been used in developing the rates for the (Inclining Block Tariff) IBTs based on the Eskom's proposed increases:

- Block 1 - The 2023/24 benchmarks were increased by 18.7% as per electricity tariff benchmark.
- Block 2 - The 2023/24 benchmarks were increased by 18.7% as per the electricity tariff benchmark.
- Block 3 & 4 - The 2023/24 were increased by 18.7% Increase is to compensate the capital programs to support the renewal of bulk infrastructure.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

Table 6 Comparison between current electricity charges and increases (Domestic)

kWh	NERSA's benchmark	Current tariff	Proposed	Customers
0 - 50	86 – 95	122.66	145.60	37
51 - 350	103 – 110	167.39	198.70	359
351 - 600	147 – 155	185.39	217.92	616
>600	176 – 182	249.36	295.99	82

Service Charges- electricity revenue have increased from R35.8 million to R50.4 million in the 2023/24 financial year by R14.6 million or 40.8 per cent. Electricity revenue increase have considered proposed increase of 18.7 for municipal electricity tariffs and also the municipality has considered the level of demand by Umngeni Water based on actual consumption and the number of customers has increase from 1018 to 1094 by 76 additional properties. Further to that it should be noted that service charges are tax levied at 15 per cent at R7.6 million.

Then revenue budget has been increased by 14.6 million. The breakdown of the calculation applied in obtaining the budget amount has been categorized in the inclining block tariff, and has taken into consideration the conversion to the prepaid system that the municipality has significantly implemented the system and Umngeni water works level of demand. The municipality has a challenge in forecasting demand by Umngeni water for budget estimated allocated, however the municipality will continuously monitor the revenue generated so as to ensure realistic estimates are allocated.

The number of households receiving the above minimum service level in respect of electricity have increased to 1094 in the 2023/24 financial year movement has been based on the current year's performance and increase in electricity tariff as approved by NERSA.

Electricity Revenue has also considered agreement entered into between Municipality and Umngeni water works for the implementation of bulk supply for water scheme within Mandeni as we are the supply authority, the contract will also continue in the 2023/24 financial year. The agreement between Umngeni water is that the municipality will pay for consumption as per billing raised by Eskom and this will then be topped by 18.7 per cent to bill Umngeni as per agreement.

Eskom is providing free basic electricity on behalf of the municipality to all its registered indigent beneficiaries of which they have decreased from 1975 to 1573 households. The municipality reviews its indigent register on an annual basis so as to confirm if the qualifying beneficiaries are still qualifying as indigent. An allocation for FBE has been decreased from 2.2 million to R1.6 million which has considered the decrease in the number of qualifying beneficiaries and the proposed increase in electricity of 18.7 per cent and the number of beneficiaries qualifying for FBE furthermore budget estimated is based on the actual performance for 2022/23 financial year. Further to that it should be noted that the municipality has 18 wards within the area, however we have license authority to provide electricity in ward 3 only and there are no qualifying indigent beneficiaries within this ward. Therefore, Eskom is providing this service of FBE within the 17 wards of municipality on its qualifying beneficiaries.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. Most of the suburbs and inner Municipality reticulation expectancy. The upgrading of the Municipality's network has therefore become a strategic priority, especially the substations and transmission lines.

The budget for the Electricity Distribution Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply). INEP funding of R7.4 million has been allocated towards upgrading of Mandeni Substation- Bulk Infrastructure funding, however the municipality serves as an agent in relation to this grant in accordance with GRAP 109.

Owing to the increase in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. A funding model needs to be developed to mitigate this burden. Electricity service has been budgeted at a deficit of R2.9 million for 2023/24. The municipality has shown an improvement in relation to this item as we have reduced deficit comparing to previous years so as to ensure that there is sustainability for the provision of this service.

The main contributing factor for the service to budget for deficit is due to the approved increase by NERSA as the tariff for sale of electricity has been approved at 18.7 per cent whereas the bulk purchases has been increased by 18.7 per cent. However final increase in tariff will be confirmed by NERSA during final budget.

The municipality is in a process of determining its tariffs through the tariff modelling and determining all the cost drivers associated to providing this service which will then assist the municipality in ensuring that we maintain financial sustainability in the future.

1.7 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a surplus of R283 thousand.

Projected revenue constitutes of R9.9 million for billing to debtors and R891 thousand allocated from equitable share towards free basic services thus totaling 9.0 million. Projected expenditure is 12.7 million which is allocated for the contactors (rental fee paid towards usage of King Cetshwayo landfill site for dumping of refuse as the municipality does have its own site and procurement of refuse bags). Free basic services of R891 thousand and employee cost and other operational expenditure at R10.7 million, thus projected surplus of R283 thousand is projected for this service. Further to that the municipality has also budgeted and estimate of R2 million towards irrecoverable debt write off as per debtors age analysis.

A 5.3 per cent increase in the waste removal tariff is proposed from 1st July 2023. Higher increases will not be viable in 2023/24 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than CPI would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

While we note the increase in the number of properties as per the consolidated valuation roll which in turn increase the demand for this service. Business refuse forms a significant part of our Refuse Collection Revenue and the decline in business operations subsequently results to a decline in their waste products and in turn decreases the revenue generated from our side.

Service Charges- refuse revenue have increased from R8.5 million to R9.0 million in the 2023/24 financial year with an increase in tariff of 5.3 per cent. in tariffs and the number of properties from 31 921 to 32 001 with an increase of 80 which the municipality will be providing this service. Refuse collection is split between two categories for Refuse removed at least once a week which are billed monthly and number of households receiving free basic service. To which most consumers are deemed to be indigent for this service hence they receive the free basic service. Further to that service charges are tax levied at 15 per cent at R1,5 million.

Refuse that is removed at least once a week, there has been an increase in the number of properties for refuse services from 4601 to 4695 as per customers that are billed on municipal billing system. Increase is due to additional properties identified during this financial year as there were previously not billed for refuse.

Number of households for free basic refuse service have increased from 31 921 to 32 001 which has taken into consideration additional properties around the municipality (Low cost housing) that have been added as part of areas where the municipality is providing free basic service.

An increase of more than 5.3 per cent would be counter-productive and will result in affordability challenges, as it will also substantiate providing this service in a surplus.

1.7.1 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept at 5.3 per cent for property rates, 5.3 per cent for refuse removal and 18.7 per cent for electricity.

Table 7 MBRR Table SA14 – Household bills

KZN291_Mandeni - Supporting Table SA14 Household bills								
Description	Ref	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Rand/cent								
Monthly Account for Household - 'Middle Income Range'	1							
Rates and services charges:								
Property rates		1,167.51	1,167.51	1,167.51	5.3%	1,167.51	1,241.06	1,252.73
Electricity: Basic levy		647.44	647.44	647.44	18.7%	768.51	919.90	927.59
Electricity: Consumption		2,940.92	2,940.92	2,940.92	18.7%	3,490.87	4,178.57	4,213.48
Water: Basic levy		-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-
Refuse removal		155.50	155.50	155.50	5.3%	163.74	174.05	175.69
Other								
sub-total		4,911.35	4,911.35	4,911.35	13.8%	5,590.62	6,513.58	6,569.49
VAT on Services								
Total large household bill:		4,911.35	4,911.35	4,911.35	13.8%	5,590.62	6,513.58	6,569.49
% increase/-decrease		8.3%	8.3%	8.3%		13.8%	16.5%	0.9%
Monthly Account for Household - 'Affordable Range'	2							
Rates and services charges:								
Property rates		632.22	632.22	632.22	5.3%	632.22	672.05	678.37
Electricity: Basic levy		378.93	378.93	378.93	18.7%	449.79	538.40	542.90
Electricity: Consumption		584.52	584.52	584.52	18.7%	693.82	830.51	837.45
Water: Basic levy		-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-
Refuse removal		149.20	149.20	149.20	5.3%	157.11	167.01	168.58
Other								
sub-total		1,744.88	1,744.88	1,744.88	10.8%	1,932.95	2,207.97	2,227.30
VAT on Services								
Total small household bill:		1,744.88	1,744.88	1,744.88	10.8%	1,932.95	2,207.97	2,227.30
% increase/-decrease		7.4%	7.4%	7.4%		10.8%	14.2%	0.9%
Monthly Account for Household - 'Indigent' Household receiving	3							
Rates and services charges:								
Property rates								
Electricity: Basic levy								
Electricity: Consumption								
Water: Basic levy								
Water: Consumption								
Sanitation								
Refuse removal								
Other								
sub-total		-	-	-	-	-	-	-
VAT on Services								
Total small household bill:		-	-	-	-	-	-	-
% increase/-decrease		-	-	-		-	-	-

1.8 Operating Expenditure Framework

The Municipality's expenditure framework for the 2023/24 budget and MTREF is informed by the following:

Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
 Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
 The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
 Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
 Strict adherences to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The municipality has budgeted for surplus of R24.5 million which will fund capital projects and reserves from previous year which are not committed.

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

Table 8 Summary of operating expenditure by standard classification item

KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure										
Employee related costs	2	69,108	109,396	107,713	124,828	124,828	124,828	141,420	142,112	148,944
Remuneration of councillors		13,249	13,528	13,798	14,682	14,682	14,682	15,460	16,647	16,980
Bulk purchases - electricity	2	-	28,816	36,575	33,950	39,050	39,050	43,603	43,659	45,667
Inventory consumed	8	(980)	(864)	(348)	3,987	5,093	5,093	7,385	7,442	7,795
Debt impairment	3	-	-	-	35,798	35,798	35,798	37,303	39,130	40,970
Depreciation and amortisation		-	31,848	35,256	33,747	33,747	33,747	35,534	37,276	39,028
Interest		919	332	58	410	410	410	100	105	110
Contracted services		-	47,869	50,051	63,868	64,587	64,587	63,231	66,338	69,376
Transfers and subsidies		-	1,557	-	-	-	-	-	-	-
Irrecoverable debts written off		48,224	34,245	20,430	6,750	6,750	6,750	7,500	7,868	8,237
Operational costs		-	30,735	40,070	43,705	45,809	45,809	48,024	50,361	52,714
Losses on disposal of Assets		740	1,501	732	-	1,000	1,000	1,500	1,574	1,647
Other Losses		-	35	176	-	-	-	-	-	-
Total Expenditure		131,260	298,998	304,510	361,725	371,753	371,753	401,060	412,511	431,468

The budgeted allocation for employee related costs and remuneration of Councilors for the 2023/24 financial year totals R141.4 million, which equals 39.1 per cent of the total operating expenditure. An annual increase of 5.7 and 4.0 per cent has been included in the two outer years of the MTREF.

Employee related costs increased from R124.8 million to R141.4 million which reflects an increase of 13.3 percent. As part of the planning assumptions and interventions, increase has taken into consideration the current status of the positions filled and increase in 5.4 per cent as per salary and wage collective agreement and notch increase as per salary scale.

The municipality has also prioritized additional 26 positions that will be filled in the next financial year which contributes towards service delivery as per the approved organogram (prioritized list attached). Further to that increase has also considered budget allocated towards provision for leave and long service bonus as per employees who will be due.

Increase in Employee related cost has taken into consideration the proposed increase of 5.4 per cent as proposed by SALGA Circular No.01/2023 for salary and wage increase for the period 1 July 2023 to 30 June 2024 per Salary Wage Collective agreement between SALGA, and we have also considered the notch increase that is affected on an annual basis according to the new salary scales as issued by SALGA.

Furthermore, employee related costs budget has included wages for EPWP and Ingwenya Nature Reserve beneficiaries which committed budget of R2.5 million: EPWP wages are funded from grant allocated in 2023/24 financial year as per business plan.

Retirement benefit obligation interest costs in accordance with GRAP 25 has been budgeted under employee related cost as per mSCOA reclassification with a budget of R2.8 million which has been based on prior year audited AFS.

Increase in the number of positions for other municipal staff and councilors have increased from 319 to 345 with 26 prioritized positions for this current financial year.

Increase in employee related costs for 6 senior managers have increase b 1.3 per cent to R7.3 million as per COGTA upper limits of Total Remuneration Packages payable to municipal managers and managers directly accountable to municipal manager Gazette Notice No. 42023 and budgeting for performance. Further to that we have also budgeted for senior managers performance bonus at 2 per cent of their annual package.

Further to that it should be noted that the municipality performs head count and payroll verification process on an annual basis once-a-year in order to identify any ghost employees.

Employee related costs and remuneration of Councilor's have been budgeted at percentage of 39.1 percent of the total operating expenditure, which is within the norm range of 25 percent to 40 percent as per MFMA Circular No.71.

Remuneration of Councilors has increased from R14.7 million to R15.5 million which reflects an increase of 5.3 per cent aligned with CPI. Increase in remuneration of Councilors has considered the current year's performance as per Adjustment budget 2022/23. With the mSCOA classification SDL expenditure is allocated under Other Expenditure.

Further to that two EXCO members have been budgeted for as full-time members of the Council as per agreement with COGTA.

For the 2023/24 financial year this amounts to R42.5 million and increases to R44.8 million by 2024/25. 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. With the increasing debtor's book, the majority of debt is due to Ingonyamana Trust and Residential Households, budget allocated has considered this debt is irrecoverable based on the historical avenues undertaken in recovering it.

The municipality have had a series of meetings with COGTA and Municipal valuer in an attempt to determine the legality of the debt charged. It has been established that indeed the Municipality has acted within its right to charge the Board however there were legislative requirements that were not adhered to in the past.

Cogta has advised us to clean our accounts and ensure that everything is in order, perform a supplementary valuation roll which will correct and reconcile the billing system against the valuation roll. After this exercise a meeting with the representatives of ITB will take place and from there we hope to get an amicable solution.

Provision for debt impairment will decrease in line with the decrease of Property Rates and Interest Revenue as a result of the Ingonyama Trust Board exemption. It should be noted that the (ITB) has always been provided for at 100% since they are regarded as non-paying debtors. So their exemption subsequently results in a decline in the provision for doubtful debt, the Revenue foregone has increased to R12.1 million.

The current outreach programme has since seen an increase in the number of people that are coming forward to apply for our indigent relief. Having considered the high rise of retrenchments as a result of the economic recession and the economic implications of COVID 19. We anticipate that we are going to witness a rapid increase of our indigent register.

The data cleansing exercise, is indicating that at least 50 of our debtors in our debt book are deceased people, with 25 companies who are either liquidated or dissolved. The current engagements with the ITB as well might result in a possible write-off. If all the above goes accordingly we anticipate a possible write-off of an amount of R7.5 million for property rates and service charges refused.

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. Budget appropriations in this regard total R35.5 million for the 2023/24 financial year and equates to 8.9 per cent of the total operating expenditure. The implementation of GRAP 17 accounting standard has also been considered in determining the budget for provision for depreciation.

It is anticipated that some infrastructural projects will be brought into use before the end of the current financial year.

The total amount forecasted for the next financial year amounts to R35.5 million this is after taking into consideration the forecasted Capital Expenditure on various asset classes and the implication of write-offs at year-end. The amounts for movable assets such as Computer Equipment, Furniture, Machinery and Transport assets were adjusted to cater for the forecasted Capital Expenditure for the next financial year.

Finance Charges: Currently the municipality does not have any finance leases as the previous agreement came to an end. Budget allocated for R100 thousand has considered any interest that is charged by Eskom for late payment which forms part of fruitless and wasteful expenditure. However, the municipality has been engaging Eskom in relation to these interests as the municipality always ensures that payment is paid timeously.

The MFMA specifies that borrowing can only be utilized to fund capital or refinancing of borrowing in certain conditions.

The municipality engages in a number of financing arrangements to minimize its interest rate costs and risk. However, for simplicity the 2023/24 MTREF assumes that all borrowings are undertaken using fixed interest rates for amortization-style loans requiring both regular principal and interest payments.

Bulk purchases: are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Bulk purchases have taken into consideration 18.7 per cent as proposed in NERSA guideline for 2023/24 financial year as per guideline on municipal electricity price increase. Bulk purchases have increased from 39.1 million to 43.6 million in 2023/24, which is due to proposed increase of 18.7 per cent, increase has also considered the actual consumption by Umngeni for implementation of water works and the level of demand which has been noted as increasing drastically in the six months of the financial year when comparing to the 2022/23 financial year. Further to that this item is tax levied at 15 per cent of R6.5 million.

Inventory Consumed: For 2023/24 the appropriation against this group of expenditure has been reclassified and allocated budget of R7.3 million and continues to grow by 27.9 per cent for the two outer years of which budget allocation is in excess of R5.2 million by 2025/26.

Further to that budget allocated for inventory consumed relates to materials procured by the municipality towards repairs and maintenance which are vatable items. The municipality procures stores items which is often used by internal staff for maintenance of infrastructure which is undertaken internally.

Contracted Services for 2023/24 the appropriation against this group of expenditure has been decreased by 2.1 per cent (R63.2 million) and it has grown by 9.7 for the two outer years of which budget allocation is in excess of R69.4 million by 2025/26.

As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2023/24 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into this budget cycle and it is envisaged that additional cost savings will be implemented.

As part of the compilation of the 2022/2023 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced as the municipality is trying to reduce the outsourcing of services. The municipality took a resolution to perform some of these contracted services internally as assessments were done and reports reflected that the municipality can be capable of delivering these services, however it was also noted that municipality is currently in no position to fully perform these services internally, such as lease of refuse truck and provision of Security Services as the municipality does not have full capacity to perform them internally.

During the compilation of the 2023/24 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance and the weather pattern disasters especially to rural roads. Budget allocated for other materials in 2023/24 financial year is sufficient to cover the repairs and maintenance as the budget estimate for this item has considered the repairs and maintenance plan that is annually reviewed by the municipality.

This budget comprises of amongst others the purchase of materials for maintenance, cleaning materials and also outsourcing services related to repairs & maintenance. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritized to ensure sustainability of the Municipality's infrastructure.

Contracted Service	Final Adjustment 2022/23	Draft Budget 2023/24	% Increase	Reason for movement
Security Services	11,097,197	11,834,496	6.6%	Increase is due to an annual increase of this service as per SLA
Catering	2,478,155	2,985,000	20.5%	Increase is due to planned programs and public participation events that affect community of which catering must be provided by the municipality. Further to that it should be noted that cost containment measures have been considered for this item, however previous experiences has shown that community participate in events where catering has been provided.
Grass Cutting	3,400,000	2,608,696	(23.2%)	Decrease is based on current year performance and the decision that was taken to partially insource this service by recruiting 3 permanent brush cutters in this financial year.
Professional staff:	13,678,265	13,496,288	(1.3%)	Decrease is due to current year's performance and also considered expired contract and increased rate as per SLA
Transportation	856,250	1,535,000	79%	Increase is due to planned programs and public participation events that affect

				community of which transport must be provided by the municipality.
Maintenance	20,385,390	16,711,308	(18%)	Decrease has been based on this current year's performance, further to that other portion of maintenance have been budgeted under inventory.

Other expenditure comprises of various line items relating to the daily operations of the municipality. Other expenditure has been increased from R45.8 million to R48.0 million with a increase of 4.8 per cent.

This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved, as the municipality has identified areas in which cost cutting can be implemented, without disturbing operations of the municipality. Budget allocated for this item has considered cost containment regulations that were issued on the 7th June 2020 to take effect on the 1st July 2023.

Furthermore, it should be noted that other expenditure exceeds the allocated norm of 10 per cent by 12.0 per cent, variance is due to critical operations by the municipality which needs to be prioritized as they contribute to improved service delivery, however this item will be regularly monitored so as to ensure realistic targets are met.

Other Expenditure	Final Adjustment 2022/23	Draft Budget 2023/24	% Increase	Reason for movement
Vehicle Tracking	434,783	456,087	4.9%	Increase is due to an annual increase and consideration of additional number of vehicles to be procured next year.
Printing, Publication and Books	654,861	686,427	4.8%	Increase is due to current years performance and estimated increase in the market.
Municipal services	2,465,000	1,956,521	(20.6%)	Decrease is due to current years performance which has also considered increase in tariffs

				for municipal services.
Professional staff:	1,951,750	1,562,304	(19.9%)	Decrease has considered current years performance and percentage allocated towards SALGA levies based on budget allocated for employee related cost.
Travel and subsistence	3,440,072	2,912,434	(15.3%)	Decrease is due to performance noted in this current year and consideration of cost containment measures.
Advertising, Publicity and Marketing: Corporate and Municipal Activities	973,088	1,582,610	62.3%	Increase is due to current years performance in relation to publishing compliance related issues, recruitment process and advertised tenders
Licensing	958,055	1,119,566	16.9%	Increase has considered the number of vehicles that are renewed annually.

The municipality's operating budget shows a deficit of R23.9 and it is clear that there are financial imbalances that still need to be addressed. The imbalances are due to a failure to collect revenues, and the setting of tariff modelling that has not be fully implemented which will assist the municipality to be able not to provide service on deficit and projections of high expenditures. The municipality is working on developing strategy that will address this deficit.

The following table gives a breakdown of the main expenditure categories for the 2023/24 financial year.

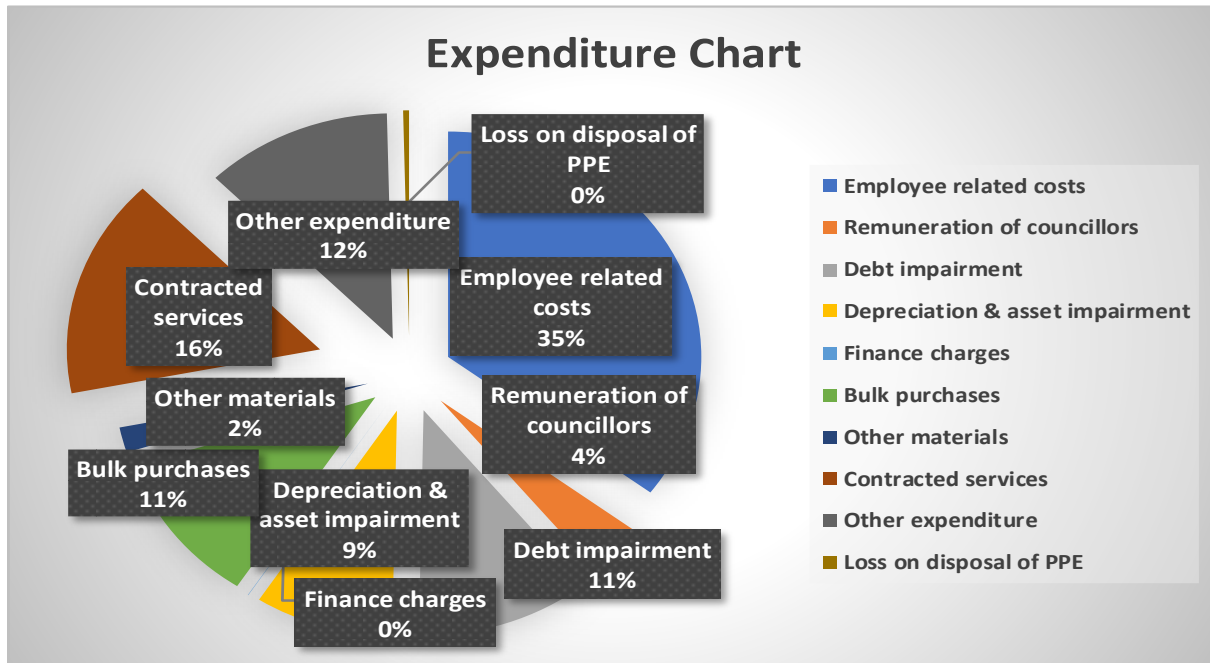


Figure 1 Main operational expenditure categories for the 2023/24 financial year

1.8.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipality’s current infrastructure, the 2023/24 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs & maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 9 Operational repairs and maintenance

KZN291 Mandeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Repairs and Maintenance by	8									
Employee related costs			-	-	24,966	24,966	24,966	28,284	28,422	29,789
Inventory Consumed (Project Maintenance)		7,949	19,129	15,687	16,598	18,898	18,898	16,377	16,951	17,748
Contracted Services			-	-	12,774	12,917	12,917	12,646	13,268	13,875
Other Expenditure			-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expendit	9	7,949	19,129	15,687	54,337	56,781	56,781	57,307	58,641	61,412
Inventory Consumed										
Inventory Consumed - Water		-	-	-	-	-	-	-	-	-
Inventory Consumed - Other		(980)	(864)	(348)	3,987	5,093	5,093	7,385	7,442	7,795
Total Inventory Consumed & Other Material		(980)	(864)	(348)	3,987	5,093	5,093	7,385	7,442	7,795

During the compilation of the 2023/24 MTREF operational repairs and maintenance were identified as a strategic imperative owing to the aging of the municipality's infrastructure. To this end, repairs and maintenance for roads was substantially increased by 1.3 per cent in the 2023/24 financial year, from R57.3 million to R61.4 million. The total allocation for 2023/24 equates to R57.3 million a increase of 4 per cent in relation to the Adjustment Budget and continues to grow at 1.9 and 2.0 per cent over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 8.1 and 4.6 per cent for the respective financial years of the MTREF.

Budget allocated towards maintenance has been based on the repairs and maintenance plan and this item will be regularly monitored so as to ensure the ongoing health of the assets.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 10 Repairs and maintenance per asset class

KZN291 Mandeni - Table A9 Asset Management										
Description	Re	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
EXPENDITURE OTHER ITEMS		36 534	36 916	48 531	52 001	51 901	51 901	53 082	54 269	56 711
Depreciation	7	27 103	28 967	29 402	32 726	32 726	32 726	33 747	35 232	36 817
Repairs and Maintenance by Asset Class	3	9 431	7 949	19 129	19 275	19 175	19 175	19 335	19 037	19 894
<i>Roads Infrastructure</i>		3 884	2 337	4 731	4 950	5 150	5 150	6 400	6 160	6 437
<i>Storm water Infrastructure</i>		120	73	751	1 250	1 250	1 250	1 150	1 201	1 255
<i>Electrical Infrastructure</i>		1 790	991	1 279	3 250	3 550	3 550	4 200	4 385	4 582
<i>Information and Communication Infrastru</i>		78	312	223	3 000	2 150	2 150	700	731	764
Infrastructure		5 873	3 713	6 983	12 450	12 100	12 100	12 450	12 476	13 037
Community Facilities		6	245	1 118	825	625	625	270	282	295
Sport and Recreation Facilities		279	123	538	1 250	750	750	1 350	783	818
Community Assets		284	367	1 656	2 075	1 375	1 375	1 620	1 065	1 113
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		144	514	347	250	200	200	265	277	289
Housing		-	-	-	-	-	-	-	-	-
Other Assets		144	514	347	250	200	200	265	277	289
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	164	-	-	-	-	-	-	-
Furniture and Office Equipment		-	103	99	-	-	-	-	-	-
Machinery and Equipment		3 129	3 088	10 044	4 500	5 500	5 500	5 000	5 220	5 455
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		36 534	36 916	48 531	52 001	51 901	51 901	53 082	54 269	56 711
Renewal and upgrading of Existing Assets		84.9%	87.9%	86.2%	52.9%	57.5%	57.5%	40.7%	100.0%	100.0%
Renewal and upgrading of Existing Assets		744.3%	772.0%	798.9%	119.6%	139.3%	139.3%	111.2%	112.5%	112.3%
R&M as a % of PPE		2.1%	1.8%	4.2%	3.5%	3.8%	3.8%	3.5%	3.5%	3.6%
Renewal and upgrading and R&M as a % of		42.0%	46.0%	47.0%	9.0%	11.0%	11.0%	9.0%	9.0%	10.0%

For the 2023/24 financial year 64.4 per cent or R12.5 million of total repairs and maintenance will be spent on infrastructure assets. Infrastructure assets and Machinery & equipment have been allocated R5.0 million of total repairs and maintenance equating to 25.9 per cent, Community assets have been allocated R1.6 million of total repairs and maintenance equating to 8.4 per cent.

1.9 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 483 or more indigent households during the 2023/24 financial year, a process is reviewed annually to benefit in Free Basic Services offered by the municipality. Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.10 Capital expenditure

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

Table 11 2023/24 Medium-term capital budget per vote

KZN291 Mandeni - Table A5 Capital Expenditure									
Vote Description	Re	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	%
R thousand	1								
Single-year expenditure to be approved	2								
Vote 1 - Executive and council		527	0.61	104	0.09	–		–	
Vote 2 - Finance and administration		4,662	5.42	21,225	17.76	–		–	
Vote 3 - Internal audit		–	–	–		–		–	
Vote 4 - Community and social services		6,614	7.69	4,043	3.38	7,391	20.57	–	
Vote 5 - Sport and Recreation		11,840	13.77	15,066	12.61	16,542	46.04	13,043	34.81
Vote 6 - Public safety		–	–	–		–		–	
Vote 7 - Housing		–	–	–		–		–	
Vote 8 - Planning and Development		17,006	19.78	16,435	13.75	–		–	
Vote 9 - Road transport		31,733	36.90	54,977	46.00	12,000	33.40	4,858	12.97
Vote 10 - Energy sources		8,704	10.12	3,062	2.56	–		–	
Vote 11 - Waste Management		4,907	5.71	4,602	3.85	–		19,565	52.22
Vote 12 - Environmental Protection		–	–	–		–		–	
Vote 13 - [NAME OF VOTE 13]		–	–	–		–		–	
Vote 14 - [NAME OF VOTE 14]		–	–	–		–		–	
Vote 15 - [NAME OF VOTE 15]		–	–	–		–		–	
Capital single-year expenditure sub-total		85,993	100%	119,514	100%	35,933	100%	37,466	100%
Total Capital Expenditure - Vote		85,993	100%	119,514	100%	35,933	100%	37,466	100%

For 2023/24 an amount of R44.2 million have been appropriated for the development of infrastructure which represents 37.0 per cent of the total capital budget. In the outer years this amount totals R12.0 million and decreases to R4.9 million respectively for each of the financial years. Community assets have been allocated R29.3 which represents 24.5 per cent which is the highest allocation toward capital expenditure. Other Assets have been allocated budget of R17.1 million appropriated at 14.3 per cent. Transport, Machinery, Computer Furniture and Office equipment have been allocated R28.9 which represent 24.2 per cent.

Total new assets represent 48.9 per cent or R58.4 million of the total capital budgets while renewal of existing assets represents 12.9 per cent or R15.4 million and upgrading of existing assets equates to 38.2 per cent or R45.6 million.

Capital budget funded from grants through National & Provincial Treasury equates to R41.6 million or 34.8 per cent. Budget allocated towards capital budget funded by MIG.

National Grant have been funded by MIG allocation of 95 per cent of the total allocation as 5 per cent has been allocated towards PMU.

Capital Budget funded through provincial grants through Library Grant of R478 thousand which represents 0.4 per cent of total allocated grant.

Capital funded internally equates to 64.8 per cent or R77.4 million, which has been funded from cash backed reserves from previous year. The municipality has prioritized budget of R19.0 million towards procuring machinery & equipment towards service delivery. Establishment of this center is one of the strategies in the revenue enhancement strategy as the municipality anticipates to improve revenue collection upon completion and operation of the training center.

Furthermore, to that the municipality has prioritized the following projects which will be rolled over to the next financial year: Establishment of DLTC Center budget allocation of R6 million since project is still in its progress, upgrading roofing for civic center (municipal offices) of R4.5 million.

1.11 Annual Budget Tables - Parent Municipality

The following eighteen 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 as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 12 MBRR Table A1 - Budget Summary

KZN291 Mandeni - Table A1 Budget Summary									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance									
Property rates	32,030	49,997	47,363	48,880	48,880	48,880	59,329	60,779	62,237
Service charges	38,443	43,822	56,776	44,328	44,328	44,328	59,483	62,258	65,184
Investment revenue	6,819	7,470	10,694	5,700	19,200	19,200	10,500	11,004	11,543
Transfer and subsidies - Operations	174,636	210,180	220,162	224,045	223,389	223,389	240,985	258,804	258,192
Other own revenue	26,942	22,605	10,334	5,639	8,527	8,527	6,908	7,250	7,590
Total Revenue (excluding capital)	278,869	334,074	345,330	328,592	344,324	344,324	377,205	400,094	404,746
Employee costs	69,108	109,396	107,713	124,828	124,828	124,828	141,420	142,112	148,944
Remuneration of councillors	13,249	13,528	13,798	14,682	14,682	14,682	15,460	16,647	16,980
Depreciation and amortisation	-	31,848	35,256	33,747	33,747	33,747	35,534	37,276	39,028
Finance charges	919	332	58	410	410	410	100	105	110
Inventory consumed and bulk purchase	(980)	27,952	36,226	37,937	44,143	44,143	50,988	51,102	53,463
Transfers and subsidies	-	1,557	-	-	-	-	-	-	-
Other expenditure	48,964	114,385	111,459	150,121	153,943	153,943	157,557	165,270	172,944
Total Expenditure	131,260	298,998	304,510	361,725	371,753	371,753	401,060	412,511	431,468
Surplus/(Deficit)	147,609	35,075	40,820	(33,133)	(27,429)	(27,429)	(23,855)	(12,417)	(26,722)
Transfers and subsidies - capital	18,438	41,465	45,099	38,462	39,118	39,118	48,381	41,323	43,086
Transfers and subsidies - capital	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	166,047	76,540	85,919	5,329	11,689	11,689	24,526	28,906	16,364
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	166,047	76,540	85,919	5,329	11,689	11,689	24,526	28,906	16,364
Capital expenditure & funds sources									
Capital expenditure	254,468	272,457	302,868	78,311	85,993	85,993	119,514	35,933	37,466
Transfers recognised - capital	168,052	162,290	168,052	32,693	33,307	33,307	42,071	35,933	37,466
Borrowing	3,881	3,881	3,881	-	-	-	-	-	-
Internally generated funds	130,936	106,286	130,936	45,619	52,686	52,686	77,444	-	-
Total sources of capital funds	302,868	272,457	302,868	78,311	85,993	85,993	119,514	35,933	37,466
Financial position									
Total current assets	139,489	203,431	236,396	107,094	191,080	191,080	201,386	302,772	301,722
Total non current assets	892,141	540,732	573,428	625,190	625,675	625,675	716,371	668,928	689,291
Total current liabilities	51,381	69,629	49,357	36,348	39,728	39,728	51,607	31,530	36,071
Total non current liabilities	54,455	60,189	58,801	77,583	68,386	68,386	68,386	73,165	75,128
Community wealth/Equity	429,544	432,794	432,845	654,128	734,082	734,082	835,655	898,406	913,293
Cash flows									
Net cash from (used) operating	82,562	352,085	719,854	76,547	55,356	55,356	(84,425)	10,716	(4,202)
Net cash from (used) investing	-	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	82,562	352,085	719,854	76,547	55,356	55,356	123,554	134,270	130,068
Cash backing/surplus reconciliation									
Cash and investments available	972,398	690,532	743,939	623,796	711,762	711,762	763,141	820,676	840,786
Application of cash and investments	19,028	29,068	17,426	8,849	9,809	9,809	8,537	(9,062)	(5,242)
Balance - surplus (shortfall)	953,370	661,464	726,513	614,947	701,954	701,954	754,604	829,739	846,028
Asset management									
Asset register summary (WDV)	467,604	498,214	534,576	571,707	576,350	576,350	640,386	671,390	-
Depreciation	28,967	29,402	31,726	33,747	33,747	33,747	37,276	39,028	-
Renewal and Upgrading of Existing	223,616	234,880	260,270	33,543	29,336	29,336	12,000	4,858	-
Repairs and Maintenance	7,949	19,129	15,687	16,598	18,898	18,898	16,951	17,748	-
Free services									
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	0	(7,415)	(6,725)	11,765	11,765	11,765	13,805	14,479	-
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	0	0	0	0	0	0	-	-	-
Energy:	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

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

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

Financial management reforms 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.

The operating surplus/deficit (after Total Expenditure) is positive over the MTREF Capital expenditure is balanced by capital funding sources, of which Transfers recognised are reflected on the Financial Performance Budget.

Borrowing is incorporated in the net cash from financing on the Cash Flow Budget Internally generated funds are financed from accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.

The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2023/24, when a small surplus as reflected.

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

Table 13 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN291 Mandeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional										
Governance and administration	1	182,347	-	-	272,442	286,954	286,954	304,046	325,416	326,716
Executive and council		-	-	-	7,806	7,806	7,806	7,806	8,270	8,597
Finance and administration		182,347	-	-	264,636	279,148	279,148	296,240	317,146	318,119
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		47,510	-	-	4,643	4,643	4,643	4,692	4,901	4,983
Community and social services		45,350	-	-	4,643	4,643	4,643	4,692	4,901	4,983
Sport and recreation		2,159	-	-	-	-	-	-	-	-
Public safety		1	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental serv		20,428	-	-	44,548	46,425	46,425	54,327	45,656	47,613
Planning and development		13,076	-	-	43,589	44,266	44,266	49,857	43,645	45,507
Road transport		7,351	-	-	959	2,159	2,159	4,470	2,011	2,106
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		47,023	-	-	45,420	45,420	45,420	62,521	65,444	68,520
Energy sources		30,136	-	-	36,068	36,068	36,068	51,491	54,014	56,552
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		16,887	-	-	9,353	9,353	9,353	11,030	11,431	11,968
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	297,308	-	-	367,054	383,442	383,442	425,586	441,417	447,832
Expenditure - Functional										
Governance and administration		157,678	-	-	187,729	192,855	192,855	207,534	217,770	234,169
Executive and council		35,224	-	-	52,611	55,072	55,072	63,580	67,120	69,830
Finance and administration		122,455	-	-	135,119	137,783	137,783	143,953	150,649	164,339
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		30,786	-	-	36,843	36,399	36,399	42,477	37,390	40,476
Community and social services		23,635	-	-	25,878	24,369	24,369	31,792	29,253	31,957
Sport and recreation		6,949	-	-	9,873	10,938	10,938	9,442	7,062	7,394
Public safety		139	-	-	1,073	1,073	1,073	1,223	1,055	1,105
Housing		64	-	-	20	20	20	20	20	20
Health		-	-	-	-	-	-	-	-	-
Economic and environmental serv		53,004	-	-	79,416	79,505	79,505	80,949	85,236	83,358
Planning and development		15,971	-	-	23,148	22,974	22,974	21,291	22,653	23,845
Road transport		33,050	-	-	52,589	52,852	52,852	55,727	58,459	55,196
Environmental protection		3,983	-	-	3,680	3,680	3,680	3,931	4,124	4,317
Trading services		44,788	-	-	57,736	62,994	62,994	70,051	72,063	73,410
Energy sources		33,796	-	-	45,688	49,768	49,768	54,355	55,734	56,212
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2,290	-	-	2,800	2,800	2,800	2,948	3,093	3,238
Waste management		8,703	-	-	9,248	10,426	10,426	12,747	13,237	13,960
Other	4	-	-	-	-	-	-	50	52	55
Total Expenditure - Functional	3	286,257	-	-	361,725	371,753	371,753	401,060	412,511	431,468
Surplus/(Deficit) for the year		11,051	-	-	5,329	11,689	11,689	24,526	28,906	16,364

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

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

Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Budget & Treasury Office.

Table 14 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN291 Mandeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and council		–	45,336	–	7,806	7,806	7,806	7,806	8,270	8,597
Vote 2 - Finance and administration		182,347	216,424	263,585	264,636	279,148	279,148	296,240	317,146	318,119
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		45,350	6,740	4,421	4,643	4,643	4,643	4,692	4,901	4,983
Vote 5 - Sport and Recreation		2,159	–	1,649	–	–	–	–	–	–
Vote 6 - Public safety		1	1	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		13,076	44,903	46,731	43,589	44,266	44,266	49,857	43,645	45,507
Vote 9 - Road transport		7,351	1,080	1,992	959	2,159	2,159	4,470	2,011	2,106
Vote 10 - Energy sources		30,136	34,748	46,103	36,068	36,068	36,068	51,491	54,014	56,552
Vote 11 - Waste Management		16,887	11,476	12,498	9,353	9,353	9,353	11,030	11,431	11,968
Vote 12 - Environmental Protection		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	297,308	360,709	376,979	367,054	383,442	383,442	425,586	441,417	447,832
Expenditure by Vote to be approved	1									
Vote 1 - Executive and council		35,224	40,036	43,112	52,611	55,072	55,072	63,580	67,120	69,830
Vote 2 - Finance and administration		122,455	120,129	107,076	135,119	137,783	137,783	143,953	150,649	164,339
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		23,635	19,635	22,685	25,878	24,369	24,369	31,792	29,253	31,957
Vote 5 - Sport and Recreation		6,949	10,596	11,517	9,873	10,938	10,938	9,442	7,062	7,394
Vote 6 - Public safety		139	38	399	1,073	1,073	1,073	1,223	1,055	1,105
Vote 7 - Housing		64	–	16	20	20	20	20	20	20
Vote 8 - Planning and Development		15,971	16,252	15,904	23,148	22,974	22,974	21,341	22,705	23,900
Vote 9 - Road transport		35,339	45,395	46,432	55,389	55,652	55,652	58,675	61,552	58,434
Vote 10 - Energy sources		33,796	36,875	45,697	45,688	49,768	49,768	54,355	55,734	56,212
Vote 11 - Waste Management		8,703	9,785	10,105	9,248	10,426	10,426	12,747	13,237	13,960
Vote 12 - Environmental Protection		3,983	3,225	3,164	3,680	3,680	3,680	3,931	4,124	4,317
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	286,257	301,966	306,106	361,725	371,753	371,753	401,060	412,511	431,468
Surplus/(Deficit) for the year	2	11,051	58,743	70,873	5,329	11,689	11,689	24,526	28,906	16,364

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

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

Table 15 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	29,909	34,672	45,958	35,824	35,824	35,824	35,824	50,439	52,910	55,397
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	8,534	9,150	10,818	8,504	8,504	8,504	8,504	9,044	9,347	9,787
Sale of Goods and Rendering of Agency services		647	631	588	501	501	501	739	618	648	679
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		2,704	805	1,059	916	916	916	807	3,755	3,939	4,124
Interest earned from Current and		6,819	7,470	10,694	5,700	19,200	19,200	12,508	10,500	11,004	11,543
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		256	232	175	-	-	-	67	-	-	-
Rental from Fixed Assets		204	101	150	178	178	178	171	192	202	211
Licence and permits		20	22	9	10	10	10	19	-	-	-
Operational Revenue		873	515	465	244	1,931	1,931	2,115	396	415	435
Non-Exchange Revenue											
Property rates	2	32,030	49,997	47,363	48,880	48,880	48,880	48,880	59,329	60,779	62,237
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		131	281	1,202	278	1,478	1,478	72	1,210	1,269	1,329
Licences or permits		742	778	782	681	681	681	361	737	777	814
Transfer and subsidies - Operatic		174,636	210,180	220,162	224,045	223,389	223,389	219,890	240,985	258,804	258,192
Interest		9,126	3,279	2,329	2,831	2,831	2,831	1,748	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		12,239	15,961	3,577	-	-	-	-	-	-	-
Discontinued Operations											
Total Revenue (excluding capital Expenditure)		278,869	334,074	345,330	328,592	344,324	344,324	331,704	377,205	400,094	404,746
Expenditure											
Employee related costs	2	69,108	109,396	107,713	124,828	124,828	124,828	76,440	141,420	142,112	148,944
Remuneration of councillors		13,249	13,528	13,798	14,682	14,682	14,682	9,175	15,460	16,647	16,980
Bulk purchases - electricity	2	-	28,816	36,575	33,950	39,050	39,050	31,134	43,603	43,659	45,667
Inventory consumed	8	(980)	(864)	(348)	3,987	5,093	5,093	96	7,385	7,442	7,795
Debt impairment	3	-	-	-	35,798	35,798	35,798	-	37,303	39,130	40,970
Depreciation and amortisation		-	31,848	35,256	33,747	33,747	33,747	21,795	35,534	37,276	39,028
Interest		919	332	58	410	410	410	260	100	105	110
Contracted services		-	47,869	50,051	63,868	64,587	64,587	39,506	63,231	66,338	69,376
Transfers and subsidies		-	1,557	-	-	-	-	-	-	-	-
Irrecoverable debts written off		48,224	34,245	20,430	6,750	6,750	6,750	20,999	7,500	7,868	8,237
Operational costs		-	30,735	40,070	43,705	45,809	45,809	32,230	48,024	50,361	52,714
Losses on disposal of Assets		740	1,501	732	-	1,000	1,000	(314)	1,500	1,574	1,647
Other Losses		-	35	176	-	-	-	15	-	-	-
Total Expenditure		131,260	298,998	304,510	361,725	371,753	371,753	231,336	401,060	412,511	431,468
Surplus/(Deficit)		147,609	35,075	40,820	(33,133)	(27,429)	(27,429)	100,368	(23,855)	(12,417)	(26,722)
Transfers and subsidies - capital	6	18,438	41,465	45,099	38,462	39,118	39,118	25,005	48,381	41,323	43,086
Transfers and subsidies - capital	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		166,047	76,540	85,919	5,329	11,689	11,689	125,373	24,526	28,906	16,364
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income		166,047	76,540	85,919	5,329	11,689	11,689	125,373	24,526	28,906	16,364
Share of Surplus/Deficit attributable to		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		166,047	76,540	85,919	5,329	11,689	11,689	125,373	24,526	28,906	16,364
Share of Surplus/Deficit attributable to	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary trans		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	166,047	76,540	85,919	5,329	11,689	11,689	125,373	24,526	28,906	16,364

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

Total revenue is R377.3 million in 2023/24 and escalates to R405.0 million by 2025/26. This represents a year-on-year increase of 9.6 per cent for the 2023/24 financial year and 7.3 per cent for the 2025/26 financial year.

Revenue to be generated from property rates is 59.3 million in the 2023/24 financial year and increases to R62.2 million by 2025/26 which represents 15.7 per cent of the operating revenue base of the Municipality. Increase in property rates has considered the increase in other tariffs by 5.3 per cent.

Services charges relating to electricity and refuse removal constitutes the component of the revenue basket of the Municipality totaling R59.6 million for the 2023/24 financial year and increasing to R65.5 million by 2025/26. For the 2023/24 financial year services charges amount to 14.1 per cent of the total revenue base and grows by 13.7 per cent per annum over the medium-term. This growth has mainly been attributed by effecting 18.7 per cent increase for electricity and 5.3 per cent for refuse. The municipality has also considered the agreement between the Municipality and Umngeni water for the Thukela water works project for the supply of bulk electricity.

Rental of facilities and equipment have been increased in the 2023/24 financial year from R178 thousand to R192 thousand with an increase of 2.7%. Budget amount has also considered the increase on rental tariffs at 5.3% and year to date performance. Increase in the budget has considered the level of demand for the utilization of municipal properties and the actual collection to date.

However, it has been noted that with community facilities there is a challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

Interest on external investments have been decreased from R19.2 million to R10.5 million for 2023/24 financial year, decrease of 45.3 per cent has considered the projected closing balance for investments and the 2023/24 and Gazette Grants which will be transferred to the municipality as publicized. The municipality has applied the market interest rate of 7.25 per cent which is below the current interest rate of 7.25 per cent so as to set realistic targets.

Interest on external investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R10.5 million, R11.0 million and R11.5 million for the respective three financial years of the 2023/24 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

Interest on Outstanding have been increased from R3.7 million to R3.8 million for 2023/24; increase of 0.2 per cent is based on the level of outstanding debtors as the large bulk of debt are Households. Debt Collection initiatives are being done so as to encourage consumers to settle their debts, however interest is still to be charged on outstanding debt.

Interest rate for Interest on outstanding debtors will remain at 2% as approved by Council. The exemption of State Trust and Communal Land category will mainly be applicable to the Ingonyama Trust Board Properties, this is the most defaulting consumer and it forms a large part of our debt book therefore the suspension of it billing will result to a significant decline in the Interest revenue.

Fines have been decreased from R1.5 million to R1.2 million decrease of 18.1 percent, proposed budget for fines is based on the current year's actual performance for 2022/23 collection. This is the level in which the municipality anticipates to recover/collect fines once it has also determined the analysis for the implementation of GRAP 1 which is recognized at year end.

Licenses & Permits have been increased from R692 million to R740 thousand for 2023/24 financial year; increase of 7.1 percent is based on the current year's actual performance and level of demand for this source. Budget allocated has also considered the percentage increase of 5.3 per cent which has been effected for various license & Permits tariffs for Traffic Department, further to that budget allocated has also considered the actual performance to date for licenses and permits.

Other revenue has been decreased from R2.4 million to 1.0 million for 2023/24 financial year decrease of 58.3 per cent has considered the increase in tariffs by 5.3 per cent for photocopy, fire services and connection fees, furthermore to that level of performance has been considered in determining the budget estimates for these revenue sources. Decrease is due the fact that the municipality received Insurance Refund and funding from LG Seta Funding has not been publicized in DORA. LG Seta funding is determined by skills plan that is submitted annually to SETA.

Transfers recognised – operational includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that the grants receipts from national government have been increased over the MTREF by 7.9 per cent and then increases by 7 per cent to 7per cent for the two outer years. Furthermore, 5 per cent of the MIG allocation has been allocated towards the Project Management Unit as per the approved business plan in accordance with Schedule 5-part B, therefore R1.9 million has been allocated towards operation activities of the PMU unit.

Bulk purchases have significantly increased over the 2022/23 adjustment budget to 2023/24 period escalating from R39.0 million to R43.6 million with exclusion of VAT at 15 per cent of R6.5 million. Total inclusive of VAT is R50,1 million. This increase is attributed to the substantial increase in the cost bulk electricity from Eskom; the municipality has effected proposed increase of 17.8 per cent for bulk purchases by NERSA furthermore the increase in bulk purchases has considered the current level of demand by Umngeni Water based on the consumption per kilowatts to date.

Employee related costs and other expenditure are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and other expenditure increases in future years.

Table 16 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN291 Mandeni - Table A5 Capital Expenditure										
Vote Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Single-year expenditure to be approved	2									
Vote 1 - Executive and council		1,525	826	–	527	527	527	104	–	–
Vote 2 - Finance and administration		58,884	69,143	83,011	7,395	4,662	4,662	21,225	–	–
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		80,707	80,240	89,914	6,779	6,614	6,614	4,043	7,391	–
Vote 5 - Sport and Recreation		301	4,540	8,614	13,509	11,840	11,840	15,066	16,542	13,043
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		1,638	5,537	5,004	18,479	17,006	17,006	16,435	–	–
Vote 9 - Road transport		90,937	91,612	90,439	20,326	31,733	31,733	54,977	12,000	4,858
Vote 10 - Energy sources		20,476	20,559	25,887	6,095	8,704	8,704	3,062	–	–
Vote 11 - Waste Management		–	–	–	5,202	4,907	4,907	4,602	–	19,565
Vote 12 - Environmental Protection		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		254,468	272,457	302,868	78,311	85,993	85,993	119,514	35,933	37,466
Total Capital Expenditure - Vote		254,468	272,457	302,868	78,311	85,993	85,993	119,514	35,933	37,466
Capital Expenditure - Functional										
Governance and administration		60,409	69,969	83,011	7,922	5,189	5,189	21,330	–	–
Executive and council		1,525	826	–	527	527	527	104	–	–
Finance and administration		58,884	69,143	83,011	7,395	4,662	4,662	21,225	–	–
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		81,008	84,780	98,528	20,288	18,454	18,454	19,109	23,933	13,043
Community and social services		80,707	80,240	89,914	6,779	6,614	6,614	4,043	7,391	–
Sport and recreation		301	4,540	8,614	13,509	11,840	11,840	15,066	16,542	13,043
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		92,574	97,149	95,443	38,805	48,739	48,739	71,412	12,000	4,858
Planning and development		1,638	5,537	5,004	18,479	17,006	17,006	16,435	–	–
Road transport		90,937	91,612	90,439	20,326	31,733	31,733	54,977	12,000	4,858
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		20,476	20,559	25,887	11,297	13,611	13,611	7,663	–	19,565
Energy sources		20,476	20,559	25,887	6,095	8,704	8,704	3,062	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	5,202	4,907	4,907	4,602	–	19,565
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	254,468	272,457	302,868	78,311	85,993	85,993	119,514	35,933	37,466
Funded by:										
National Government		168,052	162,290	168,052	32,370	32,427	32,427	41,592	35,933	37,466
Provincial Government		–	–	–	323	881	881	478	–	–
District Municipality		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	168,052	162,290	168,052	32,693	33,307	33,307	42,071	35,933	37,466
Borrowing	6	3,881	3,881	3,881	–	–	–	–	–	–
Internally generated funds		130,936	106,286	130,936	45,619	52,686	52,686	77,444	–	–
Total Capital Funding	7	302,868	272,457	302,868	78,311	85,993	85,993	119,514	35,933	37,466

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 source necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table 17 MBRR Table A6 - Budgeted Financial Position

KZN291 Mandeni - Table A6 Budgeted Financial Position										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
ASSETS										
Current assets										
Cash and cash equivalents		111,182	182,020	208,167	74,236	162,011	162,011	125,113	229,675	229,092
Trade and other receivables from exchange	1	39,970	53,042	50,985	9,525	12,717	12,717	10,244	10,676	11,013
Receivables from non-exchange transactions	1	(16,506)	(40,585)	(28,475)	23,601	20,080	20,080	25,148	32,830	30,665
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-
Inventory	2	980	864	807	673	807	807	739	763	790
VAT		3,638	7,866	4,687	(941)	(4,535)	(4,535)	40,143	28,828	30,163
Other current assets		225	225	225	-	-	-	-	-	-
Total current assets		139,489	203,431	236,396	107,094	191,080	191,080	201,386	302,772	301,722
Non current assets										
Investments		-	-	-	-	-	-	-	-	-
Investment property		70,116	84,587	88,163,500.00	84,587	88,164	88,164	88,164	88,164	88,164
Property, plant and equipment	3	821,246	455,471	484,788	540,035	537,034	537,034	627,784	580,326	600,681
Biological assets		-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Intangible assets		780	674	477	568	477	477	423	439	446
Trade and other receivables from exchange		-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange		-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-
Total non current assets		892,141	540,732	573,428	625,190	625,675	625,675	716,371	668,928	689,291
TOTAL ASSETS		1,031,630	744,163	809,824	732,285	816,754	816,754	917,757	971,700	991,013
LIABILITIES										
Current liabilities										
Bank overdraft		-	-	-	-	-	-	-	-	-
Financial liabilities		1,764	4,717	5,760	(326)	(14)	(14)	-	-	-
Consumer deposits		389	299	277	199	275	275	245	265	277
Trade and other payables from exchange	4	19,738	30,033	29,435	39,931	34,767	34,767	32,019	16,511	20,347
Trade and other payables from non-exchange	5	26,217	30,079	8,705	4,367	4,701	4,701	5,275	-	-
Provision		2,120	3,227	2,280	-	-	-	-	-	-
VAT		1,154	1,273	2,898	(7,823)	-	-	9,197	9,644	10,097
Other current liabilities		-	-	-	-	-	-	4,872	5,110	5,350
Total current liabilities		51,381	69,629	49,357	36,348	39,728	39,728	51,607	31,530	36,071
Non current liabilities										
Financial liabilities	6	6	-	-	-	-	-	-	-	-
Provision	7	15,827	18,697	18,003	27,394	22,795	22,795	22,795	25,185	26,167
Long term portion of trade payables		-	-	-	-	-	-	-	-	-
Other non-current liabilities		38,622	41,492	40,798	50,189	45,590	45,590	45,590	47,980	48,962
Total non current liabilities		54,455	60,189	58,801	77,583	68,386	68,386	68,386	73,165	75,128
TOTAL LIABILITIES		105,836	129,818	108,157	113,931	108,114	108,114	119,993	104,695	111,199
NET ASSETS		925,795	614,345	701,667	618,353	708,640	708,640	797,764	867,005	879,814
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	8	226,872	230,121	230,173	656,263	736,217	736,217	833,431	896,139	910,944
Reserves and funds	9	202,672	202,672	202,672	(2,136)	(2,136)	(2,136)	(2,191)	(2,233)	(2,315)
Other		-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	429,544	432,794	432,845	654,128	734,082	734,082	831,240	893,906	908,629

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 66 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - 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.

Table 18 MBRR Table A7 - Budgeted Cash Flow Statement

KZN291 Mandeni - Table A7 Budgeted Cash Flows											
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		1,828	1,828	1,828	24,440	21,996	21,996	1,942	26,698	28,006	29,323
Service charges		1,666	1,666	1,669	44,540	44,040	44,040	1,669	59,348	62,256	65,182
Other revenue		310	4,485	69,618	34,355	18,443	18,443	69,675	2,265	2,376	2,488
Transfers and Subsidies - Operat	1	58,593	286,604	545,726	246,207	235,589	235,589	745,362	240,984	265,984	265,673
Transfers and Subsidies - Capital	1	15,837	50,556	96,109	38,462	39,118	39,118	127,858	47,481	41,323	43,086
Interest		-	798	4,267	5,775	19,275	19,275	6,730	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		4,328	6,148	639	(316,822)	(322,696)	(322,696)	125,932	(461,102)	(389,124)	(409,844)
Finance charges		-	-	-	(410)	(410)	(410)	-	(100)	(105)	(110)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERAT		82,562	352,085	719,854	76,547	55,356	55,356	1,079,168	(84,425)	10,716	(4,202)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current re		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current in		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTIN		-	-	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCIN		-	-	-	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN C		82,562	352,085	719,854	76,547	55,356	55,356	1,079,168	(84,425)	10,716	(4,202)
Cash/cash equivalents at the year 2		-	-	-	-	-	-	-	207,979	123,554	134,270
Cash/cash equivalents at the year 2		82,562	352,085	719,854	76,547	55,356	55,356	1,079,168	123,554	134,270	130,068

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

REVENUE

- Property rates has budgeted to collect R26.7 million or 45 per cent of the billing, the assumed collection rate is based on the actual performance in this current financial year also we have considered the actual collection as per the audited AFS 2021/22 FY, furthermore we have considered the impact of implementation of credit control and debt collection policy.
- Service Charges: electricity has budgeted to collect R55.1 million or 95 per cent of the electricity billing, the assumed collection rate is based on the actual performance in this current financial year as the two thirds of consumers have converted to prepaid electricity and also, we have considered the bulk consumer (Umngeni water works), furthermore we have also taken into consideration the collection rate per the audited AFS. Collection rate of R55.1 million has been calculated from budget inclusive of VAT at R59.3 million since this item levies tax.

3. Service Charges: Refuse has budgeted to collect R4.2 million or 40 per cent of the refuse billing, the assumed collection rate is based on the actual performance in this current financial year also we have considered the actual collection as per the audited AFS 2021/22 FY, the municipality have noted the low collection rate of the previous year's however due to additional properties that were previously not billed we anticipate to improve in this service. Collection rate of R4.2 million has been calculated from budget inclusive of VAT at R10.5 million since this item levies tax
4. Rental of facilities and equipment the municipality anticipates a 100 percent collection rate at R221 thousand inclusive of VAT at 15 %as rentals are collected prior the event and lease of municipal properties. Budget allocated of R221 thousand does not agree with A4 of R192 thousand due to vat levied on this item.
5. Interest earned on External Investments has assumed a collection rate of 100% R10.5 million based on the interest to be generated on the call accounts on grants to be transferred as publicized.
6. Interest on outstanding debtors a collection rate of 2 per cent at R75 thousand has been applied, taking into consideration the implementation of prepaid system for electricity as the consumers are expected to clear the accounts before they convert to pre-paid metering system.
7. Fines, Penalties and forfeits a collection rate of 5 per cent at R60 thousand has been applied, as we have taken into consideration the current year performance and also the municipality acknowledges that it recognizes its monthly receipts on cash basis and only considers treatment of iGRAP 1 at year end, however controls will be improved between the public safety department and finance so as to ensure that we accurately report for this item.
8. Fines for overdue books (library) have applied a collection rate of 100 per cent at R10 thousand.
9. Licenses and permits a 100 percent collection rate at R848 thousand has been applied due to their actual performance and performance of the business licenses and traffic department.
10. Other Revenue has budgeted to collect 100 per cent at R1.1 million of all other revenue sources, as these sources are collected prior the item is undertaken.
11. Transfers & Subsidies have been recognized at 100 per cent R240.9 million (operational) and R48.4 million (capital). Transfers and subsidized cash flow have included the INEP Allocation of R7.3 million this allocation have been budgeted for and included in cash flow due to their agreement as the municipality serves as an agent in their regard as per GRAP 109.

PAYMENTS

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

- 12. Suppliers and employees for cash outflows totals to R321.9 million with exclusion of non-cash items Debt Impairment and depreciation of R69.5 million. Total suppliers and employees do not correspond to table A4 with a difference of R16.7 million which is due to 7.4 million from INEP and also included budget of R9.5 million which is an estimate of creditors opening balance other cash flow payments.
- 13. Capital Assets of R137.5 million does not corresponds with table A5 as this is inclusive of vat for R17.9 million.
- 14. Repayment of borrowing there is no budget allocated as the municipality has no borrowing currently.
- 15. Other cash flow/ payments have budgeted an allocation of R9.5 million towards trade creditors baseline are the Audited AFS 2021/22, as the municipality anticipates that there will be accruals paid in 2023/24 financial year.

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN291 Mandeni - Table A8 Cash backed reserves/accumulated surplus reconciliation										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available										
Cash/cash equivalents at the year	1	82,562	352,085	719,854	76,547	55,356	55,356	123,554	134,270	130,068
Other current investments > 90 days		68,590	(117,024)	(460,703)	7,214	119,372	119,372	11,803	106,081	110,037
Investments - Property, plant and	1	821,246	455,471	484,788	540,035	537,034	537,034	627,784	580,326	600,681
Cash and investments available:		972,398	690,532	743,939	623,796	711,762	711,762	763,141	820,676	840,786
Application of cash and investments										
Trade payables from Non-exchange		-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2									
Other working capital requirement	3	19,028	29,068	17,425	8,846	9,807	9,807	8,535	(9,064)	(5,244)
Other provisions										
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/in	5									
Total Application of cash and invest		19,028	29,068	17,425	8,846	9,807	9,807	8,535	(9,064)	(5,244)
Surplus(shortfall)		953,370	661,464	726,514	614,950	701,956	701,956	754,606	829,741	846,030

Notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 20 MBRR Table A9 - Asset Management

KZN291 Mandeni - Table A9 Asset Management										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	30,851	37,577	42,598	44,768	56,657	56,657	58,450	23,933	32,609
Roads Infrastructure		7,228	6,283	6,283	2,043	1,700	1,700	435	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	2,168	1,785	1,785	1,565	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	1,360	1,360	1,360	1,043	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	170	170	217	-	-
Information and Communication Infrastru		-	-	-	-	-	-	-	-	-
Infrastructure		7,228	6,283	6,283	5,570	5,075	5,075	3,261	-	-
Community Facilities		4,922	6,864	7,811	14,991	14,957	14,957	11,087	7,391	-
Sport and Recreation Facilities		301	4,840	8,614	11,042	10,982	10,982	12,779	16,542	13,043
Community Assets		5,223	11,404	16,425	26,032	25,939	25,939	23,866	23,933	13,043
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	340	85	85	2,391	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	340	85	85	2,391	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	119	498	498	435	-	-
Furniture and Office Equipment		18,400	19,890	19,890	1,006	1,020	1,020	565	-	-
Machinery and Equipment		-	-	-	3,669	8,709	8,709	10,896	-	-
Transport Assets		-	-	-	8,033	15,391	15,391	17,036	-	19,565
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	161,826	172,489	197,313	1,700	-	-	15,435	7,391	-
Roads Infrastructure		54,902	59,606	67,072	-	-	-	12,391	7,391	-
Storm water Infrastructure		-	-	-	-	-	-	2,174	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		20,476	20,559	22,312	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastru		-	-	-	-	-	-	-	-	-
Infrastructure		75,378	80,165	89,384	-	-	-	14,565	7,391	-
Community Facilities		43,505	40,928	42,665	1,700	-	-	870	-	-
Sport and Recreation Facilities		2,459	2,459	2,459	-	-	-	-	-	-
Community Assets		45,964	43,387	45,124	1,700	-	-	870	-	-
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		5,309	5,412	6,549	-	-	-	-	-	-
Furniture and Office Equipment		6,328	7,220	7,894	-	-	-	-	-	-
Machinery and Equipment		12,282	16,190	20,819	-	-	-	-	-	-
Transport Assets		16,565	20,115	27,543	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	61,790	62,391	62,957	31,843	29,336	29,336	45,630	4,609	4,858
Roads Infrastructure		28,806	25,723	17,083	15,130	15,447	15,447	25,864	4,609	4,858
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	3,575	2,822	5,432	5,432	522	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastru		-	-	-	-	-	-	-	-	-
Infrastructure		28,806	25,723	20,658	17,952	20,879	20,879	26,386	4,609	4,858
Community Facilities		418	148	1,051	6,928	6,928	6,928	4,540	-	-
Sport and Recreation Facilities		32,566	36,205	40,933	1,609	-	-	-	-	-
Community Assets		32,984	36,352	41,983	8,536	6,928	6,928	4,540	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	316	316	4,505	1,530	1,530	14,704	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	316	316	4,505	1,530	1,530	14,704	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	850	-	-	-	-	-
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	254,468	272,457	302,868	78,311	85,993	85,993	119,514	35,933	37,466
Roads Infrastructure		90,937	91,612	90,439	17,173	17,147	17,147	38,690	12,000	4,858
Storm water Infrastructure		-	-	-	-	-	-	2,174	-	-
Electrical Infrastructure		-	-	25,887	4,990	7,217	7,217	2,087	-	-
Water Supply Infrastructure		20,476	20,559	25,887	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	1,360	1,360	1,360	1,043	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	170	170	217	-	-
Information and Communication Infrastru		-	-	-	-	-	-	-	-	-
Infrastructure		111,412	112,171	116,325	23,522	25,894	25,894	44,212	12,000	4,858
Community Facilities		48,844	47,940	51,526	23,618	21,884	21,884	16,497	7,391	-
Sport and Recreation Facilities		35,327	43,204	52,006	12,650	10,982	10,982	12,779	16,542	13,043
Community Assets		84,171	91,143	103,532	36,268	32,866	32,866	29,275	23,933	13,043
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	316	316	4,845	1,615	1,615	17,095	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	316	316	4,845	1,615	1,615	17,095	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		5,309	5,412	6,549	969	498	498	435	-	-
Furniture and Office Equipment		24,728	27,110	27,784	1,006	1,020	1,020	565	-	-
Machinery and Equipment		12,282	16,190	20,819	3,669	8,709	8,709	10,896	-	-
Transport Assets		16,565	20,115	27,543	8,033	15,391	15,391	17,036	-	19,565
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-						

KZN291 Mandeni - Table A9 Asset Management										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
ASSET REGISTER SUMMARY - PPE (W	5	467,604	498,214	534,576	571,707	576,350	576,350	647,919	640,386	671,390
<i>Roads Infrastructure</i>		(81,243)	(95,525)	(99,841)	154,597	297,134	297,134	420,685	416,099	445,441
<i>Storm water Infrastructure</i>		335,320	358,272	374,888	75,277	(7,389)	(7,389)	(237)	(65)	(513)
<i>Electrical Infrastructure</i>		16,821	15,933	20,256	8,926	18,179	18,179	4,790	2,665	5,088
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	14,182	1,360	1,360	2,087	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastru</i>		-	-	-	-	-	-	-	-	-
Infrastructure		270,898	278,679	295,303	252,982	309,284	309,284	427,325	418,699	450,016
Community Assets		63,508	61,123	64,335	83,642	76,673	76,673	74,325	81,633	77,189
Heritage Assets		-	-	-	-	-	-	-	-	-
Investment properties		70,116	84,587	88,164	84,587	88,164	88,164	88,164	88,164	88,164
Other Assets		21,817	24,379	26,747	35,813	30,958	30,958	1,379	(743)	(778)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		780	674	477	568	477	477	423	439	446
Computer Equipment		2,577	3,028	3,937	42,210	3,963	3,963	3,149	3,611	2,922
Furniture and Office Equipment		3,987	4,369	4,705	2,482	6,648	6,648	6,192	5,845	(1,995)
Machinery and Equipment		8,070	11,641	15,427	26,016	14,513	14,513	11,400	9,861	12,603
Transport Assets		7,452	9,844	15,591	13,517	25,782	25,782	15,672	12,192	21,310
Land		18,400	19,890	19,890	29,890	19,890	19,890	19,890	20,686	21,513
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY -	5	467,604	498,214	534,576	571,707	576,350	576,350	647,919	640,386	671,390
EXPENDITURE OTHER ITEMS		36,916	48,531	47,413	50,344	52,645	52,645	51,911	54,227	56,776
Depreciation	7	28,967	29,402	31,726	33,747	33,747	33,747	35,534	37,276	39,028
Repairs and Maintenance by Asset Clas	3	7,949	19,129	15,687	16,598	18,898	18,898	16,377	16,951	17,748
<i>Roads Infrastructure</i>		2,337	4,731	4,612	6,715	7,565	7,565	5,522	5,792	6,065
<i>Storm water Infrastructure</i>		73	751	506	978	1,063	1,063	1,087	1,140	1,194
<i>Electrical Infrastructure</i>		991	1,279	2,271	3,615	2,595	2,595	2,778	2,914	3,051
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastru</i>		312	223	3,002	595	1,220	1,220	609	639	669
Infrastructure		3,713	6,983	10,392	11,903	12,443	12,443	9,996	10,485	10,978
Community Facilities		245	1,118	169	233	148	148	294	308	323
Sport and Recreation Facilities		123	538	853	1,260	2,250	2,250	1,191	1,250	1,308
Community Assets		367	1,656	1,022	1,493	2,398	2,398	1,485	1,558	1,631
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		514	347	139	228	233	233	70	73	77
Housing		-	-	-	-	-	-	-	-	-
Other Assets		514	347	139	228	233	233	70	73	77
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		164	-	-	-	-	-	-	-	-
Furniture and Office Equipment		103	99	-	-	-	-	-	-	-
Machinery and Equipment		3,088	10,044	4,135	2,975	3,825	3,825	4,826	4,835	5,062
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		36,916	48,531	47,413	50,344	52,645	52,645	51,911	54,227	56,776
Renewal and upgrading of Existing Assets		87.9%	86.2%	85.9%	42.8%	34.1%	34.1%	51.1%	33.4%	13.0%
Renewal and upgrading of Existing Assets		772.0%	798.9%	820.4%	99.4%	86.9%	86.9%	171.8%	32.2%	12.4%
R&M as a % of PPE		1.0%	4.2%	3.2%	3.1%	3.5%	3.5%	3.3%	2.7%	3.1%
Renewal and upgrading and R&M as a % of		50.0%	51.0%	52.0%	9.0%	8.0%	8.0%	12.0%	5.0%	3.0%

Explanatory notes to Table A9 - Asset Management

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. 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 budget for renewal and existing assets is above 40 per cent as per National Treasury guideline, the municipality has budgeted for 51.1 percent. An amount budgeted for the renewal of existing assets is based from the results of analysis of the municipal cash flows and available reserves; and the results have determined budget to be allocated based on our affordability in ensure realistic estimates against this item.

Table 21 MBRR Table A10 - Basic Service Delivery Measurement

KZN291 Mandeni - Table A10 Basic service delivery measurement										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets										
Water:										
Piped water inside dwelling	1	10,501	11,152	11,152	11,152	11,152	12,825	12,825	12,825	12,825
Piped water inside yard (but not in dwelling)		11,622	12,385	12,385	12,385	12,385	14,243	14,243	14,243	14,243
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	18,636	19,791	19,791	19,791	19,791	22,760	22,760	22,760	22,760
<i>Minimum Service Level and Above sub-total</i>		40,759	43,329	43,329	43,329	43,329	49,828	49,828	49,828	49,828
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply	3	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	40,759	43,329	43,329	43,329	43,329	49,828	49,828	49,828	49,828
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		12,060	12,807	12,807	12,807	12,807	14,088	14,088	14,088	14,088
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		9,154	9,721	9,721	9,721	9,721	10,693	10,693	10,693	10,693
Pit toilet (ventilated)		16,174	17,177	17,177	17,177	17,177	18,895	18,895	18,895	18,895
Other toilet provisions (> min.service level)		2,868	3,045	3,045	3,045	3,045	3,350	3,350	3,350	3,350
<i>Minimum Service Level and Above sub-total</i>		40,255	42,751	42,751	42,751	42,751	47,026	47,026	47,026	47,026
Bucket toilet		472	300	300	300	300	150	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		472	300	300	300	300	150	-	-	-
Total number of households	5	40,727	43,051	43,051	43,051	43,051	47,176	47,026	47,026	47,026
Energy:										
Electricity (at least min.service level)		1,040	389	389	389	389	389	449	449	449
Electricity - prepaid (min.service level)		-	574	574	629	629	629	645	645	645
<i>Minimum Service Level and Above sub-total</i>		1,040	963	963	1,018	1,018	1,018	1,094	1,094	1,094
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	1,040	963	963	1,018	1,018	1,018	1,094	1,094	1,094
Refuse:										
Removed at least once a week		-	-	-	4,601	4,601	4,601	4,695	4,695	4,695
<i>Minimum Service Level and Above sub-total</i>		-	-	-	4,601	4,601	4,601	4,695	4,695	4,695
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	4,601	4,601	4,601	4,695	4,695	4,695
Households receiving Free Basic Service										
Water (6 kilolitres per household per month)	7	-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		1,876	1,876	1,876	1,975	1,975	1,975	1,573	1,573	1,573
Refuse (removed at least once a week)		36,054	36,054	36,054	31,921	31,921	31,921	32,001	32,001	32,001
Informal Settlements										
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements										
Total cost of FBS provided	8	-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)										
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	9	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17		-	(7,415)	(6,725)	10,919	10,919	10,919	12,147	12,730	13,354
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		0	0	-	846	846	846	891	1,075	1,125
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		0	(7,415)	(6,725)	11,765	11,765	11,765	13,038	13,805	14,479

Explanatory notes to Table A10 - Basic Service Delivery Measurement

Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Free basic electricity is provided by Eskom on behalf of the municipality to its registered beneficiaries within Mandeni as per the approved indigent register. Budget allocated of R1.6 million has considered Eskom invoices for providing the service. Eskom is providing free basic electricity on behalf of the municipality to all its registered indigent beneficiaries of which they have decreased from 1975 to 1573 households receiving 50kw. The municipality reviews its indigent register on an annual basis so as to confirm if the qualifying beneficiaries are still qualifying as indigent. An allocation for FBE has been decreased from 2.2 million to R1.6 million which has considered the decrease in the number of qualifying beneficiaries and the proposed.

Transfers and subsidies have decreased with a budget amount of R1.6 million from 2022/23 adjusted budget to R1.8 million in 2025/26 financial year; increase has considered the number of beneficiaries that qualify for these free basic services in terms of level of demand. The municipality annually review its indigent register so as to ensure that qualifying beneficiaries are registered.

The municipality has also considered annually review its indigent register as per the indigent policy. Therefore, it becomes possible that the number of beneficiaries on our indigent register varies over the years depending on the approved register.

Refuse services – backlog will be reduced by 80 households in 2023/24. However, it should be noted that this function is being reviewed with a view to realizing greater efficiencies, which is likely to translate into a more rapid process to address backlogs.

The budget provides for 32 001 households registered as indigent in 2023/24, and therefore entitled to receiving Free Basic Services for refuse collection. Given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.

In addition to the Free Basic Services, the Municipality also ‘gives’ households R7.4 million for free basic service electricity through an electrification programme in 2023/24, and it increases to R15.3 million in 2025/26. This ‘tax expenditure’ needs to be seen within the context of the municipality’s overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services. Currently, the ‘free services’ represent about 5 per cent of total operating expenditure.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Committee for Finance.

The primary aims of the Budget Steering Committee are 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, taking into account 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.

Budget Steering Committee meetings were convened during the process of compiling the 2023/24 budget and MTREF.

2.2 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2021) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 31st August 2022. Key dates applicable to the process were:

August 2022 – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2023/24 MTREF; IDP/BUDGET/PMS Technical Committee Meeting to discuss Process Plan

September 2022 – Review of National Policies and budget plans and potential price increase of bulk resources with function and department officials

December 2022 - Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;

3 to 7 January 2023 - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;

January 2023 – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;

25 January 2023 - Council considers the 2022/23 Mid-year Review;

February 2023 - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The 2023/24 MTREF is revised accordingly;

28 February 2023 – Council considers the 2022/23 Adjustment Budget

February 2023 - Finalize and submit to the Mayor proposed budget and plans for next three-year budget taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for previous years audited AFS and AR

06 June 2023 - Tabling in Council of the 2023/24 IDP and Budget MTREF for public consultation;

April 2023 – Public consultation;

29th April 2023 - Closing date for written comments;

01 April to 07 June 2023 – finalization of the 2023/24 IDP and 2024/25 & MTREF BUDGET, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and

17th June 2023 - Tabling of the 2023/24 & MTREF before Council for consideration and approval.

2.3 IDP and Service Delivery and Budget Implementation Plan

This is the fifth generation of the municipal IDP, as this is the new (Draft Integrated Development Plan) IDP which has been adopted by Council in March 2022. It started in August 2021 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2023/24 MTREF in August.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the third generation included the following key IDP processes and deliverables:

Registration of community needs;

Compilation of departmental business plans including key performance indicators and targets;

Financial planning and budgeting process;

Public participation process;

Compilation of the SDBIP, and

The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2023/24 MTREF, based on the approved 2023/24 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2023/24 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2023/24 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.3.1 Financial Modelling and

2.3.2 Key Planning Drivers

As part of the compilation of the 2023/24 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2023/24 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2022/23 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery
- Dashboard imperatives
- Disaster management mandate
- Traffic Department
- Vacant positions
- Indigent customers
- Job evaluation result

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51,82, 93,98,107,115,122 and 123, mSCOA Circular No.12 have been taken into consideration in the planning and prioritisation process.

2.3.3 Community Consultation

The Budget for 2023/24 MTREF has been tabled before Council on 31st March 2023 for community consultation which **will be** published on the municipality's website, and hard copies **were** made available at customer care offices, municipal notice boards and various libraries. The opportunity to give electronic feedback **will** be communicated on the Municipality's website, and the Municipality's call centre **will** be engaged in collecting inputs via e-mail, fax and SMS.

All documents in the appropriate format (electronic and printed) **will be** provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees **will be** utilised to facilitate the community consultation process from 01 April to 30 April 2023, and include 8 public briefing sessions. The applicable dates and venues **will be** published in all the local newspapers. This consultation was compared to the previous year's process. This then attributed to the additional initiatives which **will be** launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions **will be** scheduled with organised business and imbizo's **will be** held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

2.4 Overview of alignment of annual budget with IDP

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

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

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

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

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

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

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Development Plan (NDP).

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal

integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's strategic objectives for the 2023/24 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 22 IDP Strategic Objectives

IDP/POE REF	KEY PERFORMANCE AREA	GOAL	MLM OBJECTIVE	STRATEGIC	STRATEGIES	RESPONSIBLE DEPARTMENT
GOOD GOVERNANCE AND PUBLIC PARTICIPATION						
GGPP 01	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	TO FOSTER A CULTURE OF COMMUNITY INVOLVEMENT AND GOOD GOVERNANCE IN THE AFFAIRS OF THE MUNICIPALITY	2.3 Ensure participative, transparent and accountable governance	a and	2.3.1 Improve the public participation processes	Community services
GGPP 02					OMM	
GGPP 03					2.3.2 Ensure the existence and functionality of the public participation structures	OMM
GGPP 04					2.3.3 Ensure functional municipal structures	Corporate services
GGPP 05						Office of the MM
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT						
BSD 01	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Providing equal access to high quality sustainable basic infrastructure and services	1.1. To improve access to basic services		1.1.1. Facilitate the reduction of water and sanitation infrastructure and service backlogs.	TSD
BSD 03					1.1.2 Facilitate access to electricity for all targeted	TSD
BSD 04					1.1.3 Reduce the road and storm-water infrastructure	TSD
BSD 05					1.1.4 Facilitate the reduction of the housing backlog	TSD
BSD 18					1.1.5 Provide efficient waste collection and management	TSD
BSD 19					1.1.6 Maintain a functional Infrastructure Development	TSD
BSD 22					1.1.7 To prepare a 3 year capital infrastructure funding plan	TSD

IDP/POE REF	KEY PERFORMANCE AREA	GOAL	MLM OBJECTIVE	STRATEGIC STRATEGIES	RESPONSIBLE DEPARTMENT	
FINANCIAL VIABILITY AND MANAGEMENT						
FVM 01	FINANCIAL VIABILITY AND MANAGEMENT	TO DEVELOP A SUSTAINABLE AND EFFICIENT MUNICIPALITY BASED ON SOUND FINANCIAL MANAGEMENT	2.2 Ensure a financially viable municipality.	2.2.1 Improve the audit opinion	OMM	
FVM 03				2.2.2 Ensure the IDP aligned financial planning	BTO	
FVM 04				2.2.3 Effectively and efficiently manage the expenditure of the municipality	BTO	
FVM 09				2.2.4 Manage and increase the municipal revenue base	BTO	
FVM 13				2.2.5 Ensure that the municipality acquires	BTO	
FVM 14				2.2.6 Ensure a constant and accurate financial reporting.	BTO	
FVM 16					BTO	
COMMUNITY AND SOCIAL SERVICES DEVELOPMENT						
CSD 01	COMMUNITY AND SOCIAL SERVICES DEVELOPMENT	Providing and facilitating access to social services and facilities.	5.1 Ensure that our people have access to community facilities and services	5.1.1 Provide the library services	CSPS	
				5.1.2 Facilitate the provision of new community facilities		
CSD 02				5.2 Aspire to a healthy, safe and crime free area	5.2.1 Facilitate the provision of the community health facilities	CSPS
CSD 03					5.2.2 Ensure the municipal contribution to HIV/AIDS	CSPS
CSD 04					5.2.3 Improve on road safety	CSPS
CSD 05					5.2.4 Ensure the municipal contribution to community	CSPS
CSD 06					5.3.2 Design and implement sports, arts and	CSPS
LOCAL ECONOMIC DEVELOPMENT						

LED 01	LOCAL ECONOMIC DEVELOPMENT	3. Promoting and facilitating human development	3.1 Achieve a holistic human development and capacitation for the realisation of skilled and employable workforce	3.1.1 Improve the community skills base	EDPHS
LED 03				3.1.2 Ensure the empowerment of youth, women and people living with disabilities	EDPHS
LED 04		4. Facilitate the creation of job opportunities	4.1 Facilitating the creation of employment opportunities for skilled and employable people	4.1.1 Implement the EPWP programme	EDPHS
LED 06				4.1.2 Strategically plan for the local economic development	EDPHS
				4.1.3 facilitate the implementation of the CWP	
LED 07				4.1.4 Coordinate the fight against poverty	EDPHS
				4.1.5 Unlock the agricultural potential	
				4.1.6 Promote the manufacturing sector activities	
				4.1.7 Facilitate SMME development	
				4.1.8 Promote Mandeni to be a tourist destination.	

IDP/POE REF	KEY PERFORMANCE AREA	GOAL	MLM OBJECTIVE	STRATEGIC	STRATEGIES	RESPONSIBLE DEPARTMENT
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION						
IDT 01	MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	2. Provision of effective, efficient, transparent and accountable leadership	2.1 Creating a conducive working environment		2.1.1 Maintain and improve the municipal policies	CSD
IDT 02					2.1.2 Ensure effective and efficient human resource management	CSD
IDT 03					2.1.3 Ensure effective and efficient human resource development	CSD
IDT 04					2.1.4 Improve performance	CSD
IDT 05					2.1.5 Improve information technology and document management systems	CSD
IDT 06					2.1.6 Improve on customer care	CSD
IDT 07					2.1.7 Maintain and improve municipal	CSD
IDT 08						
BACK TO BASICS –Cross cutting measures						
SDF 01	SPATIAL RATIONAL AND ENVIRONMENTAL MANAGEMENT	Promoting and facilitating environmental protection and sustainable spatial planning.	6.1 Realise a completely protected environment 6.2 Facilitate a creation of a disaster ready community 6.3 Ensure an integrated and aligned development planning		6.1.1 Improve community awareness on environmental protection 6.1.2 Implement the coastal management plan	EDPHS
					6.2.1 Develop and adopt the disaster management plan 6.2.2 Create a community disaster awareness	
SDF 02					6.3.1 Implement the SDF 6.3.2 Implement the Dokodweni Local Area Development Plan	EDPHS

SDF 03				6.3.3 Implement the Tugela Mouth Local Area Development Plan	EDPH
				6.3.4 Ensure the existence of the municipal land use guideline	
				6.3.5 Promote the municipal integrated planning	

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

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

Provision of quality basic services and infrastructure which includes, amongst others:

- Provide electricity;
- Provide housing;
- Provide roads and storm water;
- Provide Municipality planning services; and
- Maintaining the infrastructure of the Municipality.

Economic growth and development that leads to sustainable job creation by:

- Ensuring there is a clear structural plan for the Municipality;
- Ensuring planning processes function in accordance with set timeframes;
- Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1. Fight poverty and build clean, healthy, safe and sustainable communities:

- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective Municipality cleansing;
- Working with strategic partners such as SAPS to address crime;
- Ensuring safe working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities

Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinate with the informal settlements upgrade programme

3.3 Foster participatory democracy and Batho pele principles through a caring, accessible and accountable service by:

Optimising effective community participation in the ward committee system; and
Implementing batho pele in the revenue management strategy.

3.4 Promote sound governance through:

Publishing the outcomes of all tender processes on the municipal website

3.5 Ensure financial sustainability through:

Reviewing the use of contracted services, continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan.

3.6 Optimal institutional transformation to ensure capacity to achieve set objectives

Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

Developing dormant areas;

Enforcing hard development lines – so as to direct private investment;

Maintaining existing urban areas;

Strengthening key economic clusters;

Building social cohesion;

Strong developmental initiatives in relation to the municipal institution as a whole; and

Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the third generation IDP, including:

Strengthening the analysis and strategic planning processes of the Municipality;

Initiating zoned planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area-based interventions, within the overall holistic framework;

Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and

Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2023/24 MTREF has therefore been directly informed by the IDP development process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 23 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN291 Mandeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
						Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
R thousand												
Ensure an integrated and aligned development planning	Responsive, accountable, effective and efficient local government	9	259	448	-	-	-	-	-	-	-	
Facilitate a creation of a disaster ready community	Responsive, accountable, effective and efficient local government	9	352	393	-	-	-	-	-	-	-	
Good Governance	Responsive, accountable, effective and efficient local government	9	-	-	-	(1,000)	(1,000)	(1,000)	-	-	-	
Improve performance	Responsive, accountable, effective and efficient local government	9	460	314	349	(157)	(1,168)	(1,168)	(450)	(472)	(494)	
Improve the audit opinion	Responsive, accountable, effective and efficient local government	9	16,437	23,817	15,351	-	-	-	-	-	-	
Manage increase and the municipal base	A comprehensive, responsive and sustainable social protection system	13	0	0	-	11,765	11,765	11,765	13,038	13,805	14,479	
Manage increase and the municipal base	Responsive, accountable, effective and efficient local government	9	208,881	270,192	284,220	(320,001)	(334,701)	(334,701)	(373,686)	(395,775)	(400,407)	
Provide and maintain Library services	Responsive, accountable, effective and efficient local government	9	2,159	-	4,713	(4,043)	(3,387)	(3,387)	(3,873)	(4,618)	(4,687)	
TakeOn	A comprehensive, responsive and sustainable social protection system	13	-	(7,415)	(6,725)	-	-	-	-	-	-	
TakeOn	Responsive, accountable, effective and efficient local government	9	52,480	31,495	35,122	(13,573)	(14,906)	(14,906)	(10,899)	(10,859)	(11,370)	
To improve access to all basic services	Responsive, accountable, effective and efficient local government	9	16,279	41,465	43,949	(40,044)	(40,044)	(40,044)	(49,717)	(43,498)	(45,354)	
Allocations to other priorities		2										
Total Revenue (excluding capital transfers an			1	297,308	360,709	376,979	(367,054)	(383,442)	(383,442)	(425,586)	(441,417)	(447,832)

Table 24 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Table 25 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

2.5 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee’s performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year’s performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

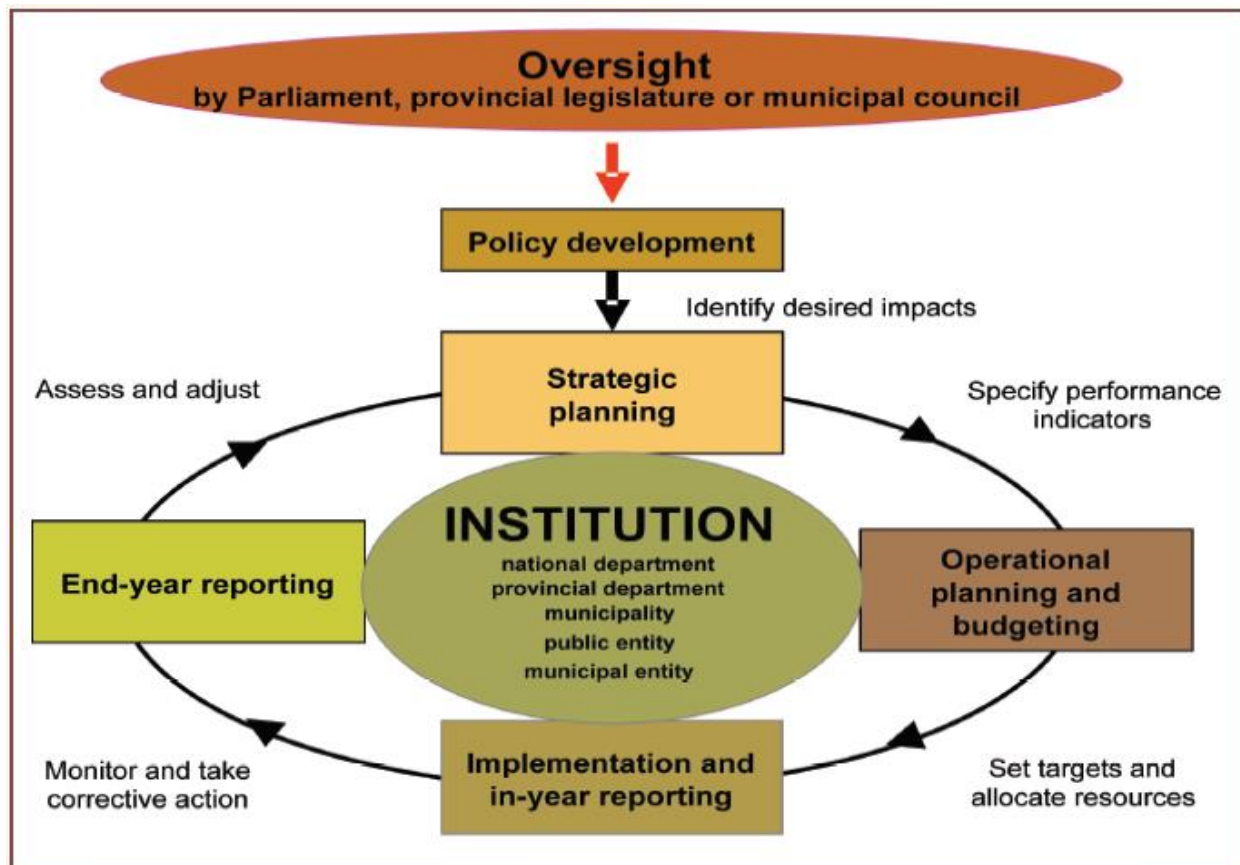


Figure 2 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

Planning (setting goals, objectives, targets and benchmarks);
Monitoring (regular monitoring and checking on the progress against plan);
Measurement (indicators of success);
Review (identifying areas requiring change and improvement);
Reporting (what information, to whom, from whom, how often and for what purpose); and
Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

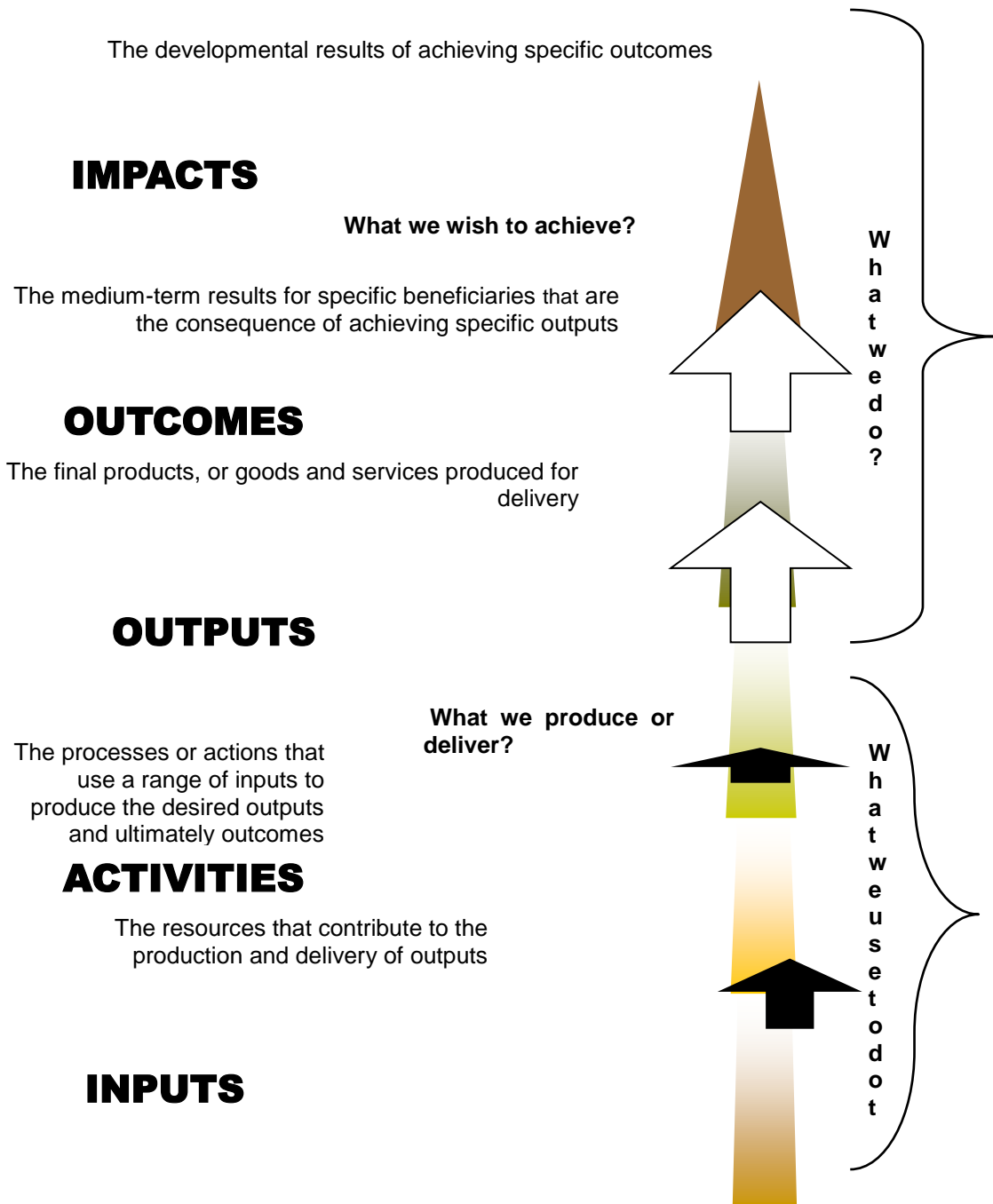


Figure 3 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year

Table 26 MBRR Table SA7 - Measurable performance objectives

KZN291 Mandeni - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Vote 1 - Roads & Stormwater										
Function 1 - Roads										
Sub-function 1 - Eradication										
<i>Reduce road backlogs</i>	kilometres		14000.0%	13000.0%	13000.0%	13000.0%	12500.0%	12500.0%	12500.0%	12500.0%
New Roads to be constructed	kilometres		9500.0%	10500.0%	10500.0%	10500.0%	10000.0%	10000.0%	10000.0%	10000.0%
rural gravel roads repaired	kilometres		23900.0%	25000.0%	25000.0%	25000.0%	27500.0%	27500.0%	27500.0%	27500.0%
Sub-function 2 - Roads										
<i>Surfaced Roads resurfaced</i>	kilometres		7000.0%	9800.0%	9800.0%	9800.0%	8500.0%	8500.0%	8500.0%	8500.0%
Sub-function 3 - Roads for Stormwater	kilometres		4500.0%	7500.0%	7500.0%	7500.0%	9500.0%	9880.0%	10295.0%	10747.9%
Function 2 - Energy &										
Sub-function 1 - Electricity										
<i>electrification infrastructure (Dry</i>	number of		29800.0%	27800.0%	27800.0%	27800.0%	25000.0%	26000.0%	27092.0%	28284.0%
<i>Installation of 200 new</i>	number of		15000.0%	18000.0%	18000.0%	18000.0%	12000.0%	12480.0%	13004.2%	13576.3%
Sub-function 2 - New										
<i>Completed and occupied</i>	number of		55000.0%	45000.0%	45000.0%	45000.0%	35000.0%	36400.0%	37928.8%	39597.7%
Sub-function 3 - Maintain										
Electricity & repairs	percentage		4500.0%	5500.0%	5500.0%	5500.0%	5500.0%	5720.0%	5960.2%	6222.5%
<i>Insert measure/s description</i>										
And so on for the rest of the										

The following table sets out the municipality's main performance objectives and benchmarks for the 2023/24 MTREF.

Table 27 MBRR Table SA8 - Performance indicators and benchmarks

KZN291 Mandeni - Supporting Table SA8 Performance indicators and benchmarks										
Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.7%	0.1%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.3%	0.1%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity										
Current Ratio	Current assets/current liabilities	2.7	2.9	4.8	2.9	4.8	4.8	3.9	9.6	8.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.7	2.9	4.8	2.9	4.8	4.8	3.9	9.6	8.4
Liquidity Ratio	Monetary Assets/Current Liabilities	2.9	3.4	5.3	2.3	4.4	4.4	2.6	7.6	6.7
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		8.9%	7.9%	6.1%	153.9%	147.3%	8.0%	143.2%	143.5%
Current Debtors Collection Rate (Cash receipts % of Outstanding Debtors to Revenue)	Total Outstanding Debtors to Annual Revenue	8.9%	7.9%	6.1%	153.9%	147.3%	147.3%	143.2%	143.5%	143.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	20.9%	15.8%	18.9%	32.8%	30.4%	30.4%	40.9%	37.6%	37.0%
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s									
Creditors to Cash and Investments		23.9%	8.5%	4.1%	52.2%	62.8%	62.8%	25.9%	12.3%	15.6%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)									
	Total Volume Losses (kW)									
	Total Cost of Losses (Rand 1000)									
	% Volume (units purchased and generated less units sold)/units purchased and									
Employee costs	Employee costs/(Total Revenue - capital revenue)	24.8%	32.7%	31.2%	38.0%	36.3%	36.3%	37.5%	35.5%	36.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	40.5%	36.8%	35.2%	42.5%	40.5%	40.5%	41.6%	41.6%	44.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.9%	5.7%	4.5%	5.1%	5.5%	5.5%	4.3%	4.2%	4.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.3%	9.6%	10.2%	10.4%	9.9%	9.9%	9.4%	9.3%	9.7%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	349.3	78.3	59.8	17.0	17.0	17.0	-	-	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	-30.4%	-71.7%	-40.1%	52.1%	36.5%	36.5%	109.9%	99.2%	93.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	12.0	19.8	38.5	3.1	2.2	2.2	4.6	4.9	4.5

2.6 Performance indicators and benchmarks

2.6.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long-term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Mandeni Municipality's borrowing strategy is primarily informed by the affordability of debt repayments.

The Municipality has raised mainly amortising loans over the past fifteen years, hence effectively 'front-loading' its debt service costs

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

2.6.1.2 Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2022/23 MTREF the current ratio is 4.3 in the 2023/24 financial year and 6.1 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2022/23 financial year the ratio was 5.0 and as part of the financial planning strategy it has been reduced to 4.3 in the 2023/24 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer-term financial planning objectives this ratio will have to be set at a minimum of 1.

2.6.1.3 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

2.6.1.4 Creditors Management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of no concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favorable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.6.1.5 Other Indicators

Employee costs as a percentage of operating revenue continues to increase over the MTREF. This is primarily owing to the review of organogram and low tariff increase which has direct relationship with low billing level.

Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also increasing owing directly to cost drivers such as assets maintenance plans far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

2.6.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2023/24 financial year 32 001 households will be receiving Free basic Refuse and 1572 households receiving Free basic electricity as registered indigents which have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to, 50 kwh of electricity and free waste removal equivalent to 85ℓ once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 64.

Note that the number of households in informal areas that receive free services and the cost of these services are not taken into account in the table noted above.

2.7 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.7.1 Review of credit control and debt collection procedures/policies

The Collection Policy has been currently reviewed and it has been approved by Council in June 2019. The policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition, emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2023/24 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 68 per cent on current billings, current year's overall collection rate of 68 per cent has determined the 2023/24 collection rate. In addition, the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

2.7.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition, the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.7.3 Supply Chain Management Policy

The Supply Chain Management Policy is currently being reviewed and will be adopted by Council on the 31st March 2022. A reviewed policy has been considered by Council of which the amendments will extensively be consulted on.

2.7.4 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The Budget and Virement Policy is currently has been reviewed and adopted by Council in March 2022.

2.7.5 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy have been currently reviewed and adopted by Council in March 2022. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

2.7.6 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Credit Control and Credit Control Policy;
- Supply Chain Management Policy
- Asset Management Policy
- Borrowing Policy;
- Budget Implementation and management Policy;
- Basic Social Services Package (Indigent Policy).
- Corporate Social Fund Policy
- Asset Loss Control Policy
- Insurance Policy
- Tariff Policy
- Unauthorized, Irregular, Fruitless & wasteful Expenditure policy
- Long-term Financial Planning Policy
- Related Parties Policy
- Cost Containment Measures Policy
- Fleet Management Policy

2.8 Overview of budget assumptions

2.8.1 External factors

GDP is expected to grow by 0.9 per cent in real terms in 2023, compared with an estimate of 1.4 per cent at the time of the medium-term budget policy statement (MTBPS), recovering slowly to 1.8 per cent in 2025.

The economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state.

2.8.2 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (68 per cent) of annual billings for property rates. Cash flow is assumed to be 68 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Service Charges on electricity and refuse removal are billed simultaneously, therefore an average collection rate of 68% is assumed for service charged due to controls that are in place as per the credit control policy.

2.8.3 Growth or decline in tax base of the municipality

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

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

2.8.4 Salary increases

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF.

The **salary and wage increase** shall be, four comma nine percent (5.4%) with effect from 1 July 2023 and any linked benefits or conditions of service shall increase by the same rate of 5.4% with effect from 1 July 2023.

The **minimum wage** shall increase by the same percentage of 5.4% to **R 9 0431.21 pm** with effect **from 1 July 2023**. The flat rate Home Owners Allowance shall increase by the same percentage of 4.9% to **R 1 011.77 pm with effect from 1 July 2023**.

In respect of **medical aid**, the maximum employer contribution rate to an employee's accredited medical scheme shall increase by the same percentage 5.4% to **R 5 007.00 with effect from 1 July 2023**.

2.8.5 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and, in this regard, various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

Creating jobs;
Enhancing education and skill development;
Improving Health services;
Rural development and agriculture; and
Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.8.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 85 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2023/24 & MTREF of which performance has been factored into the cash flow budget.

2.9 Overview of budget funding

2.9.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 28 Breakdown of the operating revenue over the medium-term

KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure										
Employee related costs	2	69,108	109,396	107,713	124,828	124,828	124,828	141,420	142,112	148,944
Remuneration of councillors		13,249	13,528	13,798	14,682	14,682	14,682	15,460	16,647	16,980
Bulk purchases - electricity	2	-	28,816	36,575	33,950	39,050	39,050	43,603	43,659	45,667
Inventory consumed	8	(980)	(864)	(348)	3,987	5,093	5,093	7,385	7,442	7,795
Debt impairment	3	-	-	-	35,798	35,798	35,798	37,303	39,130	40,970
Depreciation and amortisation		-	31,848	35,256	33,747	33,747	33,747	35,534	37,276	39,028
Interest		919	332	58	410	410	410	100	105	110
Contracted services		-	47,869	50,051	63,868	64,587	64,587	63,231	66,338	69,376
Transfers and subsidies		-	1,557	-	-	-	-	-	-	-
Irrecoverable debts written off		48,224	34,245	20,430	6,750	6,750	6,750	7,500	7,868	8,237
Operational costs		-	30,735	40,070	43,705	45,809	45,809	48,024	50,361	52,714
Losses on disposal of Assets		740	1,501	732	-	1,000	1,000	1,500	1,574	1,647
Other Losses		-	35	176	-	-	-	-	-	-
Total Expenditure		131,260	298,998	304,510	361,725	371,753	371,753	401,060	412,511	431,468

The following graph is a breakdown of the operational revenue per main category for the 2023/24 financial year.

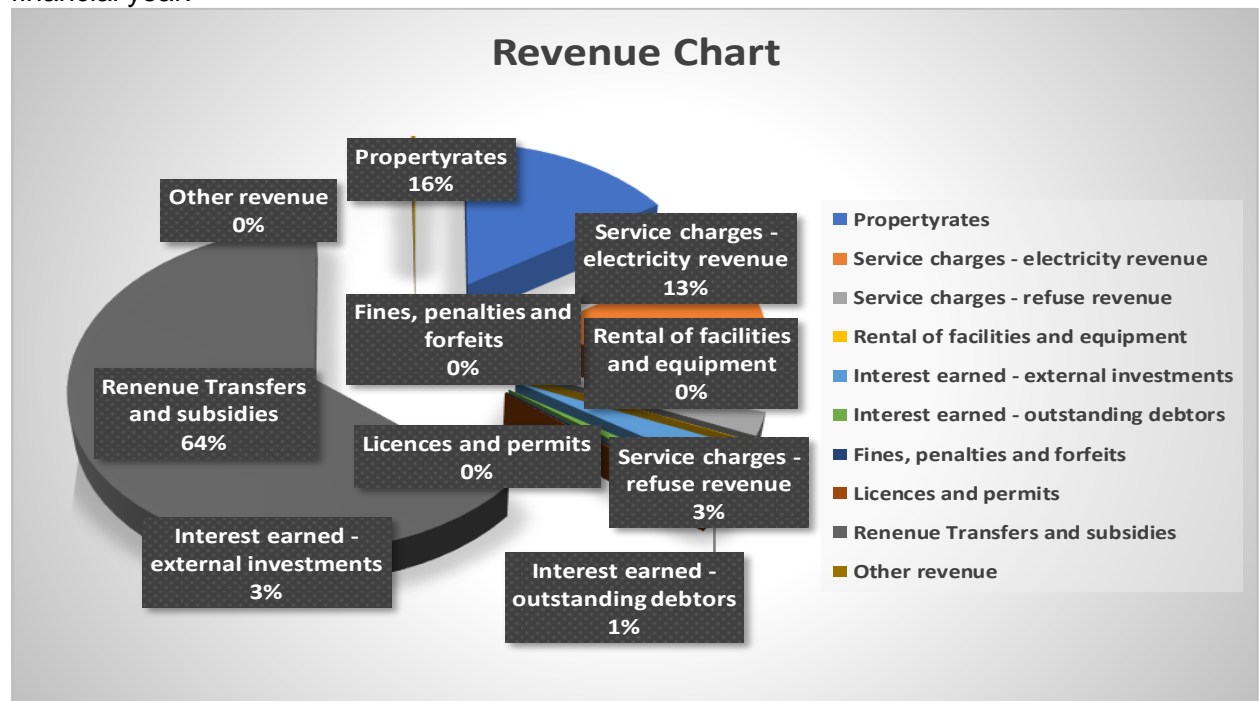


Figure 4 Breakdown of operating revenue over the 2023/24 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity, Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

Growth in the Municipality and economic development;

Revenue management and enhancement;

Achievement of a 68 per cent annual collection rate for consumer revenue;

National Treasury guidelines;

Electricity tariff increases within the National Energy Regulator of South Africa (NERSA) approval;

Achievement of full cost recovery of specific user charges;

Determining tariff escalation rate by establishing/calculating revenue requirements;

The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and

The ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2023/24 MTREF on the different revenue categories are:

Table 29 Proposed tariff increases over the medium-term

KZN291_ Mandeni - Supporting Table SA14 Household bills									
Description	Ref	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework				2023/24 Total Budgeted Revenue
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
Rand/cent					% incr.				
Monthly Account for Household - 'Middle Income Range'	1								
Rates and services charges:									
Property rates		1,167.51	1,167.51	1,167.51	5.3%	1,167.51	1,241.06	1,252.73	59,329,448
Electricity: Basic levy		647.44	647.44	647.44	18.7%	768.51	919.90	927.59	
Electricity: Consumption		2,940.92	2,940.92	2,940.92	18.7%	3,490.87	4,178.57	4,213.48	50,438,793
Water: Basic levy		-	-	-	-	-	-	-	
Water: Consumption		-	-	-	-	-	-	-	
Sanitation		-	-	-	-	-	-	-	
Refuse removal		155.50	155.50	155.50	5.3%	163.74	174.05	175.69	9,160,497
Other									
sub-total		4,911.35	4,911.35	4,911.35	13.8%	5,590.62	6,513.58	6,569.49	
VAT on Services									
Total large household bill:		4,911.35	4,911.35	4,911.35	13.8%	5,590.62	6,513.58	6,569.49	
% increase/-decrease		8.3%	8.3%	8.3%		13.8%	16.5%	0.9%	

Revenue to be generated from property rates is R59.3 million in the 2023/24 financial year and increases to R62.2 million by 2025/26 which represents 15.7 per cent of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

Services charges relating to electricity and refuse removal constitutes the third largest component of the revenue basket of the Municipality totaling R59,6 million for the 2023/24 financial year and increasing to R65.5 million by 2025/26. For the 2023/24 financial year services charges amount to 15.8 per cent of the total revenue base and grows by 9.1 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.

Operational grants and subsidies amount to R240.9 million, R258.8 million and R258.2 million for each of the respective financial years of the MTREF, or 64, 65 and 64 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government have increased in 2023/24 financial year and in the two outer years it grows rapidly over the MTREF by 1.6 per cent and 14.3 per cent.

Investment revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R10.5 million, 11.0 million and R128.2 million for the respective three financial years of the 2023/24 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 30 MBRR SA15 – Detail Investment Information

KZN291 Mandeni - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Parent municipality										
Securities - National Government Listed Corporate Bonds		19,108	54,806	167,599	74,236	207,979	207,979	123,554	134,270	130,068
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	19,108	54,806	167,599	74,236	207,979	207,979	123,554	134,270	130,068
Entities										
Securities - National Government Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		19,108	54,806	167,599	74,236	207,979	207,979	123,554	134,270	130,068

Table 31 MBRR SA16 – Investment particulars by maturity

KZN291 Mandeni - Supporting Table SA16 Investment particulars by maturity												
Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Expiry date of investment	Opening balance	Interest to be realised	Partial/ Premature Withdrawal (A)	Investment Top Up	Closing Balance
name of institution & investment	1	Yrs/Months										
Parent municipality												
Call account 1-GRANTS		12 Mnths	Call Accounts	Yes	Fixed	0.0245	30 June 2023	2,144	1,320	(120,933)	102,951	(14,518)
Call account 2 -HOUSING		12 Mnths	Call Accounts	No	Fixed	0.0245	30 June 2023	1,852	540	(350)	-	2,042
Call account 3-MIG		12 Mnths	Call Accounts	Yes	Fixed	0.0245	30 June 2023	47	21	(49,717)	49,717	68
Call account 5-TMT		12 Mnths	Call Accounts	No	Fixed	0.0245	30 June 2023	271	105	-	-	376
Call account 6-INEP		12 Mnths	Call Accounts	No	Fixed	0.0245	30 June 2023	23	-	(7,384)	7,384	23
Call account 7-AR		12 Mnths	Call Accounts	No	Fixed	0.0245	30 June 2023	3,785	854	-	-	4,639
Call account 8- Title Deed		12 Mnths	Call Accounts	No	Fixed	0.0245	30 June 2023	5,857	960	(1,500)	-	5,317
NEDBANK		12 Mnths	Investments	No	Fixed	0.5975	30 June 2023	29,000	1,200	(29,000)	-	1,200
STANDARD		12 Mnths	Investments	No	Fixed	0.0534	30 June 2023	65,000	2,500	(36,237)	20,000	51,263
NEDBANK		12 Mnths	Investments	No	Fixed	0.5313	30 June 2023	50,000	1,500	(59,855)	30,000	21,645
NEDBANK		12 Mnths	Investments	Yes	Fixed	0.0482	30 June 2023	50,000	1,500	(50,000)	50,000	51,500
												-
												-
Municipality sub-total								207,979		(354,977)	260,052	123,554
Entities												
												-
												-
												-
												-
												-
Entities sub-total								-		-	-	-
TOTAL INVESTMENTS AND	1							207,979		(354,977)	260,052	123,554

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R123.5 million, R134.3 million and decreases to R130.1 million in each of the financial years. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

2.9.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

Table 32 Sources of capital revenue over the MTREF

KZN291 Mandeni - Table A5 Capital Expenditure									
Vote Description	Re	2023/24 Medium Term Revenue & Expenditure Framework							
		Current Year 2022/23		2023/24		2024/25		2025/26	
R thousand	1	Adjusted Budget	%	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
Funded by:									
National Government		32,427	37.71	41,592	34.80	35,933	100%	37,466	100%
Provincial Government		881	1.02	478	0.40	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–
Transfers recognised - capital	4	33,307	0	42,071		35,933		37,466	
Borrowing	6	–	–	–		–		–	
Internally generated funds		52,686	61.27	77,444	64.80	–		–	
Total Capital Funding	7	85,993	100%	119,514	100%	35,933	100%	37,466	100%

The above table is graphically represented as follows for the 2023/24 financial year.

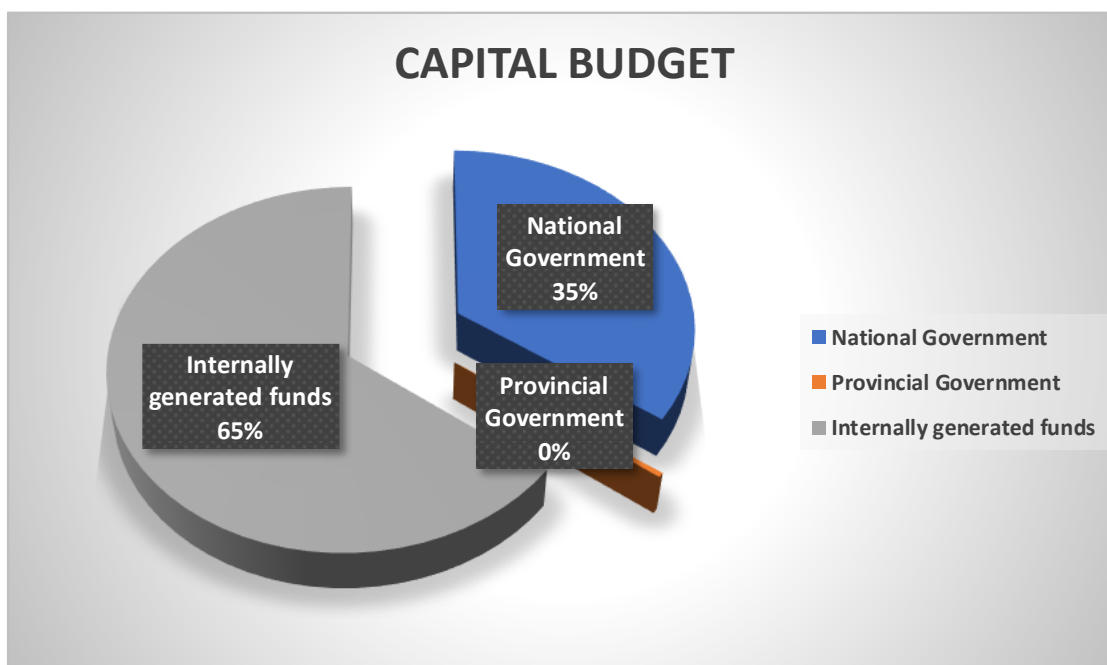


Figure 5 Sources of capital revenue for the 2023/24 financial year

Capital grants and receipts equates to 35.2 per cent of the total funding source which represents R42.0 million for the 2023/24 financial year and steadily decreases to 37.5 million or 100 per cent by 2023/24. Decrease relating to grant receipts is 4.6 million and 10.9 per cent over the medium-term.

Table 33 MBRR Table SA 18 - Capital transfers and grant receipts

KZN291_Mandeni - Supporting Table SA18 Transfers and grant receipts										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		181,862	192,581	201,955	226,202	226,202	226,202	244,496	268,808	268,782
Local Government Equitable Share		167,483	181,342	191,149	212,818	212,818	212,818	230,823	250,161	249,287
EPWP Incentive		2,234	2,387	2,435	2,372	2,372	2,372	2,553		
Finance Management		1,900	2,346	1,850	1,850	1,850	1,850	1,850	1,850	1,950
Integrated National Electrification		9,500	6,506	4,872	7,200	7,200	7,200	7,384	14,622	15,277
Municipal Infrastructure Grant				1,649	1,962	1,962	1,962	1,886	2,175	2,268
Disaster Relief Grant COVID 19		745								
Other transfers/grants [insert description]										
Provincial Government:		2,493	6,219	54,847	20,005	9,387	9,387	3,873	4,618	4,825
Community Library Services Grant		1,228	6,219	4,214	1,477	1,477	1,477	1,477	1,542	1,611
Provincialization of Government		515			2,566	1,910	1,910	2,396	3,076	3,214
Municipal Employment Initiative					1,000	1,000	1,000			
Human Settlement				50,633	14,962	-	-			
Spetial Development Framework S		750								
Massification Grant						5,000	5,000			
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	184,355	198,800	256,803	246,207	235,589	235,589	248,369	273,426	273,607
Capital Transfers and Grants										
National Government:		33,954	41,647	42,300	38,082	38,082	38,082	47,831	41,323	43,086
Municipal Infrastructure Grant (MIG)		33,954	41,647	42,300	38,082	38,082	38,082	47,831	41,323	43,086
Other capital transfers/grants [insert desc]										
Provincial Government:		1,131	2,990	-	380	1,036	1,036	550	-	-
Provincialization of Libraries		1,131	2,990		380	1,036	1,036	550		
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	35,085	44,637	42,300	38,462	39,118	39,118	48,381	41,323	43,086
TOTAL RECEIPTS OF TRANSFERS		219,440	243,436	299,103	284,669	274,707	274,707	296,750	314,749	316,693

2.9.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

Clear separation of receipts and payments within each cash flow category;

Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words, the *actual collection rate* of billed revenue. and

Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long-term borrowing (debt).

Table 34 MBRR Table A7 - Budget cash flow statement

KZN291 Mandeni - Table A7 Budgeted Cash Flows											
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		1,828	1,828	1,828	24,440	21,996	21,996	1,942	26,698	28,006	29,323
Service charges		1,666	1,666	1,669	44,540	44,040	44,040	1,669	59,348	62,256	65,182
Other revenue		310	4,485	69,618	34,355	18,443	18,443	69,675	2,265	2,376	2,488
Transfers and Subsidies - Operat	1	58,593	286,604	545,726	246,207	235,589	235,589	745,362	240,984	265,984	265,673
Transfers and Subsidies - Capital	1	15,837	50,556	96,109	38,462	39,118	39,118	127,858	47,481	41,323	43,086
Interest		-	798	4,267	5,775	19,275	19,275	6,730	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		4,328	6,148	639	(316,822)	(322,696)	(322,696)	125,932	(461,102)	(389,124)	(409,844)
Finance charges		-	-	-	(410)	(410)	(410)	-	(100)	(105)	(110)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERAT		82,562	352,085	719,854	76,547	55,356	55,356	1,079,168	(84,425)	10,716	(4,202)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current re		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current in		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTIN		-	-	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCIN		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN C		82,562	352,085	719,854	76,547	55,356	55,356	1,079,168	(84,425)	10,716	(4,202)
Cash/cash equivalents at the year 2		-	-	-	-	-	-	-	207,979	123,554	134,270
Cash/cash equivalents at the year 2		82,562	352,085	719,854	76,547	55,356	55,356	1,079,168	123,554	134,270	130,068

The above table shows that cash and cash equivalents of the Municipality were slowly increased between the 2023/24 and 2024/25 financial year moving from a positive cash balance of R123.5 to a surplus of R130.1 million with the approved 2025/26 MTREF. With the 2022/23 adjustments budget various cost efficiencies and savings had to be realised to ensure the Municipality could meet its operational expenditure commitments. In addition, the Municipality undertook an extensive debt collection process to boost cash levels.

These initiatives and interventions have translated into a positive cash position for the Municipality and it is projected that cash and cash equivalents on hand will increase to R123.5 million by the financial year end. For the 2023/24 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to increase to R134.3 million by 2024/25 and steadily increases to R130.8 million by 2025/26. It should be noted the municipality's cash flow are improving on an annual basis.

2.9.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

What is the predicted cash and investments that are available at the end of the budget year?

How are those funds used?

What are the net funds available or funding shortfall?

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

Table 35 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN291 Mandeni - Table A8 Cash backed reserves/accumulated surplus reconciliation										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
Cash and investments available										
Cash/cash equivalents at the year end	1	82,562	352,085	719,854	76,547	55,356	55,356	123,554	134,270	130,068
Other current investments > 90 days		68,590	(117,024)	(460,703)	7,214	119,372	119,372	11,803	106,081	110,037
Investments - Property, plant and equipment	1	821,246	455,471	484,788	540,035	537,034	537,034	627,784	580,326	600,681
Cash and investments available:		972,398	690,532	743,939	623,796	711,762	711,762	763,141	820,676	840,786
Application of cash and investments										
Trade payables from Non-exchange transactions		-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2									
Other working capital requirements	3	19,028	29,068	17,425	8,846	9,807	9,807	8,535	(9,064)	(5,244)
Other provisions										
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5									
Total Application of cash and investments		19,028	29,068	17,425	8,846	9,807	9,807	8,535	(9,064)	(5,244)
Surplus(shortfall)		953,370	661,464	726,514	614,950	701,956	701,956	754,606	829,741	846,030

From the above table it can be seen that the cash and investments available total 754.5 million in the 2023/24 financial year and increases to R846.0 million by 2025/26, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.

Due to delays in transferring ownership of Low-Cost Housing the municipality foresees that there will be remaining unspent grant for Title Deed Grant of R5.3 million. This assumption is based on the grant register as at February 2023.

There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital.

For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.

Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are not fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the rehabilitation of landfill sites and quarries.

It can be concluded that the Municipality has a surplus against the cash backed and accumulated surpluses reconciliation. It needs to be noted that for all practical purposes the 2023/24 MTREF was funded when considering the funding requirements of section 18 and 19 of the MFMA. The 2023/24 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. From a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven-year perspective.

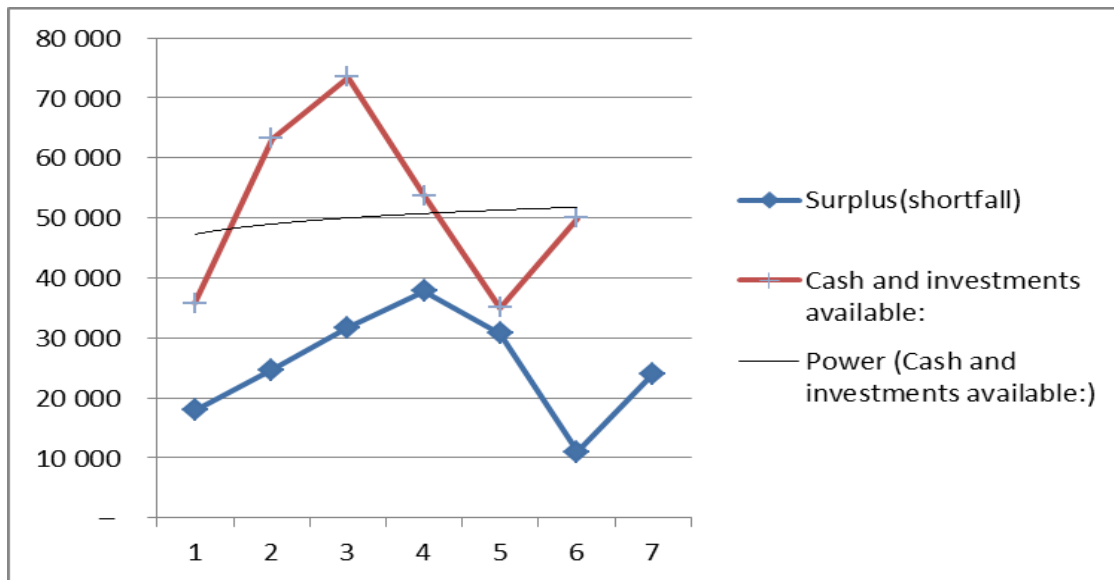


Figure 6 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.9.5 Funding compliance measurement

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

Table 36 MBRR SA10 – Funding compliance measurement

KZN291 Mandeni Supporting Table SA10 Funding measurement											
Description	MFMA section	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	1	60 459	82 091	341 636	(55 570)	67 931	67 931	73 721	78 765	90 523
Cash + investments at the yr end less applications	18(1)b	2	16 819	48 792	102 646	64 595	518 992	518 992	25 884	39 665	49 044
Cash year end/monthly employee/supplier payment	18(1)b	3	3.4	4.2	16.6	(2.5)	3.0	3.0	2.9	3.0	3.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	227 651	206 710	269 504	22 241	26 678	26 678	1 003	9 142	17 725
Service charge rev % change - macro CPIX target	18(1)a,(2)	5	N.A.	(13.0%)	22.8%	(18.9%)	(6.0%)	(6.0%)	0.8%	(1.6%)	(1.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	3.2%	3.6%	6.6%	67.5%	77.5%	77.5%	66.4%	66.4%	66.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	45.5%	56.7%	31.3%	32.1%	36.3%	36.3%	35.1%	35.1%	35.1%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	100.0%	124.0%	124.0%	116.2%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. t	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10							0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(20.4%)	(24.7%)	62.8%	(50.3%)	0.0%	42.3%	5.3%	0.8%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.1%	1.8%	4.2%	3.5%	3.8%	3.8%	3.5%	3.5%	3.6%
Asset renewal % of capital budget	20(1)(vi)	14	63.7%	63.6%	63.3%	6.4%	0.3%	0.3%	2.2%	0.0%	0.0%
Supporting indicators											
% incr total service charges (incl prop rates)	18(1)a			(7.0%)	28.8%	(12.9%)	0.0%	0.0%	6.8%	4.4%	4.5%
% incr Property Tax	18(1)a			(19.9%)	41.0%	(29.0%)	0.0%	0.0%	4.8%	4.4%	4.5%
% incr Service charges - electricity revenue	18(1)a			22.7%	15.9%	13.1%	0.0%	0.0%	9.6%	4.4%	4.5%
% incr Service charges - water revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - sanitation revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - refuse revenue	18(1)a			(4.2%)	7.2%	4.3%	0.0%	0.0%	4.8%	4.4%	4.5%
% incr in	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		91 459	85 048	109 522	95 404	95 404	95 404	101 866	106 348	111 133
Service charges			91 459	85 048	109 522	95 404	95 404	95 404	101 866	106 348	111 133
Property rates			58 180	46 606	65 700	46 642	46 642	46 642	48 880	51 031	53 327
Service charges - electricity revenue			24 368	29 909	34 672	39 216	39 216	39 216	42 981	44 872	46 891
Service charges - water revenue			-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-
Service charges - refuse removal			8 911	8 534	9 150	9 546	9 546	9 546	10 004	10 445	10 915
Service charges - other			-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			170	204	101	130	170	170	178	186	194
Capital expenditure excluding capital grant funding			98 950	102 903	110 167	40 380	40 865	40 865	53 669	-	-
Cash receipts from ratepayers	18(1)a		3 407	3 598	7 714	70 092	79 210	79 210	71 402	74 544	77 898
Ratepayer & Other revenue	18(1)a		108 032	99 751	116 166	103 874	102 195	102 195	107 505	112 235	117 285
Change in consumer debtors (current and non-current)			(12 034)	(10 726)	(10 360)	19 797	(6 052)	(6 052)	(15 077)	1 907	292
Operating and Capital Grant Revenue	18(1)a		194 661	190 915	251 645	235 710	257 443	257 443	261 857	278 150	297 228
Capital expenditure - total	20(1)(vi)		237 694	254 468	272 457	73 920	79 280	79 280	92 131	39 636	41 334
Capital expenditure - renewal	20(1)(vi)		151 515	161 826	172 489	4 700	219	219	2 000	-	-
Supporting benchmarks											
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY											
DoRA capital grants total MFY											
Provincial operating grants											
Provincial capital grants											
District Municipality grants											
Total gazetted/advised national, provincial and district grants									-	-	-
Average annual collection rate (arrears inclusive)											
DoRA operating											
<i>List operating grants</i>											
DoRA capital											
<i>List capital grants</i>											
Trend											
Change in consumer debtors (current and non-current)			(12 034)	(10 726)	(10 360)	(2 151)	(15 077)	1 907	-	-	-

KZN291 Mandeni Supporting Table SA10 Funding measurement											
Description	MFMA section	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Total Operating Revenue			268 009	293 445	348 760	309 163	327 992	327 992	337 020	356 700	379 398
Total Operating Expenditure			258 420	283 370	298 917	323 462	339 729	339 729	374 709	387 194	403 007
Operating Performance Surplus/(Deficit)			9 590	10 075	49 843	(14 299)	(11 737)	(11 737)	(37 689)	(30 494)	(23 609)
Cash and Cash Equivalents (30 June 2012)									73 721		
Revenue											
% Increase in Total Operating Revenue				9.5%	18.9%	(11.4%)	6.1%	0.0%	2.8%	5.8%	6.4%
% Increase in Property Rates Revenue				(19.9%)	41.0%	(29.0%)	0.0%	0.0%	4.8%	4.4%	4.5%
% Increase in Electricity Revenue				22.7%	15.9%	13.1%	0.0%	0.0%	9.6%	4.4%	4.5%
% Increase in Property Rates & Services Charges				(7.0%)	28.8%	(12.9%)	0.0%	0.0%	6.8%	4.4%	4.5%
Expenditure											
% Increase in Total Operating Expenditure				9.7%	5.5%	8.2%	5.0%	0.0%	10.3%	3.3%	4.1%
% Increase in Employee Costs				18.3%	9.6%	(1.4%)	1.2%	0.0%	10.7%	4.4%	4.5%
% Increase in Electricity Bulk Purchases				13.9%	10.4%	22.0%	4.3%	0.0%	18.0%	4.4%	5.5%
Average Cost Per Budgeted Employee Position (Remuneration)					393219.9	400814			425221		
Average Cost Per Councillor (Remuneration)					386514.2	418372			419482		
R&M % of PPE			2.1%	1.8%	4.2%	3.5%	3.8%	3.8%	3.5%	3.5%	3.6%
Asset Renewal and R&M as a % of PPE			42.0%	46.0%	47.0%	9.0%	11.0%	11.0%	9.0%	9.0%	10.0%
Debt Impairment % of Total Billable Revenue			45.5%	56.7%	31.3%	32.1%	36.3%	36.3%	35.1%	35.1%	35.1%
Capital Revenue											
Internally Funded & Other (R'000)			95 070	99 023	106 286	40 380	40 865	40 865	53 669	–	–
Borrowing (R'000)			3 881	3 881	3 881	–	–	–	–	–	–
Grant Funding and Other (R'000)			138 744	151 564	162 290	33 540	38 415	38 415	38 462	39 636	41 334
Internally Generated funds % of Non Grant Funding			96.1%	96.2%	96.5%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%
Borrowing % of Non Grant Funding			3.9%	3.8%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			58.4%	59.6%	59.6%	45.4%	48.5%	48.5%	41.7%	100.0%	100.0%
Capital Expenditure											
Total Capital Programme (R'000)			237 694	254 468	272 457	73 920	79 280	79 280	92 131	39 636	41 334
Asset Renewal			201 738	223 616	234 880	39 131	45 585	45 585	37 513	39 636	41 334
Asset Renewal % of Total Capital Expenditure			84.9%	87.9%	86.2%	52.9%	57.5%	57.5%	40.7%	100.0%	100.0%
Cash											
Cash Receipts % of Rate Payer & Other			3.2%	3.6%	6.6%	67.5%	77.5%	77.5%	66.4%	66.4%	66.4%
Cash Coverage Ratio			0	0	0	(0)	0	0	0	0	0
Borrowing											
Credit Rating (2009/10)									0		
Capital Charges to Operating			(0.5%)	0.0%	0.1%	0.2%	1.0%	1.0%	0.8%	0.8%	0.8%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves											
Surplus/(Deficit)			16 819	48 792	102 646	64 595	518 992	518 992	25 884	39 665	49 044
Free Services											
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			(8.0%)	0.0%	(5.4%)	15.8%	21.6%	21.6%	10.4%	10.4%	10.4%
High Level Outcome of Funding Compliance											
Total Operating Revenue			268 009	293 445	348 760	309 163	327 992	327 992	337 020	356 700	379 398
Total Operating Expenditure			258 420	283 370	298 917	323 462	339 729	339 729	374 709	387 194	403 007
Surplus/(Deficit) Budgeted Operating Statement			9 590	10 075	49 843	(14 299)	(11 737)	(11 737)	(37 689)	(30 494)	(23 609)
Surplus/(Deficit) Considering Reserves and Cash Backing			16 819	48 792	102 646	64 595	518 992	518 992	25 884	39 665	49 044
MTREF Funded (1) / Unfunded (0)	15		1	1	1	1	1	1	1	1	1
MTREF Funded ü / Unfunded ũ	15		ü	ü	ü	ü	ü	ü	ü	ü	ü

2.9.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is positive, for any year of the medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short-term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2023/24 MTREF shows R97.2 million, R167.5 million and R234.5 million for each respective financial year.

2.9.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 20, on page 39. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.9.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been increasing steadily for the period 2022/23 to 2023/24, moving from 2.3 to 1.7 with the adopted 2023/24 & MTREF. As part of the 2023/24 MTREF the municipalities improving cash position causes the ratio to move upwards to 7.1 and then increase slightly to 8.1 for the outer years. As indicated above the Municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months' coverage. This measure will have to be carefully monitored going forward.

2.9.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

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

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

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to approximate the real increase in revenue. From the table above, it can be seen that the percentage growth totals 0.1, 1.9 and 0.2 per cent for the respective financial year of the 2023/24 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates is 5.3 per cent and services charges are 5.3 per cent, with the increase in electricity at 18.7 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.9.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 108,111 and 114 per cent for each of the respective financial years. Given that the assumed collection rate was based on 68 per cent performance target, the cash flow statement has been conservatively determined. In addition, the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.9.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 9.4, 9.4 and 9.4 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.9.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 2 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that creditors be paid within 30 days.

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

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 0 per cent of own funded capital. Further details relating to the borrowing strategy of the Municipality can be found on page 57.

2.9.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

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

2.9.5.11 Consumer debtors change (Current and Non-current)

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

2.9.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 50 MBRR SA34C on page 100.

2.9.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 49 MBRR SA34b on page 99.

2.10 Expenditure on grants and reconciliations of unspent funds

Table 37 MBRR SA19 - Expenditure on transfers and grant programmes

KZN291 Mandeni - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		181,862	192,581	201,955	226,202	226,202	226,202	244,496	268,808	268,782
Local Government Equitable Share		167,483	181,342	191,149	212,818	212,818	212,818	230,823	250,161	249,287
EPWP Incentive		2,234	2,387	2,435	2,372	2,372	2,372	2,553		
Finance Management		1,900	2,346	1,850	1,850	1,850	1,850	1,850	1,850	1,950
Integrated National Electrification Program		9,500	6,506	4,872	7,200	7,200	7,200	7,384	14,622	15,277
Municipal Infrastructure Grant				1,649	1,962	1,962	1,962	1,886	2,175	2,268
Disaster Relief Grant COVID 19		745								
Other transfers/grants [insert description]										
Provincial Government:		2,493	6,219	54,847	20,005	9,387	9,387	3,873	4,618	4,825
Community Library Services Grant		1,228	6,219	4,214	1,477	1,477	1,477	1,477	1,542	1,611
Provincialization of Government		515			2,566	1,910	1,910	2,396	3,076	3,214
Municipal Employment Initiative (EDTEA)					1,000	1,000	1,000			
Human Settlement				50,633	14,962	-	-			
Spetial Development Framework Support		750				5,000	5,000			
Massification Grant										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants		184,355	198,800	256,803	246,207	235,589	235,589	248,369	273,426	273,607
Capital expenditure of Transfers and Grants										
National Government:		33,954	41,647	42,300	38,082	38,082	38,082	47,831	41,323	43,086
Municipal Infrastructure Grant (MIG)		33,954	41,647	42,300	38,082	38,082	38,082	47,831	41,323	43,086
Other capital transfers/grants [insert description]										
Provincial Government:		1,131	2,990	-	380	1,036	1,036	550	-	-
Provincialization of Libraries		1,131	2,990		380	1,036	1,036	550		
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		35,085	44,637	42,300	38,462	39,118	39,118	48,381	41,323	43,086
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		219,440	243,436	299,103	284,669	274,707	274,707	296,750	314,749	316,693

Table 38 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

KZN291 Mandeni - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year						2,874	2,874			
Current year receipts		181,862	192,581	215,677	226,202	226,202	226,202	244,496	268,808	268,782
Conditions met - transferred to revenue		-	-	-	-	5,748	5,748	-	-	-
Conditions still to be met - transferred to liabilities		181,862	192,581	215,677	226,202	223,328	223,328	244,496	268,808	268,782
Provincial Government:										
Balance unspent at beginning of the year						5,831	5,831	4,232		
Current year receipts		2,493	6,219	4,214	20,005	9,387	9,387	3,873	4,618	4,825
Conditions met - transferred to revenue		-	-	-	-	-	-	4,232	-	-
Conditions still to be met - transferred to liabilities		2,493	6,219	4,214	20,005	15,218	15,218	3,873	4,618	4,825
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	-	-	5,748	5,748	4,232	-	-
Total operating transfers and grants - CTBM	2	184,355	198,800	219,891	246,207	238,546	238,546	248,369	273,426	273,607
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year			1,717							
Current year receipts		33,954	41,647	42,232	38,082	38,082	38,082	47,831	41,323	43,086
Conditions met - transferred to revenue		-	1,717	(1,717)	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		33,954	41,647	43,949	38,082	38,082	38,082	47,831	41,323	43,086
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		1,131	800	1,270	380	1,036	1,036	550		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		1,131	800	1,270	380	1,036	1,036	550		
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		-	3,308	6,207						
Current year receipts		-	15,573	50,633						
Conditions met - transferred to revenue		-	6,466	5,773	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	12,415	51,068						
Total capital transfers and grants revenue		-	8,183	4,056	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	35,085	54,862	96,287	38,462	39,118	39,118	48,381	41,323	43,086
TOTAL TRANSFERS AND GRANTS REVENUE		-	8,183	4,056	-	5,748	5,748	4,232	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		219,440	253,662	316,178	284,669	277,664	277,664	296,750	314,749	316,693

2.11 Councillors and employee benefits

Table 39 MBRR SA22 - Summary of councillor and staff benefits

KZN291 Mandeni - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		9,848	10,186	11,306	11,854	11,854	11,854	12,989	13,625	14,266
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		1,299	1,255	719	876	876	876	636	668	699
Cellphone Allowance		1,420	1,427	1,432	1,512	1,512	1,512	1,591	2,098	1,748
Housing Allowances		681	660	340	439	439	439	244	256	268
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		13,249	13,528	13,798	14,682	14,682	14,682	15,460	16,647	16,980
% increase	4		2.1%	2.0%	6.4%	–	–	5.3%	7.7%	2.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4,964	5,197	5,197	5,513	5,513	5,513	5,602	5,876	13,467
Pension and UIF Contributions		10	0	0	11	11	11	11	11	12
Medical Aid Contributions		1	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	561	1,048	476	476	476	476	499	523
Motor Vehicle Allowance	3	719	737	737	737	737	737	773	811	849
Cellphone Allowance	3	181	186	186	186	186	186	186	195	204
Housing Allowances	3	134	264	264	269	269	269	265	278	291
Other benefits and allowances	3	1	1	1	1	1	1	1	2	2
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligation	6	1,510	3,628	345	30	30	30	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		7,520	10,575	7,778	7,223	7,223	7,223	7,314	7,672	15,348
% increase	4		40.6%	(26.4%)	(7.1%)	–	–	1.3%	4.9%	100.0%
Other Municipal Staff										
Basic Salaries and Wages		64,144	66,668	71,436	79,546	79,546	79,546	89,913	93,395	98,518
Pension and UIF Contributions		9,871	10,682	11,179	12,197	12,197	12,197	14,704	16,000	16,163
Medical Aid Contributions		5,193	5,722	5,273	5,500	5,500	5,500	5,886	6,175	6,466
Overtime		1,341	1,437	1,826	1,140	1,140	1,140	1,716	1,800	1,885
Performance Bonus		4,090	5,401	4,104	5,556	5,556	5,556	6,209	7,012	7,343
Motor Vehicle Allowance	3	3,874	3,978	4,063	4,746	4,746	4,746	5,239	6,306	6,605
Cellphone Allowance	3	449	469	452	531	531	531	526	746	782
Housing Allowances	3	278	288	289	299	299	299	345	639	670
Other benefits and allowances	3	54	1,035	1,041	1,089	1,089	1,089	765	804	842
Payments in lieu of leave		3,421	2,927	585	1,719	1,719	1,719	2,591	2,718	2,847
Long service awards		260	378	832	1,246	1,246	1,246	1,341	1,407	1,473
Post-retirement benefit obligation	6	(795)	(163)	(1,143)	4,035	4,035	4,035	4,872	5,110	5,350
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		92,181	98,821	99,934	117,605	117,605	117,605	134,106	142,112	148,944
% increase	4		7.2%	1.1%	17.7%	–	–	14.0%	6.0%	4.8%
Total Parent Municipality		112,949	122,924	121,510	139,510	139,510	139,510	156,880	166,431	181,272
			8.8%	(1.1%)	14.8%	–	–	12.5%	6.1%	8.9%
TOTAL SALARY, ALLOWANCES & BENEFITS		112,949	122,924	121,510	139,510	139,510	139,510	156,880	166,431	181,272
% increase	4		8.8%	(1.1%)	14.8%	–	–	12.5%	6.1%	8.9%
TOTAL MANAGERS AND STAFF	5,7	99,700	109,396	107,713	124,828	124,828	124,828	141,420	149,785	164,293

Table 41 MBRR SA24 – Summary of personnel numbers

KZN291 Mandeni - Supporting Table SA24 Summary of personnel numbers										
Summary of Personnel Numbers	Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other)		35	5	30	35	5	30	35	5	30
Board Members of municipal entities	4									
Municipal employees										
Municipal Manager and Senior Managers	3	6		6	6		6	6		6
Other Managers	7	18	17	1	20	19	1	28	27	1
Professionals		112	85	27	115	101	14	123	108	15
<i>Finance</i>		32	23	9	33	24	9	34	25	9
<i>Spatial/town planning</i>		12	12		13	13		15	14	1
<i>Information Technology</i>		4	4		4	4		5	5	
<i>Roads</i>		10	5	5	10	5	5	12	7	5
<i>Electricity</i>		5	5		5	5		5	5	
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>		40	27	13	41	41	-	41	41	-
<i>Other</i>		9	9		9	9		11	11	
Technicians		20	16	4	22	19	3	22	19	3
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		20	16	4	22	19	3	22	19	3
Clerks (Clerical and administrative)		20	20		23	23		24	24	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		18	18		21	21		24	24	
Elementary Occupations		75	75		77	77		83	83	
TOTAL PERSONNEL NUMBERS	9	304	236	68	319	265	54	345	290	55
% increase					4.9%	12.3%	(20.6%)	8.2%	9.4%	1.9%
Total municipal employees headcount	3, 10									
Finance personnel headcount	3, 10	32	23	9	33	24	9	34	25	9
Human Resources personnel headcount	3, 10	272	213	59	286	241	45	311	265	46

2.12 Monthly targets for revenue, expenditure and cash flow

Table 42 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN291 Mandeni - Supporting Table SA25 Budgeted monthly revenue and expenditure														Medium Term Revenue and Expenditure Framework		
Description	Re	Budget Year 2023/24												Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June			
Revenue																
Exchange Revenue																
Service charges - Electricity		—	—	—	—	—	—	—	—	—	—	—	50,439	50,439	52,910	55,397
Service charges - Water		4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	(46,236)	—	—	—
Service charges - Waste Water Man		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - Waste Managemen		—	—	—	—	—	—	—	—	—	—	—	9,044	9,044	9,347	9,787
Sale of Goods and Rendering of Ser		754	754	754	754	754	754	754	754	754	754	754	(7,673)	618	648	679
Agency services		51	51	51	51	51	51	51	51	51	51	51	(566)	—	—	—
Interest		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		—	—	—	—	—	—	—	—	—	—	—	3,755	3,755	3,939	4,124
Interest earned from Current and		313	313	313	313	313	313	313	313	313	313	313	7,058	10,500	11,004	11,543
Dividends		875	875	875	875	875	875	875	875	875	875	875	(9,625)	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		—	—	—	—	—	—	—	—	—	—	—	192	192	202	211
Licence and permits		16	16	16	16	16	16	16	16	16	16	16	(176)	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—	—	—	396	396	415	435
Non-Exchange Revenue																
Property rates		—	—	—	—	—	—	—	—	—	—	—	59,329	59,329	60,779	62,237
Surcharges and Taxes		4,944	4,944	4,944	4,944	4,944	4,944	4,944	4,944	4,944	4,944	4,944	(54,385)	—	—	—
Fines, penalties and forfeits		—	—	—	—	—	—	—	—	—	—	—	1,210	1,210	1,269	1,329
Licences or permits		101	101	101	101	101	101	101	101	101	101	101	(372)	737	777	814
Transfer and subsidies - Operatic		61	61	61	61	61	61	61	61	61	61	61	240,309	240,985	258,804	258,192
Interest		20,082	20,082	20,082	20,082	20,082	20,082	20,082	20,082	20,082	20,082	20,082	(220,903)	—	—	—
Fuel Levy		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Gains		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital		31,401	31,401	31,401	31,401	31,401	31,401	31,401	31,401	31,401	31,401	31,401	31,796	377,205	400,094	404,746
Expenditure																
Employee related costs		—	—	—	—	—	—	—	—	—	—	—	141,420	141,420	142,112	148,944
Remuneration of councillors		11,785	11,785	11,785	11,785	11,785	11,785	11,785	11,785	11,785	11,785	11,785	(114,175)	15,460	16,647	16,980
Bulk purchases - electricity		1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	29,431	43,603	43,659	45,667
Inventory consumed		3,634	3,634	3,634	3,634	3,634	3,634	3,634	3,634	3,634	3,634	3,634	(32,585)	7,385	7,442	7,795
Debt impairment		615	615	615	615	615	615	615	615	615	615	615	30,533	37,303	39,130	40,970
Depreciation and amortisation		3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	1,340	35,534	37,276	39,028
Interest		2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	(32,473)	100	105	110
Contracted services		8	8	8	8	8	8	8	8	8	8	8	63,140	63,231	66,338	69,376
Transfers and subsidies		5,269	5,269	5,269	5,269	5,269	5,269	5,269	5,269	5,269	5,269	5,269	(57,962)	—	—	—
Irrecoverable debts written off		—	—	—	—	—	—	—	—	—	—	—	7,500	7,500	7,868	8,237
Operational costs		625	625	625	625	625	625	625	625	625	625	625	41,149	48,024	50,361	52,714
Losses on disposal of Assets		4,002	4,002	4,002	4,002	4,002	4,002	4,002	4,002	4,002	4,002	4,002	(42,522)	1,500	1,574	1,647
Other Losses		125	125	125	125	125	125	125	125	125	125	125	(1,375)	—	—	—
Total Expenditure		33,422	33,422	33,422	33,422	33,422	33,422	33,422	33,422	33,422	33,422	33,422	33,422	401,060	412,511	431,468
Surplus/(Deficit)		(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	(1,625)	(23,855)	(12,417)	(26,722)
Transfers and subsidies - capital (monetary allocations)		(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	70,248	48,381	41,323	43,086
Transfers and subsidies - capital (in-kind)		4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	(44,349)	—	—	—
Surplus/(Deficit) after capital transfers & contributions		23	23	23	23	23	23	23	23	23	23	23	24,273	24,526	28,906	16,364
Income Tax		2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	(22,483)	—	—	—
Surplus/(Deficit) after income tax		(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	(2,021)	46,756	24,526	28,906	16,364
Share of Surplus/Deficit attributable to		2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	(22,483)	—	—	—
Share of Surplus/Deficit attributable to		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		23	23	23	23	23	23	23	23	23	23	23	24,273	24,526	28,906	16,364
Share of Surplus/Deficit attributable to		2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	(22,483)	—	—	—
Intercompany/Parent subsidiary trans		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	1	2,067	2,067	2,067	2,067	2,067	2,067	2,067	2,067	2,067	2,067	2,067	1,791	24,526	28,906	16,364

Table 43 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN291 Mandeni - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)														Medium Term Revenue and Expenditure Framework		
Description	Re	Budget Year 2023/24												Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		July	August	Sept.	October	November	December	January	February	March	April	May	June			
R thousand																
Revenue by Vote																
Vote 1 - Executive and council				651	651	651	651	651	651	651	651	651	1,952	7,806	8,270	8,597
Vote 2 - Finance and administration			24,687	24,687	24,687	24,687	24,687	24,687	24,687	24,687	24,687	24,687	74,060	296,240	317,146	318,119
Vote 3 - Internal audit			391	391	391	391	391	391	391	391	391	391	1,173	4,692	4,901	4,983
Vote 4 - Community and social services			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 5 - Sport and Recreation			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 6 - Public safety			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 7 - Housing			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 8 - Planning and Development			4,155	4,155	4,155	4,155	4,155	4,155	4,155	4,155	4,155	4,155	12,464	49,857	43,645	45,507
Vote 9 - Road transport			373	373	373	373	373	373	373	373	373	373	1,118	4,470	2,011	2,106
Vote 10 - Energy sources			4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	12,873	51,491	54,014	56,552
Vote 11 - Waste Management			919	919	919	919	919	919	919	919	919	919	2,758	11,030	11,431	11,968
Vote 12 - Environmental Protection			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue by Vote			—	—	35,466	35,466	35,466	35,466	35,466	35,466	35,466	35,466	106,397	425,586	441,417	447,832
Expenditure by Vote to be appropriated																
Vote 1 - Executive and council			5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	15,895	63,580	67,120	69,830
Vote 2 - Finance and administration			11,996	11,996	11,996	11,996	11,996	11,996	11,996	11,996	11,996	11,996	35,988	143,953	150,649	164,339
Vote 3 - Internal audit			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 4 - Community and social services			2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	7,948	31,792	29,253	31,957
Vote 5 - Sport and Recreation			787	787	787	787	787	787	787	787	787	787	2,361	9,442	7,062	7,394
Vote 6 - Public safety			102	102	102	102	102	102	102	102	102	102	306	1,223	1,055	1,105
Vote 7 - Housing			2	2	2	2	2	2	2	2	2	2	5	20	20	20
Vote 8 - Planning and Development			1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	5,335	21,341	22,705	23,900
Vote 9 - Road transport			4,890	4,890	4,890	4,890	4,890	4,890	4,890	4,890	4,890	4,890	14,669	58,675	61,552	58,434
Vote 10 - Energy sources			4,530	4,530	4,530	4,530	4,530	4,530	4,530	4,530	4,530	4,530	13,589	54,355	55,734	56,212
Vote 11 - Waste Management			1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	3,187	12,747	13,237	13,960
Vote 12 - Environmental Protection			328	328	328	328	328	328	328	328	328	328	983	3,931	4,124	4,317
Vote 13 - [NAME OF VOTE 13]			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure by Vote			—	—	33,422	33,422	33,422	33,422	33,422	33,422	33,422	33,422	100,265	401,060	412,511	431,468
Surplus/(Deficit) before assoc.			—	—	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	6,132	24,526	28,906	16,364
Income Tax			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1		—	—	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	6,132	24,526	28,906	16,364

Table 44 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN291 Mandeni - Supporting Table €650500														Medium Term Revenue and Expenditure Framework		
Description	Ref	Budget Year 2023/24												Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		July	August	Sept.	October	November	December	January	February	March	April	May	June			
R thousand																
Revenue - Functional																
Governance and administration		25,337	25,337	25,337	25,337	25,337	25,337	25,337	25,337	25,337	25,337	25,337	25,337	304,046	325,416	326,716
Executive and council		651	651	651	651	651	651	651	651	651	651	651	651	7,806	8,270	8,597
Finance and administration		24,687	24,687	24,687	24,687	24,687	24,687	24,687	24,687	24,687	24,687	24,687	24,687	296,240	317,146	318,119
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		391	391	391	391	391	391	391	391	391	391	391	391	4,692	4,901	4,983
Community and social services		391	391	391	391	391	391	391	391	391	391	391	391	4,692	4,901	4,983
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	54,327	45,656	47,613
Planning and development		4,155	4,155	4,155	4,155	4,155	4,155	4,155	4,155	4,155	4,155	4,155	4,155	49,857	43,645	45,507
Road transport		373	373	373	373	373	373	373	373	373	373	373	373	4,470	2,011	2,106
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		5,210	5,210	5,210	5,210	5,210	5,210	5,210	5,210	5,210	5,210	5,210	5,210	62,521	65,444	68,520
Energy sources		4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	51,491	54,014	56,552
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		919	919	919	919	919	919	919	919	919	919	919	919	11,030	11,431	11,968
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		35,466	35,466	35,466	35,466	35,466	35,466	35,466	35,466	35,466	35,466	35,466	35,466	425,586	441,417	447,832
Expenditure - Functional																
Governance and administration		17,294	17,294	17,294	17,294	17,294	17,294	17,294	17,294	17,294	17,294	17,294	17,294	207,534	217,770	234,169
Executive and council		5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	63,580	67,120	69,830
Finance and administration		11,996	11,996	11,996	11,996	11,996	11,996	11,996	11,996	11,996	11,996	11,996	11,996	143,953	150,649	164,339
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		3,540	3,540	3,540	3,540	3,540	3,540	3,540	3,540	3,540	3,540	3,540	3,540	42,477	37,390	40,476
Community and social services		2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	31,792	29,253	31,957
Sport and recreation		787	787	787	787	787	787	787	787	787	787	787	787	9,442	7,062	7,394
Public safety		102	102	102	102	102	102	102	102	102	102	102	102	1,223	1,055	1,105
Housing		2	2	2	2	2	2	2	2	2	2	2	2	20	20	20
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		6,746	6,746	6,746	6,746	6,746	6,746	6,746	6,746	6,746	6,746	6,746	6,746	80,949	85,236	83,358
Planning and development		1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	21,291	22,653	23,845
Road transport		4,644	4,644	4,644	4,644	4,644	4,644	4,644	4,644	4,644	4,644	4,644	4,644	55,727	58,459	55,196
Environmental protection		328	328	328	328	328	328	328	328	328	328	328	328	3,931	4,124	4,317
Trading services		5,838	5,838	5,838	5,838	5,838	5,838	5,838	5,838	5,838	5,838	5,838	5,838	70,051	72,063	73,410
Energy sources		4,530	4,530	4,530	4,530	4,530	4,530	4,530	4,530	4,530	4,530	4,530	4,530	54,355	55,734	56,212
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		246	246	246	246	246	246	246	246	246	246	246	246	2,948	3,093	3,238
Waste management		1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	12,747	13,237	13,960
Other		4	4	4	4	4	4	4	4	4	4	4	4	50	52	55
Total Expenditure - Functional		33,422	33,422	33,422	33,422	33,422	33,422	33,422	33,422	33,422	33,422	33,422	33,422	401,060	412,511	431,468
Surplus/(Deficit) before assoc.		2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	24,526	28,906	16,364
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	2,044	24,526	28,906	16,364

Table 45 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN291 Mandeni - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)														Medium Term Revenue and Expenditure Framework			
Description	Re	Budget Year 2023/24												Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June				
R thousand																	
Multi-year expenditure to be approved	1																
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure submitted	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																	
Vote 1 - Executive and council		9	9	9	9	9	9	9	9	9	9	9	9	104	-	-	-
Vote 2 - Finance and administration		1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	21,225	-	-	-
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		337	337	337	337	337	337	337	337	337	337	337	337	4,043	7,391	-	-
Vote 5 - Sport and Recreation		1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	15,066	16,542	13,043	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	16,435	-	-	-
Vote 9 - Road transport		4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	54,977	12,000	4,858	-
Vote 10 - Energy sources		255	255	255	255	255	255	255	255	255	255	255	255	3,062	-	-	-
Vote 11 - Waste Management		383	383	383	383	383	383	383	383	383	383	383	383	4,602	-	19,565	-
Vote 12 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure submitted	2	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,959	119,514	35,933	37,466	
Total Capital Expenditure	2	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,959	119,514	35,933	37,466	

Table 46 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

KZN291 Mandeni - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																
Description	Re	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		1,777	1,777	1,777	1,777	1,777	1,777	1,777	1,777	1,777	1,777	1,777	1,777	21,330	-	-
Executive and council		9	9	9	9	9	9	9	9	9	9	9	9	104	-	-
Finance and administration		1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	21,225	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	19,109	23,933	13,043
Community and social services		337	337	337	337	337	337	337	337	337	337	337	337	4,043	7,391	-
Sport and recreation		1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	15,066	16,542	13,043
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental serv		5,951	5,951	5,951	5,951	5,951	5,951	5,951	5,951	5,951	5,951	5,951	5,951	71,412	12,000	4,858
Planning and development		1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	16,435	-	-
Road transport		4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	54,977	12,000	4,858
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		639	639	639	639	639	639	639	639	639	639	639	639	7,663	-	19,565
Energy sources		255	255	255	255	255	255	255	255	255	255	255	255	3,062	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		383	383	383	383	383	383	383	383	383	383	383	383	4,602	-	19,565
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,959	119,514	35,933	37,466
Funded by:																
National Government		3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	41,592	35,933	37,466
Provincial Government		40	40	40	40	40	40	40	40	40	40	40	40	478	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		3,506	3,506	3,506	3,506	3,506	3,506	3,506	3,506	3,506	3,506	3,506	3,506	42,071	35,933	37,466
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		6,454	6,454	6,454	6,454	6,454	6,454	6,454	6,454	6,454	6,454	6,454	6,454	77,444	-	-
Total Capital Funding		9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	119,514	35,933	37,466

Table 47 MBRR SA30 - Budgeted monthly cash flow

KZN291 Mandeni - Supporting Table SA30 Budgeted monthly cash flow																
MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Receipts By Source													1			
Property rates	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	26,698	28,006	29,323
Service charges - electricity revenue	4,595	4,595	4,595	4,595	4,595	4,595	4,595	4,595	4,595	4,595	4,595	4,595	4,595	55,134	57,836	60,554
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	351	351	351	351	351	351	351	351	351	351	351	351	351	4,214	4,420	4,628
Rental of facilities and equipment	18	18	18	18	18	18	18	18	18	18	18	18	18	221	232	243
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	5	5	5	5	5	5	5	5	5	5	5	5	5	60	63	66
Licences and permits	71	71	71	71	71	71	71	71	71	71	71	71	71	848	890	932
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	20,082	20,082	20,082	20,082	20,082	20,082	20,082	20,082	20,082	20,082	20,082	20,082	20,082	240,984	265,984	265,673
Other revenue	95	95	95	95	95	95	95	95	95	95	95	95	95	1,135	1,191	1,247
Cash Receipts by Source	27,441	27,441	27,441	27,441	27,441	27,441	27,441	27,441	27,441	27,441	27,441	27,441	27,441	329,296	358,622	362,666
Other Cash Flows by Source																
Transfers and subsidies - Capital (monetary allocations), (National / Provincial and Local Government Grants), (Municipal allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Proceeds on Disposal of Fixed and Intangible Short term loans	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	47,481	41,323	43,086
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	31,398	31,398	31,398	31,398	31,398	31,398	31,398	31,398	31,398	31,398	31,398	31,398	31,398	376,777	399,945	405,752
Cash Payments by Type																
Employee related costs	11,748	11,748	11,748	11,748	11,748	11,748	11,748	11,748	11,748	11,748	11,748	11,748	11,748	140,979	141,650	148,460
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	8	8	8	8	8	8	8	8	8	8	8	8	8	100	105	110
Bulk purchases - electricity	4,179	4,179	4,179	4,179	4,179	4,179	4,179	4,179	4,179	4,179	4,179	4,179	4,179	50,143	50,208	52,518
Acquisitions - water & other inventory	662	662	662	662	662	662	662	662	662	662	662	662	662	7,944	8,020	8,395
Contracted services	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	205,199	122,767	130,916
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	56,836	66,480	69,555
Cash Payments by Type	38,433	38,433	38,433	38,433	38,433	38,433	38,433	38,433	38,433	38,433	38,433	38,433	38,433	461,202	389,229	409,954
Other Cash Flows/Payments by Type																
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	38,433	38,433	38,433	38,433	38,433	38,433	38,433	38,433	38,433	38,433	38,433	38,433	38,433	461,202	389,229	409,954
NET INCREASE/(DECREASE) IN CASH HELD	(7,035)	(7,035)	(7,035)	(7,035)	(7,035)	(7,035)	(7,035)	(7,035)	(7,035)	(7,035)	(7,035)	(7,035)	(7,035)	(84,425)	10,716	(4,202)
Cash/cash equivalents at the month/year begin:	207,979	200,944	193,908	186,873	179,838	172,802	165,767	158,731	151,696	144,661	137,625	130,590	130,590	207,979	123,554	134,270
Cash/cash equivalents at the month/year end:	200,944	193,908	186,873	179,838	172,802	165,767	158,731	151,696	144,661	137,625	130,590	123,554	123,554	123,554	134,270	130,068

2.13 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.14 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 48 MBRR SA 34a - Capital expenditure on new assets by asset class

KZN291 Mandeni - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		7,228	6,283	6,283	5,570	5,015	5,015	3,261		
Roads Infrastructure		7,228	6,283	6,283	2,043	1,700	1,700	435		
Roads		7,228	6,283	6,283	2,043	1,700	1,700	435		
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure					2,168	1,785	1,785	1,565		
Power Plants										
HV Substations					1,530	1,530	1,530	1,565		
HV Switching Station										
HV Transmission Conductors										
MV Substations					638	255	255			
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Solid Waste Infrastructure					1,360	1,360	1,360	1,043		
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points					1,360	1,360	1,360	1,043		
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Coastal Infrastructure						170	170	217		
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares						170	170	217		
Community Assets		5,223	11,404	16,425	26,032	25,939	25,939	23,866	23,933	13,043
Community Facilities		4,922	6,864	7,811	14,991	14,957	14,957	11,087	7,391	
Halls		3,470	1,113	3,643	4,366	3,048	3,048	652	7,391	
Centres		1,451	5,537	3,953	5,950	8,500	8,500	5,217		
Crèches										
Theatres										
Libraries					170	434	434			
Cemeteries/Crematoria										
Police										
Parks						425	425			
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls			214	214	4,505	2,550	2,550	5,217		
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		301	4,540	8,614	11,042	10,982	10,982	12,779	16,542	13,043
Indoor Facilities										
Outdoor Facilities		301	4,540	8,614	11,042	10,982	10,982	12,779	16,542	13,043
Capital Spares										
Other assets					340	85	85	2,391		
Operational Buildings					340	85	85	2,391		
Municipal Offices					340	85	85	2,087		
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards								304		
Stores										
Laboratories										
Computer Equipment					119	498	498	435		
Computer Equipment					119	498	498	435		
Furniture and Office Equipment		18,400	19,890	19,890	1,006	1,020	1,020	565		
Furniture and Office Equipment		18,400	19,890	19,890	1,006	1,020	1,020	565		
Machinery and Equipment					3,669	8,709	8,709	10,896		
Machinery and Equipment					3,669	8,709	8,709	10,896		
Transport Assets					8,033	15,391	15,391	17,036		19,565
Transport Assets					8,033	15,391	15,391	17,036		19,565

Table 49 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN291 Mandeni - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		75,378	80,165	89,384	-	-	-	14,565	7,391	-
Roads Infrastructure		54,902	59,606	67,072	-	-	-	12,391	7,391	-
Roads		2,645	2,645	2,160	-	-	-	12,391	7,391	-
Road Structures		38,326	42,059	46,707	-	-	-	-	-	-
Road Furniture		13,931	14,902	18,205	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	2,174	-	-
Drainage Collection		-	-	-	-	-	-	2,174	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		20,476	20,559	22,312	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		14,604	14,604	15,362	-	-	-	-	-	-
LV Networks		5,871	5,955	6,950	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		45,964	43,387	45,124	1,700	-	-	870	-	-
Community Facilities		43,505	40,928	42,665	1,700	-	-	870	-	-
Halls		14,409	14,409	14,409	-	-	-	-	-	-
Centres		21,158	17,959	17,959	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		5,165	5,787	7,524	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		507	507	507	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		2,266	2,266	2,266	1,700	-	-	870	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		2,459	2,459	2,459	-	-	-	-	-	-
Indoor Facilities		2,459	2,459	2,459	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Computer Equipment		5,309	5,412	6,549	-	-	-	-	-	-
Computer Equipment		5,309	5,412	6,549	-	-	-	-	-	-
Furniture and Office Equipment		6,328	7,220	7,894	-	-	-	-	-	-
Furniture and Office Equipment		6,328	7,220	7,894	-	-	-	-	-	-
Machinery and Equipment		12,282	16,190	20,819	-	-	-	-	-	-
Machinery and Equipment		12,282	16,190	20,819	-	-	-	-	-	-
Transport Assets		16,565	20,115	27,543	-	-	-	-	-	-
Transport Assets		16,565	20,115	27,543	-	-	-	-	-	-
Total Capital Expenditure on renewal	1	161,826	172,489	197,313	1,700	-	-	15,435	7,391	-
Renewal of Existing Assets as % of Total		63.6%	63.3%	65.1%	2.2%	0.0%	0.0%	12.9%	20.6%	0.0%
Renewal of Existing Assets as % of Total		558.7%	586.7%	621.9%	5.0%	0.0%	0.0%	43.4%	19.8%	0.0%

Table 50 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN291 Mandeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		3,713	6,983	10,392	11,903	12,443	12,443	9,996	10,485	10,978
Roads Infrastructure		2,337	4,731	4,612	6,715	7,565	7,565	5,522	5,792	6,065
Roads		2,337	4,464	4,585	6,333	7,183	7,183	5,130	5,382	5,635
Road Structures		–	241	28	255	255	255	261	274	287
Road Furniture		–	26	–	128	128	128	130	137	143
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		73	751	506	978	1,063	1,063	1,087	1,140	1,194
Drainage Collection		73	653	506	978	1,063	1,063	1,087	1,140	1,194
Storm water Conveyance		–	98	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		991	1,279	2,271	3,615	2,595	2,595	2,778	2,914	3,051
Power Plants		2	27	99	170	170	170	61	64	67
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		449	41	268	1,700	680	680	1,304	1,368	1,433
MV Substations		0	6	20	50	50	50	65	68	72
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		24	27	85	170	170	170	87	91	96
LV Networks		291	310	463	675	675	675	609	639	669
Capital Spares		225	868	1,336	850	850	850	652	684	716
Information and Communication Infra		312	223	3,002	595	1,220	1,220	609	639	669
Data Centres		0	–	–	–	–	–	–	–	–
Core Layers		312	223	3,002	595	1,220	1,220	609	639	669
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		367	1,656	1,022	1,493	2,398	2,398	1,485	1,558	1,631
Community Facilities		245	1,118	169	233	148	148	294	308	323
Halls		–	–	–	–	–	–	120	126	132
Centres		–	816	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Libraries		245	213	169	20	20	20	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	89	–	128	128	128	174	182	191
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	85	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		123	538	853	1,260	2,250	2,250	1,191	1,250	1,308
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		123	538	853	1,260	2,250	2,250	1,191	1,250	1,308
Capital Spares		–	–	–	–	–	–	–	–	–
Other assets		514	347	139	228	233	233	70	73	77
Operational Buildings		514	347	139	228	233	233	70	73	77
Municipal Offices		514	347	139	228	233	233	70	73	77
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Computer Equipment		164	–	–	–	–	–	–	–	–
Computer Equipment		164	–	–	–	–	–	–	–	–
Furniture and Office Equipment		103	99	–	–	–	–	–	–	–
Furniture and Office Equipment		103	99	–	–	–	–	–	–	–
Machinery and Equipment		3,088	10,044	4,135	2,975	3,825	3,825	4,826	4,835	5,062
Machinery and Equipment		3,088	10,044	4,135	2,975	3,825	3,825	4,826	4,835	5,062
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance E	1	7,949	19,129	15,687	16,598	18,898	18,898	16,377	16,951	17,748
R&M as a % of PPE		1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as % Operating Expenditure		6.1%	6.4%	5.2%	4.6%	5.1%	5.1%	7.1%	4.2%	4.3%

Table 51 MBRR SA35 - Future financial implications of the capital budget

KZN291 Mandeni - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description	Re	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			Present value
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	
R thousand								
Capital expenditure	1							
Vote 1 - Executive and council		104	–	–				
Vote 2 - Finance and administration		21,225	–	–				
Vote 3 - Internal audit		–	–	–				
Vote 4 - Community and social services		4,043	7,391	–				
Vote 5 - Sport and Recreation		15,066	16,542	13,043	13,565	14,108	14,672	
Vote 6 - Public safety		–	–	–	–	–	–	
Vote 7 - Housing		–	–	–	–	–	–	
Vote 8 - Planning and Development		16,435	–	–	–	–	–	
Vote 9 - Road transport		54,977	12,000	4,858	5,052	5,254	5,464	
Vote 10 - Energy sources		3,062	–	–	–	–	–	
Vote 11 - Waste Management		4,602	–	19,565	20,348	21,162	22,008	
Vote 12 - Environmental Protection		–	–	–	–	–	–	
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	
<i>List entity summary if applicable</i>								
Total Capital Expenditure		119,514	35,933	37,466	38,965	40,524	42,145	43,830
Future operational costs by vote	2							
Vote 1 - Executive and council		63,580	67,120	69,830	72,624	75,529	78,550	81,692
Vote 2 - Finance and administration		143,953	150,649	164,339	170,912	177,749	184,859	192,253
Vote 3 - Internal audit		–	–	–	–	–	–	–
Vote 4 - Community and social services		31,792	29,253	31,957	33,235	34,565	35,947	37,385
Vote 5 - Sport and Recreation		9,442	7,062	7,394	7,690	7,998	8,317	8,650
Vote 6 - Public safety		1,223	1,055	1,105	1,149	1,195	1,242	1,292
Vote 7 - Housing		20	20	20	21	22	22	23
Vote 8 - Planning and Development		21,341	22,705	23,900	24,856	25,850	26,884	27,960
Vote 9 - Road transport		58,675	61,552	58,434	60,772	63,202	65,730	68,360
Vote 10 - Energy sources		54,355	55,734	56,212	58,460	60,799	63,231	65,760
Vote 11 - Waste Management		12,747	13,237	13,960	14,519	15,099	15,703	16,331
Vote 12 - Environmental Protection		3,931	4,124	4,317	4,490	4,670	4,856	5,051
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–
<i>List entity summary if applicable</i>								
Total future operational costs		401,060	412,511	431,468	448,727	466,676	485,343	504,757
Future revenue by source	3							
Exchange Revenue		59,329	60,779	62,237	64,727	67,316	70,008	72,809
Service charges - Electricity		50,439	52,910	55,397	57,613	59,917	62,314	64,807
Service charges - Water		–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–
Service charges - Waste Management		9,044	9,487	9,933	10,331	10,744	11,174	11,621
Agency services		–	–	–	–	–	–	–
<i>List other revenues sources if applicable</i>		17,408	18,254	19,134	19,899	20,695	21,523	22,384
<i>Transfers and subsidies</i>		240,985	258,804	258,192	268,519	279,260	290,431	302,048
Total future revenue		377,205	400,234	404,893	421,089	437,932	455,449	473,667
Net Financial Implications		143,369	48,210	64,042	66,603	69,267	72,038	74,920

2.15 Legislation compliance status

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

In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.

Budget and Treasury Office

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

Audit Committee

An Audit Committee has been established and is fully functional.

Service Delivery and Implementation Plan

The detail SDBIP document is at a stage and will be finalized after approval of the 2023/24 MTREF during June 2023 directly aligned and informed by the 2023/24 MTREF.

Annual Report

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

MFMA Training

The MFMA training module in electronic format is presented at the Municipality's internal center and training is ongoing.

Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 May 2009, was announced in Government Gazette 33016 on 05 September 2014. The ratios as prescribed in the Regulations have been complied with.

2.16 Other supporting documents

Table 52 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN291 Mandeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
REVENUE ITEMS:										
<u>Non-exchange revenue by source</u>										
Exchange Revenue	6									
Total Property Rates		32,030	42,582	40,638	59,799	59,799	59,799	71,477	73,509	75,591
<i>Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		–	(7,415)	(6,725)	10,919	10,919	10,919	12,147	12,730	13,354
Net Property Rates		32,030	49,997	47,363	48,880	48,880	48,880	59,329	60,779	62,237
<u>Exchange revenue service charges</u>										
Service charges - Electricity	6									
Total Service charges - Electricity		29,909	34,672	45,958	35,824	35,824	35,824	50,439	52,910	55,397
<i>Less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>										
<i>Less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		–	–	–	–	–	–	–	–	–
Net Service charges - Electricity		29,909	34,672	45,958	35,824	35,824	35,824	50,439	52,910	55,397
Service charges - Waste Management	6									
Total refuse removal revenue		8,534	9,150	10,818	9,350	9,350	9,350	9,935	10,422	10,912
Total landfill revenue		–	–	–	–	–	–	–	–	–
<i>Less Revenue Foregone (in excess of one removal a week to indigent households)</i>		0	0	–	846	846	846	891	1,075	1,125
<i>Less Cost of Free Basis Services (removed once a week to indigent households)</i>		–	–	–	–	–	–	–	–	–
Net Service charges - Waste Management		8,534	9,150	10,818	8,504	8,504	8,504	9,044	9,347	9,787

Table 53 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

KZN291 Mandeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	2	69,108	71,865	76,633	85,058	85,755	85,755	95,515	93,395	98,518
Pension and UIF Contributions			10,682	11,179	12,208	12,208	12,208	14,715	16,000	16,163
Medical Aid Contributions			5,722	5,273	5,500	5,500	5,500	5,886	6,175	6,466
Overtime			1,437	1,826	1,140	1,140	1,140	1,716	1,800	1,885
Performance Bonus			5,963	5,152	6,032	6,032	6,032	6,685	7,012	7,343
Motor Vehicle Allowance			4,715	4,800	5,483	5,483	5,483	6,011	6,306	6,605
Cellphone Allowance			655	638	717	717	717	712	746	782
Housing Allowances			552	553	569	569	569	610	639	670
Other benefits and allowances			1,037	1,042	1,091	1,091	1,091	767	804	842
Payments in lieu of leave			2,927	585	1,719	1,719	1,719	2,591	2,718	2,847
Long service awards			378	832	1,246	1,246	1,246	1,341	1,407	1,473
Post-retirement benefit obligations	4		3,465	(799)	4,065	3,369	3,369	4,872	5,110	5,350
Entertainment			-	-	-	-	-	-	-	-
Scarcity			-	-	-	-	-	-	-	-
Acting and post related allowance			-	-	-	-	-	-	-	-
In kind benefits			-	-	-	-	-	-	-	-
sub-total	5	69,108	109,396	107,713	124,828	124,828	124,828	141,420	142,112	148,944
Less: Employees costs capitalised to PPE			-	-	-	-	-	-	-	-
Total Employee related costs	1	69,108	109,396	107,713	124,828	124,828	124,828	141,420	142,112	148,944
Depreciation and amortisation										
Depreciation of Property, Plant & Equipment			29,296	31,616	33,549	33,549	33,549	35,326	37,057	38,799
Lease amortisation			106	110	198	198	198	208	219	229
Capital asset impairment			2,447	3,530	-	-	-	-	-	-
Total Depreciation and amortisation	1	-	31,848	35,256	33,747	33,747	33,747	35,534	37,276	39,028
Bulk purchases - electricity										
Electricity bulk purchases			28,816	36,575	33,950	39,050	39,050	43,603	43,659	45,667
Total bulk purchases	1	-	28,816	36,575	33,950	39,050	39,050	43,603	43,659	45,667
Transfers and grants										
Cash transfers and grants			1,557	-	-	-	-	-	-	-
Non-cash transfers and grants			-	-	-	-	-	-	-	-
Total transfers and grants	1	-	1,557	-	-	-	-	-	-	-
Contracted Services										
<i>Outsourced Services</i>			17,770	23,358	31,302	27,791	27,791	28,937	30,327	31,722
<i>Consultants and Professional Services</i>			6,232	7,213	9,156	9,107	9,107	8,108	8,474	8,841
<i>Contractors</i>			23,867	19,480	23,410	27,689	27,689	26,186	27,537	28,813
Total contracted services		-	47,869	50,051	63,868	64,587	64,587	63,231	66,338	69,376
Operational Costs										
Collection costs			-	2,471	2,125	2,125	2,125	2,174	2,280	2,388
Contributions to 'other' provisions			-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-
Audit fees			1,745	1,692	1,700	2,210	2,210	2,435	2,554	2,674
<i>Other Operational Costs</i>			28,990	35,907	39,880	41,474	41,474	43,415	45,526	47,652
Total Operational Costs	1	-	30,735	40,070	43,705	45,809	45,809	48,024	50,361	52,714

Table 53 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

KZN291 Mandeni - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)																	
Description	Re	Vote 1 - Executive and council	Vote 2 - Finance and administr	Vote 3 - Internal audit	Vote 4 - Community and social	Vote 5 - Sport and Recreation	Vote 6 - Public safety	Vote 7 - Housing	Vote 8 - Planning and Develop	Vote 9 - Road transport	Vote 10 - Energy sources	Vote 11 - Waste Management	Vote 12 - Environmental Protectio	Vote 13 - [NAME OF VOTE	Vote 14 - [NAME OF VOTE	Vote 15 - [NAME OF VOTE	Total
R thousand	1																
Revenue																	
Exchange Revenue																	
Service charges - Electricity		-	-	-	-	-	-	-	-	-	50,439	-	-	-	-	-	50,439
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Man		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Managemen		-	-	-	-	-	-	-	-	-	-	9,044	-	-	-	-	9,044
Sale of Goods and Rendering of Ser		-	411	-	67	-	-	-	140	-	-	-	-	-	-	-	618
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	812	-	-	-	-	-	-	-	956	1,986	-	-	-	-	3,755
Interest earned from Current and No		-	10,500	-	-	-	-	-	-	-	-	-	-	-	-	-	10,500
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	192	-	-	-	-	-	-	-	-	-	-	-	192
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	300	-	-	-	-	-	-	-	96	-	-	-	-	-	396
Non-Exchange Revenue																	
Property rates		-	59,329	-	-	-	-	-	-	-	-	-	-	-	-	-	59,329
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	10	-	-	-	-	1,200	-	-	-	-	-	-	1,210
Licences or permits		-	20	-	-	-	-	-	-	717	-	-	-	-	-	-	737
Transfer and subsidies - Operational		7,806	224,867	-	3,873	-	-	-	1,886	2,553	-	-	-	-	-	-	240,985
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital tra		7,806	296,240	-	4,142	-	-	-	2,026	4,470	51,491	11,030	-	-	-	-	377,205
Expenditure																	
Employee related costs		(17,216)	(44,630)	-	(20,692)	(4,927)	-	-	(17,578)	(22,039)	(3,348)	(7,431)	(3,559)	-	-	-	(141,420)
Remuneration of councillors		(15,460)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,460)
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	(43,603)	-	-	-	-	-	(43,603)
Inventory consumed		(1,780)	(100)	-	(1,424)	(172)	-	-	(1,023)	(2,656)	-	(230)	-	-	-	-	(7,385)
Debt impairment		-	(37,303)	-	-	-	-	-	-	-	-	-	-	-	-	-	(37,303)
Depreciation and amortisation		-	(5,104)	-	(2,995)	-	-	-	-	(26,272)	(1,163)	-	-	-	-	-	(35,534)
Interest		-	(100)	-	-	-	-	-	-	-	-	-	-	-	-	-	(100)
Contracted services		(13,208)	(24,716)	-	(5,719)	(4,037)	(478)	(20)	(1,716)	(7,043)	(3,235)	(2,886)	(174)	-	-	-	(63,231)
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	(5,500)	-	-	-	-	-	-	-	-	(2,000)	-	-	-	-	(7,500)
Operational costs		(15,916)	(25,001)	-	(961)	(306)	(745)	-	(1,025)	(665)	(3,007)	(199)	(198)	-	-	-	(48,024)
Losses on disposal of Assets		-	(1,500)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,500)
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		(63,580)	(143,953)	-	(31,792)	(9,442)	(1,223)	(20)	(21,341)	(58,675)	(54,355)	(12,747)	(3,931)	-	-	-	(401,060)
Surplus/(Deficit)		71,386	440,193	-	35,934	9,442	1,223	20	23,367	63,146	105,846	23,777	3,931	-	-	-	778,265
Transfers and subsidies - capital (monetary allocations)																	-
Transfers and subsidies - capital (in-kind)																	-
Surplus/(Deficit) after capital transfers & contributions		(63,580)	440,193	-	35,934	9,442	1,223	20	23,367	63,146	105,846	23,777	3,931	-	-	-	778,265

Table 54 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN291 Mandeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'										
Description	Re	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
ASSETS										
Trade and other receivables from exchange										
Electricity		8,654	6,076	9,567	8,631	12,069	12,069	66,144	69,236	72,353
Water		-	-	-	-	-	-	-	-	-
Waste		11,526	29,399	25,679	51,061	57,652	57,652	72,491	74,889	77,245
Waste Water		-	-	-	-	-	-	-	-	-
Other trade receivables from exchange trans		19,790	17,566	15,738	236	3,721	3,721	(59,393)	(62,304)	(65,232)
Gross: Trade and other receivables from ex		39,970	53,042	50,985	59,928	73,442	73,442	79,242	81,821	84,366
Less: Impairment for debt										
Impairment for Electricity		-	-	-	(3,013)	(5,609)	(5,609)	(5,609)	(5,777)	(5,950)
Impairment for Water		-	-	-	-	-	-	-	-	-
Impairment for Waste		-	-	-	(47,390)	(55,116)	(55,116)	(63,389)	(65,369)	(67,403)
Impairment for Waste Water		-	-	-	-	-	-	-	-	-
Impairment for other trade receivables from		-	-	-	-	-	-	-	-	-
Total net Trade and other receivables from		39,970	53,042	50,985	9,525	12,717	12,717	10,244	10,676	11,013
Receivables from non-exchange transactio										
Property rates		152,140	66,395	83,838	185,093	143,021	143,021	119,055	121,686	124,499
Less: Impairment of Property rates		#####	(69,775)	(72,307)	(162,433)	(127,106)	(127,106)	(99,812)	(94,960)	(100,141)
Net Property rates		30,562	(3,380)	11,531	22,660	15,915	15,915	19,243	26,726	24,358
Other receivables from non-exchange transa		(47,068)	(37,205)	(40,007)	941	5,085	5,085	6,825	7,052	7,284
Impairment for other receivables from non-e		-	-	-	-	(921)	(921)	(921)	(948)	(977)
Net other receivables from non-exchange t		(47,068)	(37,205)	(40,007)	941	4,165	4,165	5,904	6,103	6,307
Total net Receivables from non-exchange t		(16,506)	(40,585)	(28,475)	23,601	20,080	20,080	25,148	32,830	30,665
Consumables										
Standard Rated										
Opening Balance										
Acquisitions		-	-	-	565	567	567	535	554	564
Issues	7	770	666	567	(757)	(935)	(935)	(905)	(944)	(994)
Adjustments	8	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rat		770	666	567	565	507	507	535	554	564
Materials and Supplies										
Opening Balance										
Acquisitions		-	-	459	3,230	4,219	4,219	6,480	6,498	6,802
Issues	7	209	198	(218)	(3,230)	(4,159)	(4,159)	(6,480)	(6,498)	(6,802)
Adjustments	8	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		209	198	240	108	300	300	203	209	225
Closing Balance - Inventory & Consumables		980	864	807	673	807	807	739	763	790
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)		593,496	631,766	671,832	711,233	644,826	644,826	733,279	689,756	713,921
Leases recognised as PPE	3	35,176	43,526	56,256	-	-	-	-	-	-
Less: Accumulated depreciation		#####	219,821	243,300	171,198	107,792	107,792	105,495	109,431	113,240
Total Property, plant and equipment (PPE)	2	821,246	455,471	484,788	540,035	537,034	537,034	627,784	580,326	600,681
LIABILITIES										
Current liabilities - Financial liabilities										
Short term loans (Other than bank overdraft)		-	-	-	-	(225)	(225)	-	-	-
Current portion of long-term liabilities		1,764	4,717	5,760	(326)	211	211	-	-	-
Total Current liabilities - Financial liabilities		1,764	4,717	5,760	(326)	(14)	(14)	-	-	-
Trade and other payables from exchange transactions										
Trade and other payables from exchange tra	5	19,738	30,033	29,435	39,931	34,767	34,767	32,019	16,511	20,347
Other trade payables from exchange transactio		-	-	-	-	-	-	-	-	-
Trade payables from Non-exchange transactio		26,217	30,079	8,705	4,367	4,701	4,701	5,275	-	-
Trade payables from Non-exchange transactio		-	-	-	-	-	-	-	-	-
VAT		1,154	1,273	2,898	(7,823)	-	-	9,197	9,644	10,097
Total Trade and other payables from excha	2	47,109	61,385	41,039	36,476	39,467	39,467	46,491	26,155	30,444
Non current liabilities - Financial liabilities										
Borrowing	4	-	-	-	-	-	-	-	-	-
Other financial liabilities		6	-	-	-	-	-	-	-	-
Total Non current liabilities - Financial liabilities		6	-	-	-	-	-	-	-	-
Provisions										
Retirement benefits		15,827	18,697	18,003	27,394	22,795	22,795	22,795	25,185	26,167
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Provisions		15,827	18,697	18,003	27,394	22,795	22,795	22,795	25,185	26,167
CHANGES IN NET ASSETS										
Accumulated surplus/(deficit)										
Accumulated surplus/(deficit) - opening balance		-	-	-	591,110	708,788	708,788	808,938	867,267	894,614
GRAP adjustments		-	-	-	-	-	-	-	-	-
Restated balance		-	-	-	591,110	708,788	708,788	808,938	867,267	894,614
Surplus/(Deficit)		166,010	76,502	85,881	5,295	11,655	11,655	24,493	28,872	16,331
Transfers to/from Reserves		29,567	29,567	29,567	(65,154)	(27,429)	(27,429)	-	-	-
Depreciation offsets		178,196	178,196	178,196	-	-	-	-	-	-
Other adjustments		3,703	7,439	7,490	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	377,476	291,705	301,135	531,251	693,013	693,013	833,431	896,139	910,944
Reserves										
Housing Development Fund		50,941	50,941	50,941	(2,136)	(2,136)	(2,136)	(2,191)	(2,233)	(2,315)
Capital replacement		-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-
Other reserves		(0)	(0)	(0)	-	-	-	-	-	-
Revaluation	2	151,731	151,731	151,731	-	-	-	-	-	-
Total Reserves	2	202,672	202,672	202,672	(2,136)	(2,136)	(2,136)	(2,191)	(2,233)	(2,315)
TOTAL COMMUNITY WEALTH/EQUITY	2	580,148	494,377	503,807	529,115	690,878	690,878	831,240	893,906	908,629

Table 55 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

KZN291 Mandeni - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Re f.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year	2022/23 Medium Term Revenue & Expenditure		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population						138	134	134	134	134	134	134
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment						57	58	58	58	58	58	58
Monthly household income (no. of												
No income	1,					55 739	55 740	55 740	55 740	55 740	55 740	55 740
R1 - R1 600						2 071	33 612	33 612	33 612	33 612	33 612	33 612
R1 601 - R3 200						3 971	3 971	3 971	3 971	3 971	3 971	3 971
R3 201 - R6 400						9 818	9 818	9 818	9 818	9 818	9 818	9 818
R6 401 - R12 800						8 735	8 735	8 735	8 735	8 735	8 735	8 735
R12 801 - R25 600						4 414	4 414	4 414	4 414	4 414	4 414	4 414
R25 601 - R51 200						2 135	516	516	516	516	516	516
R52 201 - R102 400						1 220	-	-	-	-	-	-
R102 401 - R204 800						616	616	616	616	616	616	616
R204 801 - R409 600						88	88	88	88	88	88	88
R409 601 - R819 200						34	34	34	34	34	34	34
> R819 200						28	28	28	28	28	28	28
Poverty profiles (no. of households)												
< R2 060 per household per month	13					17270.00	17270.00	17270.00	17270.00	17270.00	17270.00	17270.00
Insert description	2											
Household/demographics (000)												
Number of people in municipal area						138	138	138	138	138	138	138
Number of poor people in municipal						66	66	66	66	66	66	66
Number of households in municipal						38	38	38	38	38	38	38
Number of poor households in						25	25	25	25	25	25	25
Definition of poor household (R per												
Housing statistics												
Formal	3					33 519	33 519	33 519	33 519	33 519	33 519	33 519
Informal						4 716	4 716	4 716	4 716	4 716	4 716	4 716
Total number of households			-	-	-	38 235	38 235	38 235	38 235	38 235	38 235	38 235
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic												
Inflation/inflation outlook (CPIX)	6											
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates												
Property tax/service charges	7											
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Detail on the provision of municipal services for A10											
Total municipal services	Ref.		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	10 501	11 152	11 152	11 152	11 152	12 825	12 825	12 825	12 825
		Piped water inside yard (but not in dwelling)	11 622	12 385	12 385	12 385	12 385	14 243	14 243	14 243	14 243
		Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
		Other water supply (at least min.service level)	18 636	19 791	19 791	19 791	19 791	22 760	22 760	22 760	22 760
		Minimum Service Level and Above sub-total	40 759	43 329	43 329	43 329	43 329	49 828	49 828	49 828	49 828
		Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
		Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
		No water supply	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	40 759	43 329	43 329	43 329	43 329	49 828	49 828	49 828	49 828
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	12 060	12 807	12 807	12 807	12 807	14 088	14 088	14 088	14 088
		Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
		Chemical toilet	9 154	9 721	9 721	9 721	9 721	10 693	10 693	10 693	10 693
		Pit toilet (ventilated)	16 174	17 177	17 177	17 177	17 177	18 895	18 895	18 895	18 895
		Other toilet provisions (> min.service level)	2 868	3 045	3 045	3 045	3 045	3 350	3 350	3 350	3 350
		Minimum Service Level and Above sub-total	40 255	42 751	42 751	42 751	42 751	47 026	47 026	47 026	47 026
		Bucket toilet	472	300	300	300	300	150	-	-	-
		Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
		No toilet provisions	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	472	300	300	300	300	150	-	-	-
		Total number of households	40 727	43 051	43 051	43 051	43 051	47 176	47 026	47 026	47 026
		Energy:									
		Electricity (at least min.service level)	1 040	389	389	389	389	389	389	389	389
		Electricity - prepaid (min.service level)	-	574	574	574	574	625	629	629	629
		Minimum Service Level and Above sub-total	1 040	963	963	963	963	1 014	1 018	1 018	1 018
		Electricity (< min.service level)	-	-	-	1 960	1 960	1 960	1 975	1 975	1 975
		Electricity - prepaid (< min.service level)	-	-	-	-	-	-	-	-	-
		Other energy sources	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	1 960	1 960	1 960	1 975	1 975	1 975
		Total number of households	1 040	963	963	2 923	2 923	2 974	2 993	2 993	2 993
		Refuse:									
		Removed at least once a week	11 705	23 700	4 452	36 054	36 054	36 054	36 531	36 531	36 531
		Removed less frequently than once a week	11 705	23 700	4 452	36 054	36 054	36 054	36 531	36 531	36 531
		Using communal refuse dump	-	-	-	-	-	-	-	-	-
		Using own refuse dump	-	-	-	-	-	-	-	-	-
		Other rubbish disposal	-	-	-	-	-	-	-	-	-
		No rubbish disposal	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	11 705	23 700	4 452	36 054	36 054	36 054	36 531	36 531	36 531
Municipal in-house services			2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure		
	Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
		Refuse:									
		Removed at least once a week	-	-	-	4 601	4 601	4 601	4 610	4 610	4 610
		Removed less frequently than once a week	-	-	-	4 601	4 601	4 601	4 610	4 610	4 610
		Using communal refuse dump	-	-	-	-	-	-	-	-	-
		Using own refuse dump	-	-	-	-	-	-	-	-	-
		Other rubbish disposal	-	-	-	-	-	-	-	-	-
		No rubbish disposal	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	4 601	4 601	4 601	4 610	4 610	4 610
Municipal entity services			2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure		
	Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	10 501	11 152	11 152	11 152	11 152	12 825	12 825	12 825	12 825
		Piped water inside yard (but not in dwelling)	11 622	12 385	12 385	12 385	12 385	14 243	14 243	14 243	14 243
		Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
		Other water supply (at least min.service level)	18 636	19 791	19 791	19 791	19 791	22 760	22 760	22 760	22 760
		Minimum Service Level and Above sub-total	40 759	43 329	43 329	43 329	43 329	49 828	49 828	49 828	49 828
		Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
		Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
		No water supply	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	40 759	43 329	43 329	43 329	43 329	49 828	49 828	49 828	49 828
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	12 060	12 807	12 807	12 807	12 807	14 088	14 088	14 088	14 088
		Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
		Chemical toilet	9 154	9 721	9 721	9 721	9 721	10 693	10 693	10 693	10 693
		Pit toilet (ventilated)	16 174	17 177	17 177	17 177	17 177	18 895	18 895	18 895	18 895
		Other toilet provisions (> min.service level)	2 868	3 045	3 045	3 045	3 045	3 350	3 350	3 350	3 350
		Minimum Service Level and Above sub-total	40 255	42 751	42 751	42 751	42 751	47 026	47 026	47 026	47 026
		Bucket toilet	472	300	300	300	300	150	-	-	-
		Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
		No toilet provisions	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	472	300	300	300	300	150	-	-	-
		Total number of households	40 727	43 051	43 051	43 051	43 051	47 176	47 026	47 026	47 026
		Energy:									
		Electricity (at least min.service level)	1 040	389	389	389	389	389	389	389	389
		Electricity - prepaid (min.service level)	-	574	574	574	574	625	629	629	629
		Minimum Service Level and Above sub-total	1 040	963	963	963	963	1 014	1 018	1 018	1 018
		Electricity (< min.service level)	-	-	-	1 960	1 960	1 960	1 975	1 975	1 975
		Electricity - prepaid (< min.service level)	-	-	-	-	-	-	-	-	-
		Other energy sources	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	1 960	1 960	1 960	1 975	1 975	1 975
		Total number of households	1 040	963	963	2 923	2 923	2 974	2 993	2 993	2 993
		Refuse:									
		Removed at least once a week	11 705	23 700	4 452	31 453	31 453	31 453	31 921	31 921	31 921
		Removed less frequently than once a week	11 705	23 700	4 452	31 453	31 453	31 453	31 921	31 921	31 921
		Using communal refuse dump	-	-	-	-	-	-	-	-	-
		Using own refuse dump	-	-	-	-	-	-	-	-	-
		Other rubbish disposal	-	-	-	-	-	-	-	-	-
		No rubbish disposal	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	11 705	23 700	4 452	31 453	31 453	31 453	31 921	31 921	31 921

Table 56 MBRR SA32 – List of external mechanisms

KZN291 Mandeni - 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.
Name of organisation		Number			R thousand
AFICOST JBFF PROJECT MANAGE	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	14% of the project construction cost
BRIMSTOHN CONSULTING JV	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	12% of the project construction cost
DLV PROJECT MANAGERS & ENGI	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	9.9% of the project construction cost
ETILWENI (PTY) LTD	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	13.5% of the project construction cost
IMPUMELELO CONSULTING ENGIN	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	10.50% of the project construction cost
KUKHAYA PROJECTS	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	10.50% of the project construction cost
LIBEKO (PTY) LTD	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	12% of the project construction cost
LZM AFRICA HOLDINGS	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	13.50% of the project construction cost
NGEJA CONSULTING ENGINEERS	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	10.5% of the project construction cost
SANOQWABE CONSULTANTS	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	11% of the project construction cost
SINGH GOVENDER & ASSOCIATES	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	11% of the project construction cost
TKQ CONSULTING ENGINEERS	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	11.5% of the project construction cost
URBANRU (PTY) LTD	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	11.5% of the project construction cost
THESHANI TRADING ENTERPRISE	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	13.5% of the project construction cost
FDLK ENGINEERING CONSULTANTS	Yrs	3	PANEL OF PSP FOR CONSULTING	30 September 2024	13.5% of the project construction cost
POWER TECH SERVICES CENTRE	Yrs	3	PANEL TO ASSIST WITH SUPPLY,	31 December 2023	Rate based
DHAYALAN SATHIYAVAN t/a DOLPH	Yrs	3	PANEL TO ASSIST WITH SUPPLY,	31 December 2023	Rate based
VSAB AUTOR REPAIRS	Yrs	3	PANEL TO ASSIST WITH SUPPLY,	31 December 2023	Rate based
STANGER MOTOR WORLD	Yrs	3	PANEL TO ASSIST WITH SUPPLY,	31 December 2023	Rate based
DESRAE LOGISTIC	Yrs	3	PANEL TO ASSIST WITH SUPPLY,	31 December 2023	Rate based
SIYAVUKA SUPPLIES	Yrs	3	PANEL TO ASSIST WITH SUPPLY,	31 December 2023	Rate based
DHAYALAN SATHIYAVAN t/a DOLPH	Yrs	3	PANEL TO ASSIST WITH SUPPLY,	31 December 2023	Rate based
POWERSPARES ISITHEBE	Yrs	3	PANEL TO ASSIST WITH SUPPLY,	31 December 2023	Rate based
TAURUS HYDRAULICS	Yrs	3	PANEL TO ASSIST WITH SUPPLY,	31 December 2023	Rate based
NBS DIFF & GEAR BOX SILENCE &	Yrs	3	PANEL TO ASSIST WITH SUPPLY,	31 December 2023	Rate based
MBD CONSULTING	Yrs	3	SOURCING OF SOCIAL AND ECONC	14 March 2024	12.5% on recovery
ESINAVAYO PROJECTS TRADING	Yrs	3	33KV-400V REPAIRS ON EMERGEN	31 July 2024	2,946
WORTH KINGS TRADING CC T/A X	Yrs	3	33KV-400V REPAIRS ON EMERGEN	31 July 2024	3,335
MASINA ENGINEERING PTY LTD	Yrs	3	33KV-400V REPAIRS ON EMERGEN	31 July 2024	1,051
R BUSISIWE (PTY) LTD	Yrs	3	33KV-400V REPAIRS ON EMERGEN	31 July 2024	357
MECOM TRADING ENTERPRISE CC	Yrs	3	33KV-400V REPAIRS ON EMERGEN	31 July 2024	85
ACT INDUSTRIES (PTY) LTD	Yrs	3	TRAFFIC SIGNAL REPAIRS ON BRE	30 May 2024	806
ZAMA TRAFFIC SIGNALS CC	Yrs	3	TRAFFIC SIGNAL REPAIRS ON BRE	30 May 2024	357
R BUSISIWE (PTY) LTD	Yrs	3	TRAFFIC SIGNAL REPAIRS ON BRE	30 May 2024	-
DESRAE LOGISTIC	Yrs	3	PSP TO SUPPLY, DELIVER AND INS	09 March 2025	Transactional basis
UTHUNGULU TYRES	Yrs	3	PSP TO SUPPLY, DELIVER AND INS	09 March 2025	Transactional basis
BHEKAPHEZULU INVESTMENTS	Yrs	3	PANEL OF TEN (10) SERVICE PROV	07 November 2025	Transactional basis
EZAMALUNQA TRADING	Yrs	3	PANEL OF TEN (10) SERVICE PROV	07 November 2025	Transactional basis
ISICHAKA ESINGENAMONA	Yrs	3	PANEL OF TEN (10) SERVICE PROV	07 November 2025	Transactional basis
MANANDA PROJECTS	Yrs	3	PANEL OF TEN (10) SERVICE PROV	07 November 2025	Transactional basis
MLOBOMVU PROJECTS	Yrs	3	PANEL OF TEN (10) SERVICE PROV	07 November 2025	Transactional basis
MVERLASE TRADING	Yrs	3	PANEL OF TEN (10) SERVICE PROV	07 November 2025	Transactional basis
NEELANS AUTO CC	Yrs	3	PANEL OF TEN (10) SERVICE PROV	07 November 2025	Transactional basis
ROADLOGIC CIVILS (PTY) LTD	Yrs	3	PANEL OF TEN (10) SERVICE PROV	07 November 2025	Transactional basis
TRAILWAY TRANSPORT	Yrs	3	PANEL OF TEN (10) SERVICE PROV	07 November 2025	Transactional basis
ZS CIVILS CONSTRUCTION	Yrs	3	PANEL OF TEN (10) SERVICE PROV	07 November 2025	Transactional basis
MALUME MOTORING SCHOOL	Yrs	3	YOUTH DRIVER'S LICENCE COURSE	03 March 2024	1,114
BONAKUDE	Yrs	3	PSP TO PROVIDE INTERNAL AUDIT	28 February 2025	Transactional basis
THELULWAZI BUSINESS	Yrs	3	PSP TO PROVIDE INTERNAL AUDIT	28 February 2025	Transactional basis
ISIGU ACCOUNTANTS AND AUDITORS	Yrs	3	PSP TO PROVIDE INTERNAL AUDIT	28 February 2025	Transactional basis
INTERGRITY FORENSIC SOLUTION	Yrs	3	PSP TO PROVIDE INTERNAL AUDIT	28 February 2025	Transactional basis
KAIZEN INTERNATIONAL	Yrs	3	PSP TO PROVIDE INTERNAL AUDIT	28 February 2025	Transactional basis
PHUMLANI NGUBANE	Yrs	3	ESTABLISHMENT OF A PANEL OF M	25 July 2025	Transactional basis
TEMBE KHESWA NXUMALO INC	Yrs	3	ESTABLISHMENT OF A PANEL OF M	25 July 2025	Transactional basis
MHLANGA INCORPORATED	Yrs	3	ESTABLISHMENT OF A PANEL OF M	25 July 2025	Transactional basis
MEMELA AND ASSOCIATES	Yrs	3	ESTABLISHMENT OF A PANEL OF M	25 July 2025	Transactional basis
KING CETSHWAYO MUNICIPALITY	Yrs	2	MUNICIPAL DUMPING SITE	30 January 2022	Charged per tonages
SNOBHO (PTY) LTD	Yrs	3	SUPPLY AND DELIVER BLACK & YE	298 February 2023	4,125
SPARKS & ELLIS UNIFORMS	Yrs	3	SUPPLY AND DELIVER OF TRAFFIC	31 August 2024	Unit cost based
EZAMALUNQA TRADING	Yrs	1	PROVISION OF VIP PROTECTION S	31 August 2022	2,781
KA-MYALUZA	Mths	18	PROVISION OF SECURITY SERVICE	30 March 2023	9,549
RURAL METRO EMERGENCY SERV	Yrs	2	FIRE BRIGADE SERVICES	29 September 2024	9,310
NJOMISA BOERDERY	Yrs	3	ANIMAL POUND SERVICES	20 September 2025	1,575
EZAMALUNQA TRADING	Yrs	3	PROVISION OF SECURITY SERVICE	31 December 2025	27,869
ESKOM	ONGOING		ELECTRICITY SUPPLY	26 July 2007	Charge per usage
TELKOM	Yrs	5	TELKOM SERVICES	01 March 2015	Charge per usage
KONICA MINOLTA T/A BIDVEST	Yrs	3	20 x PRINTINTERS	28 February 2023	1,349
KWIKSPACE	Yrs	3	PARKHOME OFFICES	28 February 2023	989
EMALANGENI	Yrs	3	IINTERNET AND WI-FI CONNECTIVI	30 September 2023	14,890
MOBILE TELEPHONE NETWORKS (Yrs	2	3G MODEM FOR 87 USERS	14 October 2023	420
M.M ABRAHAM (PTY) LTD T/ASQU	Yrs	3	LEASE OFFICE SPACE ATMANDENI	31 October 2023	1,368
BIDVEST STEINER	Yrs	3	PROVISION OF HYGIEN SERVICES	18 January 2024	1,287
SONANI TRAINING & COMMUNICAT	Yrs	3	MFMP TRAINING	30 April 2024	Unit cost based
AYANDA MBANGA COMMUNICATIO	Yrs	3	ADVERTISING AGENCY	31 August 2024	TransactionalBasis
MALUTHULI CONSULTING	Yrs	3	ADVERTISING AGENCY	31 August 2024	TransactionalBasis
RONAVU	Yrs	3	ADVERTISING AGENCY	31 August 2024	TransactionalBasis
MICROSOFT IRELAND OPERATION	Yrs	3	MICROSOFT LICENCES	14 November 2024	Based on rand/dollar value
KWADUKUZA IT	Yrs	3	ICT PANNEL OF SERVICE PROVIDE	10 Novermver 2025	TransactionalBasis
ZAR TECHNOLOGY	Yrs	3	ICT PANNEL OF SERVICE PROVIDE	10 Novermver 2025	TransactionalBasis
CONLOG (PTY) LIMITED	Yrs	3	SMART METERS	31 August 2024	Charged per transaction
PAYDAY	Yrs	1	SUPPLY AND INSTALLATION OF PA	30 June 2023	165
KUMENE MAKOPO	Yrs	3	INSURANCE-ASSETS	31 August 2023	2,079
CCG TECHNOLOGY GROUP	Yrs	8	MSCOA	31 October 2024	12,638
FNB	Yrs	5	BANKING SERVICES	30 May 2026	Charged per transaction
INSIDE DATA	Yrs	3	BULK PRINTING AND MAILING	20 February 2025	3,754
MAXIMUM PROFIT RECOVERY (PT	Yrs	3	SOURCING OF SOCIAL AND ECONC	04 March 2024	9.2% on recovery
UMHLABA GEOMATICS	Yrs		GENERAL VALUATION & PREPARATION OF A VALUATION ROLL		1,145
MABUNE CONSULTING	Yrs	3	A PANEL OF LAND SURVEYORS &	28 February 2023	Charged per transaction
IYER / CRAWFORD JV	Yrs	3	A PANEL OF LAND SURVEYORS &	28 February 2023	Charged per transaction
VELENKOSINI PROFESSIONAL LAN	Yrs	3	A PANEL OF LAND SURVEYORS &	28 February 2023	Charged per transaction
THANI CONSULTING	Yrs	3	A PANEL OF LAND SURVEYORS &	28 February 2023	Charged per transaction
ISIBUKO DEVELOPMENT PLANNING	Yrs	3	A PANEL OF LAND SURVEYORS &	28 February 2023	Charged per transaction
SIVEST SA	Yrs	3	A PANEL OF LAND SURVEYORS &	28 February 2023	Charged per transaction

2.17 Municipal manager's quality certificate

I S.G.Khuzwayo, Municipal manager of Mandeni Municipality, hereby certify that the mSCOA Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Mr S.G. Khuzwayo

Municipal Manager of Mandeni Municipality (KZN 291)

Signature_____

Date 30th March 2023