

MANDENI MUNICIPALITY (KZN 291) mSCOA DRAFT ANNUAL BUDGET 2024/25 MTREF



MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Table of Contents

| | |
|---|-----------|
| ANNEXURE | A |
| PART 1 – MSCOA ANNUAL BUDGET | 1 |
| 1.1 MAYOR’S REPORT | 1 |
| 1.2 COUNCIL RESOLUTIONS..... | 8 |
| 1.3 EXECUTIVE SUMMARY | 10 |
| 1.4 OPERATING REVENUE FRAMEWORK..... | 12 |
| 1.5 OPERATING EXPENDITURE FRAMEWORK..... | 23 |
| 1.6 CAPITAL EXPENDITURE | 34 |
| 1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY..... | 35 |
| PART 2 – SUPPORTING DOCUMENTATION | 54 |
| 2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS | 55 |
| 2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP | 58 |
| 2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS | 59 |
| 2.4 OVERVIEW OF BUDGET RELATED-POLICIES..... | 66 |
| 2.5 OVERVIEW OF BUDGET ASSUMPTIONS..... | 74 |
| 2.6 OVERVIEW OF BUDGET FUNDING..... | 76 |
| 2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS..... | 93 |
| 2.8 COUNCILLOR AND EMPLOYEE BENEFITS | 95 |
| 2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW | 98 |
| 2.10 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS | 104 |
| 2.11 CAPITAL EXPENDITURE DETAILS..... | 104 |
| 2.12 LEGISLATION COMPLIANCE STATUS..... | 109 |
| 2.13 OTHER SUPPORTING DOCUMENTS | 110 |
| 2.14 MUNICIPAL MANAGER’S QUALITY CERTIFICATE..... | 117 |

List of Tables

| | |
|---|----|
| Table 1 Consolidated Overview of the 2024/25 MTREF..... | 11 |
| Table 2 Summary of revenue classified by main revenue source..... | 13 |
| Table 3 Percentage growth in revenue by main revenue source | 13 |
| Table 4 Operating Transfers and Grant Receipts | 15 |
| Table 5 Comparison of proposed rates to levied for the 2024/25 financial year..... | 18 |
| Table 6 Comparison between current city charges and increases (Domestic)..... | 19 |
| Table 7 MBRR Table SA14 – Household bills | 22 |
| Table 8 Summary of operating expenditure by standard classification item..... | 23 |
| Table 9 Operational repairs and maintenance..... | 32 |
| Table 10 Repairs and maintenance per asset class | 33 |
| Table 11 2024/25 Medium-term capital budget per vote..... | 34 |
| Table 12 MBRR Table A1 - Budget Summary | 36 |
| Table 13 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)..... | 38 |
| Table 14 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)..... | 40 |
| Table 15 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) . | 41 |
| Table 16 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source | 44 |

| | |
|---|-----|
| Table 17 MBRR Table A6 - Budgeted Financial Position | 45 |
| Table 18 MBRR Table A7 - Budgeted Cash Flow Statement | 47 |
| Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation . | 49 |
| Table 20 MBRR Table A9 - Asset Management..... | 50 |
| Table 21 MBRR Table A10 - Basic Service Delivery Measurement..... | 52 |
| Table 22 IDP Strategic Objectives..... | 59 |
| Table 23 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue | 65 |
| Table 24 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure..... | 68 |
| Table 25 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure | 69 |
| Table 26 MBRR Table SA7 - Measurable performance objectives..... | 76 |
| Table 27 MBRR Table SA8 - Performance indicators and benchmarks | 77 |
| Table 28 Breakdown of the operating revenue over the medium-term | 78 |
| Table 29 Proposed tariff increases over the medium-term | 79 |
| Table 30 MBRR SA15 – Detail Investment Information | 79 |
| Table 31 MBRR SA16 – Investment particulars by maturity | 81 |
| Table 32 Sources of capital revenue over the MTREF | 83 |
| Table 33 MBRR Table SA 18 - Capital transfers and grant receipts..... | 84 |
| Table 34 MBRR Table A7 - Budget cash flow statement..... | 87 |
| Table 35 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation | 92 |
| Table 36 MBRR SA10 – Funding compliance measurement..... | 93 |
| Table 37 MBRR SA19 - Expenditure on transfers and grant programmes..... | 94 |
| Table 38 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds | 95 |
| Table 39 MBRR SA22 - Summary of councillor and staff benefits | 96 |
| Table 40 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior managers)..... | 97 |
| Table 41 MBRR SA24 – Summary of personnel numbers..... | 98 |
| Table 42 MBRR SA25 - Budgeted monthly revenue and expenditure | 99 |
| Table 43 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote) | 100 |
| Table 44 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification) | 101 |
| Table 45 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)..... | 102 |
| Table 46 MBRR SA29 - Budgeted monthly capital expenditure (standard classification).. | 103 |
| Table 47 MBRR SA30 - Budgeted monthly cash flow..... | 104 |
| Table 48 MBRR SA 34a - Capital expenditure on new assets by asset class..... | 105 |
| Table 49 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class | 106 |
| Table 50 MBRR SA34c - Repairs and maintenance expenditure by asset class | 107 |
| Table 51 MBRR SA35 - Future financial implications of the capital budget | 108 |
| Table 52 MBRR SA36 - Detailed capital budget per municipal vote | 109 |
| Table 53 MBRR Table SA1 - Supporting detail to budgeted financial performance..... | 112 |
| Table 54 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)..... | 112 |
| Table 55 MBRR Table SA3 – Supporting detail to Statement of Financial Position | 113 |
| Table 56 MBRR Table SA10 – Basic service delivery measurement..... | 113 |
| Table 57 MBRR SA32 – List of external mechanisms | 116 |

List of Figures

| | | |
|----------|--|----|
| Figure 1 | Main operational expenditure categories for the 2024/25 financial year | 30 |
| Figure 2 | Planning, budgeting and reporting cycle..... | 66 |
| Figure 3 | Definition of performance information concepts..... | 67 |
| Figure 4 | Breakdown of operating revenue over the 2024/25 MTREF | 72 |
| Figure 5 | Sources of capital revenue for the 2024/25 financial year | 76 |
| Figure 6 | Cash and cash equivalents / Cash backed reserves and accumulated funds..... | 87 |

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 2024/25 FINANCIAL YEAR AT COUNCIL MEETING HELD ON 28th MARCH 2024 AT ISIBUSISWE HALL

PRESENTATION

OF:

2024-2025 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.**

Honorable Speaker, my responsibility today is to table the Mandeni Municipality's draft 2024/2025 Integrated Development Plan (IDP) annual review, and 2024/2025 Municipal Budget guided by the Municipal Systems Act in the case of IDP and the Municipal Finance Management in the case of the Budget and further to obtain approval from Council to publish the draft IDP review and Budget in the local media domain for public comment.

Madam Speaker, municipalities are required to plan and facilitate development in an integrated manner, ensuring that resources are utilized efficiently and effectively to alleviate poverty and inequality, provide basic services and promote sustainable development. In accordance with legislation (Section 34 of the Municipal Systems Act), the Municipality revises its IDP on an annual basis to ensure that it remains relevant to its specific operating environment. This includes political, socio-economic, or other changes that may occur. This annual review also enables the Municipality to update its IDP based on its overall performance.

Madam Speaker and Council, as reflected above, I am satisfied that the processes of drafting this Draft Reviewed IDP for 2024/25 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 2024/25 by this Council today is in full compliance with Section 16(2) 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 a Budget public 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 2024. 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.

As the municipality we are judged by ability to deliver services, promote socio-economic development and govern effectively. As Mayor, I am aware of the numerous responsibilities bestowed on the Council to bring about fundamental changes to our municipality that will have a positive effect on the livelihoods of all our people.

Mam Somlomo, uhulumeni wasekhaya is the most intimate sphere of government, and it is one that impacts most on the everyday lives of citizens. With the approval of our 5-year IDP as well as this revised IDP for 2024/2025, our municipality is embarking on a challenging journey. From the Municipality's side we are committed to the following indicators:

- Create better municipal systems to better execute its mandate,
- Create an enabling infrastructure to improve access in urban and rural areas and the maintenance of storm water facilities and to promote local economic development.
- Create local economic development engagement platforms in a bid to grow economy, create job opportunities and to break the cycle of poverty facing our people.

- Ensure that the spending of municipal funds in a responsible and transparent manner; and
- Be a productive workforce with a high work ethic and a high standard of customer care.
- Ensure a strong financial system to boost investors' confidence.

Honorable Speaker, Chapter 2 of the Municipal Finance Management Act, Section 53(l) (c) (l) says I quote, "***The mayor must take all reasonable steps to ensure that the municipality approves its annual budget before the start of the budget year.***"

Madam Speaker and Council, as reflected above, I am satisfied that the processes of drafting this Draft Reviewed IDP for 2024/25 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 2024/25 by this Council today is in full compliance with Section 16(2) 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.

It is for this reason that we are here today, to pronounce what the council has to approve the Budget and IDP for 2024/2025 financial years. We have also undertaken the following matters to improve the lives of our citizens:

Organizational overview

Human Resource Management

The staff turnover has been reasonable stable, except for the vacancy of the position in strategic position, in particular the Budget and Treasury Office. We take comfort to the effect that council will consider the report of the selection panel for the appointment of the Chief Financial Officer and hopefully this position will be filled soon.

Local Economic Development

Madam Speaker, the LED Unit of our Municipality has been reasonably staffed to enhance its operations. There is a need to review our Tourism Strategy to advance tourism economic development and investment programmes in the municipality. We note the need to support especially local SMME's, and Cooperatives particularly women and youth owned businesses. Madam Speaker kulomshikashika asibakhohliwe abaphila ngokukhubazeka. We would need a collaboration between EDTEA and Enterprise Ilembe Economic Development Agency to unleash the economic potential of our municipality. The collaboration with other spheres of government on EPWP and CWP is valued for continued job opportunities creation.

The 2024/2025 Integrated Development Plan is also focusses on changing the lives of people of Mandeni by ensuring the strengthening of Local Economic Development. During the community engagements a significant number of wards indicated that, there is a great need for more local economic development projects to alleviate poverty and promote SMME and Co-operative development. This IDP is clearly provides the Local Economic Initiatives, Social programs, and drive Infrastructure projects that will strives to expand and maintain our road infrastructure in order, and as well as to promote Local Economic Development including infrastructure in rural areas and the maintenance of storm water facilities.

Auditor General Audit Opinion

Honorable Speaker, the municipality has obtained another unqualified audit opinions for 2022/2023 financial year. The AG has a view that the municipality has a potential to move to clean audit opinion if work little bit harder and cut off matters of emphasis, and on behalf of EXCO, the Mayor and Section 79 Chairperson continue to provide oversight over the Audit Committee which meets quarterly to monitor the implementation of Audit Action Plan.

BUDGET SUMMARY

The Medium-Term Expenditure Framework proposes a total budget of R441.6 million for the 2024/25 financial year. It appropriates a total operating expenditure of R441.4 million and capital expenditure of R 104.1 million. The amount of 64.2 million has been funded from the reserves / investments which has funded the Capital budget funded internally, Debt Impairment and Depreciation. The above presented figures are VAT exclusive.

Total operating revenue of R441.5 million has increased by 5.5 per cent or R22.9 million for the 2024/2025 financial year when compared to the 2023/2024 Adjustments Budget. Total operating expenditure for the 2024/2025 financial year has been appropriated at R441,4 million and translates into a surplus budget of R122 thousand as guided by MFMA Circular No.126. Operational expenditure has increased by 0.7 per cent in the 2024/2027 budget and by 1.9 and 2.4 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 R104,1 million has been committed for 2024/2025 however this shows a decrease by 26 per cent when compared to the 2023/2024 Adjustment Budget. Decrease in capital budget is due to reduction in MIG Grant for Endlondlweni sport field which was ringfenced and Disaster Related projects which have not been confirmed by the department during draft budget preparation process.

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.

Entering the second year of the General Valuation Roll implementation we are excited by the lessons we have learned in the current implementation year and the level of flexibility we have afforded our consumers. We have resolved 95% of our objections and this gives us confidence that indeed the current GV we are implementing is accurate and complete. Expectedly we intend to increase our annual tariffs by 4.9% which is in line with the current inflation projections, apart from the R15 000 statutory reduction for residential properties, an additional R185 000 will be reduced for all residential properties totaling to a R200 000 reduction.

Agriculture properties will receive a rebate of 80%. As part of our employment stimulus formula and in consideration of our strategic location and the broader Municipal Vision, Industrial Properties will receive a rebate of 40%.

The 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 4.9 per cent is proposed to be effected on Rates Tariffs; 12.7 per cent increase in proposed for electricity tariffs as NERSA approval, Refuse and other sources of revenue have been aligned to the Consumer Price Index (CPI) inflation of 4.9 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 12.7 per cent tariff increase in 2024/25 financial Year and approved an increase of 15.1per cent for Bulk Purchase from ESKOM in 2024/25 FY.

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 in 2023 Floods.

The municipality has submitted the following projects to be considered under the Disaster Relief Grant. Budget projection of these projects amounts to R24 mil, and they will be activated once funds have been confirmed by the department:

- Rehabilitation of Road Ward 2 - Tugela Beach Road (R5.6 mil)
- Rehabilitation of Road Ward 6 - Gravel Road P266 to Emachuninwi Road (R4.4mil)
- Regravelling of Ward 6 - Gravel Road Evutha to Apostolic Church (6.3 mil)
- Regravelling of Road Ward 13- Road 63 (R7.9 mil).

All grants to be received by the Municipality during 2024/25 FY are summarised as follow:

- Equitable Share allocation is R243,6 million which has been increased by R12,8 million.
- MIG allocation is R41,1 million which has been decreased by R5.3 million, reduction is due to budget of R8 million which was ringfenced towards the construction of Endlondlweni Sports field in Ward 10 for 2023-24 financial year.
- EPWP allocation is R1.8 million which has been decreased by R595 thousand.
- FMG allocation is R1.8 million which has decreased by R50 thousand.
- INEP allocation is R9,2 million which has increased by R1.8 million.
- Library Grant allocation is R4.6 million which has increased by R196 thousand.

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government.

Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to consider their financial sustainability when considering salary increases.

The proposed salary increase for employee related costs is six percent (6%) with effect from 1 July 2024. This increase will be revised once the new salary and wage collective agreement has passed through the negotiation stage.

The Remuneration of Councilors and Remuneration of MM and Directors and shall be in accordance with determination by National Minister of Cogta however the municipality has budgeted for a proposed increase of 6 percent increase which is not aligned with CPI.

Umasipala usuqalile ukwakha iground lakwaHlomendlini elizodla ngaphezulu kancane ku R8mil uma seliphelile yingakho sibeke u **R4.1 mil** ku2024/25 ukuqedele kahle umsebenzi, sabeke uR30mil ukulungiswa kwemigwaqo eyahlukene emaWadini lapho kubekwe uR2mil kwi Ward ne Ward ukulungisa lemigwaqo:

- Ward 1: Regravelling of the Road from D888 to KwaMnguni store
- Ward 3: Regravelling of the Road from Carwash P415 to N2 tunnel bridge
- Ward 4: Regravelling of the Masinga Road
- Ward 5: Regravelling of the Road from Esamaqamu to Mgizimba
- Ward 7: Regravelling of Shayamoya Road
- Ward 8: Regravelling of Maqina road
- Ward 9: Regravelling of the Road from Esikhoveni to Nyathini
- Ward 10: Regravelling of the Road Dabedabe Road
- Ward 11: Regravelling of the Road from KwaNgcobo estobhini to KwaMwandla
- Ward 12: Regravelling of the Road from Machibini Link Road
- Ward 14: Rehabilitation of Masilela Road
- Ward 15: Regravelling of Road from Kwamjulelwa to eziMpohlweni
- Ward 16: Regravelling of the Road from KwaMathonsi estobini to KwaMthembu estobhini
- Ward 17: Regravelling of the road from Ezimangweni to Okhalweni
- Ward 18: Regravelling of the road from Sithebe library to Othini area

Somlomo nomkhandlu, siphinde sabeka imali elinganiselwa kuR5mil esizoqhubeka nokulungiswa kwemigwaqo yasemakhaya ngohlelo olujwayelekile. Siphinde sabeka imali engu **R3 mil** yokwakha izindawo zosomabhizinisi abancane ezizokwakhiwa Edolobheni naseKhenana. Ngikhuluma nje isikhangiso sokuhlonza usonkontileka ozokwakha ama-Mini Factories Ekhenana sesiphumile emaphepheni.

Somlomo nomkhandlu, umkhandlu uzothola imali elinganiselwa kuR9.2 mil kwa INEP ozosetshenziswa ukuqala uhlelo lokulungingwa nokunyuswa kwamandla kwesiphehli mandla kagesi eWard 3.

Ikhona futhi imali esiyibeke ecaleni engaphezulu kuka **R9.4mil** 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 **R4.4 mil** ukubhekelela izinhlelo zokuthuthukiswa kwabantu besifazane ngaphansi kohlelo lwe Womens Caucus. Futhi siphinde sabeka nemali engaphezulu kuka **R685 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 ophela wentuthuko edidiyelwe neBudget sizowufaka kwi Municipal Website siphinde siwubeke ezakhiweni ezahlukene 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 2024/25 FY, indeed this Draft IDP talks to full scale of service delivery and nothing else. The 2024/2025 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 2024/25, 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 2024/25 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 **R545,5 million** for the 2024/25 Financial Year and it is the third year 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 2024/25 Financial Year.

In Conclusion:

Therefore, I recommend that:

The Council considers and adopt the Draft Reviewed IDP and mSCOA Budget for 2024/2025 MTREF and the Proposed Draft Organizational Structure for 2024/25 as stated on the document of the Council Agenda **(C99, C100 and C101)** with all recommendations under each item.

I thank you all

CLLR TP Mdlalose
The Mayor

1.2 Council Resolutions

Resolution No: C100

COUNCIL:28/03/2024

On the Council of Mandeni Municipality met through Mandeni Council Chamber to consider the mSCOA Draft Annual Budget of the municipality for the financial year 2024/25. The Council approved and adopted the following resolutions:

1. The Council of Mandeni Municipality, acting in terms of section 16(1) of the Municipal Finance Management Act, (Act 56 of 2003) met at Mandeni Council Chamber to consider the municipality's mSCOA Draft Annual Budget 2024/25 MTREF. The Council approved and adopted the following resolutions:
 - 1.1. The mSCOA annual budget of the municipality for the financial year 2024/25 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 38;
 - 1.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 14 on page 40;
 - 1.1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 15 on page 41; 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 44.
 - 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 45;
 - 1.2.2 Budgeted Cash Flows as contained in Table 18 on page 47;
 - 1.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table 19 on page 49;
 - 1.2.4 Asset management as contained in Table 20 on page 50 to 51; and
 - 1.2.5 Basic service delivery measurement as contained in Table 21 on page 52.
2. The Council of Mandeni Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1st July 2024:

- 2.1 The tariffs for property rates – as set out in Annexure A,
 - 2.2 The tariffs for electricity – as set out in Annexure A
 - 2.3 The tariffs for solid waste services – as set out in Annexure A
 - 2.4 The tariffs for other services, as set out in Annexure A respectively.
3. To give proper effect to the municipality's mSCOA Annual Budget, the Council of Mandeni Municipality approves: That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
 4. That the 2024/25 Organisational structure as budgeted for be approved;
 5. The Council of Mandeni Municipality, acting in terms of Section 75A of the local government: Municipal Systems Act (Act 32 of 2000) and Section 17 (3)(a) of the MFMA approves and adopts with effect from 1st July 2024 the tariffs and other services.
 6. The Council of Mandeni Municipality, acting in terms of Section 17(3)(e) of the local government: Municipal Finance Management Act (Act 56 of 2003) approves and adopts with effect from 1st July 2024 the reviewed budget related policies.
 7. Th Council resolves to approve the Draft mSCOA Road Map as per MFMA Circular No.107
 8. The Council resolves to approve 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, 93,98,107,115,122,123,126 and 128, mSCOA Circular No.12 were used to guide the compilation of the 2024/25 & MTREF.

The main challenges experienced during the compilation of the 2024/25 & 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 reprioritize 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 2024/25 MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2024/25 MTREF:

The 2023/24 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 2024/25 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 2024/25 MTREF Budget transacting across all the mSCOA seven segments in Version 6.8 as per MFMA Circular 126. 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 2024/25 MTREF in an mSCOA classification framework and the data string (IDP and Budget) will be uploaded to the LG Database portal on the 28th March 2024 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 2024/25 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2024/25 & MTREF

| KZN291 Mandeni - Table A1 Budget Summary | | | | | | | | | |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Total Revenue (excluding capital transfers and | 319,244 | 333,878 | 401,553 | 382,369 | 418,587 | 418,587 | 441,551 | 451,087 | 464,357 |
| Total Expenditure | 300,674 | 307,556 | 340,473 | 402,121 | 438,379 | 438,379 | 441,428 | 449,836 | 460,796 |
| Surplus/(Deficit) for the year | 60,035 | 71,421 | 106,467 | 28,629 | 40,501 | 40,501 | 39,883 | 42,090 | 47,739 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 17,990 | 30,411 | 73,316 | 143,945 | 139,784 | 139,784 | 104,122 | 34,609 | 15,000 |
| Total Budget | 318,663 | 337,967 | 413,788 | 546,065 | 578,162 | 578,162 | 545,550 | 484,445 | 475,796 |

Total operating revenue has increased by 5.5 per cent or R22.9 million for the 2024/25 financial year when compared to the 2023/24 Adjustments Budget. For the two outer years, operational revenue will increase by 2.2 and 2.9 per cent respectively, equating to a total revenue growth of R22.8 million over the MTREF when compared to the 2023/24 adjustment budget.

Total operating expenditure for 2024/25 financial year has been appropriated at R441.4 million and translates into a surplus budget of R122 thousand. Operational expenditure has increased by 7 per cent in the 2024/25 budget and the outer years have increased by 1.9 and 2.4 per cent for each of the respective outer years of the MTREF. Surplus for the year is R39.9 million and increases to R47.7 million in 2026/27 financial year. 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 R104.1 million for 2024/25 has decreased by 25.5 per cent when compared to the 2023/24 Adjustment Budget. The capital programme decreases to R34.6 million from 2025/26 financial year and then increases in 2026/27 to R15 million.

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 2024/25 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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Revenue | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | |
| Service charges - Electricity | 2 | 34,672 | 45,958 | 49,864 | 52,613 | 61,743 | 61,743 | 41,914 | 69,770 | 74,479 | 80,636 |
| Service charges - Water | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Water M | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Manage | 2 | 9,150 | 10,818 | 11,570 | 11,044 | 11,044 | 11,044 | 8,276 | 12,802 | 14,517 | 16,477 |
| Sale of Goods and Rendering of | | 631 | 2,586 | 7,854 | 618 | 12,862 | 12,862 | 482 | 9,474 | 8,405 | 13,354 |
| Agency services | | - | - | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 805 | 1,059 | 1,229 | 918 | 918 | 918 | 441 | 963 | 1,007 | 1,053 |
| Interest earned from Current and | | 7,470 | 10,694 | 20,010 | 10,500 | 23,500 | 23,500 | 18,673 | 26,500 | 28,295 | 29,714 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Rent on Land | | 232 | 175 | 106 | - | - | - | - | - | - | - |
| Rental from Fixed Assets | | 101 | 150 | 248 | 192 | 242 | 242 | 208 | 374 | 391 | 409 |
| Licence and permits | | 22 | 9 | 22 | - | - | - | 8 | - | - | - |
| Operational Revenue | | 515 | 465 | 2,548 | 396 | 2,012 | 2,012 | 1,476 | 1,200 | 1,254 | 1,313 |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | 2 | 35,167 | 33,913 | 50,660 | 59,329 | 59,329 | 59,329 | 41,517 | 62,237 | 65,099 | 69,094 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 281 | 1,202 | 1,002 | 1,210 | 1,210 | 1,210 | 237 | 1,310 | 1,371 | 1,434 |
| Licences or permits | | 778 | 782 | 525 | 737 | 737 | 737 | 694 | 783 | 819 | 856 |
| Transfer and subsidies - Operatic | | 210,180 | 220,162 | 223,107 | 241,975 | 242,152 | 242,152 | 179,590 | 253,163 | 252,337 | 246,760 |
| Interest | | 3,279 | 2,329 | 2,628 | 2,837 | 2,837 | 2,837 | 2,450 | 2,976 | 3,113 | 3,256 |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | - | - | - | - | - | - | - | - | - | - |
| Other Gains | | 15,961 | 3,577 | 30,181 | - | - | - | - | - | - | - |
| Discontinued Operations | | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital | | 319,244 | 333,878 | 401,553 | 382,369 | 418,587 | 418,587 | 295,967 | 441,551 | 451,087 | 464,357 |

Table 3 Percentage growth in revenue by main revenue source

| KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure) | | | | | | | | | |
|--|----|---|---------------|---------------------|---------------|------------------------|---------------|------------------------|------------|
| Description | Re | 2024/25 Medium Term Revenue & Expenditure Framework | | | | | | | |
| | | Adjusted Budget | % | Budget Year 2024/25 | % | Budget Year +1 2025/26 | % | Budget Year +2 2026/27 | % |
| Revenue | | | | | | | | | |
| Exchange Revenue | | | | | | | | | |
| Service charges - Electricity | 2 | 61,743 | 14.75 | 69,770 | 15.80 | 74,479 | 16.51 | 80,636 | 17.37 |
| Service charges - Water | 2 | - | - | - | - | - | - | - | - |
| Service charges - Waste Water M | 2 | - | - | - | - | - | - | - | - |
| Service charges - Waste Manage | 2 | 11,044 | 2.64 | 12,802 | 2.90 | 14,517 | 3.22 | 16,477 | 3.55 |
| Sale of Goods and Rendering of | | 12,862 | 3.07 | 9,474 | 2.15 | 8,405 | 1.86 | 13,354 | 2.88 |
| Agency services | | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 918 | 0.22 | 963 | 0.22 | 1,007 | 0.22 | 1,053 | 0.23 |
| Interest earned from Current and | | 23,500 | 5.61 | 26,500 | 6.00 | 28,295 | 6.27 | 29,714 | 6.40 |
| Dividends | | - | - | - | - | - | - | - | - |
| Rent on Land | | - | - | - | - | - | - | - | - |
| Rental from Fixed Assets | | 242 | 0.06 | 374 | 0.08 | 391 | 0.09 | 409 | 0.09 |
| Licence and permits | | - | - | - | - | - | - | - | - |
| Operational Revenue | | 2,012 | 0.48 | 1,200 | 0.27 | 1,254 | 0.28 | 1,313 | 0.28 |
| Non-Exchange Revenue | | | | | | | | | |
| Property rates | 2 | 59,329 | 14.17 | 62,237 | 14.10 | 65,099 | 14.43 | 69,094 | 14.88 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 1,210 | 0.29 | 1,310 | 0.30 | 1,371 | 0.30 | 1,434 | 0.31 |
| Licences or permits | | 737 | 0.18 | 783 | 0.18 | 819 | 0.18 | 856 | 0.18 |
| Transfer and subsidies - Operatic | | 242,152 | 57.85 | 253,163 | 57.33 | 252,337 | 55.94 | 246,760 | 53.14 |
| Interest | | 2,837 | 0.68 | 2,976 | 0.67 | 3,113 | 0.69 | 3,256 | 0.70 |
| Fuel Levy | | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | - | - | - | - | - | - | - | - |
| Other Gains | | - | - | - | - | - | - | - | - |
| Discontinued Operations | | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital | | 418,587 | 100.00 | 441,551 | 100.00 | 451,087 | 100.00 | 464,357 | 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 2024/25 financial year, revenue from rates and services charges totaled R144.8 million or 32.8 per cent.

This increases to R154.1 million and R166.2 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 6.4 per cent in 2024/25 to 7.9 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 109).

The second largest source is service charges from electricity revenue source totaling to 69.8 or 15.8 percent, contributing is the proposed increase of 12.7 per cent for municipal electricity tariffs for 2024/25 as approved guideline on municipal electricity price increase tariff.

Property rates are the third largest revenue source totaling to 14.1 per cent or 62.2 million and increases to R69.1 or 14.9 per cent by 2025/26.

NERSA has published guideline on the municipal electricity price tariffs for the 2024/25 municipal financial year and approved an increase of 12.7% as per MFMA Circular No.126. The municipality has increased its electricity tariff in alignment with the circular, however this increase will be changed during final budget so as to align with the final approved increase by NERSA.

Interest on outstanding debtors both for exchange and non-exchange has increased from R3.8 million to R3.9 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 R253.2 million in the 2024/25 financial year and steadily decrease to R246.8 million by 2025/26. Note that there is a increase of 4.5 per cent for the 2024/25 financial year and the year-on-year decline is 0.3 per cent and then increases to 2.2 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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| RECEIPTS: | 1, 2 | | | | | | | | | |
| <u>Operating Transfers and Grants</u> | | | | | | | | | | |
| National Government: | | 209,625 | 217,447 | 223,616 | 244,496 | 244,803 | 244,803 | 258,621 | 255,324 | 250,781 |
| EPWP Incentive | — | 2,387 | 2,435 | 2,372 | 2,553 | 2,410 | 2,410 | 1,815 | — | — |
| Finance Management | — | 2,345 | 1,850 | 1,850 | 1,850 | 1,850 | 1,850 | 1,800 | 1,900 | 2,000 |
| Integrated National Electrification Prog | — | 6,506 | 1,998 | 6,576 | 7,384 | 7,384 | 7,384 | 9,227 | 7,920 | 9,109 |
| Local Government Equitable Share | — | 198,387 | 211,164 | 212,818 | 230,823 | 230,823 | 230,823 | 243,588 | 243,355 | 237,347 |
| Municipal Infrastructure Grant | — | — | — | — | 1,886 | 2,336 | 2,336 | 2,191 | 2,149 | 2,325 |
| Other transfers/grants [insert description] | | | | | | | | | | |
| Provincial Government: | | 6,926 | 4,648 | 5,930 | 4,863 | 9,494 | 9,494 | 3,769 | 4,933 | 5,088 |
| Community Library Services Grant | — | 6,219 | 4,214 | 3,708 | 1,477 | 1,477 | 1,477 | 1,543 | 1,719 | 1,730 |
| Provincialization of Government | | | | | 2,396 | 2,266 | 2,266 | 2,226 | 3,214 | 3,358 |
| Non-revenue electricity - EDTEA | | 448 | | 1,000 | 990 | 990 | 990 | | | |
| Massification Grant | | | | 239 | | 4,761 | 4,761 | | | |
| Housing Title Deed | | 259 | 434 | 983 | | | | | | |
| District Municipality: | | — | — | — | — | — | — | — | — | — |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | — | — | — | — | — | — | — | — | — |
| [insert description] | | | | | | | | | | |
| Total Operating Transfers and Grants | 5 | 216,550 | 222,095 | 229,546 | 249,359 | 254,297 | 254,297 | 262,390 | 260,257 | 255,869 |
| <u>Capital Transfers and Grants</u> | | | | | | | | | | |
| National Government: | | 41,858 | 43,949 | 41,510 | 47,831 | 59,612 | 59,612 | 38,910 | 40,840 | 44,178 |
| Municipal Disaster Recovery Grant | — | 393 | — | 1,466 | — | 15,556 | 15,556 | — | — | — |
| | — | — | — | — | | | | — | — | — |
| Municipal Infrastructure Grant (MIG) | — | 41,465 | 43,949 | 40,044 | 47,831 | 44,056 | 44,056 | 38,910 | 40,840 | 44,178 |
| Other capital transfers/grants [insert desc] | | | | | | | | | | |
| Provincial Government: | | — | — | — | 550 | 680 | 680 | 850 | — | — |
| Provincialization of Libraries | — | — | — | — | 550 | 680 | 680 | 850 | — | — |
| District Municipality: | | — | — | — | — | — | — | — | — | — |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | — | — | — | — | — | — | — | — | — |
| [insert description] | | | | | | | | | | |
| Total Capital Transfers and Grants | 5 | 41,858 | 43,949 | 41,510 | 48,381 | 60,292 | 60,292 | 39,760 | 40,840 | 44,178 |
| TOTAL RECEIPTS OF TRANSFERS & GR | | 258,408 | 266,044 | 271,056 | 297,740 | 314,589 | 314,589 | 302,150 | 301,097 | 300,047 |

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 15.1 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)
- Council has further adopted an additional R185 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 R200 000 are exempt from paying property rates.
- Council has also adopted a rebate of 80% for all agricultural properties and a 40% rebate for all industrial properties, these two sectors have been identified as the economic enablers of Mandeni so we effect these rebates in line with our Municipal Vision.
- 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 is in its second year of implementing the general valuation roll which was done in 2023/24. The general valuation roll is reflecting the same number of properties at 7145 which have been considered in revenue budget for property rates.

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 and subsequently an increase in the Ratable value.

Accordingly, there was no increase in the Property Rates Tariffs during the 1st year of implementation. Having considered the rapid increase of the cost of living and the effect this has in the household food basket of a residential consumer; Council is proposing an increase of 4,9% which is in line with the average consumer inflation.

Apart from the **R15 000** statutory reduction for residential properties, an additional **R185 000** will be reduced for all residential properties totalling to a **R200 000** reduction. It must be noted that this is in line with the MPRA spirit of dealing with the rates shock after the implementation of the new General 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.

Agriculture properties will receive a rebate of 80%. As part of our employment stimulus formula and in consideration of our strategic location and the broader Municipal Vision, Industrial Properties will receive a rebate of 40%.

Revenue forgone has increased to R12.1 million by 13.4 per cent in the 2024/25 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 R59.3 million to R62.2 million in the 2024/25 financial year, an increase of 4.9 per cent from the 2023/24 adjustment budget. Increase in property rates is in line with the increase in tariffs as per consumer inflation.

It should be noted that certain line items of rates revenue were revised downward as a result of the amendments in the legislative framework e.g 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 temporarily 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.

The significant increase 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 temporarily 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 2024/25 financial year.

| Cartegories | Tariff 2023/24 | Tariff 2024/25 |
|-------------------------------|-----------------------|-----------------------|
| Residential | 0.0155 | 0.0162 |
| Industrial | 0.0262 | 0.0275 |
| Commercial | 0.0262 | 0.0275 |
| Farms Agricultural Purpose | 0.0039 | 0.0041 |
| State Trust Land | 0.0195 | 0.0205 |
| Minning Properties | 0.0262 | 0.0275 |
| State owned Properties | 0.0245 | 0.0257 |
| Municipal Properties | 0.0245 | 0.0257 |
| Public Service Infrastructure | 0.0039 | 0.0041 |
| Public benefit organisation | 0.0039 | 0.0041 |
| Place of Worship | 0.0245 | 0.0257 |
| Vacant Land | 0.0245 | 0.0257 |

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 2024/25 and proposed an increase of 12.7 per cent as per MFMA Circular No.126. However, this increase will be updated in the final budget to align with the final approval by NERSA.

However, having considered the Eskom increases, the consumer tariff had to be increased by 12.7 per cent to offset the additional bulk purchase cost from 1st July 2024.

This will still be reviewed upon the receipt of the Draft Benchmarks 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 1st July 2024. 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 2024/25 benchmarks were increased by 12.7 per cent as per electricity tariff benchmark.
- Block 2 - The 2024/25 benchmarks were increased by 12.7 per cent as per the electricity tariff benchmark
- Block 3 & 4 - The 2024/25 were increased by 12.7 per cent 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 | 141.18 | 159.11 | 37 |
| 51 - 350 | 103 – 110 | 192.67 | 217.14 | 359 |
| 351 - 600 | 147 – 155 | 211.31 | 238.15 | 616 |
| >600 | 176 – 182 | 287.01 | 323.47 | 82 |

Service Charges- electricity revenue have increased from R61.7 million to R69.8 million in the 2024/25 financial year by R8.0 million or 13.0 per cent. Electricity revenue increase have considered proposed increase of 12.7 per cent for municipal electricity tariffs and considered the level of demand by Umngeni Water based on actual performance to date, further to that the number of customers has remained the same at 1094. It should be noted that service charges are tax levied at 15 per cent at R9.1 million.

Then revenue budget has been increased by 8.0 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 remained the same at 1094 for 2024/25 financial year, increase in budget has been based on the current year's performance and increase in electricity tariff as proposed by NERSA.

Electricity Revenue has also considered agreement entered 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 2024/25 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 15.1 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 increased from 1573 to 1600 households. The municipality reviews its indigent register on an annual basis so as to confirm if the qualifying beneficiaries are still qualifying as indigent. Budget allocated for FBE has been increased from 1.6 million to R1.8 million which has considered an increase in the number of qualifying beneficiaries and the proposed increase in electricity of 4.9 per cent.

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 utilized for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply). INEP funding of R9.3 million has been allocated towards upgrading of Mandeni Substation- Bulk Infrastructure funding. The municipality serves as an agent in relation to this grant and budget has been prepared in accordance with GRAP 11.

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 providing this service.

Electricity service has been budgeted at a surplus of R1.1 million for 2024/25. The municipality has shown an improvement in relation to this item as we have reduced deficit comparing to previous years in ensuring that there is sustainability in the provision of this service.

1.7 Waste Removal and Impact of Tariff Increases

Refuse is removed at least once a week, number of properties that are billed on the system have remained at 4695 customers for 2024/25 financial year.

Number of households for free basic refuse service have increased from 32 001 to 32300 with an increase of 299 households, 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. Additional properties have been noted during transfer of ownership for low-cost housing at Inyoni area.

Currently solid waste removal service is operating at a surplus of R787 thousand with exclusion of Debt Impairment of R15.9 million. However, municipality is still working on a process of fully implementing cost reflective tariffs which will ensure that all the costs associated with providing this service have been considered and refuse service is provided at an improved surplus.

Projected revenue constitutes of R13.7 million for billing to debtors and R944 thousand allocated from equitable share towards free basic services thus totaling R12.8 million.

Projected expenditure is R27.9 million which has been broken down as follows:

Employee Related cost of R8.1 million, contracted services of R3.8 million for (rental fee paid towards usage of King Cetshwayo landfill site for dumping of refuse as the municipality does not have its own landfill site and procurement of refuse bags). Inventory Consumed and Operational cost of R126 thousand and Debt Impairment provision of R15.9 million.

A proposed increase of 4.9 per cent in waste removal service tariff as from 1st July 2024. Higher increases will not be viable in 2024/25 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 it is noted that the number of properties have remained the same as 2023/24 financial year as per the consolidated valuation roll for demand for this service, business refuse forms a significant part of our refuse collection revenue which has been considered during budget preparation process.

Service Charges- refuse revenue have increased from R11.0 million to R12.8 million in the 2024/25 financial year with an increase in tariff of 15.9 per cent. Increase in refuse is not aligned with the increased tariff of 4.9 per cent, this is due to level of performance noted as at to date, which will ensure that budget allocated for this item is not understated.

Increase has considered the 4.9 tariff increase and the number of properties from 32 001 to 32 300 with an increase of 299 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.

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 flat for property rates, 4.9 per cent for refuse removal and 12.7 per cent for electricity.

Table 7 MBRR Table SA14 – Household bills

| KZN291 Mandeni - Supporting Table SA14 Household bills | | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|
| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | 2023/24 Medium Term Revenue & Expenditure Framework | | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2023/24 % 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 | | 1,124.64 | 1,114.03 | 1,167.51 | 1,167.51 | 1,167.51 | 1,167.51 | 4.9% | 1,224.71 | 1,236.96 | 1,249.21 |
| Electricity: Basic levy | | 567.06 | 590.73 | 647.44 | 744.55 | 744.55 | 744.55 | 12.7% | 839.11 | 847.50 | 855.89 |
| Electricity: Consumption | | 2,575.84 | 2,683.32 | 2,940.92 | 3,382.05 | 3,382.05 | 3,382.05 | 12.7% | 3,811.57 | 3,849.69 | 3,887.81 |
| Water: Basic levy | | - | - | - | - | - | - | - | - | - | - |
| Water: Consumption | | - | - | - | - | - | - | - | - | - | - |
| Sanitation | | - | - | - | - | - | - | - | - | - | - |
| Refuse removal | | 147.67 | 148.37 | 155.50 | 163.74 | 163.74 | 163.74 | 4.9% | 171.76 | 173.48 | 175.20 |
| Other | | - | - | - | - | - | - | - | - | - | - |
| sub-total | | 4,415.21 | 4,536.45 | 4,911.35 | 5,457.85 | 5,457.85 | 5,457.85 | 10.8% | 6,047.16 | 6,107.63 | 6,168.10 |
| VAT on Services | | - | - | - | - | - | - | - | - | - | - |
| Total large household bill: | | 4,415.21 | 4,536.45 | 4,911.35 | 5,457.85 | 5,457.85 | 5,457.85 | 10.8% | 6,047.16 | 6,107.63 | 6,168.10 |
| % increase/-decrease | | 8.8% | 2.7% | 8.3% | 11.1% | 11.1% | 11.1% | (3.0%) | 10.8% | 1.0% | 1.0% |
| Monthly Account for Household - 'Affordable Range' | 2 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 609.01 | 603.27 | 632.22 | 632.22 | 632.22 | 632.22 | 4.9% | 663.20 | 669.83 | 676.46 |
| Electricity: Basic levy | | 331.89 | 345.74 | 378.93 | 435.77 | 435.77 | 435.77 | 12.7% | 491.12 | 496.03 | 500.94 |
| Electricity: Consumption | | 511.96 | 533.32 | 584.52 | 672.20 | 672.20 | 672.20 | 12.7% | 757.57 | 765.14 | 772.72 |
| Water: Basic levy | | - | - | - | - | - | - | - | - | - | - |
| Water: Consumption | | - | - | - | - | - | - | - | - | - | - |
| Sanitation | | - | - | - | - | - | - | - | - | - | - |
| Refuse removal | | 141.69 | 142.37 | 149.20 | 157.11 | 157.11 | 157.11 | 4.9% | 164.81 | 166.45 | 168.10 |
| Other | | - | - | - | - | - | - | - | - | - | - |
| sub-total | | 1,594.55 | 1,624.70 | 1,744.88 | 1,897.30 | 1,897.30 | 1,897.30 | 9.5% | 2,076.69 | 2,097.46 | 2,118.22 |
| VAT on Services | | - | - | - | - | - | - | - | - | - | - |
| Total small household bill: | | 1,594.55 | 1,624.70 | 1,744.88 | 1,897.30 | 1,897.30 | 1,897.30 | 9.5% | 2,076.69 | 2,097.46 | 2,118.22 |
| % increase/-decrease | | 7.9% | 1.9% | 7.4% | 8.7% | 8.7% | 8.7% | 8.2% | 9.5% | 1.0% | 1.0% |
| 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 2024/25 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 a surplus of **R112 thousand** as per requirement of MFMA Circular No.126 for 2024/25 financial year. However, it should be noted that there is a year-on-year increase over MTREF of R3.6 million.

The following table is a high-level summary of the 2024/25 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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Expenditure | | | | | | | | | | |
| Employee related costs | 2 | 109,396 | 107,713 | 116,754 | 141,420 | 141,420 | 141,420 | 152,543 | 153,638 | 154,713 |
| Remuneration of councillors | | 13,528 | 13,798 | 14,325 | 15,460 | 15,460 | 15,460 | 16,388 | 16,879 | 17,217 |
| Bulk purchases - electricity | 2 | 28,816 | 36,575 | 45,293 | 43,603 | 51,864 | 51,864 | 60,006 | 61,667 | 63,349 |
| Inventory consumed | 8 | 2,139 | 1,424 | 4,371 | 7,411 | 3,458 | 3,458 | 4,390 | 4,727 | 4,793 |
| Debt impairment | 3 | - | - | - | 37,303 | 37,303 | 37,303 | 30,261 | 30,463 | 30,416 |
| Depreciation and amortisation | | 31,848 | 35,256 | 32,437 | 35,534 | 35,534 | 35,534 | 37,856 | 38,992 | 39,772 |
| Interest | | 332 | 58 | 325 | 100 | 3,300 | 3,300 | 3,300 | 3,452 | 3,611 |
| Contracted services | | 47,869 | 52,049 | 62,194 | 64,092 | 84,884 | 84,884 | 75,476 | 74,826 | 78,564 |
| Transfers and subsidies | | 1,557 | - | - | - | - | - | - | - | - |
| Irrecoverable debts written off | | 34,245 | 20,430 | 15,022 | 7,500 | 7,500 | 7,500 | 6,261 | 6,323 | 6,387 |
| Operational costs | | 29,408 | 39,346 | 43,611 | 48,198 | 56,155 | 56,155 | 54,947 | 58,868 | 61,975 |
| Losses on disposal of Assets | | 1,501 | 732 | 6,080 | 1,500 | 1,500 | 1,500 | - | - | - |
| Other Losses | | 35 | 176 | 61 | - | - | - | - | - | - |
| Total Expenditure | | 300,674 | 307,556 | 340,473 | 402,121 | 438,379 | 438,379 | 441,428 | 449,836 | 460,796 |

The budgeted allocation for employee related costs and remuneration of Councilors for the 2024/25 financial year totals R168.9 million, which equals 38.3 per cent of the total operating expenditure. An annual increase of 0.9 and 0.8 per cent has been included in the two outer years of the MTREF.

Employee-related costs increased from R141.4 million to R152.5 million which reflects an increase of 7.9 percent. As part of the planning assumptions and interventions, increase has taken into consideration the status of current positions filled and an increase in 6.0 per cent as per the proposed salary increase.

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to consider their financial sustainability when considering salary increases.

The proposed increase will be revised during final budget once the new salary and wage collective agreement has passed through the negotiation stage, as at to align with Bargaining Council.

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.

Furthermore, employee related costs budget has included wages for EPWP wages of R1.8 million as per DORA allocation, further to that the municipality has co-funded these wages with budget of R1.2 million based on beneficiaries who have been registered on this program for 2024/25 financial year. However, it should be noted that EPWP allocation has been reduced with R595 thousand for next financial year.

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 345 to 371 with 26 prioritized positions for this current financial year.

Increase in employee related costs for 6 senior managers have increase 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. 42024 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 38.3 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 R15.5 million to R16.4 million which reflects an increase of 6 per cent which is not aligned with CPI. Increase in remuneration of Councilors has considered the current year's performance as per Adjustment budget 2023/24. 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.

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 15.1 per cent as proposed by NERSA as per guideline from MFMA Circular No.128. However, it should be noted that this increase will be revised during final budget once electricity guideline has been issued by NERSA.

Bulk purchases have increased from 51.9 million to 60.6 million in 2024/25, which is due to proposed increase of 15.1 per cent, increase has also considered the actual consumption by Umngeni for implementation of water works and the level of demand noted during 2023/24 financial year. Further to that this item is tax levied at 15 per cent of R9.0 million.

Umngeni Water Plant. The plant increased its water generating capacity to circumvent the Hezelmere Dam shortfalls which came as a result of the KZN April 2022 and 2023 floods which resulted in a serious destruction of the Bulk Water Infrastructure particularly in Ethekewini and the Southern part of KwaDukuza. As expected, the increase in the demand for the generation and subsequent transmission resulted in a rapid increase of electricity consumption. Consequently, the Municipal Electricity Revenue then followed the same upsurge resulting in the over performance of the initially recognized budget.

Inventory Consumed: For 2024/25 the appropriation against this group of expenditure has allocated budget of R4.4 million and continues to grow by 9.2 per cent for the two outer years of which budget allocation is in excess of R4.8 million by 2025/26.

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

Debt Impairment: For the 2024/25 financial year amounts to R30.3 million and increases to R30.4 million by 2026/27. While this expenditure is a non-cash flow item it forms part of the total cost associated with the operational expenditure. The municipality notes increasing debtor's book and majority of the debt is as a result of residential households, budget allocated has considered the provision anticipated that it will not be collected based on previous year's audited AFS.

Debt Impairment has decreased from R37.3 million to R30.3 million with a decrease of 18.9 per cent. Reduction in Provision for debt impairment has also considered the reversal of impairment loss when irrecoverable debt is being written off as per guideline of MFMA Circular No.126. Budget allocated for Irrecoverable debt written off of R6.3 million has been reversed as part of impairment loss.

Any write off of irrecoverable debt previously impaired and accounted for as an impairment loss should be adjusted as a reversal of impairment loss when the write-off takes place. Failure to adjust the previous impairment loss by the reversal will impact negatively on the net receivables and therefore the funding of the budget. The receivables will be reduced by the amount of the debt written off whilst still providing for the impairment of the receivables already written off.

Reversal of Impairment loss – used to facilitate the reversal of overstated impairment losses. Any decrease in impairment is accounted for per debt type. This is treated as a gain in the Statement of Financial Performance.

Revenue Forgone have increased to R13.4 million.

Provision for debt impairment has constantly increased over the years as a result of the entrenched culture of nonpayment for services by the Township Consumers where we don't have a leverage. We have had several campaigns aimed at rehabilitating the debtor, but the overall Economic impact of the area has a negative effect in our collectability ratio. It's worth noting that the Township is populated by migrant labors so as they reach the retirement age they migrate back to their Rural Homesteads, leaving their houses with tenants or sell in the black market without following the proper property sale's procedure. This phenomenon then results to Municipal Financial System having the owner that appears in the deeds office as the account holder where else the property in reality is now owned by a different person. Expectedly we therefore dispatch a wrong Municipal Account to a wrong consumer.

The current outreach programme has since seen an increase on 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.

Provision for depreciation and asset impairment: has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R37.9 million for the 2024/25 financial and equates to 8.6 per cent of the total operating expenditure. The implementation of GRAP 17 accounting standard has also been considered in determining 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 R37.9 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.

Interest: Currently the municipality does not have and finance leases as the previous agreement came to an end. Budget allocated for R3.1 million which has considered any interest that is charged by Eskom for late payment which forms part of fruitless and wasteful expenditure and Interest Cost from Employee Benefit obligations.

However, the municipality has been engaging Eskom in relation to these interest as the municipality always ensures that payment is paid timeously.

Contracted Services for 2024/25 the appropriation against this group of expenditure has been decreased by 11.1 per cent (R75.5 million) and increases to 4.1 for the two outer years of which budget allocation is in excess of R78.6 million by 2026/27.

As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2024/25 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 2024/2025 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.

Contracted Services budget has also considered budget for INEP of R9.2 million for 2024/25 and R9.1 million for 2026/27 financial which has been budgeted for under this item as per GRAP 11 guideline, since this item is treated as construction contract electrical.

During the compilation of the 2024/25 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 2024/25 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.

Further to that budget allocated for this item has considered the existing contracts the municipality has in placed which are outsourced.

| Contracted Service | Draft Adjustment 2023/24 | Draft Budget 2024/25 | % Increase /Decrease | Reason for movement |
|--|---------------------------------|-----------------------------|-----------------------------|--|
| Municipal Security Services & VIP Security | 11,834,496 | 11,304,347 | (4.5%) | Decrease is due to an annual increase of this service as per SLA and municipal plan to insource the VIP security which has been considered under budget for employee related costs |
| Catering | 4,310,305 | 3,844,570 | 10.8% | Decrease 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 | 3,000,000 | 3,000,000 | 0 | Budget has remained the same 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: | 4,660,710 | 7,615,132 | 63.4% | Increase is due to current year's performance and also considered expired contract and increased rate as per SLA |
| Transportation | 2,174,800 | 2,112,000 | (2.9%) | Decrease is due to planned programs and public participation events that affect community of which transport must be provided by the municipality. |
| Maintenance | 23,376,690 | 21,347,814 | (8.7%) | Decrease has been based on this current year's performance, further to that other portion of maintenance have been budgeted under inventory. |

Operational Cost: comprises of various line items relating to the daily operations of the municipality. Operational Cost has decreased from R56.2 million to R54.9 million with a decrease of 2.2 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 2024.

Furthermore, it should be noted that other expenditure exceeds the allocated norm of 10 per cent by 12.4 per cent, variance is due to critical operations by the municipality which needs to be prioritized as they contribute to improved service delivery such as fuel and oil, licensing of municipal fleet however this item will be regularly monitored so as to ensure realistic targets are met.

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.

| Other Expenditure | Draft Adjustment 2023/24 | Draft Budget 2024/25 | % Increase | Reason for movement |
|---------------------------------|--------------------------|----------------------|------------|--|
| Vehicle Tracking | 434 ,783 | 565,220 | 3% | Increase is due to an annual increase and consideration of additional number of vehicles to be procured next year. |
| Printing, Publication and Books | 924,431 | 965,511 | 4.4% | Increase is due to current years performance and estimated increase in the market. |
| Municipal services | 2,043,477 | 2,434,780 | 19.1% | Increase is due to current years performance which has also considered increase in tariffs for municipal services. |
| Travel and subsistence | 4.212,746 | 4,425,663 | 5.1%) | Increase is due to performance noted in this current year and consideration of cost containment measures. |

| | | | | |
|---------------|-----------|-----------|--------|---|
| All Licensing | 6,837,063 | 6,595,646 | (3.5%) | Decrease has considered the number of vehicles that are renewed annually. |
|---------------|-----------|-----------|--------|---|

The following table gives a breakdown of the main expenditure categories for the 2024/25 financial year.

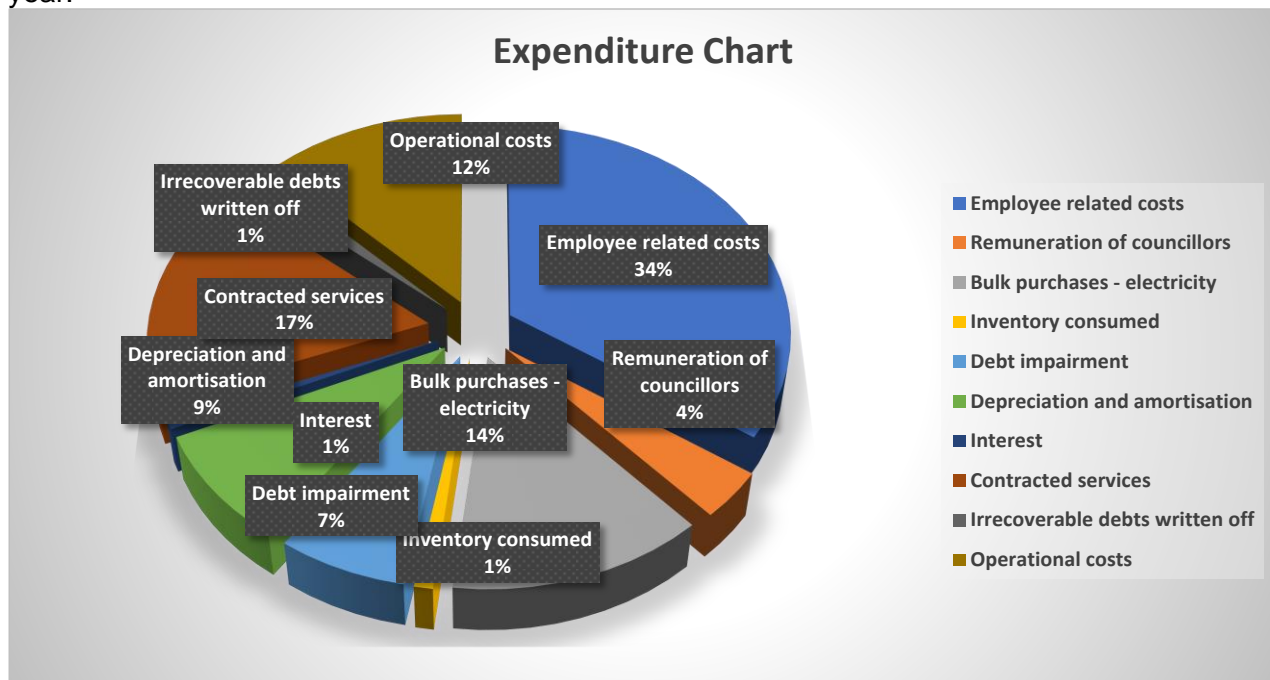


Figure 1 Main operational expenditure categories for the 2024/25 financial year

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 2024/25 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:

During the compilation of the 2024/25 MTREF operational repairs and maintenance were identified as a strategic imperative owing to the aging of the municipality’s infrastructure.

Budget allocated for repairs and maintenance in 2024/25 is R24.7 million and increases to R26.6 million in 2026/27 financial year. Budget for repairs and maintenance has increased by 0.2 per cent when comparing to 2023/24 Adjusted Budget.

The increased budget against Repairs and maintenance is part of the municipality's strategy to ensure the management of its asset base and was informed by the Repairs and maintenance plan which will ensure the ongoing health of the municipal asset. Budget allocated will be monitored during the financial year.

The repairs & Maintenance budget represents 12.2 per cent of the Property, Plant and Equipment value of R644,1 million which is above the National Treasury MFMA Circular No.55 guideline of 8 percent.

Table 9 Operational repairs and maintenance

| KZN291 Mandeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class | | | | | | | | | | |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Re | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | 1 | | | | | | | | | |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 9,204 | 13,024 | 13,528 | 12,691 | 16,778 | 16,778 | 17,200 | 17,991 | 18,819 |
| Roads Infrastructure | | 4,731 | 4,612 | 7,600 | 5,522 | 6,261 | 6,261 | 7,678 | 8,031 | 8,401 |
| Roads | | 4,464 | 4,585 | 7,470 | 5,130 | 5,870 | 5,870 | 7,070 | 7,395 | 7,735 |
| Road Structures | | 241 | 28 | 59 | 261 | 261 | 261 | 435 | 455 | 476 |
| Road Furniture | | 26 | — | 70 | 130 | 130 | 130 | 174 | 182 | 190 |
| Capital Spares | | — | — | — | — | — | — | — | — | — |
| Storm water Infrastructure | | 751 | 506 | 627 | 1,087 | 3,435 | 3,435 | 2,870 | 3,002 | 3,140 |
| Drainage Collection | | 653 | 506 | 627 | 1,087 | 3,435 | 3,435 | 2,870 | 3,002 | 3,140 |
| Storm water Conveyance | | 98 | — | — | — | — | — | — | — | — |
| Attenuation | | — | — | — | — | — | — | — | — | — |
| Electrical Infrastructure | | 1,279 | 2,271 | 1,196 | 2,778 | 3,083 | 3,083 | 2,565 | 2,683 | 2,807 |
| Power Plants | | 27 | 99 | 93 | 61 | 61 | 61 | 43 | 45 | 48 |
| HV Substations | | — | — | — | — | — | — | — | — | — |
| HV Switching Station | | — | — | — | — | — | — | — | — | — |
| HV Transmission Conductors | | 41 | 268 | — | 1,304 | 1,304 | 1,304 | 739 | 773 | 809 |
| MV Substations | | 7 | 20 | 9 | 65 | 65 | 65 | 43 | 45 | 48 |
| MV Switching Stations | | — | — | — | — | — | — | — | — | — |
| MV Networks | | 27 | 85 | 58 | 87 | 87 | 87 | 130 | 136 | 143 |
| LV Networks | | 310 | 463 | 332 | 609 | 696 | 696 | 739 | 773 | 809 |
| Capital Spares | | 868 | 1,336 | 704 | 652 | 870 | 870 | 870 | 910 | 951 |
| Solid Waste Infrastructure | | 2,220 | 2,632 | 3,059 | 2,696 | 3,261 | 3,261 | 3,391 | 3,547 | 3,710 |
| Landfill Sites | | — | — | — | — | — | — | — | — | — |
| Waste Transfer Stations | | — | — | — | — | — | — | — | — | — |
| Waste Processing Facilities | | 2,220 | 2,632 | 3,059 | 2,696 | 3,261 | 3,261 | 3,391 | 3,547 | 3,710 |
| Waste Drop-off Points | | — | — | — | — | — | — | — | — | — |
| Waste Separation Facilities | | — | — | — | — | — | — | — | — | — |
| Electricity Generation Facilities | | — | — | — | — | — | — | — | — | — |
| Capital Spares | | — | — | — | — | — | — | — | — | — |
| Information and Communication Infra | | 223 | 3,002 | 1,046 | 609 | 739 | 739 | 696 | 728 | 761 |
| Data Centres | | — | — | — | — | — | — | — | — | — |
| Core Layers | | 223 | 3,002 | 1,046 | 609 | 739 | 739 | 696 | 728 | 761 |
| Distribution Layers | | — | — | — | — | — | — | — | — | — |
| Capital Spares | | — | — | — | — | — | — | — | — | — |
| Community Assets | | 1,656 | 1,022 | 1,089 | 2,007 | 2,920 | 2,920 | 2,148 | 2,247 | 2,350 |
| Community Facilities | | 1,118 | 169 | 52 | 816 | 1,077 | 1,077 | 174 | 182 | 190 |
| Halls | | — | — | — | 120 | 120 | 120 | — | — | — |
| Centres | | 816 | — | — | — | — | — | — | — | — |
| Theatres | | — | — | — | — | — | — | — | — | — |
| Libraries | | 213 | 169 | 3 | — | — | — | — | — | — |
| Cemeteries/Crematoria | | — | — | — | — | — | — | — | — | — |
| Police | | — | — | — | — | — | — | — | — | — |
| Parks | | 89 | — | 49 | 174 | 174 | 174 | 174 | 182 | 190 |
| Public Open Space | | — | — | — | — | — | — | — | — | — |
| Nature Reserves | | — | — | — | — | — | — | — | — | — |
| Public Ablution Facilities | | — | — | — | — | — | — | — | — | — |
| Markets | | — | — | — | — | — | — | — | — | — |
| Stalls | | — | — | — | 522 | 783 | 783 | — | — | — |
| Capital Spares | | — | — | — | — | — | — | — | — | — |
| Sport and Recreation Facilities | | 538 | 853 | 1,036 | 1,191 | 1,843 | 1,843 | 1,974 | 2,065 | 2,160 |
| Indoor Facilities | | — | — | — | — | — | — | — | — | — |
| Outdoor Facilities | | 538 | 853 | 1,036 | 1,191 | 1,843 | 1,843 | 1,974 | 2,065 | 2,160 |
| Capital Spares | | — | — | — | — | — | — | — | — | — |
| Other assets | | 407 | 139 | 91 | 70 | 40 | 40 | — | — | — |
| Operational Buildings | | 407 | 139 | 91 | 70 | 40 | 40 | — | — | — |
| Municipal Offices | | 407 | 139 | 91 | 70 | 40 | 40 | — | — | — |
| Pay/Enquiry Points | | — | — | — | — | — | — | — | — | — |
| Building Plan Offices | | — | — | — | — | — | — | — | — | — |
| Workshops | | — | — | — | — | — | — | — | — | — |
| Computer Equipment | | 0 | — | — | 348 | 348 | 348 | 348 | 364 | 381 |
| Computer Equipment | | 0 | — | — | 348 | 348 | 348 | 348 | 364 | 381 |
| Furniture and Office Equipment | | 99 | — | — | — | — | — | — | — | — |
| Furniture and Office Equipment | | 99 | — | — | — | — | — | — | — | — |
| Machinery and Equipment | | 10,044 | 4,135 | 3,970 | 4,826 | 4,609 | 4,609 | 5,043 | 4,775 | 5,018 |
| Machinery and Equipment | | 10,044 | 4,135 | 3,970 | 4,826 | 4,609 | 4,609 | 5,043 | 4,775 | 5,018 |
| Transport Assets | | — | — | — | — | — | — | — | — | — |
| Transport Assets | | — | — | — | — | — | — | — | — | — |
| Total Repairs and Maintenance E | 1 | 21,410 | 18,320 | 18,677 | 19,942 | 24,695 | 24,695 | 24,739 | 25,377 | 26,567 |
| R&M as a % of PPE & Investment P | | 4.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| R&M as % Operating Expenditure | | 7.1% | 6.0% | 5.5% | 5.0% | 5.6% | 5.6% | 9.5% | 5.7% | 5.9% |

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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| EXPENDITURE OTHER ITEMS | | 50,811 | 50,046 | 48,739 | 55,477 | 60,229 | 60,229 | 62,595 | 64,369 | 66,339 |
| Depreciation | 7 | 29,402 | 31,726 | 30,063 | 35,534 | 35,534 | 35,534 | 37,856 | 38,992 | 39,772 |
| Repairs and Maintenance by Asset Class | 3 | 21,410 | 18,320 | 18,677 | 19,942 | 24,695 | 24,695 | 24,739 | 25,377 | 26,567 |
| <i>Roads Infrastructure</i> | | 4,731 | 4,612 | 7,600 | 5,522 | 6,261 | 6,261 | 7,678 | 8,031 | 8,401 |
| <i>Storm water Infrastructure</i> | | 751 | 506 | 627 | 1,087 | 3,435 | 3,435 | 2,870 | 3,002 | 3,140 |
| <i>Electrical Infrastructure</i> | | 1,279 | 2,271 | 1,196 | 2,778 | 3,083 | 3,083 | 2,565 | 2,683 | 2,807 |
| <i>Water Supply Infrastructure</i> | | - | - | - | - | - | - | - | - | - |
| <i>Sanitation Infrastructure</i> | | - | - | - | - | - | - | - | - | - |
| <i>Solid Waste Infrastructure</i> | | 2,220 | 2,632 | 3,059 | 2,696 | 3,261 | 3,261 | 3,391 | 3,547 | 3,710 |
| <i>Rail Infrastructure</i> | | - | - | - | - | - | - | - | - | - |
| <i>Coastal Infrastructure</i> | | - | - | - | - | - | - | - | - | - |
| <i>Information and Communication Infrastru</i> | | 223 | 3,002 | 1,046 | 609 | 739 | 739 | 696 | 728 | 761 |
| Infrastructure | | 9,204 | 13,024 | 13,528 | 12,691 | 16,778 | 16,778 | 17,200 | 17,991 | 18,819 |
| Community Facilities | | 1,118 | 169 | 52 | 816 | 1,077 | 1,077 | 174 | 182 | 190 |
| Sport and Recreation Facilities | | 538 | 853 | 1,036 | 1,191 | 1,843 | 1,843 | 1,974 | 2,065 | 2,160 |
| Community Assets | | 1,656 | 1,022 | 1,089 | 2,007 | 2,920 | 2,920 | 2,148 | 2,247 | 2,350 |
| Heritage Assets | | - | - | - | - | - | - | - | - | - |
| Revenue Generating | | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Operational Buildings | | 407 | 139 | 91 | 70 | 40 | 40 | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Other Assets | | 407 | 139 | 91 | 70 | 40 | 40 | - | - | - |
| Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - |
| Servitudes | | - | - | - | - | - | - | - | - | - |
| Licences and Rights | | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | 0 | - | - | 348 | 348 | 348 | 348 | 364 | 381 |
| Furniture and Office Equipment | | 99 | - | - | - | - | - | - | - | - |
| Machinery and Equipment | | 10,044 | 4,135 | 3,970 | 4,826 | 4,609 | 4,609 | 5,043 | 4,775 | 5,018 |
| Transport Assets | | - | - | - | - | - | - | - | - | - |
| Land | | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| <i>Mature</i> | | - | - | - | - | - | - | - | - | - |
| <i>Immature</i> | | - | - | - | - | - | - | - | - | - |
| Living Resources | | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURE OTHER ITEMS | | 50,811 | 50,046 | 48,739 | 55,477 | 60,229 | 60,229 | 62,595 | 64,369 | 66,339 |
| <i>Renewal and upgrading of Existing Assets</i> | | 86.2% | 85.9% | 85.5% | 59.3% | 58.1% | 58.1% | 54.8% | 0.0% | 0.0% |
| <i>Renewal and upgrading of Existing Assets</i> | | 798.9% | 820.4% | 1069.8% | 240.2% | 228.5% | 228.5% | 150.8% | 0.0% | 0.0% |
| <i>R&M as a % of PPE & Investment Property</i> | | 4.0% | 3.5% | 3.1% | 2.7% | 3.5% | 3.5% | 3.7% | 3.8% | 4.1% |
| <i>Renewal and upgrading and R&M as a % of</i> | | 47.5% | 52.9% | 56.5% | 14.2% | 15.0% | 15.0% | 12.2% | 3.8% | 4.1% |

For the 2024/25 financial year 69.5 per cent or R17.2 million of total repairs and maintenance will be spent on infrastructure assets. Machinery & equipment have been allocated R5.0 million of total repairs and maintenance equating to 20.4 per cent, Community assets have been allocated R2.1 million of total repairs and maintenance equating to 8.7 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 299 or more indigent households during the 2024/25 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 2024/25 Medium-term capital budget per vote

| KZN291 Mandeni -A5 CAPITAL BUDGET | | | | | | | | | |
|---|----|----------------------|---------------|---|---------------|------------------------|---------------|------------------------|---------------|
| Vote Description | Re | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | | | | |
| | | Adjusted Budget | % | Budget Year 2024/25 | % | Budget Year +1 2025/26 | % | Budget Year +2 2026/27 | % |
| R thousand | 1 | | | | | | | | |
| Funded by: | | | | | | | | | |
| National Government | | 51,837 | 0.37 | 33,963 | 32.62 | – | | – | |
| Provincial Government | | 591 | 0.00 | 739 | 0.71 | – | | – | |
| District Municipality | | – | – | – | | – | | – | |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public | | – | – | – | | – | | – | |
| Transfers recognised - capital | 4 | 52,428 | 37.51 | 34,702 | 33.33 | – | – | – | |
| Borrowing | 6 | – | – | – | | – | | – | |
| Internally generated funds | | 87,356 | 0.62 | 69,420 | 66.67 | 34,609 | 100.00 | 15,000 | 100.00 |
| Total Capital Funding | 7 | 139,784 | 100.00 | 104,122 | 100.00 | 34,609 | 100.00 | 15,000 | 100.00 |

For 2024/25 an amount of R62.1 million has been appropriated for the development of infrastructure which represents 59.7 per cent of the total capital budget which is the highest allocation toward capital expenditure.

Community assets have been allocated R15.9 which represents 15.3 per cent.

Other Assets have been allocated budget of R9.7 million appropriated at 9.4 per cent.

Transport, Machinery, Computer Furniture and Office equipment have been allocated R16.3 which represent 15.7 per cent.

Total new assets represent 45.2 per cent or R47.0 million of the total capital budgets while renewal of existing assets represents 21.3 per cent or R22.2 million and upgrading of existing assets equates to 33.5 per cent or R34.9 million.

Capital budget funded from grants through National Government equates to R33.9 million or 32.6 per cent. Budget allocated towards capital budget funded by MIG.

The National Grant has 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 R739 thousand which represents 0.7 per cent of total allocated grant.

Capital funded internally equates to 66.7 per cent or R69.4 million, which has been funded from cash backed reserves from the previous year. The municipality has prioritized a budget of R15.7 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 improving revenue collection upon completion and operation of the training center.

Further to that the municipality is planning to construct new office buildings which are still undergoing design stages for 2024/25 financial year.

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 2024/25 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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| R thousands | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Financial Performance | | | | | | | | | |
| Property rates | 35,167 | 33,913 | 50,660 | 59,329 | 59,329 | 59,329 | 62,237 | 65,099 | 69,094 |
| Service charges | 43,822 | 56,776 | 61,434 | 63,657 | 72,787 | 72,787 | 82,572 | 88,996 | 97,113 |
| Investment revenue | 7,470 | 10,694 | 20,010 | 10,500 | 23,500 | 23,500 | 26,500 | 28,295 | 29,714 |
| Transfer and subsidies - Operations | 210,180 | 220,162 | 223,107 | 241,975 | 242,152 | 242,152 | 253,163 | 252,337 | 246,760 |
| Other own revenue | 22,605 | 12,332 | 46,342 | 6,908 | 20,818 | 20,818 | 17,080 | 16,359 | 21,676 |
| Total Revenue (excluding capital) | 319,244 | 333,878 | 401,553 | 382,369 | 418,587 | 418,587 | 441,551 | 451,087 | 464,357 |
| Employee costs | 109,396 | 107,713 | 116,754 | 141,420 | 141,420 | 141,420 | 152,543 | 153,638 | 154,713 |
| Remuneration of councillors | 13,528 | 13,798 | 14,325 | 15,460 | 15,460 | 15,460 | 16,388 | 16,879 | 17,217 |
| Depreciation and amortisation | 31,848 | 35,256 | 32,437 | 35,534 | 35,534 | 35,534 | 37,856 | 38,992 | 39,772 |
| Interest | 332 | 58 | 325 | 100 | 3,300 | 3,300 | 3,300 | 3,452 | 3,611 |
| Inventory consumed and bulk purchase | 30,955 | 37,998 | 49,664 | 51,014 | 55,322 | 55,322 | 64,397 | 66,394 | 68,143 |
| Transfers and subsidies | 1,557 | - | - | - | - | - | - | - | - |
| Other expenditure | 113,058 | 112,733 | 126,968 | 158,592 | 187,342 | 187,342 | 166,945 | 170,481 | 177,341 |
| Total Expenditure | 300,674 | 307,556 | 340,473 | 402,121 | 438,379 | 438,379 | 441,428 | 449,836 | 460,796 |
| Surplus/(Deficit) | 18,570 | 26,321 | 61,080 | (19,752) | (19,792) | (19,792) | 122 | 1,251 | 3,560 |
| Transfers and subsidies - capital (monetary allocations) | 41,465 | 45,099 | 45,387 | 48,381 | 60,292 | 60,292 | 39,760 | 40,840 | 44,178 |
| Transfers and subsidies - capital | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 60,035 | 71,421 | 106,467 | 28,629 | 40,501 | 40,501 | 39,883 | 42,090 | 47,738 |
| Share of Surplus/Deficit attributable to Associate | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 60,035 | 71,421 | 106,467 | 28,629 | 40,501 | 40,501 | 39,883 | 42,090 | 47,738 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 17,990 | 30,411 | 73,316 | 143,945 | 139,784 | 139,784 | 104,122 | 34,609 | 15,000 |
| Transfers recognised - capital | 10,726 | 5,762 | 12,628 | 55,598 | 52,428 | 52,428 | 34,702 | - | - |
| Borrowing | - | - | 0 | - | - | - | - | - | - |
| Internally generated funds | 7,264 | 24,649 | 60,688 | 88,347 | 87,356 | 87,356 | 69,420 | 34,609 | 15,000 |
| Total sources of capital funds | 17,990 | 30,411 | 73,316 | 143,945 | 139,784 | 139,784 | 104,122 | 34,609 | 15,000 |
| Financial position | | | | | | | | | |
| Total current assets | 166,713 | 229,089 | 288,947 | 242,887 | 368,206 | 368,206 | 262,875 | 309,266 | 337,279 |
| Total non current assets | 540,732 | 527,428 | 602,748 | 740,801 | 704,758 | 704,758 | 668,754 | 670,122 | 651,623 |
| Total current liabilities | 69,629 | 49,822 | 78,293 | 71,097 | 89,003 | 89,003 | 49,893 | 47,069 | 49,726 |
| Total non current liabilities | 14,400 | 12,080 | 12,467 | 22,597 | 20,393 | 20,393 | 22,993 | 23,455 | 23,223 |
| Community wealth/Equity | 619,154 | 689,335 | 795,733 | 820,377 | 938,015 | 938,015 | 848,577 | 898,215 | 905,081 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 327,197 | 703,717 | 1,148,837 | (91,156) | (93,883) | (93,883) | 50,749 | 52,959 | 52,432 |
| Net cash from (used) investing | - | - | - | 165,536 | 160,666 | 160,666 | (119,740) | (39,800) | (17,250) |
| Net cash from (used) financing | - | - | - | - | - | - | 0 | 6 | 4 |
| Cash/cash equivalents at the year end | 327,197 | 703,717 | 1,148,837 | 74,381 | 66,784 | 66,784 | 114,433 | 127,599 | 162,785 |
| Cash backing/surplus reconciliation | | | | | | | | | |
| Cash and investments available | 182,020 | 208,167 | 254,613 | 116,789 | 143,413 | 143,413 | 110,668 | 164,825 | 188,477 |
| Application of cash and investments | 29,803 | 26,790 | 33,534 | 9,186 | 10,176 | 10,176 | (89,895) | (83,620) | (81,759) |
| Balance - surplus (shortfall) | 152,217 | 181,377 | 221,079 | 107,603 | 133,237 | 133,237 | 200,563 | 248,446 | 270,236 |
| Asset management | | | | | | | | | |
| Asset register summary (WDV) | 540,732 | 527,428 | 602,748 | 740,801 | 704,758 | 704,758 | 668,754 | 670,122 | 651,623 |
| Depreciation | 29,402 | 31,726 | 30,063 | 35,534 | 35,534 | 35,534 | 37,856 | 38,992 | 39,772 |
| Renewal and Upgrading of Existing | 234,880 | 260,270 | 321,620 | 85,356 | 81,194 | 81,194 | 22,174 | - | - |
| Repairs and Maintenance | 21,410 | 18,320 | 18,677 | 19,942 | 24,695 | 24,695 | 24,739 | 25,377 | 26,567 |
| Free services | | | | | | | | | |
| Cost of Free Basic Services provided | - | - | - | - | - | - | - | - | - |
| Revenue cost of free services provided | (7,415) | (6,725) | 1,599 | (13,038) | (13,038) | (13,038) | (15,014) | (15,704) | - |
| 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 places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the 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 2024/25, 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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Revenue - Functional | | | | | | | | | | |
| Governance and administration | 1 | 261,760 | 263,585 | 319,605 | 305,464 | 319,314 | 319,314 | 338,692 | 343,427 | 343,153 |
| Executive and council | | 45,336 | — | — | 7,806 | 7,806 | 7,806 | 8,038 | 8,356 | 8,700 |
| Finance and administration | | 216,424 | 263,585 | 319,605 | 297,658 | 311,508 | 311,508 | 330,654 | 335,071 | 334,453 |
| Internal audit | | — | — | — | — | — | — | — | — | — |
| Community and public safety | | 6,741 | 6,070 | 10,732 | 4,692 | 4,743 | 4,743 | 5,464 | 5,817 | 9,866 |
| Community and social services | | 6,740 | 4,421 | 5,497 | 4,692 | 4,743 | 4,743 | 5,073 | 5,408 | 5,585 |
| Sport and recreation | | — | 1,649 | 5,234 | — | — | — | — | — | — |
| Public safety | | 1 | — | — | — | — | — | 391 | 409 | 4,281 |
| Housing | | — | — | — | — | — | — | — | — | — |
| Health | | — | — | — | — | — | — | — | — | — |
| Economic and environmental serv | | 45,983 | 48,723 | 46,274 | 54,327 | 67,281 | 67,281 | 45,396 | 45,584 | 49,217 |
| Planning and development | | 44,903 | 46,731 | 44,726 | 49,857 | 47,398 | 47,398 | 41,542 | 43,451 | 46,986 |
| Road transport | | 1,080 | 1,992 | 1,548 | 4,470 | 19,883 | 19,883 | 3,854 | 2,133 | 2,231 |
| Environmental protection | | — | — | — | — | — | — | — | — | — |
| Trading services | | 46,224 | 60,598 | 70,329 | 66,266 | 87,542 | 87,542 | 91,758 | 97,098 | 106,299 |
| Energy sources | | 34,748 | 48,101 | 56,878 | 53,804 | 75,079 | 75,079 | 78,956 | 82,581 | 89,822 |
| Water management | | — | — | — | — | — | — | — | — | — |
| Waste water management | | — | — | — | — | — | — | — | — | — |
| Waste management | | 11,476 | 12,498 | 13,451 | 12,463 | 12,463 | 12,463 | 12,802 | 14,517 | 16,477 |
| Other | 4 | — | — | — | — | — | — | — | — | — |
| Total Revenue - Functional | 2 | 360,709 | 378,977 | 446,939 | 430,750 | 478,879 | 478,879 | 481,311 | 491,927 | 508,534 |
| Expenditure - Functional | | | | | | | | | | |
| Governance and administration | | 158,908 | 149,816 | 168,536 | 201,988 | 252,151 | 252,151 | 207,407 | 210,629 | 213,579 |
| Executive and council | | 38,779 | 43,153 | 54,325 | 62,711 | 64,591 | 64,591 | 66,011 | 69,150 | 71,933 |
| Finance and administration | | 120,129 | 106,663 | 114,211 | 139,277 | 187,560 | 187,560 | 141,395 | 141,479 | 141,645 |
| Internal audit | | — | — | — | — | — | — | — | — | — |
| Community and public safety | | 30,269 | 34,617 | 34,639 | 42,477 | 42,341 | 42,341 | 42,130 | 43,316 | 45,586 |
| Community and social services | | 19,635 | 22,685 | 26,279 | 31,792 | 31,347 | 31,347 | 30,181 | 31,050 | 32,384 |
| Sport and recreation | | 10,596 | 11,517 | 8,335 | 9,442 | 9,792 | 9,792 | 10,030 | 10,258 | 11,102 |
| Public safety | | 38 | 399 | — | 1,223 | 1,162 | 1,162 | 1,890 | 1,976 | 2,067 |
| Housing | | — | 16 | 24 | 20 | 40 | 40 | 30 | 31 | 33 |
| Health | | — | — | — | — | — | — | — | — | — |
| Economic and environmental serv | | 64,018 | 65,500 | 65,567 | 81,845 | 86,280 | 86,280 | 82,282 | 83,415 | 85,903 |
| Planning and development | | 16,252 | 15,904 | 19,166 | 22,164 | 23,161 | 23,161 | 25,666 | 24,480 | 25,492 |
| Road transport | | 44,542 | 46,432 | 43,242 | 55,750 | 59,187 | 59,187 | 52,553 | 54,685 | 55,966 |
| Environmental protection | | 3,225 | 3,164 | 3,159 | 3,931 | 3,931 | 3,931 | 4,063 | 4,250 | 4,445 |
| Trading services | | 47,513 | 57,799 | 71,791 | 75,761 | 98,107 | 98,107 | 108,602 | 111,410 | 114,636 |
| Energy sources | | 36,875 | 47,695 | 60,265 | 55,216 | 76,369 | 76,369 | 77,849 | 78,862 | 82,062 |
| Water management | | — | — | — | — | — | — | — | — | — |
| Waste water management | | 853 | — | 2,487 | 2,948 | 2,948 | 2,948 | 2,802 | 2,886 | 2,944 |
| Waste management | | 9,785 | 10,105 | 9,039 | 17,597 | 18,790 | 18,790 | 27,950 | 29,662 | 29,630 |
| Other | 4 | — | — | — | 50 | — | — | 441 | 457 | 473 |
| Total Expenditure - Functional | 3 | 300,709 | 307,732 | 340,534 | 402,121 | 478,879 | 478,879 | 440,862 | 449,226 | 460,178 |
| Surplus/(Deficit) for the year | | 60,000 | 71,244 | 106,406 | 28,629 | — | — | 40,449 | 42,700 | 48,357 |

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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - Executive and council | | 45,336 | – | – | 7,806 | 7,806 | 7,806 | 8,038 | 8,356 | 8,700 |
| Vote 2 - Finance and administration | | 216,424 | 263,585 | 319,605 | 297,658 | 311,508 | 311,508 | 330,654 | 335,071 | 334,453 |
| Vote 3 - Internal audit | | – | – | – | – | – | – | – | – | – |
| Vote 4 - Community and social services | | 6,740 | 4,421 | 5,497 | 4,692 | 4,743 | 4,743 | 5,464 | 5,817 | 9,866 |
| Vote 5 - Sport and Recreation | | – | 1,649 | 5,234 | – | – | – | – | – | – |
| Vote 6 - Public safety | | 1 | – | – | – | – | – | – | – | – |
| Vote 7 - Housing | | – | – | – | – | – | – | – | – | – |
| Vote 8 - Planning and Development | | 44,903 | 46,731 | 44,726 | 49,857 | 47,398 | 47,398 | 41,542 | 43,451 | 46,986 |
| Vote 9 - Road transport | | 1,080 | 1,992 | 1,548 | 4,470 | 19,883 | 19,883 | 3,854 | 2,133 | 2,231 |
| Vote 10 - Energy sources | | 34,748 | 48,101 | 56,878 | 53,804 | 75,079 | 75,079 | 78,956 | 82,581 | 89,822 |
| Vote 11 - Waste Management | | 11,476 | 12,498 | 13,451 | 12,463 | 12,463 | 12,463 | 12,802 | 14,517 | 16,477 |
| Vote 12 - [NAME OF VOTE 1210] | | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – |
| Total Revenue by Vote | 2 | 360,709 | 378,977 | 446,939 | 430,750 | 478,879 | 478,879 | 481,311 | 491,927 | 508,534 |
| Expenditure by Vote to be approved | 1 | | | | | | | | | |
| Vote 1 - Executive and council | | 38,779 | 43,153 | 54,325 | 62,711 | 64,591 | 64,591 | 66,011 | 69,150 | 71,933 |
| Vote 2 - Finance and administration | | 120,129 | 106,663 | 114,211 | 139,277 | 187,560 | 187,560 | 141,395 | 141,479 | 141,645 |
| Vote 3 - Internal audit | | – | – | – | – | – | – | – | – | – |
| Vote 4 - Community and social services | | 19,635 | 22,685 | 26,279 | 31,792 | 31,347 | 31,347 | 30,181 | 31,050 | 32,384 |
| Vote 5 - Sport and Recreation | | 10,596 | 11,517 | 8,335 | 9,442 | 9,792 | 9,792 | 10,030 | 10,258 | 11,102 |
| Vote 6 - Public safety | | 38 | 399 | – | 1,223 | 1,162 | 1,162 | 1,890 | 1,976 | 2,067 |
| Vote 7 - Housing | | – | 16 | 24 | 20 | 40 | 40 | 30 | 31 | 33 |
| Vote 8 - Planning and Development | | 16,252 | 15,904 | 19,166 | 22,214 | 23,161 | 23,161 | 26,107 | 24,937 | 25,965 |
| Vote 9 - Road transport | | 45,395 | 46,432 | 45,730 | 58,698 | 62,136 | 62,136 | 55,356 | 57,571 | 58,910 |
| Vote 10 - Energy sources | | 36,875 | 47,695 | 60,265 | 55,216 | 76,369 | 76,369 | 77,849 | 78,862 | 82,062 |
| Vote 11 - Waste Management | | 9,785 | 10,105 | 9,039 | 17,597 | 18,790 | 18,790 | 27,950 | 29,662 | 29,630 |
| Vote 12 - [NAME OF VOTE 1210] | | 3,225 | 3,164 | 3,159 | 3,931 | 3,931 | 3,931 | 4,063 | 4,250 | 4,445 |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – |
| Total Expenditure by Vote | 2 | 300,709 | 307,732 | 340,534 | 402,121 | 478,879 | 478,879 | 440,862 | 449,226 | 460,178 |
| Surplus/(Deficit) for the year | 2 | 60,000 | 71,244 | 106,406 | 28,629 | – | – | 40,449 | 42,700 | 48,357 |

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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome |
| R thousand | 1 | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | |
| Service charges - Electricity | 2 | 34,672 | 45,958 | 49,864 | 52,613 | 61,743 | 61,743 | 41,914 | 69,770 | 74,479 | 80,636 |
| Service charges - Water | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Water M | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Manage | 2 | 9,150 | 10,818 | 11,570 | 11,044 | 11,044 | 11,044 | 8,276 | 12,802 | 14,517 | 16,477 |
| Sale of Goods and Rendering of | | 631 | 2,586 | 7,854 | 618 | 12,862 | 12,862 | 482 | 9,474 | 8,405 | 13,354 |
| Agency services | | - | - | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 805 | 1,059 | 1,229 | 918 | 918 | 918 | 441 | 963 | 1,007 | 1,053 |
| Interest earned from Current and | | 7,470 | 10,694 | 20,010 | 10,500 | 23,500 | 23,500 | 18,673 | 26,500 | 28,295 | 29,714 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Rent on Land | | 232 | 175 | 106 | - | - | - | - | - | - | - |
| Rental from Fixed Assets | | 101 | 150 | 248 | 192 | 242 | 242 | 208 | 374 | 391 | 409 |
| Licence and permits | | 22 | 9 | 22 | - | - | - | 8 | - | - | - |
| Operational Revenue | | 515 | 465 | 2,548 | 396 | 2,012 | 2,012 | 1,476 | 1,200 | 1,254 | 1,313 |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | 2 | 35,167 | 33,913 | 50,660 | 59,329 | 59,329 | 59,329 | 41,517 | 62,237 | 65,099 | 69,094 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 281 | 1,202 | 1,002 | 1,210 | 1,210 | 1,210 | 237 | 1,310 | 1,371 | 1,434 |
| Licences or permits | | 778 | 782 | 525 | 737 | 737 | 737 | 694 | 783 | 819 | 856 |
| Transfer and subsidies - Operatic | | 210,180 | 220,162 | 223,107 | 241,975 | 242,152 | 242,152 | 179,590 | 253,163 | 252,337 | 246,760 |
| Interest | | 3,279 | 2,329 | 2,628 | 2,837 | 2,837 | 2,837 | 2,450 | 2,976 | 3,113 | 3,256 |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | - | - | - | - | - | - | - | - | - | - |
| Other Gains | | 15,961 | 3,577 | 30,181 | - | - | - | - | - | - | - |
| Discontinued Operations | | | | | | | | | | | |
| Total Revenue (excluding capital | | 319,244 | 333,878 | 401,553 | 382,369 | 418,587 | 418,587 | 295,967 | 441,551 | 451,087 | 464,357 |
| Expenditure | | | | | | | | | | | |
| Employee related costs | 2 | 109,396 | 107,713 | 116,754 | 141,420 | 141,420 | 141,420 | 82,107 | 152,543 | 153,638 | 154,713 |
| Remuneration of councillors | | 13,528 | 13,798 | 14,325 | 15,460 | 15,460 | 15,460 | 9,709 | 16,388 | 16,879 | 17,217 |
| Bulk purchases - electricity | 2 | 28,816 | 36,575 | 45,293 | 43,603 | 51,864 | 51,864 | 35,992 | 60,006 | 61,667 | 63,349 |
| Inventory consumed | 8 | 2,139 | 1,424 | 4,371 | 7,411 | 3,458 | 3,458 | 1,690 | 4,390 | 4,727 | 4,793 |
| Debt impairment | 3 | - | - | - | 37,303 | 37,303 | 37,303 | 18,652 | 30,261 | 30,463 | 30,416 |
| Depreciation and amortisation | | 31,848 | 35,256 | 32,437 | 35,534 | 35,534 | 35,534 | 21,914 | 37,856 | 38,992 | 39,772 |
| Interest | | 332 | 58 | 325 | 100 | 3,300 | 3,300 | 33 | 3,300 | 3,452 | 3,611 |
| Contracted services | | 47,869 | 52,049 | 62,194 | 64,092 | 84,884 | 84,884 | 43,751 | 75,476 | 74,826 | 78,564 |
| Transfers and subsidies | | 1,557 | - | - | - | - | - | - | - | - | - |
| Irrecoverable debts written off | | 34,245 | 20,430 | 15,022 | 7,500 | 7,500 | 7,500 | 3,750 | 6,261 | 6,323 | 6,387 |
| Operational costs | | 29,408 | 39,346 | 43,611 | 48,198 | 56,155 | 56,155 | 42,807 | 54,947 | 58,868 | 61,975 |
| Losses on disposal of Assets | | 1,501 | 732 | 6,080 | 1,500 | 1,500 | 1,500 | - | - | - | - |
| Other Losses | | 35 | 176 | 61 | - | - | - | 173 | - | - | - |
| Total Expenditure | | 300,674 | 307,556 | 340,473 | 402,121 | 438,379 | 438,379 | 260,576 | 441,428 | 449,836 | 460,796 |
| Surplus/(Deficit) | | 18,570 | 26,321 | 61,080 | (19,752) | (19,792) | (19,792) | 35,391 | 122 | 1,251 | 3,561 |
| Transfers and subsidies - capital | 6 | 41,465 | 45,099 | 45,387 | 48,381 | 60,292 | 60,292 | 29,431 | 39,760 | 40,840 | 44,178 |
| Transfers and subsidies - capital | 6 | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital | | 60,035 | 71,421 | 106,467 | 28,629 | 40,501 | 40,501 | 64,822 | 39,883 | 42,090 | 47,739 |
| transfers & contributions | | | | | | | | | | | |
| Income Tax | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after income | | 60,035 | 71,421 | 106,467 | 28,629 | 40,501 | 40,501 | 64,822 | 39,883 | 42,090 | 47,739 |
| Share of Surplus/Deficit attributable t | | - | - | - | - | - | - | - | - | - | - |
| Share of Surplus/Deficit attributable t | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to | | 60,035 | 71,421 | 106,467 | 28,629 | 40,501 | 40,501 | 64,822 | 39,883 | 42,090 | 47,739 |
| municipality | | | | | | | | | | | |
| Share of Surplus/Deficit attributable | 7 | - | - | - | - | - | - | - | - | - | - |
| Intercompany/Parent subsidiary trans | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 1 | 60,035 | 71,421 | 106,467 | 28,629 | 40,501 | 40,501 | 64,822 | 39,883 | 42,090 | 47,739 |

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

Total revenue is R441.5 million in 2024/25 and escalates to R460.8 million by 2025/26. This represents a year-on-year increase of 7 per cent for the 2024/25 financial year and 4.4 per cent for the 2025/26 financial year.

Revenue to be generated from property rates is 62.2 million in the 2024/25 financial year and increases to R69.0 million by 2025/26 which represents 11.0 per cent of the operating revenue base of the Municipality. Increase in property rates has considered the increase in other tariffs by 4.9 per cent.

Services charges relating to electricity and refuse removal constitutes the component of the revenue basket of the Municipality totaling R82.6 million for the 2024/25 financial year and increasing to R71.1 million by 2025/26. For the 2024/25 financial year services charges amount to 13.4 per cent of the total revenue base and grows by 17.6 per cent per annum over the medium-term. This growth has mainly been attributed by effecting 12.7 per cent increase for electricity and 4.9 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 2024/25 financial year from R242 thousand to R374 thousand with an increase of 5.5%. Budget amount has also considered the increase on rental tariffs at 4.9% and actual performance reported to date. 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 R23.5 million to R26.5 million for 2024/25 financial year, increase of 12.8 per cent has considered the projected closing balance for investments and the 2024/25 and Gazette Grants which will transferred to the municipality as publicized. The municipality has applied the market interest rate of 8.25 per cent to set realistic targets for interest to be generated.

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 2024/25 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 earned from receivables (exchange revenue) have increased from R918 thousand to R963 thousand for 2024/25; increase of 4.9 per cent is based on the level of outstanding debtors. 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 earned from receivables (non-exchange revenue) have increased from R2.8 million to R3.0 million for 2024/25; increase of 4.9 per cent is based on the level of outstanding debtors. 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 increased from R1.2 million to R1.3 million increase of 8.3 percent, proposed budget for fines is based on performance of audited AFS 2022/23. This is the level in which the municipality anticipates 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 R737 thousand to R783 thousand for 2024/25 financial year; increase of 6.2 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 4.9 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.

Sale of Goods and rendering of services has been decreased from R12.9 million to R9.5 million for 2024/25 financial year decrease of 26.3 per cent has considered the increase in tariffs by 4.9 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.

Further to that this item has also considered INEP Grant as the municipality budgeted for it in accordance with GRAP 11. INEP allocation of R9.2 million exclusive of VAT at R8.0 million.

Decrease is due the fact that the municipality received Insurance Refund and funding from LG Seta Funding which are not publicized, they are only received only when there is a claim done by the municipality. LG Seta funding is determined by skills plan that is submitted annually to SETA.

Transfers and Subsidies 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 4.5 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 R2.2 million has been allocated towards operation activities of the PMU unit.

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

KZN291 Mandeni-Table A5 Capital Expenditure

| Vote Description | Re- | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Single-year expenditure to be approved | 2 | | | | | | | | | | |
| Vote 1 - Executive and council | | (698) | (826) | - | 1,843 | 1,878 | 1,878 | 1,878 | 5,870 | 20,000 | 15,000 |
| Vote 2 - Finance and administration | | 10,259 | 13,868 | 34,353 | 21,225 | 17,330 | 17,330 | 17,330 | 8,122 | - | - |
| Vote 3 - Internal audit | | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Community and social services | | (467) | 9,674 | 21,438 | 2,304 | 1,765 | 1,765 | 1,765 | 2,239 | - | - |
| Vote 5 - Sport and Recreation | | 4,238 | 4,074 | (4,264) | 15,205 | 14,084 | 14,084 | 14,084 | 8,561 | - | - |
| Vote 6 - Public safety | | - | - | - | - | - | - | - | 939 | - | - |
| Vote 7 - Housing | | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Planning and Development | | 3,899 | (533) | 11,028 | 16,435 | 18,565 | 18,565 | 18,565 | 11,757 | 10,870 | - |
| Vote 9 - Road transport | | 676 | (1,174) | 4,857 | 79,374 | 78,546 | 78,546 | 78,546 | 61,926 | 3,739 | - |
| Vote 10 - Energy sources | | 83 | 5,328 | 5,903 | 2,957 | 3,710 | 3,710 | 3,710 | 3,317 | - | - |
| Vote 11 - Waste Management | | - | - | - | 4,602 | 3,906 | 3,906 | 3,906 | 1,391 | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | 17,990 | 30,411 | 73,316 | 143,945 | 139,784 | 139,784 | 139,784 | 104,122 | 34,609 | 15,000 |
| Total Capital Expenditure - Vote | | 17,990 | 30,411 | 73,316 | 143,945 | 139,784 | 139,784 | 139,784 | 104,122 | 34,609 | 15,000 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| Governance and administration | | 9,560 | 13,041 | 34,353 | 23,069 | 19,208 | 19,208 | 125,048 | 13,991 | 20,000 | 15,000 |
| Executive and council | | (698) | (826) | - | 1,843 | 1,878 | 1,878 | 209 | 5,870 | 20,000 | 15,000 |
| Finance and administration | | 10,259 | 13,868 | 34,353 | 21,225 | 17,330 | 17,330 | 124,839 | 8,122 | - | - |
| Internal audit | | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 3,772 | 13,748 | 17,174 | 17,509 | 15,850 | 15,850 | 119,805 | 11,740 | - | - |
| Community and social services | | (467) | 9,674 | 21,438 | 2,304 | 1,765 | 1,765 | 112,344 | 2,239 | - | - |
| Sport and recreation | | 4,238 | 4,074 | (4,264) | 15,205 | 14,084 | 14,084 | 7,461 | 8,561 | - | - |
| Public safety | | - | - | - | - | - | - | - | 939 | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 4,575 | (1,706) | 15,885 | 95,809 | 97,111 | 97,111 | 157,476 | 73,682 | 14,609 | - |
| Planning and development | | 3,899 | (533) | 11,028 | 16,435 | 18,565 | 18,565 | 24,543 | 11,757 | 10,870 | - |
| Road transport | | 676 | (1,174) | 4,857 | 79,374 | 78,546 | 78,546 | 132,933 | 61,926 | 3,739 | - |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 83 | 5,328 | 5,903 | 7,558 | 7,615 | 7,615 | 37,024 | 4,708 | - | - |
| Energy sources | | 83 | 5,328 | 5,903 | 2,957 | 3,710 | 3,710 | 32,070 | 3,317 | - | - |
| Water management | | - | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - | - |
| Waste management | | - | - | - | 4,602 | 3,906 | 3,906 | 4,954 | 1,391 | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 3 | 17,990 | 30,411 | 73,316 | 143,945 | 139,784 | 139,784 | 439,353 | 104,122 | 34,609 | 15,000 |
| Funded by: | | | | | | | | | | | |
| National Government | | 10,957 | 5,762 | 12,628 | 55,119 | 51,837 | 51,837 | 212,651 | 33,963 | - | - |
| Provincial Government | | (231) | - | - | 478 | 591 | 591 | 160 | 739 | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public | | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 10,726 | 5,762 | 12,628 | 55,598 | 52,428 | 52,428 | 212,810 | 34,702 | - | - |
| Borrowing | 6 | - | - | 0 | - | - | - | 3,881 | - | - | - |
| Internally generated funds | | 7,264 | 24,649 | 60,688 | 88,347 | 87,356 | 87,356 | 222,662 | 69,420 | 34,609 | 15,000 |
| Total Capital Funding | 7 | 17,990 | 30,411 | 73,316 | 143,945 | 139,784 | 139,784 | 439,353 | 104,122 | 34,609 | 15,000 |

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

- 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 | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| ASSETS | | | | | | | | | | |
| Current assets | | | | | | | | | | |
| Cash and cash equivalents | | 182,020 | 208,167 | 254,613 | 116,789 | 143,413 | 143,413 | 110,668 | 164,825 | 188,477 |
| Trade and other receivables from exchange | 1 | 53,042 | 50,984 | 53,837 | 72,492 | 99,326 | 99,326 | 13,732 | 15,876 | 21,357 |
| Receivables from non-exchange transactions | 1 | (77,303) | (81,782) | (67,991) | 22,245 | 45,993 | 45,993 | 49,042 | 50,121 | 52,858 |
| Current portion of non-current receivables | | - | - | - | - | - | - | - | - | - |
| Inventory | 2 | 864 | 46,807 | 42,752 | 739 | 43,267 | 43,267 | 39,712 | 37,681 | 35,648 |
| VAT | | 7,866 | 4,687 | 5,511 | 30,621 | 36,207 | 36,207 | 49,727 | 40,770 | 38,947 |
| Other current assets | | 225 | 225 | 225 | - | - | - | - | - | - |
| Total current assets | | 166,713 | 229,089 | 288,947 | 242,887 | 368,206 | 368,206 | 262,881 | 309,273 | 337,286 |
| Non current assets | | | | | | | | | | |
| Investments | | - | - | - | - | - | - | - | - | - |
| Investment property | | 84,587 | 42,164 | 60,544,000.00 | 88,164 | 60,544 | 60,544 | 60,544 | 60,544 | 60,544 |
| Property, plant and equipment | 3 | 455,471 | 484,788 | 541,873 | 652,214 | 644,060 | 644,060 | 607,912 | 609,325 | 590,843 |
| Biological assets | | - | - | - | - | - | - | - | - | - |
| Living and non-living resources | | - | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - |
| Intangible assets | | 674 | 477 | 331 | 423 | 154 | 154 | 298 | 253 | 237 |
| Trade and other receivables from exchange transactions | | - | - | - | - | - | - | - | - | - |
| Non-current receivables from non-exchange transactions | | - | - | - | - | - | - | - | - | - |
| Other non-current assets | | - | - | - | - | - | - | - | - | - |
| Total non current assets | | 540,732 | 527,428 | 602,748 | 740,801 | 704,758 | 704,758 | 668,754 | 670,122 | 651,623 |
| TOTAL ASSETS | | 707,445 | 756,518 | 891,695 | 983,688 | 1,072,964 | 1,072,964 | 931,635 | 979,394 | 988,909 |
| LIABILITIES | | | | | | | | | | |
| Current liabilities | | | | | | | | | | |
| Bank overdraft | | - | - | - | - | - | - | - | - | - |
| Financial liabilities | | 4,717 | 5,760 | 4,762 | - | - | - | - | - | - |
| Consumer deposits | | 299 | 277 | 216 | 245 | 216 | 216 | 216 | 223 | 227 |
| Trade and other payables from exchange transactions | 4 | 30,033 | 28,605 | 41,741 | 35,888 | 48,045 | 48,045 | 20,563 | 25,831 | 26,261 |
| Trade and other payables from non-exchange transactions | 5 | 30,079 | 8,705 | 25,789 | 20,275 | 25,789 | 25,789 | 6,284 | - | - |
| Provision | | 3,227 | 3,576 | 3,815 | 4,872 | 3,547 | 3,547 | 8,677 | 6,044 | 6,289 |
| VAT | | 1,273 | 2,898 | 1,969 | 9,818 | 11,406 | 11,406 | 14,152 | 14,971 | 16,948 |
| Other current liabilities | | - | - | - | - | - | - | - | - | - |
| Total current liabilities | | 69,629 | 49,822 | 78,293 | 71,097 | 89,003 | 89,003 | 49,893 | 47,069 | 49,726 |
| Non current liabilities | | | | | | | | | | |
| Financial liabilities | 6 | - | - | - | - | - | - | - | - | - |
| Provision | 7 | (4,296) | (5,456) | (5,263) | (198) | (1,300) | (1,300) | - | 462 | 230 |
| Long term portion of trade payables | | - | - | - | - | - | - | - | - | - |
| Other non-current liabilities | | 18,697 | 17,537 | 17,730 | 22,795 | 21,693 | 21,693 | 22,993 | 22,993 | 22,993 |
| Total non current liabilities | | 14,400 | 12,080 | 12,467 | 22,597 | 20,393 | 20,393 | 22,993 | 23,455 | 23,223 |
| TOTAL LIABILITIES | | 84,029 | 61,903 | 90,760 | 93,694 | 109,396 | 109,396 | 72,886 | 70,524 | 72,949 |
| NET ASSETS | | 623,415 | 694,615 | 800,935 | 889,994 | 963,568 | 963,568 | 858,749 | 908,871 | 915,961 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | |
| Accumulated surplus/(deficit) | 8 | 416,482 | 486,662 | 593,061 | 822,568 | 876,907 | 876,907 | 850,663 | 900,463 | 907,394 |
| Reserves and funds | 9 | 202,672 | 202,672 | 202,672 | (2,191) | 61,108 | 61,108 | (2,086) | (2,249) | (2,313) |
| Other | | - | - | - | - | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 10 | 619,154 | 689,335 | 795,733 | 820,377 | 938,015 | 938,015 | 848,577 | 898,215 | 905,081 |

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 | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term | | |
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates | | 1,828 | 1,828 | 69,474 | 26,698 | 26,698 | 26,698 | 31,118 | 32,550 | 34,047 |
| Service charges | | 1,666 | 1,669 | 1,669 | 62,465 | 71,633 | 71,633 | 83,192 | 87,502 | 91,721 |
| Other revenue | | 4,485 | 69,618 | 21,758 | 18,972 | 20,931 | 20,931 | 4,474 | 4,680 | 9,336 |
| Transfers and Subsidies - Operational | 1 | 286,604 | 545,726 | 870,424 | 249,359 | 249,536 | 249,536 | 262,390 | 260,257 | 255,861 |
| Transfers and Subsidies - Capital | 1 | 50,556 | 96,109 | 153,649 | 48,381 | 60,292 | 60,292 | 39,760 | 40,840 | 44,178 |
| Interest | | 798 | 4,267 | 9,819 | 10,500 | 23,500 | 23,500 | 26,500 | 28,295 | 29,714 |
| Dividends | | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (18,740) | (15,498) | 22,044 | (507,431) | (543,172) | (543,172) | (393,385) | (397,713) | (408,815) |
| Interest | | - | - | - | (100) | (3,300) | (3,300) | (3,300) | (3,452) | (3,611) |
| Transfers and Subsidies | 1 | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 327,197 | 703,717 | 1,148,837 | (91,156) | (93,883) | (93,883) | 50,749 | 52,959 | 52,432 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current receivables | | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Capital assets | | - | - | - | 165,536 | 160,666 | 160,666 | (119,740) | (39,800) | (17,250) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | - | - | - | 165,536 | 160,666 | 160,666 | (119,740) | (39,800) | (17,250) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | - | - | - | - | - | - | 0 | 6 | 4 |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | - | - | - | - | - | - | 0 | 6 | 4 |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | | 327,197 | 703,717 | 1,148,837 | 74,381 | 66,784 | 66,784 | (68,991) | 13,166 | 35,186 |
| Cash/cash equivalents at the year beginning | 2 | - | - | - | - | - | - | 183,424 | 114,433 | 127,599 |
| Cash/cash equivalents at the year end | 2 | 327,197 | 703,717 | 1,148,837 | 74,381 | 66,784 | 66,784 | 114,433 | 127,599 | 162,785 |

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 R31.1 million or 50 per cent of the billing, the assumed collection rate have considered the level of performance in this current financial year also we have considered the actual collection as per the audited AFS 2022/23 FY, furthermore we have also considered the impact of implementation of credit control and debt collection policy.

2. Service Charges: electricity has budgeted to collect R76.5 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 majority of consumers have converted to prepaid electricity and also, we have considered the bulk consumer (Umngeni water works), furthermore to that we have also taken into consideration the collection rate per the audited AFS. Collection rate of R76.5 million has been calculated from budget inclusive of VAT of R80.2 million since this item charges tax.
3. Service Charges: Refuse has budgeted to collect R6.9 million or 50 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 R5.8 million has been calculated from budget inclusive of VAT at R15.8 million since this item levies tax.
4. Rental of facilities and equipment the municipality anticipates a 100 percent collection rate at R350 thousand inclusive of VAT at 15 %as rentals are collected prior the event and lease of municipal properties.
5. Interest earned on External Investments has assumed a collection rate of 100% R26.5 million based on the interest to be generated on the call accounts on grants to be transferred as publicized.
6. Fines, Penalties and forfeits a collection rate of 5 per cent at R76 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.
7. Licenses and permits a 100 percent collection rate at R900 thousand has been applied due to their actual performance and performance of the business licenses and traffic department.
8. Other Revenue has budgeted to collect 100 per cent at R3.1 million of all other revenue sources, as these sources are collected prior the item is undertaken.
9. Transfers & Subsidies have been recognized at 100 per cent R262.4 million (operational) and R39.8 million (capital). Transfers and subsidized cash flow have included the INEP Allocation of R9.2 million this allocation have been budgeted for and included in cash flow.

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.

10. Suppliers and employees for cash outflows totals to R396.7 million with exclusion of non-cash items Debt Impairment, depreciation and irrecoverable write off R74.4 million. Total suppliers and employees do not correspond to table A4 with a difference of R29.6 million which is due to budget of R6.7 million which is an estimate of creditors opening balance other cash flow payments and VAT of R16.2 million.

11. Capital Assets of R119.7 million does not corresponds with table A5 as this is inclusive of vat for R15.6 million.
12. Repayment of borrowing there is no budget allocated as the municipality has no borrowing currently.
13. Other cash flow/ payments have budgeted an allocation of R6.7 million towards trade creditors which is an estimated budget anticipated to be outstanding at year end of June 2024.

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

| KZN291 Mandeni - Table A8 Cash backed reserves/accumulated surplus reconciliation | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---------------------|------------------------|------------------------|
| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Cash and investments available | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 327,197 | 703,717 | 1,148,837 | 74,381 | 66,784 | 66,784 | 114,433 | 127,599 | 162,785 |
| Other current investments > 90 days | | (145,177) | (495,551) | (894,224) | 42,408 | 76,629 | 76,629 | (3,765) | 37,227 | 25,692 |
| Non current Investments | 1 | - | - | - | - | - | - | - | - | - |
| Cash and investments available: | | 182,020 | 208,167 | 254,613 | 116,789 | 143,413 | 143,413 | 110,668 | 164,825 | 188,477 |
| Application of cash and investments | | | | | | | | | | |
| Unspent conditional transfers | | - | - | - | - | - | - | - | - | - |
| Unspent borrowing | | | | | | | | | | |
| Statutory requirements | 2 | | | | | | | | | |
| Other working capital requirements | 3 | 29,803 | 26,790 | 33,534 | 9,186 | 10,176 | 10,176 | (89,895) | (83,620) | (81,759) |
| Other provisions | | | | | | | | | | |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investme | 5 | | | | | | | | | |
| Total Application of cash and investments: | | 29,803 | 26,790 | 33,534 | 9,186 | 10,176 | 10,176 | (89,895) | (83,620) | (81,759) |
| Surplus(shortfall) - Excluding Non-Current C | | 152,217 | 181,377 | 221,079 | 107,603 | 133,237 | 133,237 | 200,563 | 248,446 | 270,236 |
| Creditors transferred to Debt Relief - Non-C | | - | - | - | - | - | - | - | - | - |
| Surplus(shortfall) - Including Non-Current C | | 152,217 | 181,377 | 221,079 | 107,603 | 133,237 | 133,237 | 200,563 | 248,446 | 270,236 |

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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| CAPITAL EXPENDITURE | | | | | | | | | | |
| Total New Assets | 1 | 37,577 | 42,598 | 54,564 | 58,589 | 58,590 | 58,590 | 47,027 | 34,609 | 15,000 |
| Roads Infrastructure | | 6,283 | 6,283 | 7,661 | 435 | 435 | 435 | 9,739 | 3,739 | - |
| Storm water Infrastructure | | - | - | - | - | - | - | - | - | - |
| Electrical Infrastructure | | - | - | 127 | 2,261 | 2,261 | 2,261 | 2,278 | - | - |
| Water Supply Infrastructure | | - | - | - | - | - | - | - | - | - |
| Sanitation Infrastructure | | - | - | - | - | - | - | 70 | - | - |
| Solid Waste Infrastructure | | - | - | - | 1,043 | 1,043 | 1,043 | 1,391 | - | - |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | - | - | - | 217 | 217 | 217 | 217 | - | - |
| Information and Communication Infrastru | | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 6,283 | 6,283 | 7,788 | 3,957 | 3,957 | 3,957 | 13,696 | 3,739 | |
| Community Facilities | | 6,864 | 7,811 | 11,048 | 11,087 | 12,174 | 12,174 | 5,783 | 10,870 | - |
| Sport and Recreation Facilities | | 4,540 | 8,614 | 3,744 | 12,779 | 11,658 | 11,658 | 7,361 | - | - |
| Community Assets | | 11,404 | 16,425 | 14,792 | 23,866 | 23,832 | 23,832 | 13,144 | 10,870 | |
| Heritage Assets | | | | | | | | | | |
| Revenue Generating | | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - |
| Investment properties | | | | | | | | | | |
| Operational Buildings | | - | - | - | 2,391 | 2,391 | 2,391 | 4,522 | 20,000 | 15,000 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Other Assets | | | | | 2,391 | 2,391 | 2,391 | 4,522 | 20,000 | 15,000 |
| Biological or Cultivated Assets | | | | | | | | | | |
| Servitudes | | - | - | - | - | - | - | - | - | - |
| Licences and Rights | | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | | | | | | | | | |
| Computer Equipment | | - | - | - | 348 | 896 | 896 | 957 | - | - |
| Furniture and Office Equipment | | 19,890 | 19,890 | 31,983 | 565 | 609 | 609 | 1,739 | - | - |
| Machinery and Equipment | | - | - | - | 10,078 | 9,417 | 9,417 | 2,604 | - | - |
| Transport Assets | | - | - | - | 17,384 | 17,489 | 17,489 | 10,365 | - | - |
| Total Renewal of Existing Assets | 2 | 172,489 | 197,313 | 226,672 | 17,609 | 14,008 | 14,008 | 22,174 | | |
| Roads Infrastructure | | 59,606 | 67,072 | 66,178 | 12,391 | 9,399 | 9,399 | 19,130 | - | - |
| Storm water Infrastructure | | - | - | - | 4,348 | 4,348 | 4,348 | - | - | - |
| Electrical Infrastructure | | 20,559 | 22,312 | 22,805 | - | - | - | 435 | - | - |
| Water Supply Infrastructure | | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 80,165 | 89,384 | 88,983 | 16,739 | 13,747 | 13,747 | 19,565 | | |
| Community Facilities | | 40,928 | 42,665 | 53,395 | 870 | 261 | 261 | 2,609 | - | - |
| Sport and Recreation Facilities | | 2,459 | 2,459 | - | - | - | - | - | - | - |
| Community Assets | | 43,387 | 45,124 | 53,395 | 870 | 261 | 261 | 2,609 | | |
| Intangible Assets | | | | | | | | | | |
| Computer Equipment | | 5,412 | 6,549 | 7,116 | - | - | - | - | - | - |
| Furniture and Office Equipment | | 7,220 | 7,894 | 8,121 | - | - | - | - | - | - |
| Machinery and Equipment | | 16,190 | 20,819 | 21,441 | - | - | - | - | - | - |
| Transport Assets | | 20,115 | 27,543 | 47,616 | - | - | - | - | - | - |
| Total Upgrading of Existing Assets | 6 | 62,391 | 62,957 | 94,948 | 67,747 | 67,186 | 67,186 | 34,921 | | |
| Roads Infrastructure | | 25,723 | 17,083 | 21,457 | 48,087 | 50,251 | 50,251 | 28,448 | - | - |
| Storm water Infrastructure | | - | - | - | 2,174 | 2,174 | 2,174 | - | - | - |
| Electrical Infrastructure | | - | 3,575 | 8,858 | 522 | 1,275 | 1,275 | 430 | - | - |
| Infrastructure | | 25,723 | 20,658 | 30,314 | 50,783 | 53,699 | 53,699 | 28,878 | | |
| Community Facilities | | 148 | 1,051 | 6,168 | 4,435 | 4,435 | 4,435 | 174 | - | - |
| Sport and Recreation Facilities | | 36,205 | 40,933 | 57,380 | - | - | - | - | - | - |
| Community Assets | | 36,352 | 41,983 | 63,548 | 4,435 | 4,435 | 4,435 | 174 | | |
| Heritage Assets | | | | | | | | | | |
| Revenue Generating | | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - |
| Investment properties | | | | | | | | | | |
| Operational Buildings | | 316 | 316 | 1,086 | 12,530 | 9,051 | 9,051 | 5,217 | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Other Assets | | 316 | 316 | 1,086 | 12,530 | 9,051 | 9,051 | 5,217 | | |
| Biological or Cultivated Assets | | | | | | | | | | |
| Servitudes | | - | - | - | - | - | - | - | - | - |
| Licences and Rights | | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | | | | | | | | | |
| Computer Equipment | | - | - | - | - | - | - | 652 | - | - |
| Furniture and Office Equipment | | - | - | - | - | - | - | - | - | - |
| Machinery and Equipment | | - | - | - | - | - | - | - | - | - |
| Transport Assets | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure | 4 | 272,457 | 302,868 | 376,184 | 143,945 | 139,784 | 139,784 | 104,122 | 34,609 | 15,000 |
| Roads Infrastructure | | 91,612 | 90,439 | 95,295 | 60,913 | 60,085 | 60,085 | 57,317 | 3,739 | - |
| Storm water Infrastructure | | - | - | - | 6,522 | 6,522 | 6,522 | - | - | - |
| Electrical Infrastructure | | 20,559 | 25,887 | 31,790 | 2,783 | 3,536 | 3,536 | 3,143 | - | - |
| Water Supply Infrastructure | | - | - | - | - | - | - | - | - | - |
| Sanitation Infrastructure | | - | - | - | - | - | - | 70 | - | - |
| Solid Waste Infrastructure | | - | - | - | 1,043 | 1,043 | 1,043 | 1,391 | - | - |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | - | - | - | 217 | 217 | 217 | 217 | - | - |
| Information and Communication Infrastru | | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 112,171 | 116,325 | 127,086 | 71,478 | 71,403 | 71,403 | 62,138 | 3,739 | |
| Community Facilities | | 47,940 | 51,526 | 70,611 | 16,391 | 16,870 | 16,870 | 8,565 | 10,870 | - |
| Sport and Recreation Facilities | | 43,204 | 52,006 | 61,124 | 12,779 | 11,658 | 11,658 | 7,361 | - | - |
| Community Assets | | 91,143 | 103,532 | 131,735 | 29,170 | 28,528 | 28,528 | 15,927 | 10,870 | |
| Heritage Assets | | | | | | | | | | |
| Revenue Generating | | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - |
| Investment properties | | | | | | | | | | |
| Operational Buildings | | 316 | 316 | 1,086 | 14,921 | 11,443 | 11,443 | 9,739 | 20,000 | 15,000 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Other Assets | | 316 | 316 | 1,086 | 14,921 | 11,443 | 11,443 | 9,739 | 20,000 | 15,000 |
| Biological or Cultivated Assets | | | | | | | | | | |
| Servitudes | | - | - | - | - | - | - | - | - | - |
| Licences and Rights | | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | | | | | | | | | |
| Computer Equipment | | 5,412 | 6,549 | 7,116 | 348 | 896 | 896 | 1,609 | - | - |
| Furniture and Office Equipment | | 27,110 | 27,784 | 40,104 | 565 | 609 | 609 | 1,739 | - | - |
| Machinery and Equipment | | 16,190 | 20,819 | 21,441 | 10,078 | 9,417 | 9,417 | 2,604 | - | - |
| Transport Assets | | 20,115 | 27,543 | 47,616 | 17,384 | 17,489 | 17,489 | 10,365 | - | - |
| TOTAL CAPITAL EXPENDITURE - Asset cl | | 272,457 | 302,868 | 376,184 | 143,945 | 139,784 | 139,784 | 104,122 | 34,609 | 15,000 |

| KZN291 Mandeni - Table A9 Asset Management | | | | | | | | | | |
|---|----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Re | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| ASSET REGISTER SUMMARY - PPE (W 5 | | 540,732 | 527,428 | 602,748 | 740,801 | 704,758 | 704,758 | 668,754 | 670,122 | 651,623 |
| <i>Roads Infrastructure</i> | | (64,727) | (78,780) | (86,651) | 467,685 | 351,585 | 351,585 | 328,412 | 305,661 | 311,988 |
| <i>Storm water Infrastructure</i> | | 358,272 | 374,888 | 379,265 | 1,937 | 1,937 | 1,937 | 2,809 | 3,121 | 3,213 |
| <i>Electrical Infrastructure</i> | | 15,933 | 20,256 | 25,082 | 5,486 | 6,239 | 6,239 | 4,483 | 1,918 | 1,910 |
| <i>Water Supply Infrastructure</i> | | - | - | - | - | - | - | - | - | - |
| <i>Sanitation Infrastructure</i> | | - | - | - | - | - | - | 70 | - | - |
| <i>Solid Waste Infrastructure</i> | | - | - | - | 2,087 | 1,391 | 1,391 | 1,391 | - | - |
| <i>Rail Infrastructure</i> | | - | - | - | - | - | - | - | - | - |
| <i>Coastal Infrastructure</i> | | - | - | - | - | - | - | - | - | - |
| <i>Information and Communication Infrastru</i> | | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 309,477 | 316,364 | 317,697 | 477,195 | 361,152 | 361,152 | 337,165 | 310,699 | 317,111 |
| Community Assets | | 72,526 | 81,811 | 107,039 | 103,191 | 116,900 | 116,900 | 112,051 | 130,550 | 106,303 |
| Heritage Assets | | - | - | - | - | - | - | - | - | - |
| Investment properties | | 84,587 | 42,164 | 60,544 | 88,164 | 60,544 | 60,544 | 60,544 | 60,544 | 60,544 |
| Other Assets | | 24,695 | 27,063 | 26,748 | 13,909 | 51,191 | 51,191 | 50,829 | 58,093 | 58,105 |
| Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | 674 | 477 | 331 | 423 | 154 | 154 | 298 | 253 | 237 |
| Computer Equipment | | 3,028 | 3,937 | 3,938 | 3,062 | 11,110 | 11,110 | 12,770 | 12,977 | 13,081 |
| Furniture and Office Equipment | | 4,369 | 4,705 | 4,415 | 6,192 | 13,436 | 13,436 | 14,412 | 14,806 | 14,637 |
| Machinery and Equipment | | 11,641 | 15,427 | 16,573 | 10,060 | 18,122 | 18,122 | 8,907 | 9,286 | 9,315 |
| Transport Assets | | 9,844 | 15,591 | 33,480 | 18,715 | 40,166 | 40,166 | 37,795 | 38,930 | 38,307 |
| Land | | 19,890 | 19,890 | 31,983 | 19,890 | 31,983 | 31,983 | 33,983 | 33,983 | 33,983 |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| Living Resources | | - | - | - | - | - | - | - | - | - |
| TOTAL ASSET REGISTER SUMMARY - 5 | | 540,732 | 527,428 | 602,748 | 740,801 | 704,758 | 704,758 | 668,754 | 670,122 | 651,623 |

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 54.8 percent. An amount budgeted for the renewal of existing assets is based on the needs analysis by community as per planned programs in our IDP.

Table 21 MBRR Table A10 - Basic Service Delivery Measurement

| KZN291 Mandeni - Table A10 Basic service delivery measurement | | | | | | | | | | |
|--|-----|----------------|----------------|---------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Household service targets | 1 | | | | | | | | | |
| 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) | 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 | | - | - | - | - | - | - | - | - | - |
| <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) | | 389 | 389 | 389 | 449 | 449 | 449 | 449 | 449 | 449 |
| Electricity - prepaid (min.service level) | | 574 | 629 | 629 | 645 | 645 | 645 | 645 | 645 | 645 |
| <i>Minimum Service Level and Above sub-total</i> | | 963 | 1,018 | 1,018 | 1,094 | 1,094 | 1,094 | 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 | 963 | 1,018 | 1,018 | 1,094 | 1,094 | 1,094 | 1,094 | 1,094 | 1,094 |
| Refuse: | | | | | | | | | | |
| Removed at least once a week | | - | 4,601 | 4,601 | 4,695 | 4,695 | 4,695 | 4,695 | 4,695 | 4,695 |
| <i>Minimum Service Level and Above sub-total</i> | | - | 4,601 | 4,601 | 4,695 | 4,695 | 4,695 | 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 | 4,695 | 4,695 | 4,695 | 4,695 | 4,695 | 4,695 |
| Households receiving Free Basic Service | 7 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (free minimum level service) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (50kwh per household per month) | | 1,876 | 1,876 | 1,876 | 1,573 | 1,573 | 1,573 | 1,600 | 1,600 | 1,600 |
| Refuse (removed at least once a week) | | 36,054 | 36,054 | 31,921 | 32,001 | 32,001 | 32,001 | 32,300 | 32,300 | 32,300 |
| <i>Informal Settlements</i> | | - | - | - | - | - | - | - | - | - |
| 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 (R'000) | | | | | | | | | | |
| Total cost of FBS provided | 8 | - | - | - | - | - | - | - | - | - |
| Highest level of free service provided per household | | | | | | | | | | |
| Property rates (R value threshold) | | - | - | - | - | - | - | - | - | - |
| Water (kilolitres per household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (kilolitres per household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (Rand per household per month) | | - | - | - | - | - | - | - | - | - |
| Electricity (kwh per household per month) | | - | - | - | - | - | - | - | - | - |
| Refuse (average litres per week) | | - | - | - | - | - | - | - | - | - |
| Revenue cost of subsidised services provided (R'000) | 9 | | | | | | | | | |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | | - | - | - | - | - | - | - | - | - |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 | | (7,415) | (6,725) | 1,599 | (12,147) | (12,147) | (12,147) | (13,409) | (14,026) | (14,671) |
| 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 | - | - | (891) | (891) | (891) | (944) | (988) | (1,033) |
| Municipal Housing - rental rebates | | - | - | - | - | - | - | - | - | - |
| Housing - top structure subsidies | 6 | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Total revenue cost of subsidised services provided | | (7,415) | (6,725) | 1,599 | (13,038) | (13,038) | (13,038) | (14,354) | (15,014) | (15,704) |
| <i>References</i> | | | | | | | | | | |

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 R1.8 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 increased from 1573 to 1600 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 increased from R1.6 million to R1.8 million which has considered the increase as per tariff increase by eskom and increase in the number of beneficiaries by 27 households.

Transfers and subsidies have increased with a budget amount of R1.6 million from 2023/24 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 2024/25. 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 32 300 households registered as indigent in 2024/25, and therefore entitled to receiving Free Basic Services for refuse collection which represent an increase of 299 beneficiaries. 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 R9.2 million for free basic service electricity through an electrification programme in 2024/25, and it decreases to R9.1 million in 2026/27. 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 2024/25 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 2023) 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 2023. Key dates applicable to the process were:

August 2023 – 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 2024/25 MTREF. IDP/BUDGET/PMS Technical Committee Meeting to discuss Process Plan

September 2023 – Review of National Policies and budget plans and potential price increase of bulk resources with function and department officials

December 2023 - 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 2024 - 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 2024 – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement.

25 January 2024 - Council considers the 2023/24 Mid-year Review.

February 2024 - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The 2024/25 MTREF is revised accordingly.

28 February 2024 – Council considers the 2023/24 Adjustment Budget

February 2024 - Draft and submit to the March or proposed budget and plans for next three-year budget considering 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 2024 - Tabling in Council of the 2024/25 IDP and Budget MTREF for public consultation.

April 2024 – Public consultation.

29th April 2024 - Closing date for written comments.

01 April to 07 June 2024 – Drafting of the 2024/25 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 2024 - Tabling of the 2024/25 & 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 2024. It started in August 2023 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2024/25 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 2024/25 MTREF, based on the approved 2024/25 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 2024/25 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 2024/25 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 2024/25 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 2024/25 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 2023/24 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, 93,98,107,115,122,126 and 128, mSCOA Circular No.12 have been taken into consideration in the planning and prioritisation process.

2.3.3 Community Consultation

The Budget for 2024/25 MTREF has been tabled before Council on 28th March 2024 for community consultation **will be** published on the municipality's website, and hard copies **will be** 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 02 April to 30 April 2024, 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 2024/25 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 2024/25 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 | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | | |
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 | |
| R thousand | | | | | | | | | | | | | |
| Ensure an integrated and aligned development planning | Responsive, accountable, effective and efficient local government | 9 | - | 448 | - | - | - | - | - | - | - | - | |
| Ensure that our people have access to community facilities | An efficient, effective and development-oriented public service | 12 | - | - | - | - | - | - | 391 | 409 | 4,281 | | |
| Facilitate a creation of a disaster ready community | Responsive, accountable, effective and efficient local government | 9 | - | 393 | - | - | - | - | - | - | - | | |
| Good Governance | Responsive, accountable, effective and efficient local government | 9 | - | - | - | 1,393 | 990 | 1,145 | 1,145 | 250 | 262 | 274 | |
| Improve performance | Responsive, accountable, effective and efficient local government | 9 | - | 314 | 349 | 1,705 | 450 | 1,200 | 1,200 | 907 | 949 | 993 | |
| Improve the audit opinion | Responsive, accountable, effective and efficient local government | 9 | - | 23,817 | 15,351 | (23,856) | - | - | - | - | - | - | |
| Manage increase and the municipal base | A comprehensive, responsive and sustainable social protection system | 13 | - | 0 | - | 10,721 | (13,038) | (13,038) | (13,038) | (14,354) | (15,014) | (15,704) | |
| Manage increase and the municipal base | Responsive, accountable, effective and efficient local government | 9 | - | 270,192 | 286,218 | 374,853 | 375,859 | 410,142 | 410,142 | 434,304 | 441,533 | 449,215 | |
| Provide and maintain Library services | Responsive, accountable, effective and efficient local government | 9 | - | - | 4,713 | 8,417 | 3,873 | 3,743 | 3,743 | 3,769 | 4,933 | 5,088 | |
| TakeOn | A comprehensive, responsive and sustainable social protection system | 13 | - | (7,415) | (6,725) | (9,123) | - | - | - | - | - | - | |
| TakeOn | Responsive, accountable, effective and efficient local government | 9 | - | 31,495 | 35,122 | 42,784 | 12,899 | 13,740 | 13,740 | 14,942 | 15,866 | 17,885 | |
| To improve access to all basic services | Responsive, accountable, effective and efficient local government | 9 | - | 41,465 | 43,949 | 40,044 | 49,717 | 61,948 | 61,948 | 41,101 | 42,989 | 46,503 | |
| Allocations to other priorities | | | 2 | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contribu | | | | 1 | 360,709 | 378,977 | 446,939 | 430,750 | 478,879 | 478,879 | 481,311 | 491,927 | 508,534 |

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:

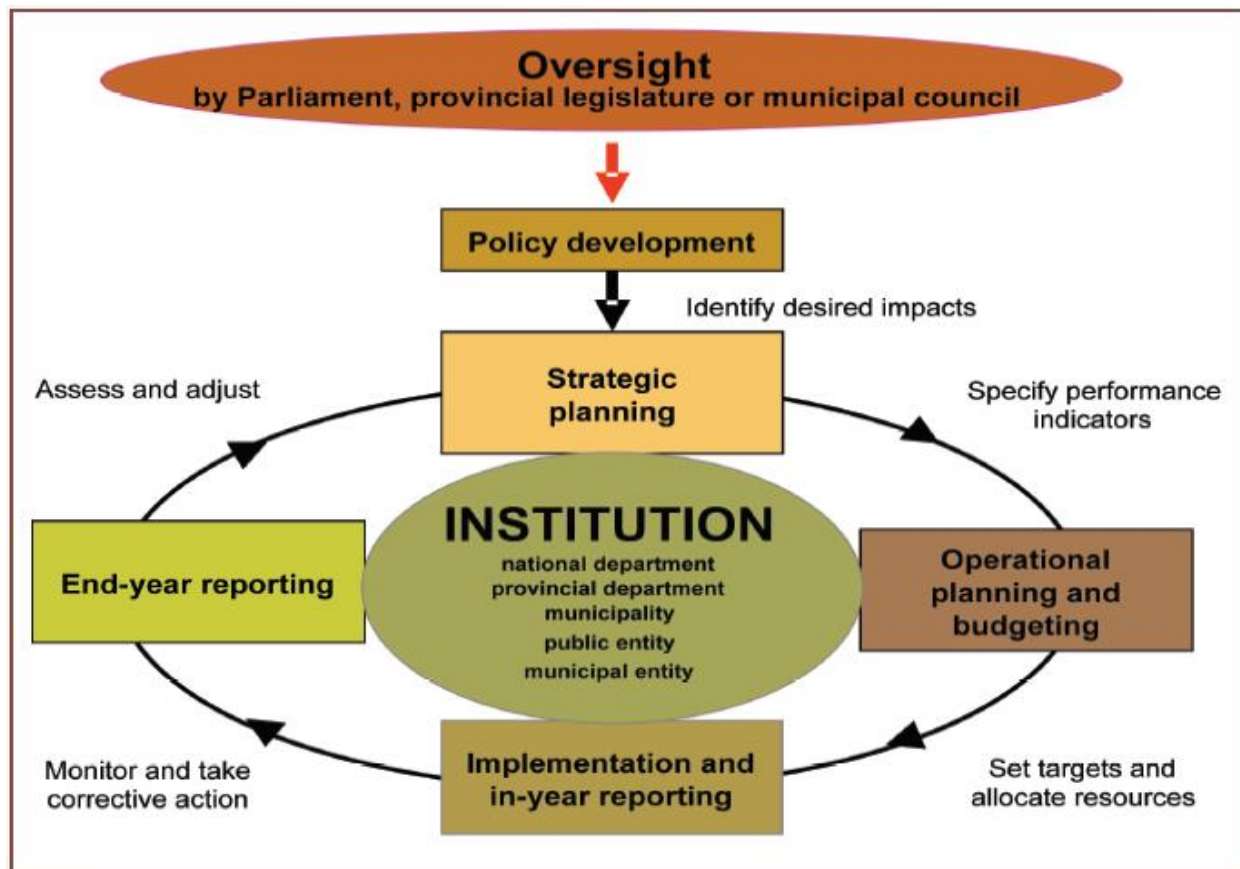


Figure 2 Planning, budgeting and reporting cycle

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:

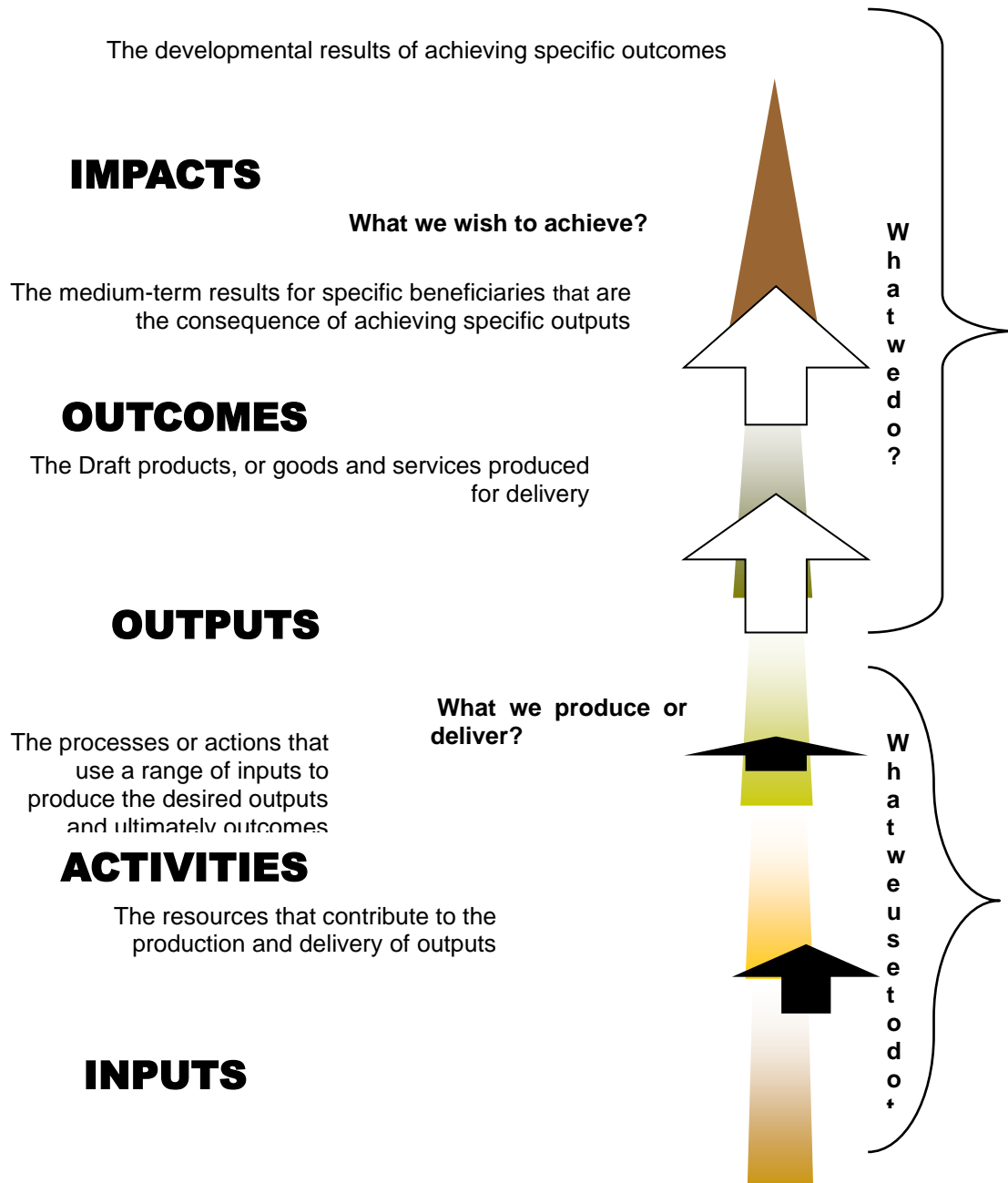


Figure 3 Definition of performance information concepts

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

Table 24 MBRR Table SA7 - Measurable performance objectives

| KZN291 Mandeni - Supporting Table SA7 Measureable performance objectives | | | | | | | | | | |
|--|---------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Unit of measurement | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| 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% | 13600.0% | 13600.0% | 13600.0% |
| New Roads to be constructed | kilometres | | 9500.0% | 10500.0% | 10500.0% | 10500.0% | 10000.0% | 15000.0% | 15000.0% | 15000.0% |
| rural gravel roads repaired | kilometres | | 23900.0% | 25000.0% | 25000.0% | 25000.0% | 27500.0% | 29500.0% | 29500.0% | 29500.0% |
| | | | | | | | | | | |
| Sub-function 2 - Roads | | | | | | | | | | |
| <i>Surfaced Roads resurfaced</i> | kilometres | | 7000.0% | 9800.0% | 9800.0% | 9800.0% | 8500.0% | 8600.0% | 8600.0% | 8600.0% |
| | | | | | | | | | | |
| 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 - Enerav & | | | | | | | | | | |
| Sub-function 1 - Electricity | | | | | | | | | | |
| <i>households to be provided with</i> | number of | | 29800.0% | 27800.0% | 27800.0% | 27800.0% | 25000.0% | 26000.0% | 27092.0% | 28284.0% |
| Installation of 200 new | 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 - Maintan | | | | | | | | | | |
| 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> | | | | | | | | | | |
| | | | | | | | | | | |

The following table sets out the municipality's main performance objectives and benchmarks for the 2024/25 MTREF.

Table 25 MBRR Table SA8 - Performance indicators and benchmarks

| KZN291 Mandeni - Supporting Table SA8 Performance indicators and benchmarks | | | | | | | | | | |
|--|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---------------------|------------------------|------------------------|
| Description of financial indicator | Basis of calculation | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Borrowing Management | | | | | | | | | | |
| Credit Rating | | | | | | | | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 0.1% | 0.0% | 0.1% | 0.0% | 0.8% | 0.8% | 0.7% | 0.8% | 0.8% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 0.1% | 0.0% | 0.1% | 0.0% | 0.8% | 0.8% | 0.7% | 0.8% | 0.8% |
| 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 | 2.4 | 4.6 | 3.7 | 3.4 | 4.1 | 4.1 | 5.3 | 6.6 | 6.8 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 2.4 | 4.6 | 3.7 | 3.4 | 4.1 | 4.1 | 5.3 | 6.6 | 6.8 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 3.4 | 5.2 | 3.9 | 2.7 | 2.7 | 2.7 | 2.5 | 3.8 | 4.2 |
| Revenue Management | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | | 7.9% | 5.9% | 102.7% | 138.7% | 114.8% | 236.1% | 124.2% | 123.3% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | 7.9% | 5.9% | 102.7% | 138.7% | 114.8% | 114.8% | 124.2% | 123.3% | 113.9% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 5.0% | 3.6% | 10.2% | 37.1% | 44.4% | 44.4% | 45.1% | 41.9% | 40.5% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | | | | | | | | | |
| Creditors Management | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within 'MFMA' s 65(e)) | | | | | | | | | |
| Creditors to Cash and Investments | | 9.2% | 4.1% | 3.6% | 48.2% | 71.9% | 71.9% | 18.0% | 20.2% | 16.1% |
| Other Indicators | | | | | | | | | | |
| Electricity Distribution Losses (2) | Total Volume Losses (kW) technical Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 34.3% | 32.3% | 29.1% | 37.0% | 33.8% | 33.8% | 34.5% | 34.1% | 33.3% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 34.3% | 32.3% | 32.6% | 41.0% | 37.5% | 37.5% | 38.3% | 40.0% | 39.5% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 6.7% | 5.5% | 4.7% | 5.2% | 5.9% | 5.9% | 5.6% | 5.6% | 5.7% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 10.1% | 10.6% | 8.2% | 9.3% | 9.3% | 9.3% | 9.3% | 9.4% | 9.3% |
| IDP regulation financial viability indicators | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 74.8 | 34.0 | 38.2 | 16.3 | 16.3 | 16.3 | 15.6 | 15.2 | 15.6 |
| ii. O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | -154.3% | -51.0% | -28.5% | 83.4% | 146.5% | 146.5% | 150.4% | 132.0% | 115.4% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | 18.3 | 37.3 | 53.4 | 2.8 | 2.2 | 2.2 | 3.8 | 4.2 | 5.2 |

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. 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.

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.

However, it should be noted that the municipality does not have any borrowing currently and not intending to enter into any for 2024/25 financial year.

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 2023/24 MTREF the current ratio is 5.3 in the 2024/25 financial year and 6.6 and 6.8 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 2023/24 financial year the ratio was 4.4 and as part of the financial planning strategy it has been reduced to 5.3 in the 2024/25 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 2024/25 financial year 32 300 households will be receiving Free basic Refuse and 1600 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 2024/25 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 2024/25 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 28th of March 2024. 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 2024.

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 2024. 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

2.8 Overview of budget assumptions

2.8.1 External factors

South Africa has experienced over a decade of weak economic growth, GDP has averaged only 0.8 per cent annually since 2012, entrenching high levels of unemployment and poverty. To turn the tide and raise economic growth sustainably, government is prioritising energy and logistics reforms, along with measures to arrest the decline in state capacity. Successful efforts to improve the fiscal position, complete structural reforms and bolster the capacity of the state will, in combination, reduce borrowing costs, raise confidence, increase investment and employment, and accelerate economic growth.

The National Treasury estimates real economic growth of 0.6 per cent in 2023. This is a decrease from growth of 0.8 per cent projected in the 2023 MTBPS due to weaker than expected outcomes in the third quarter of 2023, resulting in downward revisions to household spending growth and spending on gross fixed investment. GDP growth is projected to average 1.6 per cent from 2024 to 2026 as the frequency of power cuts declines, lower inflation supports household consumption, and employment and credit extensions recover gradually. New energy projects will improve fixed investments and business sentiment. 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.

2.8.2 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.

2.8.3 Salary increases

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to consider their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation and this has posed challenges to most municipalities' sustainability. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Therefore, municipalities are urged to consider projecting salary and wage increases that would reflect their affordability given the current economic challenges. The 2022 State of Local Government Finance Report revealed that 157 municipalities are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

The municipality has proposed a **salary and wage increase** of six percent (6%) with effect from 1 July 2024 and any linked benefits or conditions of service shall increase by the same rate of 6% with effect from 1 July 2024. However, this increased will be revised upon receiving final increased agreed upon from bargaining council.

2.8.4 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.

2.8.5 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 2024/25 & 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 26 Breakdown of the operating revenue over the medium-term

| KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure) | | | | | | | | | | |
|--|----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Re | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Expenditure | | | | | | | | | | |
| Employee related costs | 2 | 109,396 | 107,713 | 116,754 | 141,420 | 141,420 | 141,420 | 152,543 | 153,638 | 154,713 |
| Remuneration of councillors | | 13,528 | 13,798 | 14,325 | 15,460 | 15,460 | 15,460 | 16,388 | 16,879 | 17,217 |
| Bulk purchases - electricity | 2 | 28,816 | 36,575 | 45,293 | 43,603 | 51,864 | 51,864 | 60,006 | 61,667 | 63,349 |
| Inventory consumed | 8 | 2,139 | 1,424 | 4,371 | 7,411 | 3,458 | 3,458 | 4,390 | 4,727 | 4,793 |
| Debt impairment | 3 | - | - | - | 37,303 | 37,303 | 37,303 | 30,261 | 30,463 | 30,416 |
| Depreciation and amortisation | | 31,848 | 35,256 | 32,437 | 35,534 | 35,534 | 35,534 | 37,856 | 38,992 | 39,772 |
| Interest | | 332 | 58 | 325 | 100 | 3,300 | 3,300 | 3,300 | 3,452 | 3,611 |
| Contracted services | | 47,869 | 52,049 | 62,194 | 64,092 | 84,884 | 84,884 | 75,476 | 74,826 | 78,564 |
| Transfers and subsidies | | 1,557 | - | - | - | - | - | - | - | - |
| Irrecoverable debts written off | | 34,245 | 20,430 | 15,022 | 7,500 | 7,500 | 7,500 | 6,261 | 6,323 | 6,387 |
| Operational costs | | 29,408 | 39,346 | 43,611 | 48,198 | 56,155 | 56,155 | 54,947 | 58,868 | 61,975 |
| Losses on disposal of Assets | | 1,501 | 732 | 6,080 | 1,500 | 1,500 | 1,500 | - | - | - |
| Other Losses | | 35 | 176 | 61 | - | - | - | - | - | - |
| Total Expenditure | | 300,674 | 307,556 | 340,473 | 402,121 | 438,379 | 438,379 | 441,428 | 449,836 | 460,796 |

The following graph is a breakdown of the operational revenue per main category for the 2024/25 financial year.

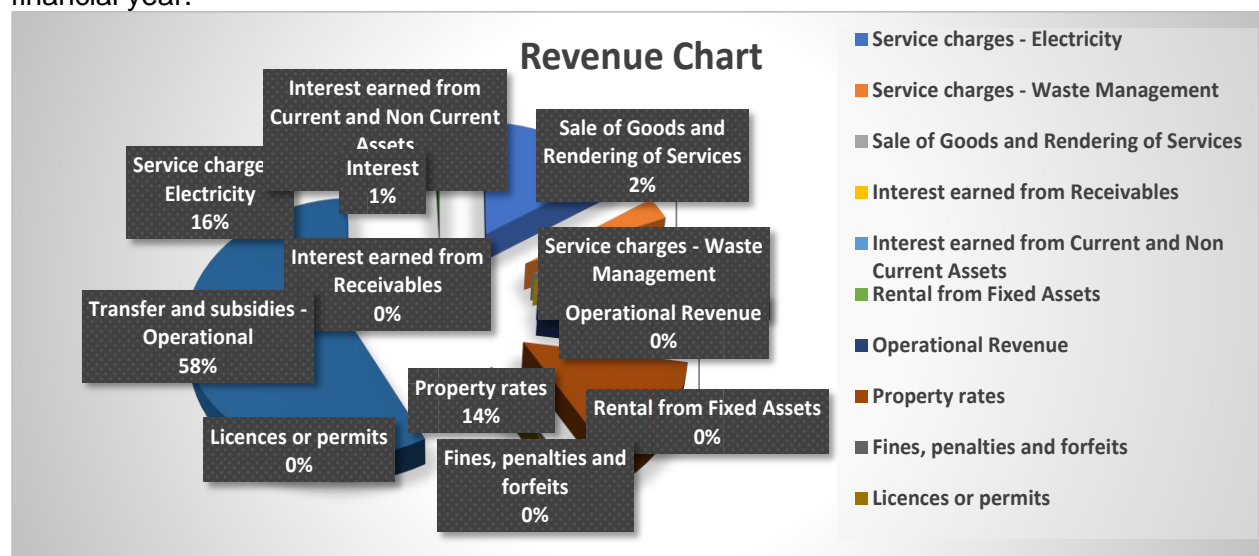


Figure 4 Breakdown of operating revenue over the 2024/25 MTREF

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 2024/25 MTREF on the different revenue categories are:

Table 27 Proposed tariff increases over the medium-term

| KZN291 Mandeni - Supporting Table SA14 Household bills | | | | | | | | | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|
| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | 2023/24 Medium Term Revenue & Expenditure Framework | | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2023/24 % incr. | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| Rand/cent | | | | | | | | | | | |
| Monthly Account for Household - 1 | | | | | | | | | | | |
| 'Middle Income Range' | | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 1,124.64 | 1,114.03 | 1,167.51 | 1,167.51 | 1,167.51 | 1,167.51 | 4.9% | 1,224.71 | 1,236.96 | 1,249.21 |
| Electricity: Basic levy | | 567.06 | 590.73 | 647.44 | 744.55 | 744.55 | 744.55 | 12.7% | 839.11 | 847.50 | 855.89 |
| Electricity: Consumption | | 2,575.84 | 2,683.32 | 2,940.92 | 3,382.05 | 3,382.05 | 3,382.05 | 12.7% | 3,811.57 | 3,849.69 | 3,887.81 |
| Water: Basic levy | | - | - | - | - | - | - | - | - | - | - |
| Water: Consumption | | - | - | - | - | - | - | - | - | - | - |
| Sanitation | | - | - | - | - | - | - | - | - | - | - |
| Refuse removal | | 147.67 | 148.37 | 155.50 | 163.74 | 163.74 | 163.74 | 4.9% | 171.76 | 173.48 | 175.20 |
| Other | | - | - | - | - | - | - | - | - | - | - |
| sub-total | | 4,415.21 | 4,536.45 | 4,911.35 | 5,457.85 | 5,457.85 | 5,457.85 | 10.8% | 6,047.16 | 6,107.63 | 6,168.10 |
| VAT on Services | | - | - | - | - | - | - | - | - | - | - |
| Total large household bill: | | 4,415.21 | 4,536.45 | 4,911.35 | 5,457.85 | 5,457.85 | 5,457.85 | 10.8% | 6,047.16 | 6,107.63 | 6,168.10 |
| % increase/-decrease | | 8.8% | 2.7% | 8.3% | 11.1% | 11.1% | 11.1% | (3.0%) | 10.8% | 1.0% | 1.0% |

Revenue to be generated from property rates is R62.2 million in the 2024/25 financial year and increases to R69.1 million by 2025/26 which represents 14.1 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 constitute are the second largest component of the revenue basket of the Municipality totaling R82,6 million for the 2024/25 financial year and increasing to R97.1 million by 2025/26. For the 2024/25 financial year services charges amount to 18.7 per cent of the total revenue base and grows by 20.9 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 R253.2 million, R252.3 million and R246.8 million for each of the respective financial years of the MTREF, or 57, 56 and 53 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government have increased in 2024/25 financial year and in the two outer years it reduces rapidly over the MTREF by 4.5 per cent and 2.5 per cent.

Investment revenue (interest) contributes marginally to the revenue base of the municipality with a budget allocation of R26.5 million, R28.3 million and R29.7 million for the respective three financial years of the 2024/25 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 28 MBRR SA15 – Détail Investment Information

| KZN291 Mandeni - Supporting Table SA15 Investment particulars by type | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Investment type | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | | | | | |
| Parent municipality | | | | | | | | | | |
| Securities - National Government | | – | – | – | – | – | – | – | – | – |
| Listed Corporate Bonds | | – | – | – | – | – | – | – | – | – |
| Deposits - Bank | | 54,806 | 167,599 | 207,979 | 123,554 | 183,424 | 183,424 | 114,433 | 127,599 | 162,785 |
| Deposits - Public Investment Commission | | – | – | – | – | – | – | – | – | – |
| Deposits - Corporation for Public Deposits | | – | – | – | – | – | – | – | – | – |
| Bankers Acceptance Certificates | | – | – | – | – | – | – | – | – | – |
| Negotiable Certificates of Deposit - Bank | | – | – | – | – | – | – | – | – | – |
| Guaranteed Endowment Policies (sinking) | | – | – | – | – | – | – | – | – | – |
| Repurchase Agreements - Banks | | – | – | – | – | – | – | – | – | – |
| Municipal Bonds | | – | – | – | – | – | – | – | – | – |
| Municipality sub-total | 1 | 54,806 | 167,599 | 207,979 | 123,554 | 183,424 | 183,424 | 114,433 | 127,599 | 162,785 |
| Entities | | | | | | | | | | |
| Securities - National Government | | – | – | – | – | – | – | – | – | – |
| Listed Corporate Bonds | | – | – | – | – | – | – | – | – | – |
| Deposits - Bank | | – | – | – | – | – | – | – | – | – |
| Deposits - Public Investment Commission | | – | – | – | – | – | – | – | – | – |
| Deposits - Corporation for Public Deposits | | – | – | – | – | – | – | – | – | – |
| Bankers Acceptance Certificates | | – | – | – | – | – | – | – | – | – |
| Negotiable Certificates of Deposit - Bank | | – | – | – | – | – | – | – | – | – |
| Guaranteed Endowment Policies (sinking) | | – | – | – | – | – | – | – | – | – |
| Repurchase Agreements - Banks | | – | – | – | – | – | – | – | – | – |
| Entities sub-total | | – | – | – | – | – | – | – | – | – |
| Consolidated total: | | 54,806 | 167,599 | 207,979 | 123,554 | 183,424 | 183,424 | 114,433 | 127,599 | 162,785 |

Table 29 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 | Variable or Fixed interest rate | Interest Rate | Expiry date of investment | Opening balance | Interest to be realised | Partial / Premature Withdrawal (A) | Investment Top Up | Closing Balance |
| Time of institution & investment | 1 | Yrs/Months | | | | | | | | | |
| Parent municipality | | | | | | | | | | | |
| Call account 1-GRANTS | | 12 Mnth | Call Accounts | Fixed | 0.0245 | 30 June 2023 | 11,910 | 1,520 | (116,181) | 102,951 | 200 |
| Call account 2 -HOUSING | | 12 Mnth | Call Accounts | Fixed | 0.0245 | 30 June 2023 | 2,086 | 540 | (350) | - | 2,276 |
| Call account 3-MIG | | 12 Mnth | Call Accounts | Fixed | 0.0245 | 30 June 2023 | 47 | 21 | (41,101) | 41,101 | 68 |
| Call account 5-TMT | | 12 Mnth | Call Accounts | Fixed | 0.0245 | 30 June 2023 | 271 | 105 | | | 376 |
| Call account 6-INEP | | 12 Mnth | Call Accounts | Fixed | 0.0245 | 30 June 2023 | 23 | - | (7,384) | 9,227 | 1,866 |
| Call account 7-AR | | 12 Mnth | Call Accounts | Fixed | 0.0245 | 30 June 2023 | 4,230 | 854 | | | 5,084 |
| Call account 8- Title Deed | | 12 Mnth | Call Accounts | Fixed | 0.0245 | 30 June 2023 | 4,857 | 960 | (1,500) | | 4,317 |
| NEDBANK | | 12 Mnth | Investments | Fixed | 0.0534 | 30 June 2023 | 60,000 | 9,500 | (35,237) | 20,000 | 54,263 |
| NEDBANK | | 12 Mnth | Investments | Fixed | 0.5313 | 30 June 2023 | 50,000 | 6,500 | (72,017) | 30,000 | 14,483 |
| NEDBANK | | 12 Mnth | Investments | Fixed | 0.0482 | 30 June 2023 | 50,000 | 6,500 | (75,000) | 50,000 | 31,500 |
| | | | | | | | | | | | - |
| | | | | | | | | | | | - |
| Municipality sub-total | | | | | | | 183,424 | | (348,771) | 253,279 | 114,433 |
| Entities | | | | | | | | | | | |
| | | | | | | | | | | | - |
| | | | | | | | | | | | - |
| | | | | | | | | | | | - |
| | | | | | | | | | | | - |
| | | | | | | | | | | | - |
| Entities sub-total | | | | | | | - | | - | - | - |
| TOTAL INVESTMENTS AND | 1 | | | | | | 183,424 | | (348,771) | 253,279 | 114,433 |

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 R114.4 million, R127.6 million and increases to R162.8 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

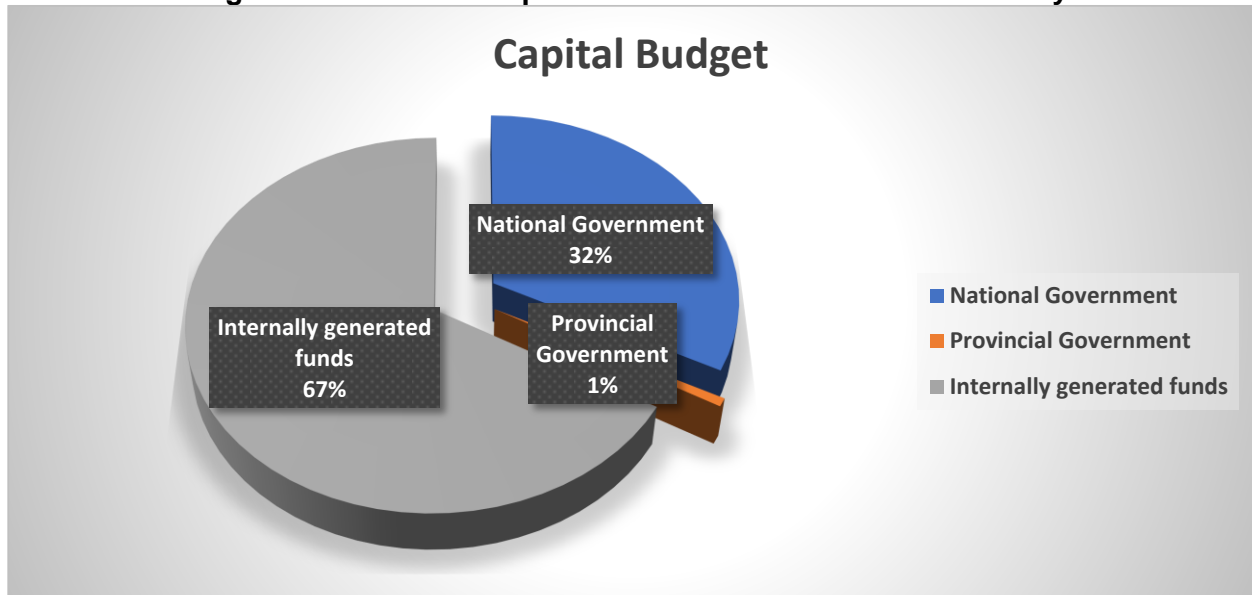
The following table is a breakdown of the funding composition of the 2024/25 medium-term capital programme:

Table 30 Sources of capital revenue over the MTREF

| KZN291 Mandeni -A5 CAPITAL BUDGET | | | | | | | | | |
|---|----------|----------------------|---------------|---|---------------|------------------------|---------------|------------------------|---------------|
| Vote Description | Ref | Current Year 2023/24 | | 2024/25 Medium Term Revenue & Expenditure Framework | | | | | |
| | | Adjusted Budget | % | Budget Year 2024/25 | % | Budget Year +1 2025/26 | % | Budget Year +2 2026/27 | % |
| R thousand | 1 | | | | | | | | |
| Funded by: | | | | | | | | | |
| National Government | | 51,837 | 0.37 | 33,963 | 32.62 | - | | - | |
| Provincial Government | | 591 | 0.00 | 739 | 0.71 | - | | - | |
| District Municipality | | - | - | - | | - | | - | |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public | | - | - | - | | - | | - | |
| Transfers recognised - capital | 4 | 52,428 | 37.51 | 34,702 | 33.33 | - | - | - | - |
| Borrowing | 6 | - | - | - | - | - | - | - | - |
| Internally generated funds | | 87,356 | 0.62 | 69,420 | 66.67 | 34,609 | 100.00 | 15,000 | 100.00 |
| Total Capital Funding | 7 | 139,784 | 100.00 | 104,122 | 100.00 | 34,609 | 100.00 | 15,000 | 100.00 |

The above table is graphically represented as follows for the 2024/25 financial year.

Figure 5 Sources of capital revenue for the 2024/25 financial year



Capital grants and receipts equates to 38.2 per cent of the total funding source which represents R42.0 million for the 2024/25 financial year and steadily decreases to 37.5 million or 100 per cent by 2024/25. Decrease relating to grant receipts is 4.6 million and 10.9 per cent over the medium-term.

Table 31 MBRR Table SA 18 - Capital transfers and grant receipts

| KZN291 Mandeni - Supporting Table SA18 Transfers and grant receipts | | | | | | | | | | |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Re | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| RECEIPTS: | 1, 2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 209,625 | 217,447 | 223,616 | 244,496 | 244,803 | 244,803 | 258,621 | 255,324 | 250,781 |
| EPWP Incentive | – | 2,387 | 2,435 | 2,372 | 2,553 | 2,410 | 2,410 | 1,815 | – | – |
| Finance Management | – | 2,345 | 1,850 | 1,850 | 1,850 | 1,850 | 1,850 | 1,800 | 1,900 | 2,000 |
| Integrated National Electrification Prog | – | 6,506 | 1,998 | 6,576 | 7,384 | 7,384 | 7,384 | 9,227 | 7,920 | 9,109 |
| Local Government Equitable Share | – | 198,387 | 211,164 | 212,818 | 230,823 | 230,823 | 230,823 | 243,588 | 243,355 | 237,347 |
| Municipal Infrastructure Grant | – | – | – | – | 1,886 | 2,336 | 2,336 | 2,191 | 2,149 | 2,325 |
| Other transfers/grants [insert description] | | | | | | | | | | |
| Provincial Government: | | 6,926 | 4,648 | 5,930 | 4,863 | 9,494 | 9,494 | 3,769 | 4,933 | 5,088 |
| Community Library Services Grant | – | 6,219 | 4,214 | 3,708 | 1,477 | 1,477 | 1,477 | 1,543 | 1,719 | 1,730 |
| Provincialization of Government | | | | | 2,396 | 2,266 | 2,266 | 2,226 | 3,214 | 3,358 |
| Non-revenue electricity - EDTEA | | 448 | | 1,000 | 990 | 990 | 990 | | | |
| Massification Grant | | | | 239 | | 4,761 | 4,761 | | | |
| Housing Title Deed | | 259 | 434 | 983 | | | | | | |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | – | – | – | – | – | – | – | – | – |
| [insert description] | | | | | | | | | | |
| Total Operating Transfers and Grants | 5 | 216,550 | 222,095 | 229,546 | 249,359 | 254,297 | 254,297 | 262,390 | 260,257 | 255,869 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 41,858 | 43,949 | 41,510 | 47,831 | 59,612 | 59,612 | 38,910 | 40,840 | 44,178 |
| Municipal Disaster Recovery Grant | – | 393 | – | 1,466 | – | 15,556 | 15,556 | – | – | – |
| | – | – | – | – | – | – | – | – | – | – |
| Municipal Infrastructure Grant (MIG) | – | 41,465 | 43,949 | 40,044 | 47,831 | 44,056 | 44,056 | 38,910 | 40,840 | 44,178 |
| Other capital transfers/grants [insert desc] | | | | | | | | | | |
| Provincial Government: | | – | – | – | 550 | 680 | 680 | 850 | – | – |
| Provincialization of Libraries | – | – | – | – | 550 | 680 | 680 | 850 | – | – |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | – | – | – | – | – | – | – | – | – |
| [insert description] | | | | | | | | | | |
| Total Capital Transfers and Grants | 5 | 41,858 | 43,949 | 41,510 | 48,381 | 60,292 | 60,292 | 39,760 | 40,840 | 44,178 |
| TOTAL RECEIPTS OF TRANSFERS & GR | | 258,408 | 266,044 | 271,056 | 297,740 | 314,589 | 314,589 | 302,150 | 301,097 | 300,047 |

GRANT RECEIPTS

- **Equitable Share** allocation is R243,6 million which has been increased by R12,8 million.
- **MIG** allocation is R41,1 million which has been decreased by R5.3 million, reduction is due to budget of R8million which was ringfenced towards the construction of Endlondlweni Sports field in Ward 10 for 2023-24 financial year.
- **EPWP** allocation is R1.8 million which has been decreased by R595 thousand.
- **FMG** allocation is R1.8 million which has been decreased by R50 thousand.
- **INEP** allocation is R9,2 million which has increased by R1.8 million.
- **Library Grant** allocation is R4.6 million which has increased by R196 thousand.

Further to that it should be noted that decrease in grant allocation is due to the municipality not receiving Disaster Relief, Massification and EDTEA Grant which were received in this current year.

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 32 MBRR Table A7 - Budget cash flow statement

| KZN291 Mandeni - Table A7 Budgeted Cash Flows | | | | | | | | | | |
|--|-----|-----------------|-----------------|------------------|----------------------|-----------------|--------------------|---------------------|------------------------|------------------------|
| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term | | |
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates | | 1,828 | 1,828 | 69,474 | 26,698 | 26,698 | 26,698 | 31,118 | 32,550 | 34,047 |
| Service charges | | 1,666 | 1,669 | 1,669 | 62,465 | 71,633 | 71,633 | 83,192 | 87,502 | 91,721 |
| Other revenue | | 4,485 | 69,618 | 21,758 | 18,972 | 20,931 | 20,931 | 4,474 | 4,680 | 9,336 |
| Transfers and Subsidies - Operational | 1 | 286,604 | 545,726 | 870,424 | 249,359 | 249,536 | 249,536 | 262,390 | 260,257 | 255,861 |
| Transfers and Subsidies - Capital | 1 | 50,556 | 96,109 | 153,649 | 48,381 | 60,292 | 60,292 | 39,760 | 40,840 | 44,178 |
| Interest | | 798 | 4,267 | 9,819 | 10,500 | 23,500 | 23,500 | 26,500 | 28,295 | 29,714 |
| Dividends | | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (18,740) | (15,498) | 22,044 | (507,431) | (543,172) | (543,172) | (393,385) | (397,713) | (408,815) |
| Interest | | - | - | - | (100) | (3,300) | (3,300) | (3,300) | (3,452) | (3,611) |
| Transfers and Subsidies | 1 | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 327,197 | 703,717 | 1,148,837 | (91,156) | (93,883) | (93,883) | 50,749 | 52,959 | 52,432 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current receivables | | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Capital assets | | - | - | - | 165,536 | 160,666 | 160,666 | (119,740) | (39,800) | (17,250) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | - | - | - | 165,536 | 160,666 | 160,666 | (119,740) | (39,800) | (17,250) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | - | - | - | - | - | - | 0 | 6 | 4 |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | - | - | - | - | - | - | 0 | 6 | 4 |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | | 327,197 | 703,717 | 1,148,837 | 74,381 | 66,784 | 66,784 | (68,991) | 13,166 | 35,186 |
| Cash/cash equivalents at the year beginning | 2 | - | - | - | - | - | - | 183,424 | 114,433 | 127,599 |
| Cash/cash equivalents at the year end | 2 | 327,197 | 703,717 | 1,148,837 | 74,381 | 66,784 | 66,784 | 114,433 | 127,599 | 162,785 |

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 R114.5 to a surplus of R162.9 million with the approved 2026/27 MTREF. With the 2023/24 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 R114.4 million by the financial year end. For the 2024/25 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels. 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 March be a concern that requires closer examination.

Table 33 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

| KZN291 Mandeni - Table A8 Cash backed reserves/accumulated surplus reconciliation | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---------------------|------------------------|------------------------|
| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term | | |
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Cash and investments available | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 327,197 | 703,717 | 1,148,837 | 74,381 | 66,784 | 66,784 | 114,433 | 127,599 | 162,785 |
| Other current investments > 90 days | | (145,177) | (495,551) | (894,224) | 42,408 | 76,629 | 76,629 | (3,765) | 37,227 | 25,692 |
| Non current Investments | 1 | - | - | - | - | - | - | - | - | - |
| Cash and investments available: | | 182,020 | 208,167 | 254,613 | 116,789 | 143,413 | 143,413 | 110,668 | 164,825 | 188,477 |
| Application of cash and investments | | | | | | | | | | |
| Unspent conditional transfers | | - | - | - | - | - | - | - | - | - |
| Unspent borrowing | | | | | | | | | | |
| Statutory requirements | 2 | | | | | | | | | |
| Other working capital requirements | 3 | 29,803 | 26,790 | 33,534 | 9,186 | 10,176 | 10,176 | (89,895) | (83,620) | (81,759) |
| Other provisions | | | | | | | | | | |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | | | | | | | | | |
| Total Application of cash and investments: | | 29,803 | 26,790 | 33,534 | 9,186 | 10,176 | 10,176 | (89,895) | (83,620) | (81,759) |
| Surplus(shortfall) - Excluding Non-Current C | | 152,217 | 181,377 | 221,079 | 107,603 | 133,237 | 133,237 | 200,563 | 248,446 | 270,236 |
| Creditors transferred to Debt Relief - Non-C | | - | - | - | - | - | - | - | - | - |
| Surplus(shortfall) - Including Non-Current C | | 152,217 | 181,377 | 221,079 | 107,603 | 133,237 | 133,237 | 200,563 | 248,446 | 270,236 |

From the above table it can be seen that the cash and investments available total R200.6 million in the 2024/25 financial year and increases to R270.3 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.

The municipality has projected budget of unspent conditional grant of R6.3 million which has been split as follows: Title Deed Grant of R2.5 million and MIG Grant R3.8 million.

Due to delays in transferring ownership of Low-Cost Housing the municipality foresee that there will be remaining unspent grant for Title Deed Grant of R2.5 million this assumption is based on grant register as at March 2024.

Further to that based on performance noted on MIG grant and delays noted with Hlomendlini Sportified it is anticipated that there will be remaining balance of R3.8 million as at year end.

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 2024/25 MTREF was funded when considering the funding requirements of section 18 and 19 of the MFMA. The 2024/25 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.

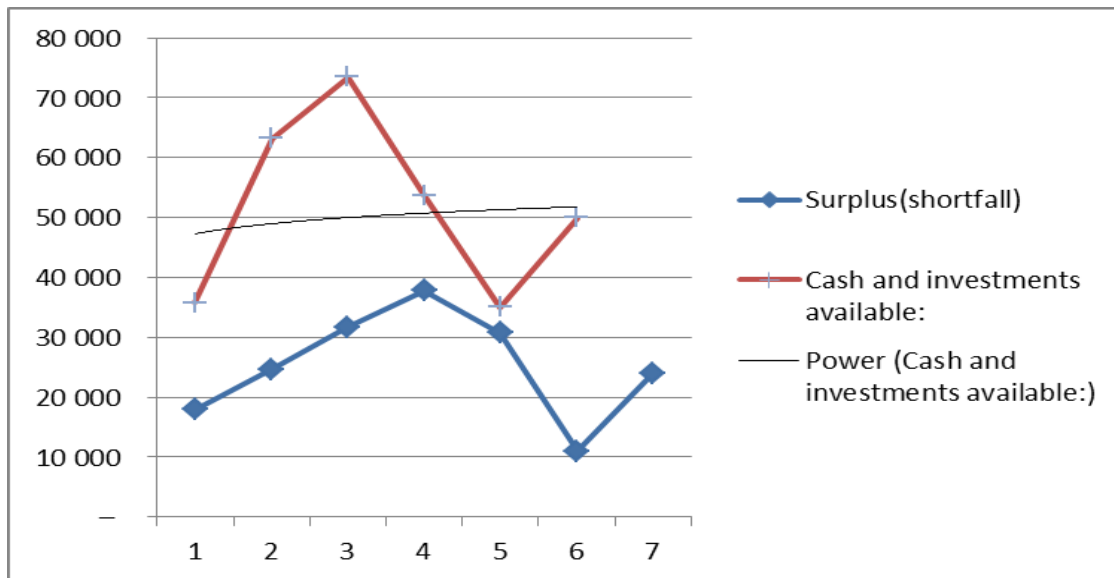


Figure 6 Cash and cash equivalents / Cash backed reserves and accumulated funds

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 34 MBRR SA10 – Funding compliance measurement

| KZN291 Mandeni Supporting Table SA10 Funding measurement | | | | | | | | | | | |
|---|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | MFMA section | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Funding measures | | | | | | | | | | | |
| Cash/cash equivalents at the year end - R | 18(1)b | 1 | 327,197 | 703,717 | 1,148,837 | 74,381 | 66,784 | 66,784 | 114,433 | 127,599 | 162,785 |
| Cash + investments at the yr end less appl | 18(1)b | 2 | 152,217 | 181,377 | 221,079 | 107,603 | 133,237 | 133,237 | 200,563 | 248,446 | 270,236 |
| Cash year end/monthly employee/supplier | 18(1)b | 3 | 18.3 | 37.3 | 53.4 | 2.8 | 2.2 | 2.2 | 3.8 | 4.2 | 5.2 |
| Surplus/(Deficit) excluding depreciation off | 18(1) | 4 | 238,232 | 249,617 | 284,663 | 28,629 | 40,501 | 40,501 | 39,883 | 42,090 | 47,738 |
| Service charge rev % change - macro CPI | 18(1)a | 2 | N.A. | 8.8% | 17.6% | 3.7% | 1.4% | (6.0%) | 3.6% | 0.4% | 1.9% |
| Cash receipts % of Ratepayer & Other rev | 18(1)a | 2 | 2.8% | 25.2% | 23.2% | 24.0% | 25.3% | 25.3% | 74.0% | 73.8% | 72.5% |
| Debt impairment expense as a % of total b | 18(1)a | 2 | | 0.0% | 0.0% | 30.3% | 28.2% | 28.2% | 20.9% | 19.8% | 18.3% |
| Capital payments % of capital expenditure | 18(1)c | 1 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Borrowing receipts % of capital expenditure | 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 alloc | 18(1)a | 10 | | | | | | | | | |
| Current consumer debtors % change - incr | 18(1)a | 11 | N.A. | 26.9% | (54.0%) | (769.4%) | 53.4% | 0.0% | (465.0%) | 5.1% | 12.5% |
| Long term receivables % change - incr(dec | 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 | 4.0% | 3.5% | 3.1% | 2.7% | 3.5% | 3.5% | 3.8% | 4.1% | 0.0% |
| Asset renewal % of capital budget | 20(1)(vi) | 14 | 958.8% | 648.8% | 309.2% | 12.2% | 10.0% | 10.0% | 21.3% | 0.0% | 0.0% |
| Supporting indicators | | | | | | | | | | | |
| % incr total service charges (incl prop rates) | 18(1)a | | | 14.8% | 23.6% | 9.7% | 7.4% | 0.0% | 9.6% | 6.4% | 7.9% |
| % incr Property Tax | 18(1)a | | | (3.6%) | 49.4% | 17.1% | (0.0%) | 0.0% | 4.9% | 4.6% | 6.1% |
| % incr Service charges - Electricity | 18(1)a | | | 32.6% | 8.5% | 5.5% | 17.4% | 0.0% | 13.0% | 6.7% | 8.3% |
| % incr Service charges - Water | 18(1)a | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| % incr Service charges - Waste Water Mana | 18(1)a | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| % incr Service charges - Waste Management | 18(1)a | | | 18.2% | 6.9% | (4.5%) | 0.0% | 0.0% | 15.9% | 13.4% | 13.5% |
| % incr in Sale of Goods and Rendering of S | 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 | | 78,989 | 90,689 | 112,094 | 122,986 | 132,117 | 132,117 | 144,808 | 154,096 | 166,207 |
| Service charges | | | 78,989 | 90,689 | 112,094 | 122,986 | 132,117 | 132,117 | 144,808 | 154,096 | 166,207 |
| Property rates | | | 35,167 | 33,913 | 50,660 | 59,329 | 59,329 | 59,329 | 62,237 | 65,099 | 69,094 |
| Service charges - electricity revenue | | | 34,672 | 45,958 | 49,864 | 52,613 | 61,743 | 61,743 | 69,770 | 74,479 | 80,636 |
| Service charges - water revenue | | | – | – | – | – | – | – | – | – | – |
| Service charges - sanitation revenue | | | – | – | – | – | – | – | – | – | – |
| Service charges - refuse removal | | | 9,150 | 10,818 | 11,570 | 11,044 | 11,044 | 11,044 | 12,802 | 14,517 | 16,477 |
| Agency services | | | – | – | – | – | – | – | – | – | – |
| Capital expenditure excluding capital grant funding | | | 7,264 | 24,649 | 60,688 | 88,347 | 87,356 | 87,356 | 69,420 | 34,609 | 15,000 |
| Cash receipts from ratepayers | 18(1)a | | 7,978 | 73,114 | 92,901 | 108,136 | 119,262 | 119,262 | 118,784 | 124,732 | 135,104 |
| Ratepayer & Other revenue | 18(1)a | | 282,090 | 289,609 | 399,662 | 450,109 | 471,785 | 471,785 | 160,551 | 169,056 | 186,420 |
| Change in consumer debtors (current and non-current) | | | N/A | (6,535) | 16,644 | 108,891 | 50,582 | – | 79,972 | 3,223 | 8,218 |
| Operating and Capital Grant Revenue | 18(1)a | | 251,645 | 265,261 | 268,494 | 290,356 | 302,444 | 302,444 | 292,923 | 293,177 | 290,938 |
| Capital expenditure - total | 20(1)(vi) | | 17,990 | 30,411 | 73,316 | 143,945 | 139,784 | 139,784 | 104,122 | 34,609 | 15,000 |
| Capital expenditure - renewal | 20(1)(vi) | | 172,489 | 197,313 | 226,672 | 17,609 | 14,008 | 14,008 | 22,174 | – | – |
| 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) | | | N/A | (6,535) | 16,644 | 108,891 | 50,582 | – | 79,972 | 3,223 | 8,218 |

| KZN291 Mandeni Supporting Table SA10 Funding measurement | | | | | | | | | | | |
|--|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | MFMA section | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Total Operating Revenue | | | 319,244 | 333,878 | 401,553 | 382,369 | 418,587 | 418,587 | 441,551 | 451,087 | 464,357 |
| Total Operating Expenditure | | | 300,674 | 307,556 | 340,473 | 402,121 | 438,379 | 438,379 | 441,428 | 449,836 | 460,796 |
| Operating Performance Surplus/(Deficit) | | | 18,570 | 26,321 | 61,080 | (19,752) | (19,792) | (19,792) | 122 | 1,251 | 3,560 |
| Cash and Cash Equivalents (30 June 2012) | | | | | | | | | 114,433 | | |
| Revenue | | | | | | | | | | | |
| % Increase in Total Operating Revenue | | | | 4.6% | 20.3% | (4.8%) | 9.5% | 0.0% | 5.5% | 2.2% | 2.9% |
| % Increase in Property Rates Revenue | | | | (3.6%) | 49.4% | 17.1% | (0.0%) | 0.0% | 49.9% | 4.6% | 6.1% |
| % Increase in Electricity Revenue | | | | 32.6% | 8.5% | 5.5% | 17.4% | 0.0% | 13.0% | 6.7% | 8.3% |
| % Increase in Property Rates & Services Charges | | | | 14.8% | 23.6% | 9.7% | 7.4% | 0.0% | 9.6% | 6.4% | 7.9% |
| Expenditure | | | | | | | | | | | |
| % Increase in Total Operating Expenditure | | | | 2.3% | 10.7% | 18.1% | 9.0% | 0.0% | 0.7% | 1.9% | 2.4% |
| % Increase in Employee Costs | | | | (1.5%) | 8.4% | 21.1% | 0.0% | 0.0% | 7.9% | 0.7% | 0.7% |
| % Increase in Electricity Bulk Purchases | | | | 26.9% | 23.8% | (3.7%) | 18.9% | 0.0% | 15.7% | 2.8% | 2.7% |
| Average Cost Per Budgeted Employee Position (Remuneration) | | | | | 411105.45 | 456194 | | | 453996 | | |
| Average Cost Per Councillor (Remuneration) | | | | | 409295.97 | 441715 | | | 468218 | | |
| R&M % of PPE | | | 4.0% | 3.5% | 3.1% | 2.7% | 3.5% | 3.5% | 3.7% | 3.8% | 4.1% |
| Asset Renewal and R&M as a % of PPE | | | 47.5% | 52.9% | 56.5% | 14.2% | 15.0% | 15.0% | 12.2% | 3.8% | 4.1% |
| Debt Impairment % of Total Billable Revenue | | | 0.0% | 0.0% | 0.0% | 30.3% | 28.2% | 28.2% | 20.9% | 19.8% | 18.3% |
| Capital Revenue | | | | | | | | | | | |
| Internally Funded & Other (R'000) | | | 7,264 | 24,649 | 60,688 | 88,347 | 87,356 | 87,356 | 69,420 | 34,609 | 15,000 |
| Borrowing (R'000) | | | - | - | 0 | - | - | - | - | - | - |
| Grant Funding and Other (R'000) | | | 10,726 | 5,762 | 12,628 | 55,598 | 52,428 | 52,428 | 34,702 | - | - |
| Internally Generated funds % of Non Grant Funding | | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Borrowing % of Non Grant Funding | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Grant Funding % of Total Funding | | | 59.6% | 18.9% | 17.2% | 38.6% | 37.5% | 37.5% | 33.3% | 0.0% | 0.0% |
| Capital Expenditure | | | | | | | | | | | |
| Total Capital Programme (R'000) | | | 17,990 | 30,411 | 73,316 | 143,945 | 139,784 | 139,784 | 104,122 | 34,609 | 15,000 |
| Asset Renewal | | | 234,880 | 260,270 | 321,620 | 85,356 | 81,194 | 81,194 | 22,174 | - | - |
| Asset Renewal % of Total Capital Expenditure | | | 1305.6% | 855.8% | 438.7% | 59.3% | 58.1% | 58.1% | 21.3% | 0.0% | 0.0% |
| Cash | | | | | | | | | | | |
| Cash Receipts % of Rate Payer & Other | | | 2.8% | 25.2% | 23.2% | 24.0% | 25.3% | 25.3% | 74.0% | 73.8% | 72.5% |
| Cash Coverage Ratio | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Borrowing | | | | | | | | | | | |
| Most recent Credit Rating | | | | | | | | | 0 | | |
| Capital Charges to Operating | | | 0.1% | 0.0% | 0.1% | 0.0% | 0.8% | 0.8% | 0.7% | 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 | | | | | | | | | | | |
| Uncommitted reserves after application of cash and inv | | | 152,217 | 181,377 | 221,079 | 107,603 | 133,237 | 133,237 | 200,563 | 248,446 | 270,236 |
| 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) | | | (6.8%) | (5.9%) | 0.9% | (9.3%) | (7.4%) | (7.4%) | (7.6%) | (7.6%) | (7.2%) |
| High Level Outcome of Funding Compliance | | | | | | | | | | | |
| Total Operating Revenue | | | 319,244 | 333,878 | 401,553 | 382,369 | 418,587 | 418,587 | 441,551 | 451,087 | 464,357 |
| Total Operating Expenditure | | | 300,674 | 307,556 | 340,473 | 402,121 | 438,379 | 438,379 | 441,428 | 449,836 | 460,796 |
| Surplus/(Deficit) Budgeted Operating Statement | | | 18,570 | 26,321 | 61,080 | (19,752) | (19,792) | (19,792) | 122 | 1,251 | 3,560 |
| Surplus/(Deficit) Considering Reserves and Cash Back | | | 152,217 | 181,377 | 221,079 | 107,603 | 133,237 | 133,237 | 200,563 | 248,446 | 270,236 |
| MTREF Funded (1) / Unfunded (0) | 15 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| MTREF Funded ü / Unfunded ü | 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 2024/25 MTREF shows R200.6 million, R248.4 million and R270.2 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 2023/24 to 2024/25, moving from 2.3 to 1.7 with the adopted 2024/25 & MTREF. As part of the 2024/25 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 March 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 2024/25 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates is 4.9 per cent and services charges are 4.9 per cent, with the increase in electricity at 12.7 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 analyze the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. 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 March 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 35 MBRR SA19 - Expenditure on transfers and grant programmes

| KZN291 Mandeni - Supporting Table SA19 Expenditure on transfers and grant programme | | | | | | | | | | |
|---|----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Re | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| EXPENDITURE: | 1 | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 209,625 | 217,447 | 223,616 | 244,496 | 244,803 | 244,803 | 258,621 | 255,324 | 250,781 |
| Expanded Public Works Progra | | 2,387 | 2,435 | 2,372 | 2,553 | 2,410 | 2,410 | 1,815 | – | – |
| Integrated National Electrificatio | | 2,345 | 1,850 | 1,850 | 1,850 | 1,850 | 1,850 | 1,800 | 1,900 | 2,000 |
| Local Government Financial Ma | | 6,506 | 1,998 | 6,576 | 7,384 | 7,384 | 7,384 | 9,227 | 7,920 | 9,109 |
| Municipal Disaster Relief Grant | | 198,387 | 211,164 | 212,818 | 230,823 | 230,823 | 230,823 | 243,588 | 243,355 | 237,347 |
| Municipal Infrastructure Grant | | – | – | – | 1,886 | 2,336 | 2,336 | 2,191 | 2,149 | 2,325 |
| Other transfers/grants [insert description] | | | | | | | | | | |
| Provincial Government: | | 6,926 | 4,648 | 5,930 | 4,863 | 9,494 | 9,494 | 3,769 | 4,933 | 5,088 |
| Community Library Services Grant | | 6,219 | 4,214 | 3,708 | 1,477 | 1,477 | 1,477 | 1,543 | 1,719 | 1,730 |
| Provincialization of Government | | | | | 2,396 | 2,266 | 2,266 | 2,226 | 3,214 | 3,358 |
| Non-revenue electricity - EDTEA | | 448 | | 1,000 | 990 | 990 | 990 | | | |
| Massification Grant | | | | 239 | | 4,761 | 4,761 | | | |
| Housing Title Deed | | 259 | 434 | 983 | | | | | | |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | – | – | – | – | – | – | – | – | – |
| [insert description] | | | | | | | | | | |
| Total operating expenditure of Trans | | 216,550 | 222,095 | 229,546 | 249,359 | 254,297 | 254,297 | 262,390 | 260,257 | 255,869 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 41,858 | 43,949 | 41,510 | 47,831 | 59,612 | 59,612 | 38,910 | 40,840 | 44,178 |
| Integrated National Electrificatio | | | | | | | | | | |
| KwaZulu-Natal | | | | | | | | | | |
| Municipal Disaster Recovery Gi | | 393 | – | 1,466 | – | 15,556 | 15,556 | | | |
| Municipal Infrastructure Grant | | 41,465 | 43,949 | 40,044 | 47,831 | 44,056 | 44,056 | 38,910 | 40,840 | 44,178 |
| Other capital transfers/grants [insert desc] | | | | | | | | | | |
| Provincial Government: | | – | – | – | 550 | 680 | 680 | 850 | – | – |
| Provincialization of Libraries | | – | – | – | 550 | 680 | 680 | 850 | – | – |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | – | – | – | – | – | – | – | – | – |
| [insert description] | | | | | | | | | | |
| Total capital expenditure of Transfe | | 41,858 | 43,949 | 41,510 | 48,381 | 60,292 | 60,292 | 39,760 | 40,840 | 44,178 |
| TOTAL EXPENDITURE OF TRANSF | | 258,408 | 266,044 | 271,056 | 297,740 | 314,589 | 314,589 | 302,150 | 301,097 | 300,047 |

Table 36 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 | Re | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Operating transfers and grants: | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | 209,625 | 217,447 | 223,616 | 244,496 | 244,803 | 244,803 | 258,621 | 255,324 | 250,781 |
| Repayment of grants | | | | | | | | | | |
| Conditions met - transferred to revenue | | 419,249 | 434,894 | 447,232 | 488,992 | 489,606 | 489,606 | 517,241 | 510,649 | 501,562 |
| Conditions still to be met - transferred to liability | | (209,625) | (217,447) | (223,616) | (244,496) | (244,803) | (244,803) | (258,621) | (255,324) | (250,781) |
| Provincial Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | 6,926 | 4,648 | 5,930 | 4,863 | 9,494 | 9,494 | 3,769 | 4,933 | 5,088 |
| Conditions met - transferred to revenue | | 13,852 | 9,296 | 11,860 | 9,726 | 18,987 | 18,987 | 7,538 | 9,866 | 10,176 |
| Conditions still to be met - transferred to liability | | (6,926) | (4,648) | (5,930) | (4,863) | (9,494) | (9,494) | (3,769) | (4,933) | (5,088) |
| District Municipality: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | - | - | - | - | - | - | - | - | - |
| Conditions met - transferred to revenue | | - | - | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liability | | - | - | - | - | - | - | - | - | - |
| 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 liability | | - | - | - | - | - | - | - | - | - |
| Total operating transfers and grants revenue | | 433,101 | 444,190 | 459,093 | 498,718 | 508,593 | 508,593 | 524,779 | 520,515 | 511,738 |
| Total operating transfers and grants - CTBN 2 | | (216,550) | (222,095) | (229,546) | (249,359) | (254,297) | (254,297) | (262,390) | (260,257) | (255,869) |
| Capital transfers and grants: | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | 41,858 | 43,949 | 41,510 | 47,831 | 59,612 | 59,612 | 38,910 | 40,840 | 44,178 |
| Conditions met - transferred to revenue | | - | - | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liability | | 41,858 | 43,949 | 41,510 | 47,831 | 59,612 | 59,612 | 38,910 | 40,840 | 44,178 |
| Provincial Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | - | - | - | - | - | - | - | - | - |
| Conditions met - transferred to revenue | | - | - | - | 550 | 680 | 680 | 850 | - | - |
| Conditions still to be met - transferred to liability | | - | - | - | (550) | (680) | (680) | (850) | - | - |
| District Municipality: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | - | - | - | - | - | - | - | - | - |
| Conditions met - transferred to revenue | | - | - | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liability | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | 41,858 | 43,949 | 41,510 | 48,381 | 60,292 | 60,292 | 39,760 | 40,840 | 44,178 |
| Conditions met - transferred to revenue | | 41,858 | 43,949 | 41,510 | 48,381 | 60,292 | 60,292 | 39,760 | 40,840 | 44,178 |
| Conditions still to be met - transferred to liability | | - | - | - | - | - | - | - | - | - |
| Total capital transfers and grants revenue | | 41,858 | 43,949 | 41,510 | 48,931 | 60,972 | 60,972 | 40,610 | 40,840 | 44,178 |
| Total capital transfers and grants - CTBM 2 | | 41,858 | 43,949 | 41,510 | 47,281 | 58,932 | 58,932 | 38,060 | 40,840 | 44,178 |
| TOTAL TRANSFERS AND GRANTS REVENUE | | 474,959 | 488,139 | 500,603 | 547,649 | 569,565 | 569,565 | 565,390 | 561,354 | 555,916 |
| TOTAL TRANSFERS AND GRANTS - CTBM | | (174,692) | (178,146) | (188,036) | (202,078) | (195,364) | (195,364) | (224,329) | (219,418) | (211,691) |

2.11 Councilors and employee benefits

Table 37 MBRR SA22 - Summary of councilor and staff benefits

| KZN291 Mandeni - Supporting Table SA22 Summary councilor and staff benefits | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Summary of Employee and Councillor remuneration | Re | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| | 1 | A | B | C | D | E | F | G | H | I |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | | – | – | 12,098 | 12,989 | 12,989 | 12,989 | 13,768 | 14,181 | 14,465 |
| Pension and UIF Contributions | | – | – | – | – | – | – | – | – | – |
| Medical Aid Contributions | | – | – | – | – | – | – | – | – | – |
| Motor Vehicle Allowance | | – | – | 543 | 636 | 636 | 636 | 675 | 695 | 709 |
| Cellphone Allowance | | – | – | 1,502 | 1,591 | 1,591 | 1,591 | 1,687 | 1,737 | 1,772 |
| Housing Allowances | | – | – | 182 | 244 | 244 | 244 | 258 | 266 | 271 |
| Other benefits and allowances | | – | – | – | – | – | – | – | – | – |
| Sub Total - Councillors | | – | – | 14,325 | 15,460 | 15,460 | 15,460 | 16,388 | 16,879 | 17,217 |
| % increase | 4 | | | | 7.9% | | | 6.0% | 3.0% | 2.0% |
| Senior Managers of the Municipality | | | | | | | | | | |
| Basic Salaries and Wages | 2 | 5,197 | 5,197 | 4,204 | 5,602 | 5,602 | 5,602 | 5,876 | 5,269 | 6,430 |
| Pension and UIF Contributions | | 0 | 0 | 1 | 11 | 11 | 11 | 11 | 12 | 12 |
| Medical Aid Contributions | | – | – | – | – | – | – | 42 | 44 | 46 |
| Overtime | | – | – | – | – | – | – | – | – | – |
| Performance Bonus | | 561 | 1,048 | 583 | 476 | 476 | 476 | 499 | 522 | 546 |
| Motor Vehicle Allowance | 3 | 737 | 737 | 645 | 773 | 773 | 773 | 871 | 911 | 953 |
| Cellphone Allowance | 3 | 186 | 186 | 182 | 186 | 186 | 186 | 195 | 204 | 213 |
| Housing Allowances | 3 | 264 | 264 | 256 | 265 | 265 | 265 | 278 | 291 | 304 |
| Other benefits and allowances | 3 | 1 | 1 | 1 | 1 | 1 | 1 | 286 | 299 | 312 |
| Payments in lieu of leave | | – | – | – | – | – | – | – | – | – |
| Long service awards | | – | – | – | – | – | – | – | – | – |
| Post-retirement benefit obligation | 6 | 3,628 | 345 | 1,443 | – | – | – | 3,736 | 2,408 | 2,518 |
| Entertainment | | – | – | – | – | – | – | – | – | – |
| Scarcity | | – | – | – | – | – | – | – | – | – |
| Acting and post related allowance | | – | – | – | – | – | – | – | – | – |
| In kind benefits | | – | – | – | – | – | – | – | – | – |
| Sub Total - Senior Managers of Municipality | | 10,575 | 7,778 | 7,316 | 7,314 | 7,314 | 7,314 | 11,794 | 9,959 | 11,335 |
| % increase | 4 | | (26.4%) | (5.9%) | (0.0%) | | | 61.3% | (15.6%) | 13.8% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 66,668 | 71,436 | 74,961 | 89,913 | 89,913 | 89,913 | 94,130 | 101,729 | 100,371 |
| Pension and UIF Contributions | | 10,682 | 11,179 | 12,303 | 14,704 | 14,704 | 14,704 | 15,938 | 16,683 | 17,450 |
| Medical Aid Contributions | | 5,722 | 5,273 | 5,426 | 5,886 | 5,886 | 5,886 | 6,180 | 6,508 | 6,808 |
| Overtime | | 1,437 | 1,826 | 2,388 | 1,716 | 1,716 | 1,716 | 2,469 | 2,583 | 2,702 |
| Performance Bonus | | 5,401 | 4,104 | 6,078 | 6,209 | 6,209 | 6,209 | 6,513 | 7,335 | 7,672 |
| Motor Vehicle Allowance | 3 | 3,978 | 4,063 | 4,672 | 5,239 | 5,239 | 5,239 | 5,495 | 6,659 | 6,965 |
| Cellphone Allowance | 3 | 469 | 452 | 530 | 526 | 526 | 526 | 604 | 836 | 874 |
| Housing Allowances | 3 | 288 | 289 | 306 | 345 | 345 | 345 | 362 | 626 | 700 |
| Other benefits and allowances | 3 | 1,035 | 1,041 | 828 | 765 | 765 | 765 | 887 | 1,226 | 1,283 |
| Payments in lieu of leave | | 2,927 | 585 | 2,636 | 2,591 | 2,591 | 2,591 | 2,718 | 2,843 | 2,973 |
| Long service awards | | 378 | 832 | 962 | 1,341 | 1,341 | 1,341 | 1,407 | 1,472 | 1,539 |
| Post-retirement benefit obligation | 6 | (163) | (1,143) | (1,651) | 4,872 | 4,872 | 4,872 | 4,047 | 5,140 | 5,377 |
| Entertainment | | – | – | – | – | – | – | – | – | – |
| Scarcity | | – | – | – | – | – | – | – | – | – |
| Acting and post related allowance | | – | – | – | – | – | – | – | – | – |
| In kind benefits | | – | – | – | – | – | – | – | – | – |
| Sub Total - Other Municipal Staff | | 98,821 | 99,934 | 109,438 | 134,106 | 134,106 | 134,106 | 140,748 | 153,638 | 154,713 |
| % increase | 4 | | 1.1% | 9.5% | 22.5% | | | 5.0% | 9.2% | 0.7% |
| Total Parent Municipality | | 109,396 | 107,713 | 131,079 | 156,880 | 156,880 | 156,880 | 168,930 | 180,477 | 183,266 |
| | | | (1.5%) | 21.7% | 19.7% | | | 7.7% | 6.8% | 1.5% |
| TOTAL SALARY, | | 109,396 | 107,713 | 131,079 | 156,880 | 156,880 | 156,880 | 168,930 | 180,477 | 183,266 |
| % increase | 4 | | (1.5%) | 21.7% | 19.7% | | | 7.7% | 6.8% | 1.5% |
| TOTAL MANAGERS AND STAFF | 5,7 | 109,396 | 107,713 | 116,754 | 141,420 | 141,420 | 141,420 | 152,543 | 163,597 | 166,049 |

Table 38 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

KZN291 Mandeni - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior ma

| Disclosure of Salaries, Allowances & Benefits 1. | Re | Salary | Contribution | Allowances | Performance Bonuses | In-kind benefits | Total Package |
|--|-------------|-----------|-------------------|----------------|---------------------|------------------|-------------------|
| Rand per annum | No. | | 1. | | | | 2. |
| Councillors | 3 | | | | | | |
| Speaker | 4 | 1 | 780,482 | | 43,200 | – | 823,682 |
| Chief Whip | | 1 | 408,203 | | 43,200 | – | 451,403 |
| Executive Mayor | | 1 | 975,602 | – | 43,200 | – | 1,018,802 |
| Deputy Executive Mayor | | 1 | 780,482 | – | 43,200 | – | 823,682 |
| Executive Committee | | 5 | 2,788,015 | | 216,000 | – | 3,004,015 |
| Total for all other councillors | | 26 | 8,942,836 | | 1,323,200 | – | 10,266,036 |
| Total Councillors | 8 | 35 | 14,675,620 | – | 1,712,000 | | 16,387,620 |
| Senior Managers of the Municipality | 5 | | | | | | |
| Municipal Manager (MM) | | 1 | 1,135,250 | 40,957 | 312,000 | 75,432 | 1,563,640 |
| Chief Finance Officer | | 1 | 932,560 | 219,376 | 198,000 | 61,934 | 1,411,870 |
| Director: Corporate Services | | 1 | 932,560 | 10,827 | 198,000 | 61,934 | 1,203,321 |
| Director: Technical Services | | 1 | 932,560 | 207,856 | 198,000 | 61,934 | 1,400,350 |
| Director: EDPHS | | 1 | 932,563 | 49,961 | 198,000 | 61,934 | 1,242,458 |
| Director: Community Services | | 1 | 932,560 | 44,956 | 198,000 | 61,934 | 1,237,450 |
| <i>List of each official with packages >= senior manager</i> | | | | | | | |
| | | | | | | | – |
| | | | | | | | – |
| | | | | | | | – |
| | | | | | | | – |
| | | | | | | | – |
| | | | | | | | – |
| | | | | | | | – |
| | | | | | | | – |
| | | | | | | | – |
| | | | | | | | – |
| | | | | | | | – |
| | | | | | | | – |
| Total Senior Managers of the Municipality | 3,10 | 6 | 5,798,053 | 573,934 | 1,302,000 | 385,103 | 8,059,089 |
| TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION | 10 | 41 | 20,473,673 | 573,934 | 3,014,000 | 385,103 | 24,446,709 |

Table 39 MBRR SA24 – Summary of personnel numbers

| KZN291 Mandeni - Supporting Table SA24 Summary of personnel numbers | | | | | | | | | | |
|---|-------|------------|---------------------|--------------------|----------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
| Summary of Personnel Numbers | Ref | 2022/23 | | | Current Year 2023/24 | | | Budget Year 2024/25 | | |
| Number | 1,2 | 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 | 5 | – | – | – | – | – | – | – | – | – |
| Municipal Manager and Senior Managers | 3 | 6 | – | 6 | 6 | – | 6 | 6 | – | 6 |
| Other Managers | 7 | 20 | 19 | 1 | 28 | 27 | 1 | 28 | 27 | 1 |
| Professionals | | 115 | 101 | 14 | 123 | 108 | 15 | 125 | 110 | 15 |
| Finance | | 33 | 24 | 9 | 34 | 25 | 9 | 35 | 26 | 9 |
| Spatial/town planning | | 13 | 13 | – | 15 | 14 | 1 | 16 | 15 | 1 |
| Information Technology | | 4 | 4 | – | 5 | 5 | – | 5 | 5 | – |
| Roads | | 10 | 5 | 5 | 12 | 7 | 5 | 12 | 7 | 5 |
| Electricity | | 5 | 5 | – | 5 | 5 | – | 5 | 5 | – |
| Water | | – | – | – | – | – | – | – | – | – |
| Sanitation | | – | – | – | – | – | – | – | – | – |
| Refuse | | 41 | 41 | – | 41 | 41 | – | 41 | 41 | – |
| Other | | 9 | 9 | – | 11 | 11 | – | 11 | 11 | – |
| Technicians | | 22 | 19 | 3 | 22 | 19 | 3 | 24 | 21 | 3 |
| Finance | | – | – | – | – | – | – | – | – | – |
| Spatial/town planning | | – | – | – | – | – | – | – | – | – |
| Information Technology | | – | – | – | – | – | – | – | – | – |
| Roads | | – | – | – | – | – | – | – | – | – |
| Electricity | | – | – | – | – | – | – | – | – | – |
| Water | | – | – | – | – | – | – | – | – | – |
| Sanitation | | – | – | – | – | – | – | – | – | – |
| Refuse | | – | – | – | – | – | – | – | – | – |
| Other | | 22 | 19 | 3 | 22 | 19 | 3 | 24 | 21 | 3 |
| Clerks (Clerical and administrative) | | 23 | 23 | – | 24 | 24 | – | 24 | 24 | – |
| Service and sales workers | | – | – | – | – | – | – | – | – | – |
| Skilled agricultural and fishery workers | | – | – | – | – | – | – | – | – | – |
| Craft and related trades | | – | – | – | – | – | – | – | – | – |
| Plant and Machine Operators | | 21 | 21 | – | 24 | 24 | – | 28 | 28 | – |
| Elementary Occupations | | 77 | 77 | – | 83 | 83 | – | 101 | 101 | – |
| TOTAL PERSONNEL NUMBERS | 9 | 319 | 265 | 54 | 345 | 290 | 55 | 371 | 316 | 55 |
| % increase | | | | | 8.2% | 9.4% | 1.9% | 7.5% | 9.0% | – |
| Total municipal employees headcount | 5, 10 | 319 | 265 | 54 | 345 | 290 | 55 | 371 | 316 | 55 |
| Finance personnel headcount | 3, 10 | 33 | 24 | 9 | 34 | 25 | 9 | 35 | 26 | 9 |
| Human Resources personnel headcount | 3, 10 | 286 | 241 | 45 | 311 | 265 | 46 | 336 | 290 | 46 |

2.12 Monthly targets for revenue, expenditure and cash flow

Table 40 MBRR SA25 - Budgeted monthly revenue and expenditure

| KZN291 Mandeni - Supporting Table SA25 Budgeted monthly revenue and expenditure | | | | | | | | | | | | | | | | |
|---|----|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|------------------------------|------------------------------|
| Description | Re | Budget Year 2024/25 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
| | | July | August | Sept. | October | Novemb er | Decemb er | January | February | March | April | May | June | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Revenue | | | | | | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | | | | | | |
| Service charges - Electricity | | 5,814 | 5,814 | 5,814 | 5,814 | 5,814 | 5,814 | 5,814 | 5,814 | 5,814 | 5,814 | 5,814 | 5,814 | 69,770 | 74,479 | 80,636 |
| Service charges - Water | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Service charges - Waste Water Man | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Service charges - Waste Manage | | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 12,802 | 14,517 | 16,477 |
| Sale of Goods and Rendering of Ser | | 790 | 790 | 790 | 790 | 790 | 790 | 790 | 790 | 790 | 790 | 790 | 790 | 9,474 | 8,405 | 13,354 |
| Agency services | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Interest | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Interest earned from Receivables | | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 963 | 1,007 | 1,053 |
| Interest earned from Current and Dividends | | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 26,500 | 28,295 | 29,714 |
| Rent on Land | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Rental from Fixed Assets | | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 374 | 391 | 409 |
| Licence and permits | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Operational Revenue | | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 | 1,254 | 1,313 |
| Non-Exchange Revenue | | | | | | | | | | | | | | | | |
| Property rates | | 5,186 | 5,186 | 5,186 | 5,186 | 5,186 | 5,186 | 5,186 | 5,186 | 5,186 | 5,186 | 5,186 | 5,186 | 62,237 | 65,099 | 69,094 |
| Surcharges and Taxes | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Fines, penalties and forfeits | | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 1,310 | 1,371 | 1,434 |
| Licences or permits | | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 783 | 819 | 856 |
| Transfer and subsidies - Operatic | | 21,097 | 21,097 | 21,097 | 21,097 | 21,097 | 21,097 | 21,097 | 21,097 | 21,097 | 21,097 | 21,097 | 21,097 | 253,163 | 252,337 | 246,760 |
| Interest | | 248 | 248 | 248 | 248 | 248 | 248 | 248 | 248 | 248 | 248 | 248 | 248 | 2,976 | 3,113 | 3,256 |
| Fuel Levy | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Operational Revenue | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Gains on disposal of Assets | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other Gains | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Discontinued Operations | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Revenue (excluding capital Expenditure) | | 36,796 | 36,796 | 36,796 | 36,796 | 36,796 | 36,796 | 36,796 | 36,796 | 36,796 | 36,796 | 36,796 | 36,796 | 441,551 | 451,087 | 464,357 |
| Expenditure | | | | | | | | | | | | | | | | |
| Employee related costs | | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 152,543 | 153,638 | 154,713 |
| Remuneration of councillors | | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 16,388 | 16,879 | 17,217 |
| Bulk purchases - electricity | | 5,001 | 5,001 | 5,001 | 5,001 | 5,001 | 5,001 | 5,001 | 5,001 | 5,001 | 5,001 | 5,001 | 5,001 | 60,006 | 61,667 | 63,349 |
| Inventory consumed | | 366 | 366 | 366 | 366 | 366 | 366 | 366 | 366 | 366 | 366 | 366 | 366 | 4,390 | 4,727 | 4,793 |
| Debt impairment | | 2,522 | 2,522 | 2,522 | 2,522 | 2,522 | 2,522 | 2,522 | 2,522 | 2,522 | 2,522 | 2,522 | 2,522 | 30,261 | 30,463 | 30,416 |
| Depreciation and amortisation | | 3,155 | 3,155 | 3,155 | 3,155 | 3,155 | 3,155 | 3,155 | 3,155 | 3,155 | 3,155 | 3,155 | 3,155 | 37,856 | 38,992 | 39,772 |
| Interest | | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 3,300 | 3,452 | 3,611 |
| Contracted services | | 6,290 | 6,290 | 6,290 | 6,290 | 6,290 | 6,290 | 6,290 | 6,290 | 6,290 | 6,290 | 6,290 | 6,290 | 75,476 | 74,826 | 78,564 |
| Transfers and subsidies | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Irrecoverable debts written off | | 522 | 522 | 522 | 522 | 522 | 522 | 522 | 522 | 522 | 522 | 522 | 522 | 6,261 | 6,323 | 6,387 |
| Operational costs | | 4,579 | 4,579 | 4,579 | 4,579 | 4,579 | 4,579 | 4,579 | 4,579 | 4,579 | 4,579 | 4,579 | 4,579 | 54,947 | 58,868 | 61,975 |
| Losses on disposal of Assets | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other Losses | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Expenditure | | 36,786 | 36,786 | 36,786 | 36,786 | 36,786 | 36,786 | 36,786 | 36,786 | 36,786 | 36,786 | 36,786 | 36,786 | 441,428 | 449,836 | 460,796 |
| Surplus/(Deficit) | | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 122 | 1,251 | 3,560 |
| Transfers and subsidies - capital (monetary allocations) | | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 39,760 | 40,840 | 44,178 |
| Transfers and subsidies - capital (in-kind) | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) after capital transfers & contributions | | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 39,883 | 42,090 | 47,738 |
| Income Tax | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) after income tax | | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 39,883 | 42,090 | 47,738 |
| Share of Surplus/Deficit attributable to | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Share of Surplus/Deficit attributable to | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) attributable to municipality | | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 39,883 | 42,090 | 47,738 |
| Share of Surplus/Deficit attributable to | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Intercompany/Parent subsidiary trans | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) for the year | 1 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 3,324 | 39,883 | 42,090 | 47,738 |

Table 41 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

| KZN291 Mandeni - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote) | | | | | | | | | | | | | | | | |
|--|----------|---------------------|--------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---|------------------------|------------------------|
| Description | Re | Budget Year 2024/25 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | | | | | | | | | | | |
| Revenue by Vote | | | | | | | | | | | | | | | | |
| Vote 1 - Executive and council | | | | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 2,010 | 8,038 | 8,356 | 8,700 |
| Vote 2 - Finance and administration | | | | 27,555 | 27,555 | 27,555 | 27,555 | 27,555 | 27,555 | 27,555 | 27,555 | 27,555 | 82,664 | 330,654 | 335,071 | 334,453 |
| Vote 3 - Internal audit | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Community and social services | | | | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 1,366 | 5,464 | 5,817 | 9,866 |
| Vote 5 - Sport and Recreation | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - Public safety | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - Housing | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Planning and Development | | | | 3,462 | 3,462 | 3,462 | 3,462 | 3,462 | 3,462 | 3,462 | 3,462 | 3,462 | 10,386 | 41,542 | 43,451 | 46,986 |
| Vote 9 - Road transport | | | | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 964 | 3,854 | 2,133 | 2,231 |
| Vote 10 - Energy sources | | | | 6,580 | 6,580 | 6,580 | 6,580 | 6,580 | 6,580 | 6,580 | 6,580 | 6,580 | 19,739 | 78,956 | 82,581 | 89,822 |
| Vote 11 - Waste Management | | | | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 3,200 | 12,802 | 14,517 | 16,477 |
| Vote 12 - [NAME OF VOTE 1210] | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | | | | 40,109 | 40,109 | 40,109 | 40,109 | 40,109 | 40,109 | 40,109 | 40,109 | 40,109 | 120,328 | 481,311 | 491,927 | 508,534 |
| Expenditure by Vote to be appropriated | | | | | | | | | | | | | | | | |
| Vote 1 - Executive and council | | | | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 | 16,503 | 66,011 | 69,150 | 71,933 |
| Vote 2 - Finance and administration | | | | 11,598 | 11,598 | 11,598 | 11,598 | 11,598 | 11,598 | 11,598 | 11,598 | 11,598 | 34,793 | 139,171 | 139,233 | 139,378 |
| Vote 3 - Internal audit | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Community and social services | | | | 2,520 | 2,520 | 2,520 | 2,520 | 2,520 | 2,520 | 2,520 | 2,520 | 2,520 | 7,559 | 30,237 | 31,107 | 32,441 |
| Vote 5 - Sport and Recreation | | | | 836 | 836 | 836 | 836 | 836 | 836 | 836 | 836 | 836 | 2,507 | 10,030 | 10,258 | 11,102 |
| Vote 6 - Public safety | | | | 157 | 157 | 157 | 157 | 157 | 157 | 157 | 157 | 157 | 472 | 1,890 | 1,976 | 2,067 |
| Vote 7 - Housing | | | | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 8 | 30 | 31 | 33 |
| Vote 8 - Planning and Development | | | | 2,176 | 2,176 | 2,176 | 2,176 | 2,176 | 2,176 | 2,176 | 2,176 | 2,176 | 6,527 | 26,107 | 24,937 | 25,965 |
| Vote 9 - Road transport | | | | 4,613 | 4,613 | 4,613 | 4,613 | 4,613 | 4,613 | 4,613 | 4,613 | 4,613 | 13,839 | 55,356 | 57,571 | 58,910 |
| Vote 10 - Energy sources | | | | 6,487 | 6,487 | 6,487 | 6,487 | 6,487 | 6,487 | 6,487 | 6,487 | 6,487 | 19,462 | 77,849 | 78,862 | 82,062 |
| Vote 11 - Waste Management | | | | 2,510 | 2,510 | 2,510 | 2,510 | 2,510 | 2,510 | 2,510 | 2,510 | 2,510 | 7,531 | 30,124 | 31,858 | 31,847 |
| Vote 12 - [NAME OF VOTE 1210] | | | | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 1,016 | 4,063 | 4,250 | 4,445 |
| Vote 13 - [NAME OF VOTE 13] | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | | | | 36,739 | 36,739 | 36,739 | 36,739 | 36,739 | 36,739 | 36,739 | 36,739 | 36,739 | 110,217 | 440,869 | 449,233 | 460,185 |
| Surplus/(Deficit) before assoc. | | | | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 10,111 | 40,442 | 42,693 | 48,350 |
| Income Tax | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Share of Surplus/Deficit attributable to Minorities | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Intercompany/Parent subsidiary transactions | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) | 1 | | | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 10,111 | 40,442 | 42,693 | 48,350 |

Table 42 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

| KZN291 Mandeni - Supporting Table S 669833 | | | | | | | | | | | | | | | | |
|---|-----|---------------------|--------|--------|---------|----------|----------|---------|----------|--------|--------|--------|---------|---|------------------------|------------------------|
| Description | Ref | Budget Year 2024/25 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | | | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | | | | | | | |
| Governance and administration | | 28,224 | 28,224 | 28,224 | 28,224 | 28,224 | 28,224 | 28,224 | 28,224 | 28,224 | 28,224 | 28,224 | 28,224 | 338,692 | 343,427 | 343,153 |
| Executive and council | | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 8,038 | 8,356 | 8,700 |
| Finance and administration | | 27,555 | 27,555 | 27,555 | 27,555 | 27,555 | 27,555 | 27,555 | 27,555 | 27,555 | 27,555 | 27,555 | 330,654 | 335,071 | 334,453 | |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 5,464 | 5,817 | 9,866 | |
| Community and social services | | 423 | 423 | 423 | 423 | 423 | 423 | 423 | 423 | 423 | 423 | 423 | 5,073 | 5,408 | 5,585 | |
| Sport and recreation | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Public safety | | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 391 | 409 | 4,281 | |
| Housing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 3,783 | 3,783 | 3,783 | 3,783 | 3,783 | 3,783 | 3,783 | 3,783 | 3,783 | 3,783 | 3,783 | 45,396 | 45,584 | 49,217 | |
| Planning and development | | 3,462 | 3,462 | 3,462 | 3,462 | 3,462 | 3,462 | 3,462 | 3,462 | 3,462 | 3,462 | 3,462 | 41,542 | 43,451 | 46,986 | |
| Road transport | | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 3,854 | 2,133 | 2,231 | |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 7,646 | 7,646 | 7,646 | 7,646 | 7,646 | 7,646 | 7,646 | 7,646 | 7,646 | 7,646 | 7,646 | 91,758 | 97,098 | 106,299 | |
| Energy sources | | 6,580 | 6,580 | 6,580 | 6,580 | 6,580 | 6,580 | 6,580 | 6,580 | 6,580 | 6,580 | 6,580 | 78,956 | 82,581 | 89,822 | |
| Water management | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste management | | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 12,802 | 14,517 | 16,477 | |
| Other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | | 40,109 | 40,109 | 40,109 | 40,109 | 40,109 | 40,109 | 40,109 | 40,109 | 40,109 | 40,109 | 40,109 | 481,311 | 491,927 | 508,534 | |
| Expenditure - Functional | | | | | | | | | | | | | | | | |
| Governance and administration | | 17,099 | 17,099 | 17,099 | 17,099 | 17,099 | 17,099 | 17,099 | 17,099 | 17,099 | 17,099 | 17,099 | 205,183 | 208,383 | 211,311 | |
| Executive and council | | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 | 66,011 | 69,150 | 71,933 | |
| Finance and administration | | 11,598 | 11,598 | 11,598 | 11,598 | 11,598 | 11,598 | 11,598 | 11,598 | 11,598 | 11,598 | 11,598 | 139,171 | 139,233 | 139,378 | |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 3,516 | 3,516 | 3,516 | 3,516 | 3,516 | 3,516 | 3,516 | 3,516 | 3,516 | 3,516 | 3,516 | 42,187 | 43,373 | 45,643 | |
| Community and social services | | 2,520 | 2,520 | 2,520 | 2,520 | 2,520 | 2,520 | 2,520 | 2,520 | 2,520 | 2,520 | 2,520 | 30,237 | 31,107 | 32,441 | |
| Sport and recreation | | 836 | 836 | 836 | 836 | 836 | 836 | 836 | 836 | 836 | 836 | 836 | 10,030 | 10,258 | 11,102 | |
| Public safety | | 157 | 157 | 157 | 157 | 157 | 157 | 157 | 157 | 157 | 157 | 157 | 1,890 | 1,976 | 2,067 | |
| Housing | | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 30 | 31 | 33 | |
| Health | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 6,857 | 6,857 | 6,857 | 6,857 | 6,857 | 6,857 | 6,857 | 6,857 | 6,857 | 6,857 | 6,857 | 82,282 | 83,415 | 85,903 | |
| Planning and development | | 2,139 | 2,139 | 2,139 | 2,139 | 2,139 | 2,139 | 2,139 | 2,139 | 2,139 | 2,139 | 2,139 | 25,666 | 24,480 | 25,492 | |
| Road transport | | 4,379 | 4,379 | 4,379 | 4,379 | 4,379 | 4,379 | 4,379 | 4,379 | 4,379 | 4,379 | 4,379 | 52,553 | 54,685 | 55,966 | |
| Environmental protection | | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 4,063 | 4,250 | 4,445 | |
| Trading services | | 9,231 | 9,231 | 9,231 | 9,231 | 9,231 | 9,231 | 9,231 | 9,231 | 9,231 | 9,231 | 9,231 | 110,776 | 113,606 | 116,854 | |
| Energy sources | | 6,487 | 6,487 | 6,487 | 6,487 | 6,487 | 6,487 | 6,487 | 6,487 | 6,487 | 6,487 | 6,487 | 77,849 | 78,862 | 82,062 | |
| Water management | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste water management | | 234 | 234 | 234 | 234 | 234 | 234 | 234 | 234 | 234 | 234 | 234 | 2,802 | 2,886 | 2,944 | |
| Waste management | | 2,510 | 2,510 | 2,510 | 2,510 | 2,510 | 2,510 | 2,510 | 2,510 | 2,510 | 2,510 | 2,510 | 30,124 | 31,858 | 31,847 | |
| Other | | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 441 | 457 | 473 | |
| Total Expenditure - Functional | | 36,739 | 36,739 | 36,739 | 36,739 | 36,739 | 36,739 | 36,739 | 36,739 | 36,739 | 36,739 | 36,739 | 440,869 | 449,233 | 460,185 | |
| Surplus/(Deficit) before assoc. | | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 40,442 | 42,693 | 48,350 | |
| Intercompany/Parent subsidiary transactions | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) | 1 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 3,370 | 40,442 | 42,693 | 48,350 | |

Table 43 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 2024/25 | | | | | | | | | | | | Budget Year | Budget Year +1 | Budget Year +2 | |
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | 2024/25 | 2025/26 | 2026/27 | |
| R thousand | | | | | | | | | | | | | | | | | |
| Multi-year expenditure to be appri | 1 | | | | | | | | | | | | | | | | |
| Vote 1 - Executive and council | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Finance and administration | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - Internal audit | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Community and social servi | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 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 - [NAME OF VOTE 1210] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure su | 2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Single-year expenditure to be appropriated | | | | | | | | | | | | | | | | | |
| Vote 1 - Executive and council | | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 5,870 | 20,000 | 15,000 | |
| Vote 2 - Finance and administration | | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 8,122 | - | - | |
| Vote 3 - Internal audit | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Vote 4 - Community and social servi | | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 2,239 | - | - | |
| Vote 5 - Sport and Recreation | | 713 | 713 | 713 | 713 | 713 | 713 | 713 | 713 | 713 | 713 | 713 | 713 | 8,561 | - | - | |
| Vote 6 - Public safety | | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 939 | - | - | |
| Vote 7 - Housing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Vote 8 - Planning and Development | | 980 | 980 | 980 | 980 | 980 | 980 | 980 | 980 | 980 | 980 | 980 | 980 | 11,757 | 10,870 | - | |
| Vote 9 - Road transport | | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 61,926 | 3,739 | - | |
| Vote 10 - Energy sources | | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 3,317 | - | - | |
| Vote 11 - Waste Management | | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 1,391 | - | - | |
| Vote 12 - [NAME OF VOTE 1210] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Capital single-year expenditure s | 2 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 104,122 | 34,609 | 15,000 | |
| Total Capital Expenditure | 2 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 104,122 | 34,609 | 15,000 | |

Table 44 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

| KZN291 Mandeni - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification) | | | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|----|---------------------|--------|-------|---------|-------|-------|---------|-------|-------|-------|-------|-------|---|------------------------|------------------------|
| Description | Re | Budget Year 2024/25 | | | | | | | | | | | | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | | | |
| Capital Expenditure - Functional | 1 | | | | | | | | | | | | | | | |
| Governance and administration | | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 13,991 | 20,000 | 15,000 |
| Executive and council | | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 5,870 | 20,000 | 15,000 |
| Finance and administration | | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 8,122 | - | - |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 978 | 978 | 978 | 978 | 978 | 978 | 978 | 978 | 978 | 978 | 978 | 978 | 11,740 | - | - |
| Community and social services | | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 2,239 | - | - |
| Sport and recreation | | 713 | 713 | 713 | 713 | 713 | 713 | 713 | 713 | 713 | 713 | 713 | 713 | 8,561 | - | - |
| Public safety | | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 939 | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental serv | | 6,140 | 6,140 | 6,140 | 6,140 | 6,140 | 6,140 | 6,140 | 6,140 | 6,140 | 6,140 | 6,140 | 6,140 | 73,682 | 14,609 | - |
| Planning and development | | 980 | 980 | 980 | 980 | 980 | 980 | 980 | 980 | 980 | 980 | 980 | 980 | 11,757 | 10,870 | - |
| Road transport | | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 5,160 | 61,926 | 3,739 | - |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 392 | 392 | 392 | 392 | 392 | 392 | 392 | 392 | 392 | 392 | 392 | 392 | 4,708 | - | - |
| Energy sources | | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 3,317 | - | - |
| Water management | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste management | | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 1,391 | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 2 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 | 104,122 | 34,609 | 15,000 |

Table 45 MBRR SA30 - Budgeted monthly cash flow

| KZN291 Mandeni - Supporting Table SA30 Budgeted monthly cash flow | | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | |
|---|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|------------------------|------------------------|----------------|
| MONTHLY CASH FLOWS | Budget Year 2024/25 | | | | | | | | | | | | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 | |
| | R thousand | July | August | Sept. | October | November | December | January | February | March | April | May | June | | | |
| Cash Receipts By Source | | | | | | | | | | | | | | 1 | | |
| Property rates | 2,593 | 2,593 | 2,593 | 2,593 | 2,593 | 2,593 | 2,593 | 2,593 | 2,593 | 2,593 | 2,593 | 2,593 | 2,593 | 31,118 | 32,550 | 34,047 |
| Service charges - electricity revenue | 6,354 | 6,354 | 6,354 | 6,354 | 6,354 | 6,354 | 6,354 | 6,354 | 6,354 | 6,354 | 6,354 | 6,354 | 6,354 | 76,253 | 79,730 | 83,397 |
| Service charges - water revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | 578 | 578 | 578 | 578 | 578 | 578 | 578 | 578 | 578 | 578 | 578 | 578 | 578 | 6,938 | 7,772 | 8,324 |
| Rental of facilities and equipment | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 350 | 366 | 383 |
| Interest earned - external investments | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 2,208 | 26,500 | 28,295 | 29,714 |
| Interest earned - outstanding debtors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 76 | 80 | 83 |
| Licences and permits | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 900 | 941 | 985 |
| Agency services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and Subsidies - Operational | 21,866 | 21,866 | 21,866 | 21,866 | 21,866 | 21,866 | 21,866 | 21,866 | 21,866 | 21,866 | 21,866 | 21,866 | 21,866 | 262,390 | 260,257 | 255,861 |
| Other revenue | 262 | 262 | 262 | 262 | 262 | 262 | 262 | 262 | 262 | 262 | 262 | 262 | 262 | 3,148 | 3,293 | 7,885 |
| Cash Receipts by Source | 33,973 | 33,973 | 33,973 | 33,973 | 33,973 | 33,973 | 33,973 | 33,973 | 33,973 | 33,973 | 33,973 | 33,973 | 33,973 | 407,674 | 413,285 | 420,679 |
| Other Cash Flows by Source | | | | | | | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and Agencies) | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 3,313 | 39,760 | 40,840 | 44,178 |
| Households, Non-profit Institutions, Private | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds on Disposal of Fixed and Intangible | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Short term loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (0) | 0 | 6 | 4 |
| VAT Control (receipts) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current receivable | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Receipts by Source | 37,286 | 37,286 | 37,286 | 37,286 | 37,286 | 37,286 | 37,286 | 37,286 | 37,286 | 37,286 | 37,286 | 37,286 | 37,286 | 447,434 | 454,131 | 464,861 |
| Cash Payments by Type | | | | | | | | | | | | | | | | |
| Employee related costs | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 12,712 | 152,543 | 153,638 | 154,713 |
| Remuneration of councillors | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 16,388 | 16,879 | 17,217 |
| Interest | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 3,300 | 3,452 | 3,611 |
| Bulk purchases - electricity | 5,751 | 5,751 | 5,751 | 5,751 | 5,751 | 5,751 | 5,751 | 5,751 | 5,751 | 5,751 | 5,751 | 5,751 | 5,751 | 69,007 | 70,917 | 72,852 |
| Acquisitions - water & other inventory | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 5,041 | 5,429 | 5,505 |
| Contracted services | 7,187 | 7,187 | 7,187 | 7,187 | 7,187 | 7,187 | 7,187 | 7,187 | 7,187 | 7,187 | 7,187 | 7,187 | 7,187 | 86,244 | 85,569 | 89,789 |
| Transfers and subsidies - other municipalities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other expenditure | 5,347 | 5,347 | 5,347 | 5,347 | 5,347 | 5,347 | 5,347 | 5,347 | 5,347 | 5,347 | 5,347 | 5,347 | 5,347 | 64,162 | 65,281 | 68,739 |
| Cash Payments by Type | 33,057 | 33,057 | 33,057 | 33,057 | 33,057 | 33,057 | 33,057 | 33,057 | 33,057 | 33,057 | 33,057 | 33,057 | 33,057 | 396,685 | 401,165 | 412,425 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | | |
| Capital assets | 9,978 | 9,978 | 9,978 | 9,978 | 9,978 | 9,978 | 9,978 | 9,978 | 9,978 | 9,978 | 9,978 | 9,978 | 9,978 | 119,740 | 39,800 | 17,250 |
| Repayment of borrowing | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Cash Flows/Payments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Payments by Type | 43,035 | 43,035 | 43,035 | 43,035 | 43,035 | 43,035 | 43,035 | 43,035 | 43,035 | 43,035 | 43,035 | 43,035 | 43,035 | 516,425 | 440,965 | 429,675 |
| NET INCREASE/(DECREASE) IN CASH HELD | (5,749) | (5,749) | (5,749) | (5,749) | (5,749) | (5,749) | (5,749) | (5,749) | (5,749) | (5,749) | (5,749) | (5,749) | (5,749) | (68,991) | 13,166 | 35,186 |
| Cash/cash equivalents at the month/year begin: | 183,424 | 177,675 | 171,925 | 166,176 | 160,427 | 154,678 | 148,928 | 143,179 | 137,430 | 131,681 | 125,931 | 120,182 | 114,433 | 183,424 | 114,433 | 127,599 |
| Cash/cash equivalents at the month/year end: | 177,675 | 171,925 | 166,176 | 160,427 | 154,678 | 148,928 | 143,179 | 137,430 | 131,681 | 125,931 | 120,182 | 114,433 | 108,684 | 114,433 | 127,599 | 162,785 |

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 Draft on the repair and maintenance of assets.

Table 46 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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Capital expenditure on new assets by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 6,283 | 6,283 | 7,788 | 3,957 | 3,957 | 3,957 | 13,696 | 3,739 | – |
| Roads Infrastructure | | 6,283 | 6,283 | 7,661 | 435 | 435 | 435 | 9,739 | 3,739 | – |
| Roads | | 6,283 | 6,283 | 7,661 | 435 | 435 | 435 | 4,696 | 2,000 | – |
| Road Structures | | – | – | – | – | – | – | 1,304 | 1,739 | – |
| Road Furniture | | – | – | – | – | – | – | 3,739 | – | – |
| Capital Spares | | – | – | – | – | – | – | – | – | – |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Drainage Collection | | – | – | – | – | – | – | – | – | – |
| Storm water Conveyance | | – | – | – | – | – | – | – | – | – |
| Attenuation | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | – | – | 127 | 2,261 | 2,261 | 2,261 | 2,278 | – | – |
| Power Plants | | – | – | – | – | – | – | – | – | – |
| HV Substations | | – | – | 127 | 1,565 | 1,565 | 1,565 | 2,278 | – | – |
| HV Switching Station | | – | – | – | – | – | – | – | – | – |
| HV Transmission Conductors | | – | – | – | – | – | – | – | – | – |
| MV Substations | | – | – | – | 696 | 696 | 696 | – | – | – |
| MV Switching Stations | | – | – | – | – | – | – | – | – | – |
| MV Networks | | – | – | – | – | – | – | – | – | – |
| LV Networks | | – | – | – | – | – | – | – | – | – |
| Capital Spares | | – | – | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | – | – | – | – | – | – | 70 | – | – |
| Pump Station | | – | – | – | – | – | – | – | – | – |
| Reticulation | | – | – | – | – | – | – | – | – | – |
| Waste Water Treatment Works | | – | – | – | – | – | – | – | – | – |
| Outfall Sewers | | – | – | – | – | – | – | – | – | – |
| Toilet Facilities | | – | – | – | – | – | – | 70 | – | – |
| Capital Spares | | – | – | – | – | – | – | – | – | – |
| Solid Waste Infrastructure | | – | – | – | 1,043 | 1,043 | 1,043 | 1,391 | – | – |
| Landfill Sites | | – | – | – | – | – | – | – | – | – |
| Waste Transfer Stations | | – | – | – | – | – | – | – | – | – |
| Waste Processing Facilities | | – | – | – | – | – | – | – | – | – |
| Waste Drop-off Points | | – | – | – | 1,043 | 1,043 | 1,043 | 1,391 | – | – |
| Waste Separation Facilities | | – | – | – | – | – | – | – | – | – |
| Electricity Generation Facilities | | – | – | – | – | – | – | – | – | – |
| Capital Spares | | – | – | – | – | – | – | – | – | – |
| Coastal Infrastructure | | – | – | – | 217 | 217 | 217 | 217 | – | – |
| Sand Pumps | | – | – | – | – | – | – | – | – | – |
| Piers | | – | – | – | – | – | – | – | – | – |
| Revetments | | – | – | – | – | – | – | – | – | – |
| Promenades | | – | – | – | – | – | – | – | – | – |
| Capital Spares | | – | – | – | 217 | 217 | 217 | 217 | – | – |
| Information and Communication Infra | | – | – | – | – | – | – | – | – | – |
| Data Centres | | – | – | – | – | – | – | – | – | – |
| Core Layers | | – | – | – | – | – | – | – | – | – |
| Distribution Layers | | – | – | – | – | – | – | – | – | – |
| Capital Spares | | – | – | – | – | – | – | – | – | – |
| Community Assets | | 11,404 | 16,425 | 14,792 | 23,866 | 23,832 | 23,832 | 13,144 | 10,870 | – |
| Community Facilities | | 6,864 | 7,811 | 11,048 | 11,087 | 12,174 | 12,174 | 5,783 | 10,870 | – |
| Halls | | 1,113 | 3,643 | – | 652 | – | – | 217 | – | – |
| Centres | | 5,537 | 3,953 | 9,161 | 5,217 | 9,565 | 9,565 | 609 | 3,043 | – |
| Crèches | | – | – | – | – | – | – | – | – | – |
| Libraries | | – | – | – | – | – | – | – | – | – |
| Cemeteries/Crematoria | | – | – | – | – | – | – | 2,174 | 2,174 | – |
| Police | | – | – | – | – | – | – | – | – | – |
| Parks | | – | – | – | – | – | – | 174 | – | – |
| Public Open Space | | – | – | – | – | – | – | – | – | – |
| Nature Reserves | | – | – | – | – | – | – | – | – | – |
| Public Ablution Facilities | | – | – | – | – | – | – | – | – | – |
| Markets | | – | – | – | – | – | – | – | – | – |
| Stalls | | 214 | 214 | 1,888 | 5,217 | 2,609 | 2,609 | 2,609 | 5,652 | – |
| Abattoirs | | – | – | – | – | – | – | – | – | – |
| Airports | | – | – | – | – | – | – | – | – | – |
| Taxi Ranks/Bus Terminals | | – | – | – | – | – | – | – | – | – |
| Capital Spares | | – | – | – | – | – | – | – | – | – |
| Sport and Recreation Facilities | | 4,540 | 8,614 | 3,744 | 12,779 | 11,658 | 11,658 | 7,361 | – | – |
| Indoor Facilities | | – | – | – | – | – | – | – | – | – |
| Outdoor Facilities | | 4,540 | 8,614 | 3,744 | 12,779 | 11,658 | 11,658 | 7,361 | – | – |
| Capital Spares | | – | – | – | – | – | – | – | – | – |
| Other assets | | – | – | – | 2,391 | 2,391 | 2,391 | 4,522 | 20,000 | 15,000 |
| Operational Buildings | | – | – | – | 2,391 | 2,391 | 2,391 | 4,522 | 20,000 | 15,000 |
| Municipal Offices | | – | – | – | 2,087 | 2,087 | 2,087 | 4,522 | 20,000 | 15,000 |
| Pay/Enquiry Points | | – | – | – | – | – | – | – | – | – |
| Building Plan Offices | | – | – | – | – | – | – | – | – | – |
| Workshops | | – | – | – | – | – | – | – | – | – |
| Yards | | – | – | – | 304 | 304 | 304 | – | – | – |
| Stores | | – | – | – | – | – | – | – | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | 348 | 896 | 896 | 957 | – | – |
| Computer Equipment | | – | – | – | 348 | 896 | 896 | 957 | – | – |
| Furniture and Office Equipment | | 19,890 | 19,890 | 31,983 | 565 | 609 | 609 | 1,739 | – | – |
| Furniture and Office Equipment | | 19,890 | 19,890 | 31,983 | 565 | 609 | 609 | 1,739 | – | – |
| Machinery and Equipment | | – | – | – | 10,078 | 9,417 | 9,417 | 2,604 | – | – |
| Machinery and Equipment | | – | – | – | 10,078 | 9,417 | 9,417 | 2,604 | – | – |
| Transport Assets | | – | – | – | 17,384 | 17,489 | 17,489 | 10,365 | – | – |
| Transport Assets | | – | – | – | 17,384 | 17,489 | 17,489 | 10,365 | – | – |
| Total Capital Expenditure on new | 1 | 37,577 | 42,598 | 54,564 | 58,589 | 58,590 | 58,590 | 47,027 | 34,609 | 15,000 |

Table 47 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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Capital expenditure on renewal of existing assets by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 80,165 | 89,384 | 88,983 | 16,739 | 13,747 | 13,747 | 19,565 | - | - |
| Roads Infrastructure | | 59,606 | 67,072 | 66,178 | 12,391 | 9,399 | 9,399 | 19,130 | - | - |
| Roads | | 2,645 | 2,160 | - | 12,391 | 9,399 | 9,399 | 19,130 | - | - |
| Road Structures | | 42,059 | 46,707 | 47,178 | - | - | - | - | - | - |
| Road Furniture | | 14,902 | 18,205 | 18,999 | - | - | - | - | - | - |
| Capital Spares | | - | - | - | - | - | - | - | - | - |
| Storm water Infrastructure | | - | - | - | 4,348 | 4,348 | 4,348 | - | - | - |
| Drainage Collection | | - | - | - | 4,348 | 4,348 | 4,348 | - | - | - |
| Storm water Conveyance | | - | - | - | - | - | - | - | - | - |
| Attenuation | | - | - | - | - | - | - | - | - | - |
| Electrical Infrastructure | | 20,559 | 22,312 | 22,805 | - | - | - | 435 | - | - |
| Power Plants | | - | - | - | - | - | - | - | - | - |
| HV Substations | | - | - | - | - | - | - | - | - | - |
| HV Switching Station | | - | - | - | - | - | - | - | - | - |
| HV Transmission Conductors | | - | - | - | - | - | - | - | - | - |
| MV Substations | | - | - | - | - | - | - | - | - | - |
| MV Switching Stations | | - | - | - | - | - | - | - | - | - |
| MV Networks | | 14,604 | 15,362 | 15,362 | - | - | - | 435 | - | - |
| LV Networks | | 5,955 | 6,950 | 7,443 | - | - | - | - | - | - |
| Capital Spares | | - | - | - | - | - | - | - | - | - |
| Community Assets | | 43,387 | 45,124 | 53,395 | 870 | 261 | 261 | 2,609 | - | - |
| Community Facilities | | 40,928 | 42,665 | 53,395 | 870 | 261 | 261 | 2,609 | - | - |
| Halls | | 14,409 | 14,409 | 20,889 | - | - | - | - | - | - |
| Centres | | 17,959 | 17,959 | 22,854 | - | - | - | - | - | - |
| Crèches | | - | - | - | - | - | - | - | - | - |
| Theatres | | - | - | - | - | - | - | - | - | - |
| Libraries | | 5,787 | 7,524 | 7,386 | - | - | - | - | - | - |
| Cemeteries/Crematoria | | - | - | - | - | - | - | - | - | - |
| Police | | - | - | - | - | - | - | - | - | - |
| Parks | | - | - | - | - | - | - | - | - | - |
| Public Open Space | | - | - | - | - | - | - | - | - | - |
| Nature Reserves | | - | - | - | - | - | - | - | - | - |
| Public Ablution Facilities | | 507 | 507 | - | - | - | - | - | - | - |
| Markets | | - | - | - | - | - | - | - | - | - |
| Stalls | | 2,266 | 2,266 | 2,266 | 870 | 261 | 261 | 2,609 | - | - |
| Abattoirs | | - | - | - | - | - | - | - | - | - |
| Airports | | - | - | - | - | - | - | - | - | - |
| Taxi Ranks/Bus Terminals | | - | - | - | - | - | - | - | - | - |
| Capital Spares | | - | - | - | - | - | - | - | - | - |
| Sport and Recreation Facilities | | 2,459 | 2,459 | - | - | - | - | - | - | - |
| Indoor Facilities | | 2,459 | 2,459 | - | - | - | - | - | - | - |
| Outdoor Facilities | | - | - | - | - | - | - | - | - | - |
| Capital Spares | | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | 5,412 | 6,549 | 7,116 | - | - | - | - | - | - |
| Computer Equipment | | 5,412 | 6,549 | 7,116 | - | - | - | - | - | - |
| Furniture and Office Equipment | | 7,220 | 7,894 | 8,121 | - | - | - | - | - | - |
| Furniture and Office Equipment | | 7,220 | 7,894 | 8,121 | - | - | - | - | - | - |
| Machinery and Equipment | | 16,190 | 20,819 | 21,441 | - | - | - | - | - | - |
| Machinery and Equipment | | 16,190 | 20,819 | 21,441 | - | - | - | - | - | - |
| Transport Assets | | 20,115 | 27,543 | 47,616 | - | - | - | - | - | - |
| Transport Assets | | 20,115 | 27,543 | 47,616 | - | - | - | - | - | - |
| Land | | - | - | - | - | - | - | - | - | - |
| Land | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure on renewal | 1 | 172,489 | 197,313 | 226,672 | 17,609 | 14,008 | 14,008 | 22,174 | - | - |
| Renewal of Existing Assets as % of | | 63.3% | 65.1% | 60.3% | 12.2% | 10.0% | 10.0% | 21.3% | 0.0% | 0.0% |
| Renewal of Existing Assets as % of | | 586.7% | 621.9% | 754.0% | 49.6% | 39.4% | 39.4% | 58.6% | 0.0% | 0.0% |

Table 48 MBRR SA34c - Repairs and maintenance expenditure by asset class

| KZN291 Mandeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class | | | | | | | | | | |
|--|----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Re | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | 1 | | | | | | | | | |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 9,204 | 13,024 | 13,528 | 12,691 | 16,778 | 16,778 | 17,200 | 17,991 | 18,819 |
| Roads Infrastructure | | 4,731 | 4,612 | 7,600 | 5,522 | 6,261 | 6,261 | 7,678 | 8,031 | 8,401 |
| Roads | | 4,464 | 4,585 | 7,470 | 5,130 | 5,870 | 5,870 | 7,070 | 7,395 | 7,735 |
| Road Structures | | 241 | 28 | 59 | 261 | 261 | 261 | 435 | 455 | 476 |
| Road Furniture | | 26 | — | 70 | 130 | 130 | 130 | 174 | 182 | 190 |
| Capital Spares | | — | — | — | — | — | — | — | — | — |
| Storm water Infrastructure | | 751 | 506 | 627 | 1,087 | 3,435 | 3,435 | 2,870 | 3,002 | 3,140 |
| Drainage Collection | | 653 | 506 | 627 | 1,087 | 3,435 | 3,435 | 2,870 | 3,002 | 3,140 |
| Storm water Conveyance | | 98 | — | — | — | — | — | — | — | — |
| Attenuation | | — | — | — | — | — | — | — | — | — |
| Electrical Infrastructure | | 1,279 | 2,271 | 1,196 | 2,778 | 3,083 | 3,083 | 2,565 | 2,683 | 2,807 |
| Power Plants | | 27 | 99 | 93 | 61 | 61 | 61 | 43 | 45 | 48 |
| HV Substations | | — | — | — | — | — | — | — | — | — |
| HV Switching Station | | — | — | — | — | — | — | — | — | — |
| HV Transmission Conductors | | 41 | 268 | — | 1,304 | 1,304 | 1,304 | 739 | 773 | 809 |
| MV Substations | | 7 | 20 | 9 | 65 | 65 | 65 | 43 | 45 | 48 |
| MV Switching Stations | | — | — | — | — | — | — | — | — | — |
| MV Networks | | 27 | 85 | 58 | 87 | 87 | 87 | 130 | 136 | 143 |
| LV Networks | | 310 | 463 | 332 | 609 | 696 | 696 | 739 | 773 | 809 |
| Capital Spares | | 868 | 1,336 | 704 | 652 | 870 | 870 | 870 | 910 | 951 |
| Solid Waste Infrastructure | | 2,220 | 2,632 | 3,059 | 2,696 | 3,261 | 3,261 | 3,391 | 3,547 | 3,710 |
| Landfill Sites | | — | — | — | — | — | — | — | — | — |
| Waste Transfer Stations | | — | — | — | — | — | — | — | — | — |
| Waste Processing Facilities | | 2,220 | 2,632 | 3,059 | 2,696 | 3,261 | 3,261 | 3,391 | 3,547 | 3,710 |
| Waste Drop-off Points | | — | — | — | — | — | — | — | — | — |
| Waste Separation Facilities | | — | — | — | — | — | — | — | — | — |
| Electricity Generation Facilities | | — | — | — | — | — | — | — | — | — |
| Capital Spares | | — | — | — | — | — | — | — | — | — |
| Information and Communication Infra | | 223 | 3,002 | 1,046 | 609 | 739 | 739 | 696 | 728 | 761 |
| Data Centres | | — | — | — | — | — | — | — | — | — |
| Core Layers | | 223 | 3,002 | 1,046 | 609 | 739 | 739 | 696 | 728 | 761 |
| Distribution Layers | | — | — | — | — | — | — | — | — | — |
| Capital Spares | | — | — | — | — | — | — | — | — | — |
| Community Assets | | 1,656 | 1,022 | 1,089 | 2,007 | 2,920 | 2,920 | 2,148 | 2,247 | 2,350 |
| Community Facilities | | 1,118 | 169 | 52 | 816 | 1,077 | 1,077 | 174 | 182 | 190 |
| Halls | | — | — | — | 120 | 120 | 120 | — | — | — |
| Centres | | 816 | — | — | — | — | — | — | — | — |
| Crèches | | — | — | — | — | — | — | — | — | — |
| Clinics/Care Centres | | — | — | — | — | — | — | — | — | — |
| Fire/Ambulance Stations | | — | — | — | — | — | — | — | — | — |
| Testing Stations | | — | — | — | — | — | — | — | — | — |
| Museums | | — | — | — | — | — | — | — | — | — |
| Galleries | | — | — | — | — | — | — | — | — | — |
| Theatres | | — | — | — | — | — | — | — | — | — |
| Libraries | | 213 | 169 | 3 | — | — | — | — | — | — |
| Cemeteries/Crematoria | | — | — | — | — | — | — | — | — | — |
| Police | | — | — | — | — | — | — | — | — | — |
| Parks | | 89 | — | 49 | 174 | 174 | 174 | 174 | 182 | 190 |
| Public Open Space | | — | — | — | — | — | — | — | — | — |
| Nature Reserves | | — | — | — | — | — | — | — | — | — |
| Public Ablution Facilities | | — | — | — | — | — | — | — | — | — |
| Markets | | — | — | — | — | — | — | — | — | — |
| Stalls | | — | — | — | 522 | 783 | 783 | — | — | — |
| Abattoirs | | — | — | — | — | — | — | — | — | — |
| Airports | | — | — | — | — | — | — | — | — | — |
| Taxi Ranks/Bus Terminals | | — | — | — | — | — | — | — | — | — |
| Capital Spares | | — | — | — | — | — | — | — | — | — |
| Sport and Recreation Facilities | | 538 | 853 | 1,036 | 1,191 | 1,843 | 1,843 | 1,974 | 2,065 | 2,160 |
| Indoor Facilities | | — | — | — | — | — | — | — | — | — |
| Outdoor Facilities | | 538 | 853 | 1,036 | 1,191 | 1,843 | 1,843 | 1,974 | 2,065 | 2,160 |
| Capital Spares | | — | — | — | — | — | — | — | — | — |
| Other assets | | 407 | 139 | 91 | 70 | 40 | 40 | — | — | — |
| Operational Buildings | | 407 | 139 | 91 | 70 | 40 | 40 | — | — | — |
| Municipal Offices | | 407 | 139 | 91 | 70 | 40 | 40 | — | — | — |
| Pay/Enquiry Points | | — | — | — | — | — | — | — | — | — |
| Computer Equipment | | 0 | — | — | 348 | 348 | 348 | 348 | 364 | 381 |
| Computer Equipment | | 0 | — | — | 348 | 348 | 348 | 348 | 364 | 381 |
| Furniture and Office Equipment | | 99 | — | — | — | — | — | — | — | — |
| Furniture and Office Equipment | | 99 | — | — | — | — | — | — | — | — |
| Machinery and Equipment | | 10,044 | 4,135 | 3,970 | 4,826 | 4,609 | 4,609 | 5,043 | 4,775 | 5,018 |
| Machinery and Equipment | | 10,044 | 4,135 | 3,970 | 4,826 | 4,609 | 4,609 | 5,043 | 4,775 | 5,018 |
| Transport Assets | | — | — | — | — | — | — | — | — | — |
| Transport Assets | | — | — | — | — | — | — | — | — | — |
| Total Repairs and Maintenance E 1 | | 21,410 | 18,320 | 18,677 | 19,942 | 24,695 | 24,695 | 24,739 | 25,377 | 26,567 |
| R&M as a % of PPE & Investment P | | 4.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| R&M as % Operating Expenditure | | 7.1% | 6.0% | 5.5% | 5.0% | 5.6% | 5.6% | 9.5% | 5.7% | 5.9% |

Table 49 MBRR SA35 - Future financial implications of the capital budget

| KZN291 Mandeni - Supporting Table SA35 Future financial implications of the capital budget | | | | | | | | |
|--|----|---|------------------------------|------------------------------|---------------------|---------------------|---------------------|------------------|
| Vote Description | Re | 2024/25 Medium Term Revenue & Expenditure Framework | | | Forecasts | | | Present value |
| | | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 | Forecast 2027/28 | Forecast 2028/29 | Forecast 2029/30 | |
| R thousand | | | | | | | | |
| Capital expenditure | 1 | | | | | | | |
| Vote 1 - Executive and council | | 5,870 | 20,000 | 15,000 | 15,735 | 16,506 | 17,315 | |
| Vote 2 - Finance and administration | | 8,122 | – | – | – | – | – | |
| Vote 3 - Internal audit | | – | – | – | – | – | – | |
| Vote 4 - Community and social services | | 2,239 | – | – | – | – | – | |
| Vote 5 - Sport and Recreation | | 8,561 | – | – | – | – | – | |
| Vote 6 - Public safety | | 939 | – | – | – | – | – | |
| Vote 7 - Housing | | – | – | – | – | – | – | |
| Vote 8 - Planning and Development | | 11,757 | 10,870 | – | – | – | – | |
| Vote 9 - Road transport | | 61,926 | 3,739 | – | – | – | – | |
| Vote 10 - Energy sources | | 3,317 | – | – | – | – | – | |
| Vote 11 - Waste Management | | 1,391 | – | – | – | – | – | |
| Vote 12 - [NAME OF VOTE 1210] | | – | – | – | – | – | – | |
| 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 | | 104,122 | 34,609 | 15,000 | 15,735 | 16,506 | 17,315 | – |
| Future operational costs by vote | 2 | | | | | | | |
| Vote 1 - Executive and council | | 66,011 | 69,150 | 71,933 | 75,458 | 79,156 | 83,034 | |
| Vote 2 - Finance and administration | | 139,171 | 139,233 | 139,378 | 146,207 | 153,372 | 160,887 | |
| Vote 3 - Internal audit | | – | – | – | – | – | – | |
| Vote 4 - Community and social services | | 30,237 | 31,107 | 32,441 | 34,031 | 35,698 | 37,448 | |
| Vote 5 - Sport and Recreation | | 10,030 | 10,258 | 11,102 | 11,646 | 12,217 | 12,815 | |
| Vote 6 - Public safety | | 1,890 | 1,976 | 2,067 | 2,169 | 2,275 | 2,386 | |
| Vote 7 - Housing | | 30 | 31 | 33 | 34 | 36 | 38 | |
| Vote 8 - Planning and Development | | 26,107 | 24,937 | 25,965 | 27,238 | 28,572 | 29,972 | |
| Vote 9 - Road transport | | 55,356 | 57,571 | 58,910 | 61,797 | 64,825 | 68,001 | |
| Vote 10 - Energy sources | | 77,849 | 78,862 | 82,062 | 86,083 | 90,301 | 94,726 | |
| Vote 11 - Waste Management | | 30,124 | 31,858 | 31,847 | 33,408 | 35,045 | 36,762 | |
| Vote 12 - [NAME OF VOTE 1210] | | 4,063 | 4,250 | 4,445 | 4,663 | 4,892 | 5,131 | |
| 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 | | 440,869 | 449,233 | 460,185 | 482,734 | 506,388 | 531,201 | – |
| Future revenue by source | 3 | | | | | | | |
| Exchange Revenue | | 38,511 | 39,352 | 45,844 | 48,090 | 50,447 | 52,918 | |
| Service charges - Electricity | | 69,770 | 74,479 | 80,636 | 84,587 | 88,732 | 93,080 | |
| Service charges - Water | | – | – | – | – | – | – | |
| Service charges - Waste Water Management | | – | – | – | – | – | – | |
| Service charges - Waste Management | | 12,802 | 14,517 | 16,477 | 17,284 | 18,131 | 19,019 | |
| Agency services | | – | – | – | – | – | – | |
| <i>List other revenues sources if applicable</i> | | 67,305 | 70,401 | 74,640 | 78,297 | 82,134 | 86,158 | |
| <i>Transfer and subsidies - Operational</i> | | 253,163 | 252,337 | 246,760 | 258,851 | 271,535 | 284,840 | |
| Total future revenue | | 441,551 | 451,087 | 464,357 | 487,110 | 510,978 | 536,016 | – |
| Net Financial Implications | | 103,440 | 32,755 | 10,828 | 11,359 | 11,915 | 12,499 | – |

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 March or (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 drafted after approval of the 2024/25 MTREF during March 2024 directly aligned and informed by the 2024/25 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 March 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 50 MBRR Table SA1 - Supporting detail to budgeted financial performance

| KZN291 Mandeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance' | | | | | | | | |
|--|-----|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
| | | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | | | |
| REVENUE ITEMS: | | | | | | | | |
| <u>Non-exchange revenue by source</u> | | | | | | | | |
| Exchange Revenue | 6 | | | | | | | |
| Total Property Rates | | 71,477 | 71,477 | 71,477 | 71,830 | 75,646 | 79,126 | 83,765 |
| <i>Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i> | | (12,147) | (12,147) | (12,147) | (30,314) | (13,409) | (14,026) | (14,671) |
| Net Property Rates | | 59,329 | 59,329 | 59,329 | 41,516 | 62,237 | 65,099 | 69,094 |
| <u>Exchange revenue service charges</u> | | | | | | | | |
| Service charges - Electricity | 6 | | | | | | | |
| Total Service charges - Electricity | | 52,613 | 61,743 | 61,743 | 42,593 | 69,770 | 74,479 | 80,636 |
| <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 | | 52,613 | 61,743 | 61,743 | 42,593 | 69,770 | 74,479 | 80,636 |
| <u>Service charges - Waste Management</u> | | | | | | | | |
| Total refuse removal revenue | 6 | 11,935 | 11,935 | 11,935 | 8,272 | 13,746 | 15,505 | 17,510 |
| Total landfill revenue | | - | - | - | - | - | - | - |
| <i>Less Revenue Foregone (in excess of one removal a week to indigent households)</i> | | (891) | (891) | (891) | - | (944) | (988) | (1,033) |
| <i>Less Cost of Free Basis Services (removed once a week to indigent households)</i> | | - | - | - | - | - | - | - |
| Net Service charges - Waste Management | | 11,044 | 11,044 | 11,044 | 8,272 | 12,802 | 14,517 | 16,477 |

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 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
| | | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | | | |
| EXPENDITURE ITEMS: | | | | | | | | |
| Employee related costs | | | | | | | | |
| Basic Salaries and Wages | 2 | 95,515 | 96,050 | 96,050 | 64,021 | 100,007 | 101,729 | 100,371 |
| Pension and UIF Contributions | | 14,715 | 15,204 | 15,204 | 10,025 | 15,949 | 16,683 | 17,450 |
| Medical Aid Contributions | | 5,886 | 5,931 | 5,931 | 4,725 | 6,222 | 6,508 | 6,808 |
| Overtime | | 1,716 | 2,356 | 2,356 | 2,328 | 2,469 | 2,583 | 2,702 |
| Performance Bonus | | 6,685 | 6,685 | 6,685 | 4,310 | 7,012 | 7,335 | 7,672 |
| Motor Vehicle Allowance | | 6,011 | 6,071 | 6,071 | 4,083 | 6,366 | 6,659 | 6,965 |
| Cellphone Allowance | | 712 | 762 | 762 | 656 | 799 | 836 | 874 |
| Housing Allowances | | 610 | 610 | 610 | 316 | 640 | 626 | 700 |
| Other benefits and allowances | | 767 | 1,167 | 1,167 | 971 | 1,172 | 1,226 | 1,283 |
| Payments in lieu of leave | | 2,591 | 2,591 | 2,591 | 684 | 2,718 | 2,843 | 2,973 |
| Long service awards | | 1,341 | 1,341 | 1,341 | 286 | 1,407 | 1,472 | 1,539 |
| Post-retirement benefit obligations | 4 | 4,872 | 2,652 | 2,652 | – | 7,782 | 5,140 | 5,377 |
| Entertainment | | – | – | – | – | – | – | – |
| Scarcity | | – | – | – | – | – | – | – |
| Acting and post related allowance | | – | – | – | – | – | – | – |
| In kind benefits | | – | – | – | – | – | – | – |
| sub-total | 5 | 141,420 | 141,420 | 141,420 | 92,405 | 152,543 | 153,638 | 154,713 |
| Less: Employees costs capitalised to PPE | | – | – | – | – | – | – | – |
| Total Employee related costs | 1 | 141,420 | 141,420 | 141,420 | 92,405 | 152,543 | 153,638 | 154,713 |
| Depreciation and amortisation | | | | | | | | |
| Depreciation of Property, Plant & Equipment | | 35,534 | 35,358 | 35,358 | 21,892 | 37,492 | 38,617 | 39,389 |
| Lease amortisation | | – | 177 | 177 | 22 | 364 | 375 | 382 |
| Capital asset impairment | | – | – | – | – | – | – | – |
| Total Depreciation and amortisation | 1 | 35,534 | 35,534 | 35,534 | 21,914 | 37,856 | 38,992 | 39,772 |
| Bulk purchases - electricity | | | | | | | | |
| Electricity bulk purchases | | 43,603 | 51,864 | 51,864 | 35,992 | 60,006 | 61,667 | 63,349 |
| Total bulk purchases | 1 | 43,603 | 51,864 | 51,864 | 35,992 | 60,006 | 61,667 | 63,349 |
| Transfers and grants | | | | | | | | |
| Cash transfers and grants | | – | – | – | – | – | – | – |
| Non-cash transfers and grants | | – | – | – | – | – | – | – |
| Total transfers and grants | 1 | – | – | – | – | – | – | – |
| Contracted Services | | | | | | | | |
| <i>Outsourced Services</i> | | 28,937 | 28,501 | 28,501 | 22,596 | 29,226 | 28,063 | 28,946 |
| <i>Consultants and Professional Services</i> | | 8,969 | 8,296 | 8,296 | 5,059 | 6,303 | 6,820 | 7,157 |
| <i>Contractors</i> | | 26,186 | 48,087 | 48,087 | 19,312 | 39,947 | 39,943 | 42,460 |
| Total contracted services | | 64,092 | 84,884 | 84,884 | 46,967 | 75,476 | 74,826 | 78,564 |
| Operational Costs | | | | | | | | |
| Collection costs | | 2,174 | 2,870 | 2,870 | 2,453 | 1,739 | 1,819 | 1,903 |
| Contributions to 'other' provisions | | – | – | – | – | – | – | – |
| Audit fees | | 2,435 | 2,435 | 2,435 | 2,630 | 2,174 | 2,274 | 2,379 |
| <i>Other Operational Costs</i> | | 43,589 | 50,851 | 50,851 | 39,209 | 51,034 | 54,775 | 57,694 |
| Total Operational Costs | 1 | 48,198 | 56,155 | 56,155 | 44,293 | 54,947 | 58,868 | 61,975 |
| Repairs and Maintenance by | | | | | | | | |
| Employee related costs | 8 | – | – | – | – | – | – | – |
| Inventory Consumed (Project Maintenance) | | 19,942 | 24,695 | 24,695 | – | 24,739 | 25,377 | 26,567 |
| Contracted Services | | – | – | – | – | – | – | – |
| Other Expenditure | | – | – | – | – | – | – | – |
| Total Repairs and Maintenance Expenditure | 9 | 19,942 | 24,695 | 24,695 | – | 24,739 | 25,377 | 26,567 |
| Inventory Consumed | | | | | | | | |
| Inventory Consumed - Water | | – | – | – | – | – | – | – |
| Inventory Consumed - Other | | 7,411 | 3,458 | 3,458 | 831 | 4,390 | 4,727 | 4,793 |
| Total Inventory Consumed & Other Material | | 7,411 | 3,458 | 3,458 | 831 | 4,390 | 4,727 | 4,793 |

Table 51 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 - [NAME OF VOTE | 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 | | - | - | - | - | - | - | - | - | - | 69,770 | - | - | - | - | - | 69,770 |
| Service charges - Water | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Water Man | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Managemen | | - | - | - | - | - | - | - | - | - | - | 12,802 | - | - | - | - | 12,802 |
| Sale of Goods and Rendering of Ser | | - | 799 | - | 461 | - | - | - | 191 | - | 8,023 | - | - | - | - | - | 9,474 |
| Agency services | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | - | - | - | - | - | - | - | - | - | 963 | - | - | - | - | - | 963 |
| Interest earned from Current and No | | - | 26,500 | - | - | - | - | - | - | - | - | - | - | - | - | - | 26,500 |
| Dividends | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rent on Land | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental from Fixed Assets | | - | - | - | 374 | - | - | - | - | - | - | - | - | - | - | - | 374 |
| Licence and permits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | 750 | - | - | - | - | - | 250 | - | 200 | - | - | - | - | - | 1,200 |
| Non-Exchange Revenue | | | | | | | | | | | | | | | | | |
| Property rates | | - | 62,237 | - | - | - | - | - | - | - | - | - | - | - | - | - | 62,237 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | - | - | - | 10 | - | - | - | - | 1,300 | - | - | - | - | - | - | 1,310 |
| Licences or permits | | - | 43 | - | - | - | - | - | - | 739 | - | - | - | - | - | - | 783 |
| Transfer and subsidies - Operational | | 8,038 | 237,350 | - | 3,769 | - | - | - | 2,191 | 1,815 | - | - | - | - | - | - | 253,163 |
| Interest | | - | 2,976 | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,976 |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Gains | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Discontinued Operations | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital tra | | 8,038 | 330,654 | - | 4,614 | - | - | - | 2,632 | 3,854 | 78,956 | 12,802 | - | - | - | - | 441,551 |
| Expenditure | | | | | | | | | | | | | | | | | |
| Employee related costs | | (18,312) | (50,485) | - | (21,774) | (4,389) | - | - | (18,813) | (23,420) | (3,512) | (8,104) | (3,733) | - | - | - | (152,543) |
| Remuneration of councillors | | (16,388) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (16,388) |
| Bulk purchases - electricity | | - | - | - | - | - | - | - | - | - | (60,006) | - | - | - | - | - | (60,006) |
| Inventory consumed | | (1,380) | (565) | - | (596) | (20) | - | - | (1,130) | (43) | - | (96) | - | - | - | - | (3,831) |
| Debt impairment | | - | (16,500) | - | - | - | - | - | - | - | 2,174 | (15,935) | - | - | - | - | (30,261) |
| Depreciation and amortisation | | - | (11,408) | - | (3,327) | - | - | - | - | (20,531) | (2,590) | - | - | - | - | - | (37,856) |
| Interest | | | | | | | | | | | | | | | | | |
| Contracted services | | (13,597) | (21,887) | - | (3,521) | (5,416) | (609) | (30) | (5,017) | (10,722) | (10,719) | (3,785) | (174) | - | - | - | (75,476) |
| Transfers and subsidies | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Irrecoverable debts written off | | - | (4,087) | - | - | - | - | - | - | - | - | (2,174) | - | - | - | - | (6,261) |
| Operational costs | | (16,334) | (30,940) | - | (1,020) | (205) | (1,281) | - | (1,146) | (639) | (3,195) | (31) | (156) | - | - | - | (54,947) |
| Losses on disposal of Assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Losses | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | (66,011) | (139,171) | - | (30,237) | (10,030) | (1,890) | (30) | (26,107) | (55,356) | (77,849) | (30,124) | (4,063) | - | - | - | (440,869) |
| Surplus/(Deficit) | | 74,049 | 469,826 | - | 34,852 | 10,030 | 1,890 | 30 | 28,739 | 59,210 | 156,805 | 42,926 | 4,063 | - | - | - | 882,419 |
| Transfers and subsidies - capital (monetary allocations) | | - | - | - | 850 | - | - | - | 38,910 | - | - | - | - | - | - | - | 39,760 |
| Transfers and subsidies - capital (in-kind) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 74,049 | 469,826 | - | 35,702 | 10,030 | 1,890 | 30 | 67,649 | 59,210 | 156,805 | 42,926 | 4,063 | - | - | - | 922,180 |

Table 52 MBRR Table SA3 – Supporting detail to Statement of Financial Position

| KZN291 Mandeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position' | | | | | | | | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | | | | | |
| ASSETS | | | | | | | | | | |
| Trade and other receivables from exchange | | | | | | | | | | |
| Electricity | | 6,076 | 9,567 | 8,725 | 10,987 | 14,157 | 14,157 | 13,061 | 14,474 | 17,880 |
| Water | | - | - | - | - | - | - | - | - | - |
| Waste | | 29,399 | 25,679 | 29,509 | 71,337 | 70,624 | 70,624 | 82,341 | 86,394 | 90,071 |
| Waste Water | | - | - | - | 812 | - | - | 852 | 891 | 932 |
| Other trade receivables from exchange trans | | 17,566 | 15,738 | 15,603 | (5,036) | 9,475 | 9,475 | (937) | (1,601) | (2,044) |
| Gross: Trade and other receivables from ex | | 53,042 | 50,984 | 53,837 | 78,101 | 94,256 | 94,256 | 95,317 | 100,159 | 106,839 |
| Less: Impairment for debt | | - | - | - | (5,609) | 5,070 | 5,070 | (81,585) | (84,283) | (85,482) |
| Impairment for Electricity | | - | - | - | (5,609) | (4,683) | (4,683) | (4,163) | (4,258) | (4,326) |
| Impairment for Water | | - | - | - | - | - | - | - | - | - |
| Impairment for Waste | | - | - | - | - | - | - | - | - | - |
| Impairment for Waste Water | | - | - | - | - | - | - | - | - | - |
| Impairment for other trade receivables from | | - | - | - | - | 9,753 | 9,753 | (77,422) | (80,025) | (81,157) |
| Total net Trade and other receivables from | | 53,042 | 50,984 | 53,837 | 72,492 | 99,326 | 99,326 | 13,732 | 15,876 | 21,357 |
| Receivables from non-exchange transactio | | | | | | | | | | |
| Property rates | | 29,677 | 30,532 | 55,695 | 112,308 | 144,939 | 144,939 | 134,110 | 138,141 | 142,879 |
| Less: Impairment of Property rates | | (69,775) | (73,228) | (82,773) | (95,738) | (107,662) | (107,662) | (93,609) | (96,837) | (99,048) |
| Net Property rates | | (40,098) | (42,696) | (27,078) | 16,570 | 37,278 | 37,278 | 40,501 | 41,304 | 43,831 |
| Other receivables from non-exchange transa | | (37,205) | (39,086) | (40,913) | 5,675 | 8,716 | 8,716 | 8,541 | 8,817 | 9,027 |
| Impairment for other receivalbes from non-e | | - | - | - | - | - | - | - | - | - |
| Net other receivables from non-exchange t | | (37,205) | (39,086) | (40,913) | 5,675 | 8,716 | 8,716 | 8,541 | 8,817 | 9,027 |
| Total net Receivables from non-exchange t | | (77,303) | (81,782) | (67,991) | 22,245 | 45,993 | 45,993 | 49,042 | 50,121 | 52,858 |
| Inventory | | | | | | | | | | |
| Consumables | | | | | | | | | | |
| Standard Rated | | | | | | | | | | |
| Opening Balance | | - | - | - | 535 | 572 | 572 | 553 | 534 | 504 |
| Acquisitions | | - | - | - | 905 | 905 | 905 | 476 | 490 | 510 |
| Issues | 7 | 666 | 567 | 572 | (905) | (905) | (905) | (476) | (490) | (510) |
| Adjustments | 8 | - | - | - | - | - | - | - | - | - |
| Write-offs | 9 | - | - | - | - | - | - | - | - | - |
| Closing balance - Consumables Standard Rat | | 666 | 567 | 572 | 535 | 572 | 572 | 553 | 534 | 504 |
| Zero Rated | | | | | | | | | | |
| Opening Balance | | - | - | - | - | 42,038 | 42,038 | - | - | - |
| Acquisitions | | - | - | - | - | - | - | - | - | - |
| Issues | 7 | - | - | - | - | - | - | - | - | - |
| Adjustments | 8 | - | - | - | - | - | - | - | - | - |
| Write-offs | 9 | - | - | - | - | - | - | - | - | - |
| Closing balance - Consumables Zero Rated | | - | - | - | - | 42,038 | 42,038 | - | - | - |
| Materials and Supplies | | | | | | | | | | |
| Opening Balance | | - | - | - | 203 | 141 | 141 | 121 | 109 | 105 |
| Acquisitions | | - | 459 | 571 | 6,506 | 3,069 | 3,069 | 3,915 | 4,237 | 4,283 |
| Issues | 7 | 198 | (218) | (429) | (6,506) | (2,553) | (2,553) | (3,915) | (4,237) | (4,283) |
| Adjustments | 8 | - | - | - | - | - | - | - | - | - |
| Write-offs | 9 | - | - | - | - | - | - | - | - | - |
| Closing balance - Materials and Supplies | | 198 | 240 | 141 | 203 | 657 | 657 | 121 | 109 | 105 |
| Land | | | | | | | | | | |
| Opening Balance | | - | - | - | - | - | - | 39,038 | 37,038 | 35,038 |
| Acquisitions | | - | - | - | - | - | - | - | - | - |
| Sales | | - | - | - | - | - | - | - | - | - |
| Adjustments | | - | 46,000 | 42,038 | - | - | - | - | - | - |
| Correction of Prior period errors | | - | - | - | - | - | - | - | - | - |
| Transfers | | - | - | - | - | - | - | - | - | - |
| Closing Balance - Land | | - | 46,000 | 42,038 | - | - | - | 39,038 | 37,038 | 35,038 |
| Closing Balance - Inventory & Consumables | | 864 | 46,807 | 42,752 | 739 | 43,267 | 43,267 | 39,712 | 37,681 | 35,648 |

| KZN291 Mandeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position' | | | | | | | | | | |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | | | | | |
| Property, plant and equipment (PPE) | | | | | | | | | | |
| PPE at cost/valuation (excl. finance leases) | | 631,766 | 671,832 | 730,346 | 757,710 | 766,435 | 766,435 | 841,512 | 870,538 | 854,564 |
| Leases recognised as PPE | 3 | 43,526 | 56,256 | 77,178 | - | - | - | - | - | - |
| Less: Accumulated depreciation | | 219,821 | 243,300 | 265,652 | 105,495 | 122,375 | 122,375 | 233,600 | 261,213 | 263,721 |
| Total Property, plant and equipment (PPE) | 2 | 455,471 | 484,788 | 541,873 | 652,214 | 644,060 | 644,060 | 607,912 | 609,325 | 590,843 |
| LIABILITIES | | | | | | | | | | |
| Current liabilities - Financial liabilities | | | | | | | | | | |
| Short term loans (other than bank overdraft) | | - | - | - | - | - | - | - | - | - |
| Current portion of long-term liabilities | | 4,717 | 5,760 | 4,762 | - | - | - | - | - | - |
| Total Current liabilities - Financial liabilities | | 4,717 | 5,760 | 4,762 | - | - | - | - | - | - |
| Trade and other payables from exchange transactions | | | | | | | | | | |
| Trade and other payables from exchange transactions | 5 | 30,033 | 28,605 | 41,741 | 35,888 | 48,045 | 48,045 | 20,563 | 25,831 | 26,261 |
| Other trade payables from exchange transactions | | - | - | - | - | - | - | - | - | - |
| Trade payables from Non-exchange transactions | | 30,079 | 8,705 | 25,789 | 20,275 | 25,789 | 25,789 | 6,284 | - | - |
| Trade payables from Non-exchange transactions | | - | - | - | - | - | - | - | - | - |
| VAT | | 1,273 | 2,898 | 1,969 | 9,818 | 11,406 | 11,406 | 14,152 | 14,971 | 16,948 |
| Total Trade and other payables from exchange transactions | 2 | 61,385 | 40,208 | 69,499 | 65,981 | 85,240 | 85,240 | 40,999 | 40,802 | 43,209 |
| Provisions | | | | | | | | | | |
| Retirement benefits | | 18,697 | 17,537 | 17,730 | 22,795 | 21,693 | 21,693 | 22,993 | 23,455 | 23,223 |
| Refuse landfill site rehabilitation | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Total Provisions | | 18,697 | 17,537 | 17,730 | 22,795 | 21,693 | 21,693 | 22,993 | 23,455 | 23,223 |
| CHANGES IN NET ASSETS | | | | | | | | | | |
| Accumulated surplus/(deficit) | | | | | | | | | | |
| Accumulated surplus/(deficit) - opening balance | | - | - | - | 793,938 | 796,422 | 796,422 | 810,780 | 858,373 | 859,656 |
| GRAP adjustments | | - | - | - | - | - | - | - | - | - |
| Restated balance | | - | - | - | 793,938 | 796,422 | 796,422 | 810,780 | 858,373 | 859,656 |
| Surplus/(Deficit) | | 60,035 | 71,421 | 106,467 | 28,629 | 40,501 | 40,501 | 39,883 | 42,090 | 47,738 |
| Transfers to/from Reserves | | 29,567 | 29,567 | 29,567 | - | - | - | - | - | - |
| Depreciation offsets | | 178,196 | 178,196 | 178,196 | - | - | - | - | - | - |
| Other adjustments | | 8,695 | 7,490 | 7,598 | - | - | - | - | - | - |
| Accumulated Surplus/(Deficit) | 1 | 276,494 | 286,675 | 321,829 | 822,568 | 836,922 | 836,922 | 850,663 | 900,463 | 907,394 |
| Reserves | | | | | | | | | | |
| Housing Development Fund | | 50,941 | 50,941 | 50,941 | (2,191) | (1,986) | (1,986) | (2,086) | (2,249) | (2,313) |
| Capital replacement | | - | - | - | - | - | - | - | - | - |
| Self-insurance | | - | - | - | - | - | - | - | - | - |
| Other reserves | | (0) | (0) | (0) | - | 63,094 | 63,094 | - | - | - |
| Revaluation | | 151,731 | 151,731 | 151,731 | - | - | - | - | - | - |
| Total Reserves | 2 | 202,672 | 202,672 | 202,672 | (2,191) | 61,108 | 61,108 | (2,086) | (2,249) | (2,313) |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 479,167 | 489,347 | 524,501 | 820,377 | 898,030 | 898,030 | 848,577 | 898,215 | 905,081 |

Table 53 MBRR Table A10 – Basic Service Delivery Measurement

| KZN291 Mandeni - Table A10 Basic service delivery measurement | | | | | | | | | | |
|--|-----|----------------|----------------|---------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure | | |
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Household service targets | 1 | | | | | | | | | |
| 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) | 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 | | - | - | - | - | - | - | - | - | - |
| <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) | | 389 | 389 | 389 | 449 | 449 | 449 | 449 | 449 | 449 |
| Electricity - prepaid (min.service level) | | 574 | 629 | 629 | 645 | 645 | 645 | 645 | 645 | 645 |
| <i>Minimum Service Level and Above sub-total</i> | | 963 | 1,018 | 1,018 | 1,094 | 1,094 | 1,094 | 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 | 963 | 1,018 | 1,018 | 1,094 | 1,094 | 1,094 | 1,094 | 1,094 | 1,094 |
| Refuse: | | | | | | | | | | |
| Removed at least once a week | | - | 4,601 | 4,601 | 4,695 | 4,695 | 4,695 | 4,695 | 4,695 | 4,695 |
| <i>Minimum Service Level and Above sub-total</i> | | - | 4,601 | 4,601 | 4,695 | 4,695 | 4,695 | 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 | 4,695 | 4,695 | 4,695 | 4,695 | 4,695 | 4,695 |
| Households receiving Free Basic Service | 7 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (free minimum level service) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (50kwh per household per month) | | 1,876 | 1,876 | 1,876 | 1,573 | 1,573 | 1,573 | 1,600 | 1,600 | 1,600 |
| Refuse (removed at least once a week) | | 36,054 | 36,054 | 31,921 | 32,001 | 32,001 | 32,001 | 32,300 | 32,300 | 32,300 |
| 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) | | - | - | - | - | - | - | - | - | - |
| Water (kilolitres per household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (kilolitres per household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (Rand per household per month) | | - | - | - | - | - | - | - | - | - |
| Electricity (kwh per household per month) | | - | - | - | - | - | - | - | - | - |
| Refuse (average litres per week) | | - | - | - | - | - | - | - | - | - |
| Revenue cost of subsidised services provided (R'000) | 9 | | | | | | | | | |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | | - | - | - | - | - | - | - | - | - |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 | | (7,415) | (6,725) | 1,599 | (12,147) | (12,147) | (12,147) | (13,409) | (14,026) | (14,671) |
| 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 | - | - | (891) | (891) | (891) | (944) | (988) | (1,033) |
| Municipal Housing - rental rebates | | - | - | - | - | - | - | - | - | - |
| Housing - top structure subsidies | 6 | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Total revenue cost of subsidised services provided | | (7,415) | (6,725) | 1,599 | (13,038) | (13,038) | (13,038) | (14,354) | (15,014) | (15,704) |
| References | | | | | | | | | | |

Table 54 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 | s | Number | | | R thousand |
| MABUNE CONSULTING | Yrs | 3 | A PANEL OF LAND SURVEYORS | 28 February 2025 | Charged per transaction |
| IVER / CRAWFORD JV | Yrs | 3 | A PANEL OF LAND SURVEYORS | 28 February 2025 | Charged per transaction |
| VELENKOSINI PROFESSIONAL | Yrs | 3 | A PANEL OF LAND SURVEYORS | 28 February 2025 | Charged per transaction |
| TSHANI CONSULTING | Yrs | 3 | A PANEL OF LAND SURVEYORS | 28 February 2025 | Charged per transaction |
| ISIBUKO DEVELOPMENT PLAN | Yrs | 3 | A PANEL OF LAND SURVEYORS | 28 February 2025 | Charged per transaction |
| NEW PLANNING | Yrs | 3 | A PANEL OF LAND SURVEYORS | 28 February 2025 | Charged per transaction |
| CONLOG (PTY) LIMITED | Yrs | 3 | SMART METERS | 31 August 2024 | Charged per transaction |
| 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 | Yrs | 3 | SOURCING OF SOCIAL AND EC | 04 March 2024 | 9.2% on recovery |
| UMHLABA GEOMATICS | Yrs | 3 | GENERAL VALUATION & PREP | 17 August 2025 | 1,145 |
| PAY DAY SOFTWARE SYSTEMS | Yrs | 3 | PAY ROLL AND HR SYSTEMS | 02 November 2026 | 1,570 |
| KUNENE MAKOPO | Yrs | 3 | SHORT - TERM INSURANCE-AS | 30 September 2026 | 4,607 |
| ESKOM | Yrs | 3 | ELECTRICITY SUPPLY | ONGOING | Charge per usage |
| MOBILE TELEPHONE NETWORK | Yrs | 2 | 3G MODEM FOR 37 USERS | 14 October 2023 | 420 |
| M.M.ABRAHAM (PTY) LTD T/AS | Yrs | 3 | LEASE OFFICE SPACE ATMANC | 31 October 2023 | 1,368 |
| BIDVEST STEINER | Yrs | 3 | PROVISION OF HYGIEN SERVIC | 18 January 2024 | 1,287 |
| SONANI TRAINING & COMMUNI | Yrs | 3 | MFMP TRAINING | 30 April 2024 | Unit cost based |
| AYANDA MBANGA COMMUNIC | Yrs | 3 | ADVERTISING AGENCY | 31 August 2024 | TransactionalBasis |
| MALUTHULI CONSULTING | Yrs | 3 | ADVERTISING AGENCY | 31 August 2024 | TransactionalBasis |
| RONAVUJ | Yrs | 3 | ADVERTISING AGENCY | 31 August 2024 | TransactionalBasis |
| MICROSOFT IRELAND OPERAT | Yrs | 3 | MICROSOFT LICENSES | 14 November 2024 | Based on rand/dollar value |
| KWADUKUZA IT | Yrs | 3 | ICT PANEL OF SERVICE PROV | 10 November 2025 | TransactionalBasis |
| ZAR TECHNOLOGY | Yrs | 3 | ICT PANEL OF SERVICE PROV | 10 November 2025 | TransactionalBasis |
| SHARPSHOOT BUSINESS SOLU | Yrs | 3 | ICT PANEL OF SERVICE PROV | 10 November 2025 | TransactionalBasis |
| IMVOKOQA SOLUTIONS (PTY) L | Yrs | 3 | ICT PANEL OF SERVICE PROV | 19 February 2026 | TransactionalBasis |
| KAYOSI | Yrs | 3 | BULK UNIFORMS & PPE | 09 March 2026 | Unit cost based |
| KONIC MINOLTA T/A BIDVEST | Yrs | 3 | OFFICE AUTOMATIC | 31 June 2026 | 3,500 |
| EMALANGENI TECHNOLOGIES | Yrs | 3 | SD-WAN/ VPN AND IP TELEPHO | 31 July 2026 | 6,962 |
| CITY OF CHOICE TRAVELS | Yrs | 3 | TRAVEL AGENT | 09 August 2026 | Unit cost based |
| ADVISORY IT | Yrs | 3 | IMPLEMENTATION OF PROJEC | 31 August 2026 | 2,000 |
| EMALANGENI TECHNOLOGIES | Yrs | 3 | SUPPLY, INSTALLATION AND M | 04 October 2026 | 15,807 |
| MALUTHULI CONSULTING | Yrs | 3 | LEASING OF PARKHOME OFFIC | 31 October 2026 | 2,808 |
| BAMBHANANI ENTERPRISES | Yrs | 3 | SUPPORT AND MAINTAIN A CL | 31 October 2026 | Unit cost based |
| KING CETHSWAYO MUNICIPAL | Yrs | 2 YEARS | MUNICIPAL DUMPING SITE | 30 January 2022 | Charged per tonages |
| SPARKS & ELLIS UNIFORMS | Yrs | 3 YEARS | SUPPLY AND DELIVER OF TRAF | 31 August 2024 | Unit cost based |
| EZAMALUNQA TRADING | Yrs | 1 YEAR | PROVISION OF VIP PROTECTIO | 31 August 2022 | 2,781 |
| PROSECURE | Yrs | 1 YEAR | PROVISION OF VIP PROTECTIO | 13 October 2024 | 9,310 |
| RURAL METRO EMERGENCY S | Yrs | 2 YEARS | FIRE BRIGADE SERVICES | 20 September 2024 | 1,575 |
| NJOMISA WOERDERY | Yrs | 3 YEARS | ANIMAL POUND SERVICES | 20 September 2024 | 27,869 |
| EZAMALUNQA TRADING | Yrs | 3 YEARS | PROVISION OF SECURITY SER | 31 December 2025 | 6,955 |
| SNOBHO (PTY) LTD | Yrs | 3 YEARS | SUPPLY AND DELIVER BLACK & | 28 February 2026 | 1,114 |
| MALUME MOTORING SCHOOL | Yrs | 3 | YOUTH DRIVER'S LICENCE COU | 03 March 2024 | Transactional basis |
| BONAKUDE | Yrs | 3 | PSP TO PROVIDE INTERNAL AU | 28 February 2025 | Transactional basis |
| THELULWAZI BUSINESS | Yrs | 3 | PSP TO PROVIDE INTERNAL AU | 28 February 2025 | Transactional basis |
| ISIKU ACCOUNTANTS AND AUI | Yrs | 3 | PSP TO PROVIDE INTERNAL AU | 28 February 2025 | Transactional basis |
| INTERGRITY FORENSIC SOLUT | Yrs | 3 | PSP TO PROVIDE INTERNAL AU | 28 February 2025 | Transactional basis |
| KAIZEN INTERNATIONAL | Yrs | 3 | PSP TO PROVIDE INTERNAL AU | 28 February 2025 | Transactional basis |
| PHUMLANI NGUBANE | Yrs | 3 | ESTABLISHMENT OF A PANEL | 25 July 2025 | Transactional basis |
| TEMBE KHESWA NXUMALO INC | Yrs | 3 | ESTABLISHMENT OF A PANEL | 25 July 2025 | Transactional basis |
| MHLANGA INICIO OPERATED | Yrs | 3 | ESTABLISHMENT OF A PANEL | 25 July 2025 | Transactional basis |
| BHEKISISA GOQO & CO | Yrs | 3 | ESTABLISHMENT OF A PANEL | 25 July 2025 | Transactional basis |
| MEMELA AND ASSOCIATES | Yrs | 3 | ESTABLISHMENT OF A PANEL | 25 July 2025 | Transactional basis |
| INNOVATION GOVERNMENT SC | Yrs | 3 | IMPLEMENTATION OF PMS AUT | 31 August 2026 | 3,200 |
| SMA CONSULTANTS | Yrs | 3 | INFRASTRUCTURE PLANNING& | 30 June 2022 | 11.9% of the project construction c |
| MAKHAOTSE NARASIMULU & A | Yrs | 3 | INFRASTRUCTURE PLANNING& | 30 June 2022 | 12.6% of the project construction c |
| BVI CONSULTING ENGINEERS | Yrs | 3 | PANEL OF CONSULTANTS | 25 July 2022 | 9.5% of the project construction cc |
| NZAMAKHUZA HOLDINGS (PTY | Yrs | 3 | PANEL OF CONSULTANTS | 25 July 2022 | 10.5% of the project construction c |
| VERITAS ENGINEERING | Yrs | 3 | PANEL OF CONSULTANTS | 25 July 2022 | 10% of the project construction co |
| SKYV CONSULTING ENGINEER | Yrs | 3 | PANEL OF CONSULTANTS | 30 September 2024 | 13.5% of the project construction c |
| MORULA CONSULTING ENGINE | Yrs | 3 | PANEL OF CONSULTANTS | 30 September 2024 | 10% of the project construction co |
| BUCHULE ENGINEERS (PTY) LT | Yrs | 3 | PANEL OF CONSULTANTS | 30 September 2024 | 12% of the project construction co |
| SIRK CONSULTING (SOUTH AF | Yrs | 3 | PANEL OF CONSULTANTS | 30 September 2024 | 7% of the project construction cos |
| UKWAKHA CONSULTING ENGIN | Yrs | 3 | PANEL OF CONSULTANTS | 25 July 2022 | 11% of the project construction co |
| HI TECH CONSULTING ENGINE | Yrs | 3 | PANEL OF CONSULTANTS | 26 September 2024 | 13.5% of the project construction c |
| ESINAVAYO PROJECTS TRADI | Yrs | 3 | 33KV-400V REPAIRS ON EMER | 31 July 2024 | 2,946 |
| WORTH KINGS TRADING CC T/ | Yrs | 3 | 33KV-400V REPAIRS ON EMER | 31 July 2024 | 3,335 |
| MASINA ENGINEERING PTY LTD | Yrs | 3 | 33KV-400V REPAIRS ON EMER | 31 July 2024 | 1,051 |
| R BUSISIWE (PTY) LTD | Yrs | 3 | 33KV-400V REPAIRS ON EMER | 31 July 2024 | 357 |
| MECOM TRADING ENTERPRISE | Yrs | 3 | 33KV-400V REPAIRS ON EMER | 31 July 2024 | 85 |
| ACT INDUSTRIES (PTY) LTD | Yrs | 3 | TRAFFIC SIGNAL REPAIRS ON | 30 May 2024 | 806 |
| ZAMA TRAFFIC SIGNALS CC | Yrs | 3 | TRAFFIC SIGNAL REPAIRS ON | 30 May 2024 | 357 |
| R BUSISIWE (PTY) LTD | Yrs | 3 | TRAFFIC SIGNAL REPAIRS ON | 30 May 2024 | - |
| AFICOST JBFF PROJECT MANA | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 14% of the project construction co |
| BRIMSTONH CONSULTING JV | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 12% of the project construction c |
| DLV PROJECT MANAGERS & E | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 9.9% of the project construction c |
| ETILWENI (PTY) LTD | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 13.5% of the project construction c |
| IMPUMELELO CONSULTING EN | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 10.50% of the project construction |
| KUKHAYA PROJECTS | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 10.50% of the project construction |
| LIBEKO (PTY) LTD | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 12% of the project construction co |
| LZM AFRICA HOLDINGS | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 13.50% of the project construction |
| NGEJA CONSULTING ENGINEE | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 10.5% of the project construction c |
| SANOQWABE CONSULTANTS | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 11% of the project construction co |
| SINGH GOVENDER & ASSOCIA | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 11% of the project construction co |
| TKQ CONSULTING ENGINEERS | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 11.5% of the project construction c |
| URBANRU (PTY) LTD | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 11.5% of the project construction c |
| THESHANI TRADING ENTERPR | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 13.5% of the project construction c |
| FDLK ENGINEERING CONSULT | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 13.5% of the project construction c |
| PSMT CONSULTING ENGINEE | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 12.5% of the project construction c |
| A-M CONSULTING ENGINEERS | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 9.8% of the project construction cc |
| IOHINA CONSULTING ENGINEE | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 14% of the project construction co |
| MINATHI CONSULTING | Yrs | 3 | PANEL OF PSP FOR CONSULTI | 30 September 2024 | 10% of the project construction co |
| DESRAE LOGISTICE | Yrs | 3 | PSP TO SUPPLY, DELIVER AND | 09 March 2025 | Transactional basis |
| UTHUNGULU TRADING | Yrs | 3 | PSP TO SUPPLY, DELIVER AND | 09 March 2025 | Transactional basis |
| BHEKAPHZULU INVESTMENT | Yrs | 3 | PANEL OF TEN (10) SERVICE P | 07 November 2025 | Transactional basis |
| EZAMALUNQA TRADING | Yrs | 3 | PANEL OF TEN (10) SERVICE P | 07 November 2025 | Transactional basis |
| ISICHAKA ESINGENAMONA | Yrs | 3 | PANEL OF TEN (10) SERVICE P | 07 November 2025 | Transactional basis |
| MANANDA PROJECTS | Yrs | 3 | PANEL OF TEN (10) SERVICE P | 07 November 2025 | Transactional basis |
| MLOBOMVU PROJECTS | Yrs | 3 | PANEL OF TEN (10) SERVICE P | 07 November 2025 | Transactional basis |
| MVERLASE TRADING | Yrs | 3 | PANEL OF TEN (10) SERVICE P | 07 November 2025 | Transactional basis |
| NEELANS AUTO CC | Yrs | 3 | PANEL OF TEN (10) SERVICE P | 07 November 2025 | Transactional basis |
| ROADLOGIC CIVILS (PTY) LTD | Yrs | 3 | PANEL OF TEN (10) SERVICE P | 07 November 2025 | Transactional basis |
| TRAILWAY TRANSPORT | Yrs | 3 | PANEL OF TEN (10) SERVICE P | 07 November 2025 | Transactional basis |
| ZS CIVILS CONSTRUCTION | Yrs | 3 | PANEL OF TEN (10) SERVICE P | 07 November 2025 | Transactional basis |
| AQUA TRANSPORT AND PLANT | Yrs | 3 | PANEL OF TEN (10) SERVICE P | 07 November 2025 | Transactional basis |
| EZAMAKHUBA CONSTRUCTION | Yrs | 3 | APPOINTMENT FOR A MAXIMU | 06 February 2026 | Transactional basis |
| NITHENSI (PTY) LTD | Yrs | 3 | APPOINTMENT FOR A MAXIMU | 06 February 2026 | Transactional basis |
| BIG O TRADING 298 CC | Yrs | 3 | APPOINTMENT FOR A MAXIMU | 06 February 2026 | Transactional basis |
| ZISAYINI TRADING ENTERPRIS | Yrs | 3 | APPOINTMENT FOR A MAXIMU | 06 February 2026 | Transactional basis |
| HUMBLE FRANK MULTI SERVIC | Yrs | 3 | APPOINTMENT FOR A MAXIMU | 06 February 2026 | Transactional basis |
| AMATHOKOZAMAHLE TRADING | Yrs | 3 | APPOINTMENT FOR A MAXIMU | 06 February 2026 | Transactional basis |
| SIKHULA EBUNYENI ENTERPRI | Yrs | 3 | APPOINTMENT FOR A MAXIMU | 06 February 2026 | Transactional basis |
| BUSANGQWAHA (PTY) LTD | Yrs | 3 | APPOINTMENT FOR A MAXIMU | 06 February 2026 | Transactional basis |
| FIRE UP AUTO INDUSTRIAL | Yrs | 3 | APPOINTMENT FOR A MAXIMU | 06 February 2026 | Transactional basis |
| MUSA AND SONS TRADING | Yrs | 3 | APPOINTMENT FOR A MAXIMU | 06 February 2026 | Transactional basis |

2.17 Municipal manager's quality certificate

I S.G.Khuzwayo, Municipal manager of Mandeni Municipality, hereby certify that the Draft 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 28th March 2024