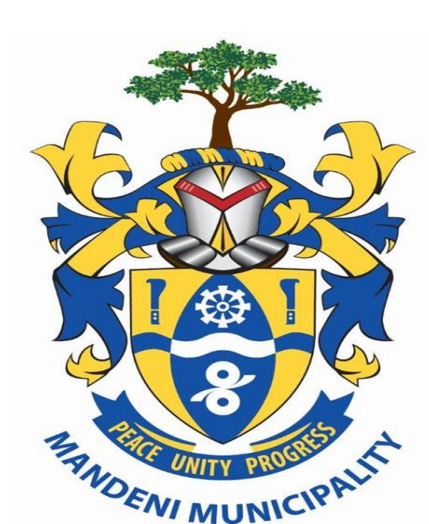


MANDENI MUNICIPALITY (KZN 291) mSCOA DRAFT BUDGET 2025/26 MTREF



MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

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

Part 1 – mSCOA Annual Budget

1.1 Mayor's Report

**SPEECH BY HIS WORSHIP, THE MAYOR CLLR TP MDLALOSE ON TABLING OF THE DRAFT
REVIEWED IDP AND ANNUAL MSCOA BUDGET FOR 2025/26 FINANCIAL YEAR –
MEETING HELD ON 27 MARCH 2025 AT MUNICIPAL COUNCIL CHAMBER**

PRESENTATION

OF:

REVIEWED IDP AND MSCOA BUDGET FOR 2025/26



**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 2025/2026 Integrated Development Plan (IDP) annual review, and Draft 2025/2026 MSCOA Municipal Budget as guided by the Municipal Systems Act in the case of IDP and the Municipal Finance Management Act 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. Furthermore, Council will have to embark on an intensive Public and Stakeholders consultation process where communities from all 18 Municipal Wards will be offered an opportunity to make inputs on these draft documents.

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, the Council embarked on a 3 days Strategic Session early March 2025 where in the main was to take stock of progress made in implementing the Municipal Five-Year Strategic Document (Integrated Development Plan) since the beginning of the term of Office; to acknowledge successes and failures or challenges and thus review the strategies in effort to maintain focus by the Municipality in attainment of its long-term vision. Of note was the current realities we are faced with which is the rise on the incidents of flooding due to climate change and the impact thereof on the municipal infrastructure. Council expressed itself on the need to develop a Climate Change Strategy that will amongst others guide on the new infrastructure designs and material that will be resilient to the impact of the climate change whether due to heat waves or heavy rains. This will minimise the need for spending exorbitant amount of money to rehabilitate and rebuild damaged infrastructure due to floods. It is equally important that the Municipal Disaster Management is updated and be relevant to the current situation to facilitate risk reduction and swift response when incidents of disaster occur within our municipality.

Somlomo and Council, we also appreciated the participation of all Amakhosi under Mandeni at the Council Strategic Session where they made valuable inputs and commitment to work closely with the municipality.

Madam Speaker and Council, as reflected above, I am satisfied that the processes of drafting this Draft Reviewed IDP for 2025/26 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 2025/26 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 the 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 2025. 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 the 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.

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, the consideration of this item of the Draft Budget for 2025/26 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 must approve the Draft MSCOA Budget and IDP for 2025/2026 financial years. We have also undertaken the following matters to improve the lives of our citizens:

Organizational overview

Human Resource Management

The staff turnover at Senior Management and middle Management level is stable as all the critical position have been filled. Somlomo and Council, it be note that that at the Strategic Session it was reported that the available fleet seems to be more than available drivers or operators. The attached draft revised Organisational Structure has considered the fact that the Council is focusing on service delivery, especially rural gravel roads maintenance as well as general maintenance of community facilities as well as grass cutting hence prioritisation of 3x heavy duty drivers/ operators. The Council has fully implemented its resolution to in-source the Fire and Rescue function and in line with the resolution to gradually improve the human capital hence the prioritisation of 2x Fire Fighters positions and 10x Firefighters Internship for 2025/26 FY. The approach to engage on the internship programme and increasing number of fire fighters will enable the implementation of a shift system which will reduce costs associated with overtime and stand-by. This Draft Organisational Structure has also prioritised the position of the Youth Outreach Officer in effort to reach all Youth across Mandeni in rolling-out programmes aimed to support youth.

Madam Speaker and Council, we are very much aware of other pressing areas of priorities in terms of human resources, but the available budget resources and the Treasury Norms are restricting us from recruiting more people as this may result in a situation where more budget being directed to pay salaries thus affecting service delivery. There are some municipalities that have failed to adhere to treasury norms thus over 70% of their budget are directed to personnel costs and less funds are directed towards service delivery, and we shall avoid such scenario in our municipality.

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 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 2025/2026 Integrated Development Plan 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.

BUDGET SUMMARY

The Medium-Term Expenditure Framework proposes a total budget of R617.2 million for the 2025/26 financial year. It appropriates a total operating expenditure of R486.6 million and capital expenditure of R 130.5 million. The amount of R126.8 million has been funded from cash backed reserves / investments which has also funded Capital Budget Funded Internally of R90.5 million and Depreciation of R36.2 million. The above presented figures are VAT exclusive.

Total operating revenue of R452.9 million has increased by 0.9 per cent or R3.9 million for the 2025/2026 financial year when compared to the 2024/2025 Adjustments Budget. **Transfer and subsidies capital** is R46,0 million which has increased by 1.9 per cent or R879 thousand for 2025/26 financial year.

Total operating expenditure for the 2025/2026 financial year has been appropriated at R486,6 million and translates into a deficit budget of R33.7 million, this is in contravention with guideline as per MFMA Circular No.126. The deficit of R33.7 million is due to provision for Depreciation which has been cash backed from previous years reserves as per MFMA Circular No. 115. The MFMA Circular No.126 encourages municipalities to budget for surplus.

Operational expenditure has increased by 3.9 per cent in the 2025/2026 budget and by 0.05 and 2.6 per cents for each of the respective outer years of the MTREF. Further to that it should also be noted that the budget allocated has excluded VAT on all VATABLE Items in line with guidelines. A total capital budget of R130,6 million has been committed for 2025/2026 however this shows a decrease by 2.4 per cent when compared to the 2024/2025 Adjustment Budget where the municipality had to counter-fund some capital projects like Hlomendlini Sports-field; Rehabilitation of Bumbanani Road and Storm Water; implementation of DLTC and extension of the Mechanical Workshop.

The municipality has allocated a total of **R45.8 mill** from the MIG for capital infrastructure development. The municipality has allocated R1.4 mil for Nyoni Taxi Route Phase 4; R9.7 mil committed for Construction of a Community Hall in Ward 8; R15.5 mil for Rehabilitation of Internal Roads and Stormwater in Ward 14; R15.1 mil set aside for the Upgrade of Machibini Link road in Isithebe in Ward 10, 11 and Ward 12; R3.5 mil has been committed towards construction of a Khenana Sportfield in Ward 10.

It must be noted that when draft budget is being prepared, all budget related policies must be reviewed to support implementation of the 2025/26 Municipal Annual MSCOA Budget. Also, the following macro-economic forecasts were considered when preparing the 2025/26 MTREF municipal budget:

Table 1: Macroeconomic performance and projections, 2023 - 2027					
Fiscal year	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Forecast		
CPI Inflation	5.90%	4.60%	4.40%	4.50%	2.50%

The ability of the municipality to collect outstanding debt has been considered when estimating the cash flows. At the collection rate of 70 per cent the municipality will always closely monitor its performance in this regard.

In consideration of its own revenue, the municipality is entering the third year of the General Valuation Roll implementation, the atmosphere is stable with less Market Value enquiries and disputes. It can be indicated that almost all disputes and objections have been resolved fortunately without the involvement of the Valuation Advisory Board. The tariffs have increased by 4.4% in line with the projected inflation increase, apart from the R15 000 statutory reduction for residential customers, a further R185 000 reduction is afforded to all residential customers which in essence means a household with a Market Value of R200 000 or less is exempted from Paying Rates.

Having analyzed the local Economic enablers and being motivated by our vision of becoming a sustainable economic hub by 2030, we have further afforded a 40% rebate for Industrial Properties as well as the 80% rebate for Agricultural Properties. The Municipality deem these two sectors as the biggest employers in our locality and believe that such rebates will ensure the eradication of disinvestments and further attract new investments.

Revenue enhancement and Improved debt collection

Although different methods and tools are available to municipalities for improving revenue and debt collection through external sources, National Treasury is encouraging municipalities to productively make use of the available revenue tools developed and available.

The correct use of **National Treasury Cost Reflective Tariff** and **Valuation Roll Reconciliation Tools**, together with the statistical data from the municipal billing system, must be utilised to ensure the maximum levying of revenue.

Indigent Management

It is critical to progressively manage the restriction of free basic services to national policy limits. Therefore, free basic services to indigent households must be restricted. Where any unlimited supply or supply above national policy limits is provided, the budget narrative must explicitly articulate how this is funded, also in a context of facilitating adequate asset management and adequate provision for related debt impairment and ability to maintain payment of Eskom, bulk water, and other creditors.

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.

Electricity Tariffs

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. Eskom has approved a tariff increase of **Eleven comma thirty two percent (11.32)** for municipal bulk purchases which is effective from 1st July 2025.

Municipal electricity revenue tariff increase is **Eleven comma eighty three percent (11.83)** as per outcome from cost reflective tariff for 2025/26 financial year.

However, it should be noted that the proposed electricity revenue increase is still going to be reviewed by NERSA based on the municipal tariff applications and Cost of Supply (COS) studies for the financial year 2025/26 by the end of June 2025 for the implementation in the new Financial Year.

SETTING OF COSTS REFLECTIVE TARRIFS

The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service.

As part of the budget process, the municipality must annually undertake an assessment to determine if the intended / implemented tariffs are cost reflective, whether all critical cost components were considered in the tariff calculation(s), whether the Local Government Equitable Share component relating to basic services were allocated to the actual service(s) and to demonstrate that the Revenue Component of the budget is credible and funded.

Refuse and other sources of revenue have been aligned to the Consumer Price Index (CPI) inflation of 4.4 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.

All grants to be received by the Municipality during 2025/26 FY are summarised as follow:

- Equitable Share allocation is R244,2 million which has been increased by R610 thousand.
- MIG allocation is R48,2 million which has been increased by R7.1 million, increase has also considered budget of R3.5 million which is ringfenced towards the construction of Khenana Sports field in Ward 10.
- EPWP allocation is R1.7 million which has been decreased by R101 thousand.
- FMG allocation is R1.9 million which has been increased by R100 thousand.
- Library Grant allocation is R4.9 million which has increased by R314 thousand.
- INEP allocation is R0, but budget provision has been made for two outer years.

Employee Related Costs and Remuneration of Cllrs

The salary and wage collective agreement were signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024 and municipalities are expected to implement the agreement with immediate effect as from 1 July 2024

In respect of the 2025/26 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2025, an increase based on the average CPI percentage for the period 1 February 2024 until 31 January 2025, plus 0.75 per cent. The publications of Statistics South Africa shall be used to determine the average CPI.

The proposed salary increase for employee related costs is five comma fifteen percent (5.15%) with effect from 1 July 2025. This increase will be revised once confirmation has been received from the South African Local Government Bargaining Council (SALGBC).

The Remuneration of Councillors and Remuneration of MM and Directors shall be in accordance with determination by National Minister of Cogta however the municipality has budgeted for a proposed increase of 3 percent which is not aligned with CPI.

This increase is based on the latest Government Gazette on the Remuneration and Determination of Upper Limits as issued by COGTA.

The employee related costs and remuneration of Cllrs budget is currently sitting at 39% which is within the norm range of 25- 40 percent as per MFMA Circular No.71 for 2025/26 financial year.

Asset Management

Given the current challenges of aging and dilapidated infrastructure faced by the municipality, which contributes to high level of losses, the municipality has allocated 49 percent of the capital expenditure toward renewal/ upgrading of the existing assets and 51 percent has been allocated acquire new assets.

Another factor which causes losses is lack of maintenance during the lifespan of the assets which National Treasury encourages the municipalities to allocate at least 8 per cent towards repairs and maintenance as outlined in MFMA Circulars No. 55 and 71. The municipality has allocated a budget of 5 percent towards repairs and maintenance which is below the norm as per Treasury guidelines. This is one of the critical areas where the municipality still needs to prioritize to ensure that municipal infrastructure does not end up in a dilapidated condition.

A total of **R42.2 mil** has been allocated for internal projects which amongst others include construction of New Office Block; construction of Phase 2 of Technical Services extension Yard; Supply and delivery of 4x RMU. A total amount of **R500 000** has been allocated towards the planning process for Phase 3 of High Mast Lights covering Ward 1, 2, 6, 7, 8, 13, 14 and 15 which are the Wards that are yet to benefit from this programme. It is important that existing streetlights are kept maintained to improve lighting especially as we are approaching winter season to ensure improvements safety through improved lighting while still on a process of rolling out the project of high mast lights which will be in a medium to long term period.

An amount of **R4.5 mil** set aside where **R1.5 mil** will be directed toward construction of Bus Shelters in Ward 3, 4, 13, 14 and 15; **R2 mil** set aside for the construction of Pedestrian bridges in Ward 8, 10, 11 and 17 and amount of **R1 mil** allocated towards upgrading of existing bridge linking KwaDube Efaletu and Ezihlabathini in Ward 2.

A total amount of **R21.4 mil** allocated from internal funding towards construction of roads in the form or re-gravelling or concrete surfacing where a total of 10 Wards will be allocated an average of **R1.750 mil** for concrete surfacing and **R1.5 mil** for re-gravelling of access roads. The Wards to benefit under these programmes are Ward 1, 3, 4, 5, 6, 9, 10, 12, 16 and 17. An amount of **R3.9 mil** has been set aside as a top up toward finalization of Machibini Link Road covering Ward 10, 11 and 12.

A total amount of **R31.8 mil** sourced from MIG Grant has been set aside where **R1.3 mil** will be utilized towards finalization of Phase 4 Civil Works in Khenana Housing Project; R15 mil committed towards finalization of the upgrading of Machibini Link Road and **R15.4 mil** committed on rehabilitation of internal roads and storm water upgrade in Ward 14. An amount of **R3.4 mil** set aside where **R1.7 mil** will be used for construction of side walks in Ward 4 Hlomendlini and Ward 15 Bidla Section; **R 1 mil** set aside for the upgrading of storm water at Ugagane, Mvemve and Imbila Road in Ward 13 and **R700 000** set aside for construction of pathways in Ward 14 and 15 as well as construction of speed humps in Ward 3, 4, 13, 14 and 15.

A total of **R3.5 mil** sourced from MIG is committed towards finalization of construction of Khenana Sportsfield. A total of **R9.7 mil** has been set aside from MIG for the construction of Ward 8 Community Hall.

Hon Speaker and Council, the above is a summary of projects funded through capital budget but the detail breakdown and specific project names per ward are outlined in the IDP and Budget. We have further allocated an amount of **R5 mil** toward normal municipal gravel roads maintenance.

Hon Speaker and Council, an amount of **R5 mil** has been set aside for the construction of Market Stalls in the Town Centre and **R3 mil** set aside for the finalization of Phase 2 of Construction of Mini factories in Khenana Housing.

Ikhona futhi imali esiyibeke ecaleni engaphezulu kuka **R9.7mil** ethinta izinhlelo zokuthuthukiswa kwabantu abasha ngaphansi kwehhovisi labo uma ngibala okumbalwa- ukusizwa kwabantu abasha nge Driver's License Programme; School Bursaries; Sports and Artistic Development, SALGA Games. It be noted that the approach on Drivers License Programme, will be to consider training of Youth on heavy duty plant machines.

Siphinde sabeka imali engaphezulu kuka **R4.0 mil** ukubhekelela izinhlelo zokuthuthukiswa kwabantu besifazane ngaphansi kohlelo lwe Womens Caucus. Futhi siphinde sabeka nemali engaphezulu kuka **R1.5 million** 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.

Hon Speaker and Council, we remain committed in ensuring that in few year's time the municipality has a fully-fledged fire and emergency service center hence we have put aside an amount of **R10.4 mil** towards the procurement of fully equipped fire engine.

A total amount in excess of **R9 mil** has been set aside for the Department of Community Services where amongst other projects will be the fencing of Ngcedomhlophe stadium and Swimming pool at **R2.6 mil**; fencing of Sundumbili Park at **R956 000**; establishment of Waste Transfer Station at **R869 000**; construction of Life guard house in Tugela mouth at **R1.6 mil** and procurement of new 15 waste skips at **R1 mil**.

Hon Speaker and Council, this was just a high-level summary as the detailed overall Municipal Budget is part of your Agenda Documents. I am very much aware of the list of priorities per Ward as submitted by the Communities and Ward Cllrs, but the available budget is not sufficient enough to carter for all community priorities hence other priorities will be implemented under 2026/27 Financial Year.

The 2025/2026 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 2025/26, 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 2025/26 FY which is also aligned with the IDP and Budget.

It is therefore my pleasure to present to this Council and the Community at large the total Municipal Budget of **R617,167 million** for the 2025/26 Financial Year, kancane kancane uyakhula loMasipala wethu. Asiphumeni sonke siyoxhumana nomphakathi emaWadini ngale Draft IDP and Budget for 2025/26 Financial Year.

In Conclusion:

Therefore, I recommend that:

The Council considers and adopt the Draft Reviewed IDP and mSCOA Budget for 2025/2026 MTREF and the Proposed Draft Organisational Structure for 2025/26 as stated on the document of the Council Agenda **(C90, C91 and C92)** with all recommendations under each item.

I thank you all

CLLR TP Mdlalose
The Mayor

1.2 Council Resolutions

Resolution No: C91

COUNCIL:27/03/2025

The Council of Mandeni Municipality met at Council Chamber to consider the mSCOA Draft Annual Budget of the municipality for the financial year 2025/26. 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 2025/26 MTREF. The Council approved and adopted the following resolutions:
 - 1.1. The mSCOA annual budget of the municipality for the financial year 2025/26 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 2025:

- 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 2025/26 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 2025 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 2025 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, 93,98,107,115,122,123,126,128 and 129, mSCOA Circular No.12 were used to guide the compilation of the 2025/26 & MTREF.

The main challenges experienced during the compilation of the 2025/26 & 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 2025/26 MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2025/26 MTREF:

The 2024/25 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 2025/26 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;

MFMA circular 130 was issued after municipality had submitted the draft budget to council structures for their consideration prior sitting of council meeting, we will therefore consider circular during the final Budget.

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 2025/26 MTREF Budget transacting across all the mSCOA seven segments in Version 6.9 as per MFMA Circular 129. Furthermore, we have ensured 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 2025/26 MTREF in an mSCOA classification framework and the data string (IDP and Budget) will be uploaded to the LG Database portal on the 27th March 2025 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, following table is a consolidated overview of the proposed 2025/26 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2025/26 & MTREF

KZN291 Mandeni - Table A1 Budget Summary										
Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Total Revenue (excluding capital transfers and contributions)	333,878	401,560	422,381	447,101	448,870	448,870	378,274	452,864	485,042	497,551
Total Expenditure	307,732	340,534	398,006	443,616	468,419	468,419	291,732	486,614	483,086	495,492
Surplus/(Deficit)	26,145	61,026	24,375	3,484	(19,550)	(19,550)	86,542	(33,751)	1,956	2,060
Transfers and subsidies - capital (monetary allocations)	45,099	45,387	55,093	39,760	45,138	45,138	19,172	46,017	44,629	46,586
Surplus/(Deficit) for the year	71,244	106,413	79,468	43,244	25,588	25,588	105,715	12,266	46,585	48,646
Capital expenditure & funds sources										
Capital expenditure	30,411	93,331	139,662	127,600	133,829	133,829	79,720	130,552	133,420	137,487
Transfers recognised - capital	5,762	12,628	51,789	34,702	39,334	39,334	20,321	40,014	38,808	40,510
Total sources of capital funds	30,411	93,331	139,662	127,600	133,829	133,829	79,720	130,552	133,420	137,487

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	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Total Revenue (excluding capital transfers and contributions)	319,244	333,878	401,553	382,369	418,587	390,750	447,101	453,053	462,498
Total Expenditure	300,674	307,556	340,473	402,121	438,379	353,716	443,616	449,970	460,058
Surplus/(Deficit)	18,570	26,321	61,080	(19,752)	(19,792)	37,033	3,484	3,083	2,440
Transfers and subsidies - capital (monetary allocations)	41,465	45,099	45,387	48,381	60,292	40,996	39,760	40,840	44,178
Surplus/(Deficit) for the year	60,035	71,421	106,467	28,629	40,501	78,029	43,244	43,923	46,618
Capital expenditure & funds sources									
Capital expenditure	17,990	30,411	73,316	143,945	139,784	475,881	127,600	70,121	53,416
Total Budget	318,663	337,967	413,788	546,065	578,162	829,598	571,216	520,091	513,474

Total operating revenue has increased by 0.1 per cent or R3.9 million for the 2025/26 financial year when compared to the 2023/24 Adjustments Budget. For the two outer years, operational revenue will increase by 1.1 and 1 per cent respectively, equating to a total revenue growth of R44.7 million over the MTREF when compared to the 2024/25 adjustment budget.

Total operating expenditure for 2025/26 financial year has been appropriated at R486.6 million and translates into a deficit budget of R33.8 million. Operational expenditure has increased by 1 per cent in the 2025/26 budget and the outer years have increased by 1 and 1 per cent for each of the respective outer years of the MTREF. The surplus for the year is R12.3 million and increases to R46.6 million in 2027/28 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 R130,6 million for 2025/26 has decreased by R3.3 million or 1 per cent when compared to the 2024/25 Adjustment Budget. The capital programme decreases to R76,2 million from 2026/27 financial year and then increases in 2027/28 to 78,8 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 70 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 2025/26 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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	45,958	49,864	61,164	72,341	72,341	72,341	44,543	80,899	89,250	91,481
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	10,818	11,577	12,380	14,106	14,106	14,106	8,709	14,727	15,389	15,774
Sale of Goods and Rendering of Services		2,586	7,854	11,818	9,474	9,474	9,474	2,106	1,515	10,692	11,142
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1,059	1,229	919	963	1,500	1,500	973	2,016	2,106	2,159
Interest earned from Current Assets		10,694	20,010	26,748	28,000	28,000	28,000	13,553	25,000	26,125	26,778
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		175	106	-	-	-	-	-	-	-	-
Rental from Fixed Assets		150	248	294	374	724	724	430	756	790	810
Licence and permits		9	22	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		465	2,548	1,507	1,200	1,750	1,750	517	1,200	1,254	1,285
Non-Exchange Revenue											
Property rates	2	33,913	50,660	58,321	62,237	62,237	62,237	53,945	64,975	67,899	69,596
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,202	1,002	1,584	1,310	1,310	1,310	62	1,368	1,430	1,465
Licences or permits		782	525	985	957	957	957	727	999	1,044	1,070
Transfer and subsidies - Operational		220,162	223,107	241,981	253,163	253,163	253,163	250,377	254,956	264,410	271,220
Interest		2,329	2,628	3,460	2,976	3,308	3,308	2,332	4,453	4,654	4,770
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		3,577	30,181	1,221	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital)		333,878	401,560	422,381	447,101	448,870	448,870	378,274	452,864	485,042	497,551

Table 3 Percentage growth in revenue by main revenue source

KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure											
Employee related costs	2	107,713	116,754	133,709	152,543	152,543	152,543	95,445	168,132	175,095	179,623
Remuneration of councillors		13,798	14,325	14,564	16,388	16,388	16,388	10,292	17,207	17,981	18,431
Bulk purchases - electricity	2	36,575	45,293	52,475	57,866	57,866	57,866	40,281	64,416	61,791	63,336
Inventory consumed	8	1,424	4,371	3,835	5,118	5,634	5,634	3,210	5,907	6,631	6,797
Debt impairment	3	-	(1,919)	6,048	30,261	30,261	30,261	15,130	32,077	33,520	34,358
Depreciation and amortisation		35,256	32,437	33,728	37,856	37,856	37,856	23,320	36,240	37,870	38,817
Interest		58	325	137	3,300	3,300	3,300	0	3,050	3,187	3,267
Contracted services		52,049	62,194	85,801	79,270	90,976	90,976	51,293	89,650	88,442	90,857
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		20,430	16,941	4,388	6,261	6,261	6,261	3,130	6,637	6,935	7,109
Operational costs		39,523	43,672	62,365	54,755	66,735	66,735	49,678	62,700	51,005	52,256
Losses on disposal of Assets		732	6,080	501	-	600	600	-	600	627	643
Other Losses		176	61	456	-	-	-	(47)	-	-	-
Total Expenditure		307,732	340,534	398,006	443,616	468,419	468,419	291,732	486,614	483,086	495,492

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 third of the total revenue mix. In the 2025/26 financial year, revenue from rates and services charges totaled R145.9 million or 32.2 per cent.

This increases to R157.1 million and R158.8 million in the respective financial years of the MTREF. There has been not much increase in the total percentage revenue generated from rates and service charges from 1 per cent in 2026/27 as it's still reflecting 1 percent in 2027/28.

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 R80.9 million or 17.9 percent, contributing is the proposed approved increase of 11.83 per cent for municipal electricity tariffs for 2025/26 as approved guideline on municipal electricity price increase tariff. Property rates are the third largest revenue source totaling 14.3 per cent or R65 million and increases to R68 or 14.9 per cent by 2026/27.

NERSA has published guidelines on the municipal electricity price tariffs for the 2025/26 municipal financial year and approved an increase of 11.83%. The municipality has increased its electricity tariff in alignment with the circular, however this increase will be changed during Draft budget so as to align with the Draft approved increase by NERSA.

Interest on outstanding debtors both for exchange and non-exchange has increased from R2 million to R2.1 million with an increase of 4.4 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 total R301 million in the 2025/26 financial year and increase to R318 million by 2026/27. Note that there is a year-on-year increase of 8,04 per cent and then increases to 7,3 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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		213,599	243,698	260,680	249,394	249,394	249,394	250,223	268,634	275,628
EPWP Incentive	–	2,435	4,807	3,784	1,815	1,815	1,815	1,714	–	–
Finance Management	–	–	1,850	1,850	1,800	1,800	1,800	1,900	2,000	2,100
Integrated National Electrification Programme	–	–	7,200	7,200	–	–	–	–	9,109	9,521
Local Government Equitable Share	–	211,164	212,818	230,823	243,588	243,588	243,588	244,198	255,187	261,567
Municipal Infrastructure Grant	–	–	17,023	17,023	2,191	2,191	2,191	2,411	2,338	2,441
Other transfers/grants [insert description]										
Provincial Government:		50,633	50,633	50,633	4,619	4,619	4,619	4,933	5,088	–
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS	–	50,633	50,633	50,633	4,619	4,619	4,619	4,933	5,088	–
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	264,233	294,332	311,313	254,013	254,013	254,013	255,156	273,722	275,628
Capital Transfers and Grants										
National Government:		42,232	82,276	132,244	38,910	44,288	44,288	45,817	44,426	46,373
Municipal Infrastructure Grant (MIG)	–	42,232	82,276	128,668	38,910	44,288	44,288	45,817	44,426	46,373
Integrated National Electrification Programme C	–	–	–	3,576	–	–	–	–	–	–
Other capital transfers/grants [insert desc]										
Provincial Government:		50,633	50,633	50,633	–	–	–	–	–	–
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS	–	50,633	50,633	50,633	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	92,865	132,909	182,877	38,910	44,288	44,288	45,817	44,426	46,373
TOTAL RECEIPTS OF TRANSFERS & GRANTS		357,098	427,241	494,191	292,923	298,301	298,301	300,973	318,148	322,002

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.

The 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 11.83 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 consists 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 entering the third year of the General Valuation Roll implementation, the atmosphere is fairly stable with less Market Value enquiries and disputes. It can be indicated that almost all disputes and objections have been resolved fortunately without the involvement of the Valuation Advisory Board. The tariffs have increased by 4.4% in line with the projected inflation increase, apart from the R15 000 statutory reduction for residential customers, a further R185 000 reduction is afforded to all residential customers which in essence means a household with a Market Value of R200 000 or less is exempted from Paying Rates.

Having analyzed the local Economic enablers and being motivated by our vision of becoming a sustainable economic hub by 2030, we have further afforded a 40% rebate for Industrial Properties as well as the 80% rebate for Agricultural Properties. The Municipality deem these two sectors as the biggest employers in our locality and believe that such rebates will ensure the eradication of disinvestments and further attract new investments.

Revenue forgone has increased to R14.6 million by 13.4 per cent in the 2026/27 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 R62.2 million to R64.9 million in the 2025/26 financial year, an increase of 4.5 per cent from the 2024/25 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 temporally suspend the rating of State Trust and Communal Land category, these two (2) categories had a significant contribution in the Property Rate Revenue and hence the significant decline after the implementation of these exemptions.

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

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 temporally suspend the rating of State Trust and Communal Land category, these two (2) categories had a significant contribution in the

Property Rate Revenue and hence the significant decline after the implementation of these exemptions.

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

Table 5 Comparison of proposed rates to be levied for the 2025/26 financial year.

Cartegories	Tariff 2024/25	Tariff 2025/26
Residential	0.0162	0.0169
Industrial	0.0275	0.0287
Commercial	0.0275	0.0287
Farms Agricultural Purpose	0.0041	0.0043
State Trust Land	0.0205	0.0214
Mining Properties	0.0275	0.0287
State owned Properties	0.0257	0.0268
Municipal Properties	0.0257	0.0268
Public Service Infrastructure	0.0041	0.0042
Public benefit organisation	0.0041	0.0043
Place of Worship	0.0257	0.0268
Vacant Land	0.0257	0.0268

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 2025/26 and approved an increase of 11.83 per cent.

However, having considered the Eskom increases, the consumer tariff had to be increased by 11.83 per cent to offset the additional bulk purchase cost at an increase of 11.83 as from 1st July 2025.

This will still be reviewed upon receipt of the final approval from the energy regulator (NERSA). Free Basic Electricity of 50 kWh will be afforded to all registered indigents as part of the relief program for our less privileged residents. Additionally, residential customers who are not registered as indigent, but 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 2025. 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 2025/26 benchmarks were increased by 11.83 per cent as per electricity tariff benchmark.
- Block 2 - The 2025/26 benchmarks were increased by 11.83 per cent as per the electricity tariff benchmark
- Block 3 & 4 - The 2025/26 were increased by 11.83 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	Current tariff	Proposed	Customers
0 - 50	157.28	175.21	37
51 - 350	214.64	239.10	359
351 - 600	235.40	262.24	616
>600	319.73	356.18	82

Service Charges- electricity revenue have increased from R72.3 million to R80.9 million in the 2025/26 financial year by R8.9 million or 11.83 per cent. Electricity revenue increase have considered proposed increase of 11.83 per cent for municipal electricity tariffs, furthermore Umngeni water account will increase in line with the Eskom's tariff increase and having considered the level of demand by Umngeni Water based on actual performance to date it will be prudent to project a significant revenue increase.

Then the revenue budget has been increased by R8.9 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 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 2025/26 financial year, increase in budget has been based on the current year's performance and increase in electricity tariff as proposed to NERSA.

Electricity Revenue has also considered an 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 2025/26 financial year.

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 4.4 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 our area of supply. The inadequate bulk electricity capacity as a result of loadshedding and the impact on service delivery and underdevelopment remains a challenge for the Municipality. Most of the suburbs and inner Municipality reticulation has reached its life expectancy. The upgrading of the Municipality's network has therefore become a strategic priority, especially for the substations and transmission lines.

Regrettably, during the 2025/26 financial year we did not receive funding for INEP.

The municipality is in the process of determining its tariffs through tariff modelling and determining all the cost drivers associated with providing this service. This will then assist the municipality in ensuring that it maintains financial sustainability by ensuring cost reflective tariffs. Thus, electricity service has been budgeted at a surplus of R4.5 million for 2025/26. 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, the number of properties that are billed on the system have remained at 4695 customers for 2025/26 financial year.

A proposed increase of 4.4 per cent in waste removal service tariff as from 1st July 2025. Higher increases will not be viable in 2025/26 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 has remained the same as 2024/25 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.

A proposed increase of 4.4 per cent in waste removal service tariff as from 1st July 2025. Higher increases will not be viable in 2025/26 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 has remained the same as 2024/25 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 R14.1 million in the 2025/26 financial year with an increase of 27.7 per cent. The increase in refuse is not aligned with the increased tariff of 4.4 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.

Projected expenditure is R20.1 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 DCLM 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 R96 thousand and Debt Impairment provision of R5.9 million.

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, 4.4 per cent for refuse removal and 11.83 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 2025/26 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 deficit of **R33.8 million** as per the requirement of MFMA Circular No.126 for 2025/26 financial year. However, it should be noted that there is a surplus in year-on-year of over MTREF of R1.9 million.

The following table is a high-level summary of the 2025/26 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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure											
Employee related costs	2	107,713	116,754	133,709	152,543	152,543	152,543	95,445	168,132	175,095	179,623
Remuneration of councillors		13,798	14,325	14,564	16,388	16,388	16,388	10,292	17,207	17,981	18,431
Bulk purchases - electricity	2	36,575	45,293	52,475	57,866	57,866	57,866	40,281	64,416	61,791	63,336
Inventory consumed	8	1,424	4,371	3,835	5,118	5,634	5,634	3,210	5,907	6,631	6,797
Debt impairment	3	-	(1,919)	6,048	30,261	30,261	30,261	15,130	32,077	33,520	34,358
Depreciation and amortisation		35,256	32,437	33,728	37,856	37,856	37,856	23,320	36,240	37,870	38,817
Interest		58	325	137	3,300	3,300	3,300	0	3,050	3,187	3,267
Contracted services		52,049	62,194	85,801	79,270	90,976	90,976	51,293	89,650	88,442	90,857
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		20,430	16,941	4,388	6,261	6,261	6,261	3,130	6,637	6,935	7,109
Operational costs		39,523	43,672	62,365	54,755	66,735	66,735	49,678	62,700	51,005	52,256
Losses on disposal of Assets		732	6,080	501	-	600	600	-	600	627	643
Other Losses		176	61	456	-	-	-	(47)	-	-	-
Total Expenditure		307,732	340,534	398,006	443,616	468,419	468,419	291,732	486,614	483,086	495,492

The budgeted allocation for employee related costs and remuneration of Councilors for the 2025/26 financial year totals R185.3 million, which equals 34.5 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 R152.5 million to R168.1 million, which reflects an increase of 10.2 percent. As part of the planning assumptions and interventions, an increase has taken into consideration the status of current positions filled and an increase in 6.5 per cent as per the proposed salary increase.

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2025 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by the 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 of 4.4 per cent has remained during Draft budget as the negotiations are still proceeding.

The municipality has also prioritized additional 8 positions and 10 Firefighters Internships program that will be filled in the next financial year which contributes towards service delivery as per the approved organogram (prioritized list below. Further to that increase has also considered budget allocated towards provision for leave and long service bonuses as per employees who will be due.

PROPOSED PRIORITIZED POSITIONS DRAFT BUDGET 2025/26			
NO.	POSITION	TASK GRADE	DEPARTMENT
1	Senior Life Guard	T10	Community Services
2	Fire Fighters X2	T9	Community Services
3	Internship Fire Fighters X10		Community Services
4	Roller Operator	T9	Technical Services
5	Water Tanker Driver	T9	Technical Services
6	Crane Truck Driver	T9	Technical Services
7	Plumber	T9	Technical Services
8	Youth Outreach Officer	T10	Executive & Council

Furthermore, employee related costs budget has included wages for EPWP wages of R1.7 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 2025/26 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.

The increase in the number of positions for other municipal staff and councilors have increased from 371 to 322 with 19 prioritized positions for this current financial year.

Increase in employee related costs for 6 senior managers has increased 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. 42025 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 a 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 Councilors have been budgeted at percentage of 39.5 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 R16,4 million to R17,2 million which reflects an increase of 5 per cent which is not aligned with CPI. Increase in remuneration of Councilors has considered the current year's performance as per Adjustment budget 2024/25. 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 11.32 per cent as approved by Eskom.

Bulk purchases have increased from 57.9 million to 64.4 million in 2025/26, which is due to approved increase of 11.32 per cent, increase has also considered the actual consumption by Umngeni for implementation of water works and the level of demand noted during 2024/25 financial year. Further to that this item is tax levied at 15 per cent of R9.6 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 serious destruction of the Bulk Water Infrastructure particularly in Ethekwini 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 2025/26 the appropriation against this group of expenditure has allocated budget of R5.9 million and continues to grow by 12.3 per cent for the two outer years of which budget allocation is in excess of R5.9 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 2025/26 financial year amounts to R32.1 million and increases to R33.5 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 increased from R30.3 million to R32.1 million with an increase of 6 per cent. Increase in Provision for debt impairment is due to the significant increase in the volume of debts deemed irrecoverable as per guideline of MFMA Circular No.126. Budget allocated for Irrecoverable debt written off of R6.6 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 R13.9 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 R36.2 million for the 2025/26 financial and equates to 6.6 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 R36.2 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 2025/26 the appropriation against this group of expenditure has been decreased by 1.5 per cent (R1.3 million) and increases to 1.3 per cent for the two outer years of which budget allocation is in excess of R90.9 million by 2027/28.

As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2025/26 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 2025/2025 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.

During the compilation of the 2025/26 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 2025/26 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 the budget allocated for this item has considered the existing contracts the municipality has in placed which are outsourced.

Contracted Service	Final Adjustment 2024/25	Draft Budget 2025/26	% Increase /Decrease	Reason for movement
Municipal Security Services & VIP Security	14,608,693	13,391,304	(8.3%)	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	4,876,930.00	5,907,437.00	21%	Increase is due to planned programs and public participation events that affect community of which catering must be provided by the municipality. Further to that it should be noted that cost containment measures have been considered for this item, however previous experiences has shown that community participate in events where catering has been provided.
Grass Cutting	6,000,000	5,000,000	(17%)	Decrease in Budget is due to the decision that was taken to partially insource this service by recruiting 3 permanent brush cutters in this financial year.
Professional staff:	9,367,966	8,931,337	(5%)	Decrease is due to current year's performance and also considered expired contract.
Transportation	2,419,000	4,021,507	(2.9%)	Increase is due to planned programs and public participation events that affect community of which

				transport must be provided by the municipality.
Maintenance	24,567,380	30,385,697	24%	Increase has been based on this current year's performance, further to that the municipality is to ensure the management of its asset.

Operational Cost: comprises various line items relating to the daily operations of the municipality. Operational Cost has decreased from R66.7 million to R62.7 million with a decrease of 6 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 2025.

Furthermore, it should be noted that other expenditure exceeds the allocated norm of 10 per cent by 13 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	Final Adjustment 2024/25	Draft Budget 2025/26	% Increase	Reason for movement
Vehicle Tracking	565,220	570,176	1%	Increases are due to an annual increase and consideration of additional number of vehicles to be procured next year.
Printing, Publication and Books	1,009,442	1,302,618	29%	Increase is due to current years performance and estimated increase in the market.
Municipal services	3,477,389	3,304,350	(5)%	Decrease is due to current years performance

				which has also considered careful monitoring in electricity uses.
Travel and subsistence	5,837,891	4,395,663	(25%)	Decrease is due to performance noted in this current year and consideration of cost containment measures.
All Licensing	7,624,330	6,624,902	(13%)	Decrease has considered the number of vehicles that are renewed annually.

The following table gives a breakdown of the main expenditure categories for the 2025/26 financial year.

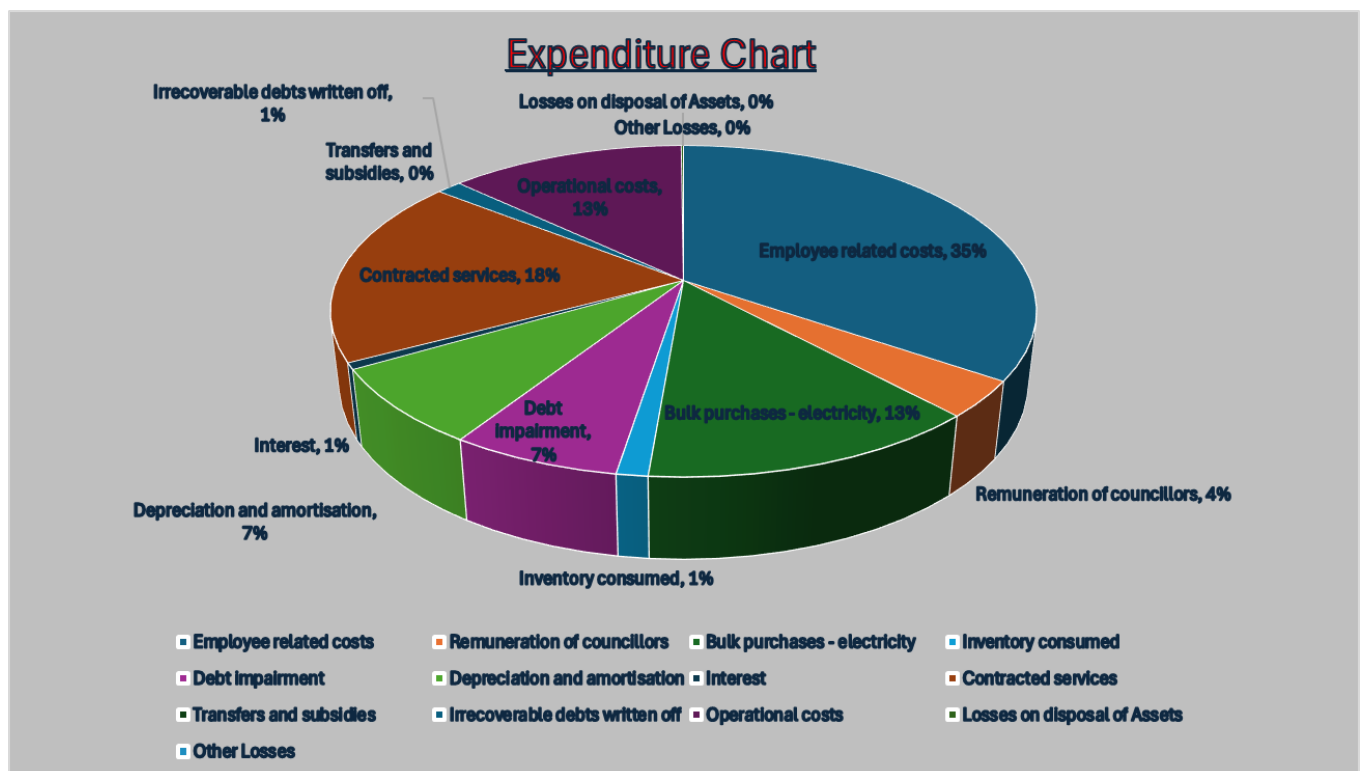


Figure 1 Main operational expenditure categories for the 2025/26 financial year

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 2025/26 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 2025/26 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 2025/26 is R30.4 million and decreases to R18.6 million in 2026/27 financial year. Budget for repairs and maintenance has decreased by 39 per cent when compared to 2024/25 Adjusted Budget.

The decreased 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 4,4 per cent of the Property, Plant and Equipment with value of R35,5 million which is below 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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		13,024	13,528	14,325	18,504	19,374	19,374	21,802	15,968	16,367
Roads Infrastructure		4,612	7,600	6,397	8,548	8,548	8,548	8,426	5,625	5,765
Roads		4,585	7,470	6,397	7,939	7,939	7,939	7,948	5,125	5,253
Road Structures		28	59	–	435	435	435	304	318	326
Road Furniture		–	70	–	174	174	174	174	182	186
Storm water Infrastructure		506	627	1,017	2,870	2,870	2,870	3,913	454	466
Drainage Collection		506	627	1,017	2,870	2,870	2,870	3,913	454	466
Electrical Infrastructure		2,271	1,196	2,518	3,000	2,565	2,565	3,148	3,289	3,372
Power Plants		99	93	–	43	43	43	130	136	140
HV Transmission Conductors		268	–	521	739	739	739	870	909	931
MV Substations		20	9	77	43	43	43	61	64	65
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		85	58	47	130	130	130	87	91	93
LV Networks		463	332	784	739	739	739	1,130	1,181	1,211
Capital Spares		1,336	704	1,089	1,304	870	870	870	909	931
Solid Waste Infrastructure		2,632	3,059	3,421	3,391	4,696	4,696	5,565	5,816	5,961
Waste Processing Facilities		2,632	3,059	3,421	3,391	4,696	4,696	5,565	5,816	5,961
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Information and Communication		3,002	1,046	972	696	696	696	750	784	803
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		3,002	1,046	972	696	696	696	750	784	803
Community Assets		1,022	1,089	1,843	2,148	2,197	2,197	2,885	3,015	3,090
Community Facilities		169	52	207	174	43	43	363	379	389
Halls		–	–	107	–	–	–	–	–	–
Libraries		169	3	–	–	–	–	213	223	228
Parks		–	49	101	174	43	43	150	157	161
Sport and Recreation Facilities		853	1,036	1,635	1,974	2,154	2,154	2,522	2,635	2,701
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		853	1,036	1,635	1,974	2,154	2,154	2,522	2,635	2,701
Other assets		139	91	30	–	–	–	348	363	373
Operational Buildings		139	91	30	–	–	–	348	363	373
Municipal Offices		139	91	30	–	–	–	348	363	373
Computer Equipment		–	–	–	348	193	193	–	–	–
Computer Equipment		–	–	–	348	193	193	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		4,135	3,970	5,289	6,348	7,432	7,432	10,438	4,547	4,660
Machinery and Equipment		4,135	3,970	5,289	6,348	7,432	7,432	10,438	4,547	4,660
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance	1	18,320	18,677	21,486	27,348	29,196	29,196	35,473	23,893	24,490

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 - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		89,384	88,983	98,122	26,739	27,165	27,165	526	550	564
Roads Infrastructure		67,072	66,178	74,697	26,304	26,730	26,730	-	-	-
Roads		2,160	-	8,520	26,304	26,730	26,730	-	-	-
Road Structures		46,707	47,178	47,178	-	-	-	-	-	-
Road Furniture		18,205	18,999	18,999	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	410	-	-	-	-	-	-
Drainage Collection		-	-	410	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		22,312	22,805	23,015	435	435	435	526	550	564
MV Networks		15,362	15,362	15,572	435	435	435	526	550	564
LV Networks		6,950	7,443	7,443	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets		45,124	53,395	53,395	2,609	870	870	4,348	4,543	4,657
Community Facilities		42,665	53,395	53,395	2,609	870	870	4,348	4,543	4,657
Halls		14,409	20,889	20,889	-	-	-	-	-	-
Centres		17,959	22,854	22,854	-	-	-	-	-	-
Libraries		7,524	7,386	7,386	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		507	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		2,266	2,266	2,266	2,609	870	870	4,348	4,543	4,657
Sport and Recreation Facilities		2,459	-	-	-	-	-	-	-	-
Indoor Facilities		2,459	-	-	-	-	-	-	-	-
Total Capital Expenditure on	1	134,508	142,378	151,517	29,348	28,034	28,034	4,874	5,093	5,221
Renewal of Existing Assets as % of total		56.0%	45.6%	33.3%	23.0%	20.9%	20.9%	3.7%	3.8%	3.8%
Renewal of Existing Assets as % of de		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

For the 2025/26 financial year 61 per cent or R21,8 million of total repairs and maintenance will be spent on infrastructure assets. Machinery & equipment have been allocated R10.4 million of total repairs and maintenance equating to 29 per cent, Community assets have been allocated R2.9 million of total repairs and maintenance equating to 8 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 2025/26 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 2025/26 Medium-term capital budget per vote

KZN291 Mandeni - Table A5 Budgeted Capital Expenditure									
Vote Description	Ref	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework					
R thousand	1	Adjusted Budget		Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +2 2027/28	%
Funded by:									
National Government		38,629	29%	39,841	31%	38,631	51%	40,325	51%
Provincial Government		705	1%	174	0%	177	0%	185	0%
District Municipality		–		–		–		–	
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–		–		–		–	
Transfers recognised - capital	4	39,334	29%	40,014		38,808		40,510	
Borrowing	6	–		–	0%	–	0%	–	0%
Internally generated funds		94,495	71%	90,538	69%	37,347	49%	38,281	49%
Total Capital Funding	7	133,829	100%	130,552	100%	76,156	100%	78,791	100%

For 2025/26 an amount of R61 million has been appropriated for the development of infrastructure which represents 47 per cent of the total capital budget which is the highest allocation toward capital expenditure.

Community assets have been allocated R24.1, which represents 18 per cent.

Other Assets have been allocated budget of R33.1 million appropriated at 25 per cent.

Transport, Machinery, Computer Furniture and Office equipment have been allocated R12.2 which represent 9 per cent.

Total new assets represent 52 per cent or R68 million of the total capital budgets while renewal of existing assets represents 7 per cent or R8.8 million and upgrading of existing assets equates to 42 per cent or R54.2 million.

Capital budget funded from grants through National Government equates to R39.8 million or 31 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 R173 thousand which represents 0.13 per cent of total allocated grant.

Capital funded internally equates to 69.3 per cent or R90.5 million, which has been funded from cash backed reserves from the previous year. The municipality has prioritized a budget of R9.9 million towards procuring machinery & equipment towards service delivery.

Further to that the municipality is planning to construct new office buildings at the main officer which are still undergoing planning and design stages for 2025/26 financial year, Budget allocated for planning in this financial year is R5 million and further R33 million which has been allocated over MTREF.

However, the municipality has confirmed the total cost of this project will be R110 million over a period of 2 years. Confirmation of this budget was considered after preparation of Draft budget were concluded. This budget will be revised and adjusted during an adjustment budget and over MTREF.

The municipality has allocated a total of R39.8 mill from the MIG for capital infrastructure development. The municipality has allocated R1.2 mil for the completion of Nyoni Taxi Route Phase 4; R8.5 mil committed for Community Hall in Ward 08; R13.4 mil for the completion of Rehabilitation of Internal Roads and Stormwater ward; R13.1 mil set aside for the upgrading of Machibini Link Road and the procurement process to appoint the contractor for this project has commenced; R3 mil has been committed towards construction of a Khenana Sportfield and R615 thousand for Upgrade of Dokodweni BEACH Ward 01

A total amount of R13.4 mill of the grant will be spent towards the completion of projects like Rehabilitation of Roads in Ward 14 under Phase 1 and 2 as these projects are currently under construction and due to be completed by end of June 2025 and some projects that are under planning stage.

A total amount of R90.6 mil will be sourced from the municipal reserves to fund various capital projects to be implemented by the Technical Services Department. The municipality out of R90.6 mil will be directing R12.4 mil towards Concrete surfacing of identified roads in 6 Municipal Wards each ward allocated R1.7mil with exclusion of Ward 17 which has been allocated R2 mil towards Concrete surfacing Road. A total of 4.5 mil will be directed to Regravelling of access road for Ward 1, 3 and 9; R 3.9 mil for Upgrade of Machibini Link road. R 302 thousand to be a top-up towards completion of Hlomendlini Sports field. A total of R 3.mil has been set aside for Mechanical Workshop Phase 2 to extend the Technical Services Yard.

The municipality has set aside a total of R1.5 mil for the construction of Bus-shelters in various wards and R 2 mil for the construction of pedestrian bridges. The designs of these two projects must be presented to the Communities before implementation. The municipality has also set aside R 600 thousand for the planning and preliminary designs for the Community Halls in Wards 3 and 17.

The municipality has set aside R 2.5 million for the Construction of Side Walks and Speed Humps, Pathways in various wards such as 03,04,13,14,15. R 1 mil for Upgrade of Bridge(Kwa Dube (Efaletu) and Ezihlabathini ward 02; R 1 mil for Upgrading of Storm Water at(uGagane Mvemve and Imbila Road) ward 13.

A total amount of R 2.5 mil is allocated for the procurement of RMU under the Electricity Unit.

A total amount of R 5 mil has been set aside for the construction of Market Stalls in the CBD and Phase 2 of Mini factories at Khenana Township each project allocated R3 million and both projects to be managed by EDPHS Department.

Total amount of R1.6 mil set aside for the greening of open spaces and Municipal Facilities; R 1 mil set aside for the procurement of 15 Refuse Skips to enhance waste management in all municipal wards. R 1.6 mil has been set aside for Construction of Lifeguard house and IRQ Boat Storage Tugela Mouth Ward 02. R 2.6 mil has been allocated for Fencing of Ngcedomhlophe and swimming pool Ward 15 ; R 956 thousand for Fencing of Sundumbili Park Ward 14 respectively.

The municipality has set aside R10.4mil from its reserves for the procurement of a fully equipped Fire Engine to facilitate and enhance service delivery.

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 2025/26 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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance										
Property rates	33,913	50,660	58,321	62,237	62,237	62,237	53,838	64,975	67,899	69,596
Service charges	56,776	61,440	73,544	86,448	86,448	86,448	53,252	95,626	104,639	107,255
Investment revenue	10,694	20,010	26,748	28,000	28,000	28,000	13,553	25,000	26,125	26,778
Transfer and subsidies	220,162	223,107	241,981	253,163	253,163	253,163	250,377	254,956	273,512	280,741
Other own revenue	12,332	46,342	21,787	17,254	19,023	19,023	7,729	12,306	12,860	13,182
Total Revenue (excluding capital transfers and contributions)	333,878	401,560	422,381	447,101	448,870	448,870	378,749	452,864	485,035	497,552
Employee costs	107,713	116,754	133,709	152,543	152,543	152,543	95,445	168,132	175,095	179,623
Remuneration of council	13,798	14,325	14,564	16,388	16,388	16,388	11,481	17,207	17,981	18,431
Depreciation and amortisation	35,256	32,437	33,728	37,856	37,856	37,856	23,320	36,240	37,870	38,817
Interest	58	325	137	3,300	3,300	3,300	0	3,050	3,187	3,267
Inventory consumed and	37,998	49,664	56,309	62,984	63,500	63,500	43,491	70,323	68,423	70,133
Transfers and subsidies	—	—	—	—	—	—	—	—	—	—
Other expenditure	112,909	127,029	159,559	170,546	194,833	194,833	122,606	191,663	180,529	185,221
Total Expenditure	307,732	340,534	398,006	443,616	468,419	468,419	296,343	486,614	483,086	495,492
Surplus/(Deficit)	26,145	61,026	24,375	3,484	(19,550)	(19,550)	82,407	(33,751)	1,949	2,060
Transfers and subsidies - capital (monetary allocations)	45,099	45,387	55,093	39,760	45,138	45,138	19,172	46,017	44,629	46,586
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	71,244	106,413	79,468	43,244	25,588	25,588	101,579	12,266	46,578	48,647
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	71,244	106,413	79,468	43,244	25,588	25,588	101,579	12,266	46,578	48,647
Capital expenditure & funds sources										
Capital expenditure	30,411	93,331	139,662	127,600	133,829	133,829	82,864	130,552	76,156	78,791
Transfers recognised -	5,762	12,628	51,789	34,702	39,334	39,334	23,467	40,014	38,808	40,510
Borrowing	—	0	—	—	—	—	—	—	—	—
Internally generated funds	24,649	80,703	87,873	92,898	94,495	94,495	59,397	90,538	37,347	38,281
Total sources of capital	30,411	93,331	139,662	127,600	133,829	133,829	82,864	130,552	76,156	78,791
Financial position										
Total current assets	229,089	354,670	329,657	240,614	267,652	267,652	360,497	177,533	273,762	281,491
Total non current assets	527,428	602,748	713,576	692,232	808,949	808,949	773,120	805,301	781,267	801,531
Total current liabilities	49,822	78,293	81,153	55,157	84,132	84,132	69,957	82,959	83,762	86,567
Total non current liabilities	9,304	9,690	16,371	20,216	25,770	25,770	16,371	25,770	26,929	27,603
Community wealth/Equity	689,158	861,394	941,010	854,111	966,699	966,699	1,042,589	869,367	944,339	968,851
Cash flows										
Net cash from (used) in operating activities	699,451	1,139,018	2,378,402	(128,705)	(144,428)	(144,428)	89,207	63,382	147,420	151,979
Net cash from (used) in investing activities	—	—	—	(146,740)	(153,901)	(153,901)	—	(144,635)	(85,509)	(87,776)
Net cash from (used) in financing activities	—	—	—	—	—	—	—	—	—	—
Cash/cash equivalents	779,451	1,222,005	2,246,389	(92,021)	(89,521)	(89,521)	319,425	10,955	72,867	137,070
Cash backing/surplus reconciliation										
Cash and investments	208,167	254,613	208,837	78,954	92,208	92,208	231,878	10,955	154,100	158,696
Application of cash and investments	(26,530)	(14,483)	(34,028)	(56,589)	(40,963)	(42,477)	(24,184)	(181,838)	(175,097)	(179,191)
Balance - surplus (shortfall)	234,697	269,095	242,865	135,543	133,171	134,685	256,063	192,793	329,197	337,887
Asset management										
Asset register summarised	527,428	602,748	713,576	692,232	808,949	808,949	805,301	805,301	781,267	801,531
Depreciation	—	—	—	—	—	—	—	—	—	—
Renewal and Upgrading	260,270	321,620	408,915	75,573	75,146	75,146	62,532	34,165	25,378	26,740
Repairs and Maintenance	18,320	18,677	21,486	27,348	29,196	29,196	35,473	35,473	23,893	24,490
Free services										
Cost of Free Basic Services	—	—	—	—	—	—	—	—	—	—
Revenue cost of free services	(6,725)	1,599	(34,079)	(14,354)	(14,354)	(14,354)	(14,985)	(15,659)	(16,051)	—
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
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 2025/26, 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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional										
Governance and administrative		263,585	319,605	323,455	340,236	340,968	340,968	342,201	357,614	366,605
Executive and council		–	–	–	8,038	8,038	8,038	8,365	8,741	8,960
Finance and administration		263,585	319,605	323,455	332,198	332,930	332,930	333,836	348,873	357,645
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		6,070	10,732	4,710	5,464	5,764	5,764	6,129	6,337	6,607
Community and social services		4,421	5,497	4,710	5,073	5,373	5,373	5,720	5,911	6,169
Sport and recreation		1,649	5,234	–	–	–	–	–	–	–
Public safety		–	–	–	391	391	391	409	427	438
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental		48,723	46,274	63,161	45,527	51,104	51,104	52,709	49,655	51,778
Planning and development		46,731	44,726	42,536	41,542	47,120	47,120	48,730	47,289	49,352
Road transport		1,992	1,548	20,625	3,985	3,985	3,985	3,979	2,367	2,426
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		60,598	70,336	86,468	95,634	96,171	96,171	97,842	116,057	119,149
Energy sources		48,101	56,878	72,748	80,675	80,743	80,743	81,285	98,755	101,415
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		12,498	13,458	13,720	14,958	15,428	15,428	16,557	17,302	17,734
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	378,977	446,946	477,794	486,861	494,007	494,007	498,880	529,664	544,139
Expenditure - Functional										
Governance and administrative		149,816	168,536	193,804	217,123	237,648	237,648	241,091	231,291	237,091
Executive and council		43,153	54,325	61,619	66,001	72,502	72,502	80,065	80,588	82,603
Finance and administration		106,663	114,211	132,185	151,121	165,146	165,146	161,026	150,703	154,489
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		34,617	34,639	46,599	42,761	46,183	46,183	51,822	53,790	55,241
Community and social services		22,685	26,279	33,291	30,811	30,453	30,453	36,416	37,691	38,739
Sport and recreation		11,517	8,335	12,862	10,030	13,714	13,714	13,044	13,631	13,972
Public safety		399	–	418	1,890	1,747	1,747	2,148	2,244	2,301
Housing		16	24	29	30	269	269	214	224	229
Health		–	–	–	–	–	–	–	–	–
Economic and environmental		65,500	65,567	69,233	83,202	83,136	83,136	92,481	89,817	92,106
Planning and development		15,904	19,166	18,934	25,716	24,359	24,359	26,529	27,704	28,440
Road transport		46,432	43,242	46,605	53,423	54,653	54,653	60,331	56,239	57,645
Environmental protection		3,164	3,159	3,694	4,063	4,124	4,124	5,621	5,874	6,021
Trading services		57,799	71,791	88,370	99,070	100,776	100,776	100,699	107,643	110,495
Energy sources		47,695	60,265	77,057	76,143	76,674	76,674	74,212	79,949	82,108
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	2,487	2,543	2,802	2,802	2,802	3,048	3,185	3,265
Waste management		10,105	9,039	8,770	20,124	21,299	21,299	23,439	24,509	25,122
Other	4	–	–	–	876	676	676	522	545	559
Total Expenditure - Functional	3	307,732	340,534	398,006	443,031	468,419	468,419	486,614	483,086	495,492
Surplus/(Deficit) for the year		71,244	106,413	79,788	43,830	25,588	25,588	12,266	46,578	48,647

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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Executive and council		–	–	–	8,038	8,038	8,038	8,365	8,741	8,960
Vote 2 - Finance and administration		263,585	319,605	323,455	332,198	332,930	332,930	333,836	348,873	357,645
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and social		4,421	5,497	4,710	5,464	5,764	5,764	6,129	6,337	6,607
Vote 5 - Sport and Recreation		1,649	5,234	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		46,731	44,726	42,536	41,542	47,120	47,120	48,730	47,289	49,352
Vote 9 - Road transport		1,992	1,548	20,625	3,985	3,985	3,985	3,979	2,367	2,426
Vote 10 - Energy sources		48,101	56,878	72,748	80,675	80,743	80,743	81,285	98,755	101,415
Vote 11 - Waste Management		12,498	13,458	13,720	14,958	15,428	15,428	16,557	17,302	17,734
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	378,977	446,946	477,794	486,861	494,007	494,007	498,880	529,664	544,139
Expenditure by Vote to be	1									
Vote 1 - Executive and council		43,153	54,325	61,619	66,001	72,502	72,502	80,065	80,588	82,603
Vote 2 - Finance and administration		106,663	114,211	132,185	151,121	165,146	165,146	160,713	150,376	154,154
Vote 3 - Internal audit		–	–	–	–	–	–	313	327	335
Vote 4 - Community and social		22,685	26,279	33,291	30,811	30,453	30,453	36,416	37,691	38,739
Vote 5 - Sport and Recreation		11,517	8,335	12,862	10,030	13,714	13,714	13,044	13,631	13,972
Vote 6 - Public safety		399	–	418	1,890	1,747	1,747	2,148	2,244	2,301
Vote 7 - Housing		16	24	29	30	269	269	214	224	229
Vote 8 - Planning and Development		15,904	19,166	18,934	26,592	25,035	25,035	27,051	28,249	28,999
Vote 9 - Road transport		46,432	45,730	49,148	56,225	57,456	57,456	63,379	59,424	60,910
Vote 10 - Energy sources		47,695	60,265	77,057	76,143	76,674	76,674	74,212	79,949	82,108
Vote 11 - Waste Management		10,105	9,039	8,770	20,124	21,299	21,299	23,439	24,509	25,122
Vote 12 - [NAME OF VOTE 12]		3,164	3,159	3,694	4,063	4,124	4,124	5,621	5,874	6,021
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	307,732	340,534	398,006	443,031	468,419	468,419	486,614	483,086	495,492
Surplus/(Deficit) for the year	2	71,244	106,413	79,788	43,830	25,588	25,588	12,266	46,578	48,647

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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	45,958	49,864	61,164	72,341	72,341	72,341	44,543	80,899	89,250	91,481
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Wa	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Ma	2	10,818	11,577	12,380	14,106	14,106	14,106	8,709	14,727	15,389	15,774
Sale of Goods and Rendering		2,586	7,854	11,818	9,474	9,474	9,474	2,116	1,515	1,583	1,622
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receiv		1,059	1,229	919	963	1,500	1,500	973	2,016	2,106	2,159
Interest earned from Curren		10,694	20,010	26,748	28,000	28,000	28,000	13,553	25,000	26,125	26,778
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		175	106	-	-	-	-	-	-	-	-
Rental from Fixed Assets		150	248	294	374	724	724	435	756	790	810
Licence and permits		9	22	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		465	2,548	1,507	1,200	1,750	1,750	1,072	1,200	1,254	1,285
Non-Exchange Revenue											
Property rates	2	33,913	50,660	58,321	62,237	62,237	62,237	53,838	64,975	67,899	69,596
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,202	1,002	1,584	1,310	1,310	1,310	62	1,368	1,430	1,465
Licences or permits		782	525	985	957	957	957	740	999	1,044	1,070
Transfer and subsidies - Op		220,162	223,107	241,981	253,163	253,163	253,163	250,377	254,956	273,512	280,741
Interest		2,329	2,628	3,460	2,976	3,308	3,308	2,332	4,453	4,654	4,770
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		3,577	30,181	1,221	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding c		333,878	401,560	422,381	447,101	448,870	448,870	378,749	452,864	485,035	497,552
Expenditure											
Employee related costs	2	107,713	116,754	133,709	152,543	152,543	152,543	95,445	168,132	175,095	179,623
Remuneration of councillors		13,798	14,325	14,564	16,388	16,388	16,388	11,481	17,207	17,981	18,431
Bulk purchases - electricity	2	36,575	45,293	52,475	57,866	57,866	57,866	40,281	64,416	61,791	63,336
Inventory consumed	8	1,424	4,371	3,835	5,118	5,634	5,634	3,210	5,907	6,631	6,797
Debt impairment	3	-	(1,919)	6,048	30,261	30,261	30,261	15,130	32,077	33,520	34,358
Depreciation and amortisati		35,256	32,437	33,728	37,856	37,856	37,856	23,320	36,240	37,870	38,817
Interest		58	325	137	3,300	3,300	3,300	0	3,050	3,187	3,267
Contracted services		52,049	62,194	85,801	79,270	90,976	90,976	53,151	89,650	88,442	90,857
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written o		20,430	16,941	4,388	6,261	6,261	6,261	3,130	6,637	6,935	7,109
Operational costs		39,523	43,672	62,365	54,755	66,735	66,735	51,242	62,700	51,005	52,256
Losses on disposal of Assets		732	6,080	501	-	600	600	-	600	627	643
Other Losses		176	61	456	-	-	-	(47)	-	-	-
Total Expenditure		307,732	340,534	398,006	443,616	468,419	468,419	296,343	486,614	483,086	495,492
Surplus/(Deficit)		26,145	61,026	24,375	3,484	(19,550)	(19,550)	82,407	(33,751)	1,949	2,060
Transfers and subsidies - capital (monetary	6	45,099	45,387	55,093	39,760	45,138	45,138	19,172	46,017	44,629	46,586
Transfers and subsidies - capital (in kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers &		71,244	106,413	79,468	43,244	25,588	25,588	101,579	12,266	46,578	48,647
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after		71,244	106,413	79,468	43,244	25,588	25,588	101,579	12,266	46,578	48,647
Share of Surplus/Deficit attributable to		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to		-	-	-	-	-	-	-	-	-	-
attributable to municipality		71,244	106,413	79,468	43,244	25,588	25,588	101,579	12,266	46,578	48,647
Share of Surplus/Deficit attr	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary trans		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	71,244	106,413	79,468	43,244	25,588	25,588	101,579	12,266	46,578	48,647

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

Total revenue is R452.9 million in 2025/26 and escalates to R485 million by 2026/27. This represents a year-on-year increase of 7 per cent for the 2026/27 financial year and 2,6 per cent for the 2025/26 financial year.

Revenue to be generated from property rates is 65 million in the 2025/26 financial year and increases to R68.0 million by 2026/27 which represents 4,5 per cent of the operating revenue base of the Municipality. Increase in property rates has considered the CPI increase.

Services charges relating to electricity and refuse removal constitutes the component of the revenue basket of the Municipality totaling R95.6 million for the 2025/26 financial year and increasing to R104.6 million by 2026/27. For the 2025/26 financial year services charges amount to 21 per cent of the total revenue base and grows by 9 per cent per annum over the medium-term. This growth has mainly been attributed by effecting 10.32 per cent increase for electricity and 4.5 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 2025/26 financial year from R724 thousand to R756 thousand with an increase of 4,4%. 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 R28 million to R25 million for 2025/26 financial year, decrease of 10,7 per cent has considered the projected closing balance for investments and the 2025/26 and Gazette Grants which will be 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 2025/26 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 R1.5 million to R2 million for 2025/26; increase of 34.4 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 R3.3 million to R4.6 million for 2025/26; increase of 35 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 increased from R1.3 million to R1.4 million, an increase of 4,4 percent, proposed budget for fines is based on performance of audited AFS 2023/24. 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 increased from R957 thousand to R999 thousand for 2025/26 financial year; an increase of 4,4 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 2025/26 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 there is no INEP Grant to be considered for this financial year.

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 0.7 per cent and then increases by 7 per cent and 3 per 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 R2.4 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 Budgeted Capital Expenditure

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote											
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and council		(826)	–	1,932	5,870	11,431	11,431	1,932	30,000	36,348	37,257
Vote 2 - Finance and administration		13,868	54,368	14,562	8,557	13,616	13,616	151,940	5,941	–	–
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		9,674	21,438	772	4,457	4,107	4,107	112,125	18,841	10,019	10,273
Vote 5 - Sport and Recreation		4,074	(4,264)	5,512	10,127	13,426	13,426	9,862	7,450	3,822	3,918
Vote 6 - Public safety		–	–	–	939	852	852	–	70	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		(533)	11,028	19,023	12,191	11,215	11,215	35,055	7,478	–	–
Vote 9 - Road transport		(1,174)	4,857	89,974	79,535	74,871	74,871	185,269	54,707	25,967	27,344
Vote 10 - Energy sources		5,328	5,903	2,154	3,752	2,178	2,178	33,944	4,439	–	–
Vote 11 - Waste Management		–	–	5,734	2,174	2,134	2,134	5,734	1,626	–	–
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		30,411	93,331	139,662	127,600	133,829	133,829	535,861	130,552	76,156	78,791
Total Capital Expenditure - Vote		30,411	93,331	139,662	127,600	133,829	133,829	535,861	130,552	76,156	78,791
Capital Expenditure - Functional											
Governance and administration		13,041	54,368	16,494	14,426	25,047	25,047	15,413	35,941	36,348	37,257
Executive and council		(826)	–	1,932	5,870	11,431	11,431	7,748	30,000	36,348	37,257
Finance and administration		13,868	54,368	14,562	8,557	13,616	13,616	7,665	5,941	–	–
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		13,748	17,174	6,284	15,522	18,385	18,385	4,233	26,361	13,841	14,191
Community and social services		9,674	21,438	772	4,457	4,107	4,107	1,267	9,768	10,019	10,273
Sport and recreation		4,074	(4,264)	5,512	10,127	13,426	13,426	2,910	7,450	3,822	3,918
Public safety		–	–	–	939	852	852	55	9,143	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		(1,706)	15,885	108,996	91,726	86,085	86,085	60,392	61,316	25,967	27,344
Planning and development		(533)	11,028	19,023	12,191	11,215	11,215	3,380	7,478	–	–
Road transport		(1,174)	4,857	89,974	79,535	74,871	74,871	57,012	53,838	25,967	27,344
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		5,328	5,903	7,888	5,926	4,312	4,312	2,826	6,935	–	–
Energy sources		5,328	5,903	2,154	3,752	2,178	2,178	742	4,439	–	–
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	870	–	–
Waste management		–	–	5,734	2,174	2,134	2,134	2,084	1,626	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	30,411	93,331	139,662	127,600	133,829	133,829	82,864	130,552	76,156	78,791
Funded by:											
National Government		5,762	12,628	51,072	33,963	38,629	38,629	23,233	39,841	38,631	40,325
Provincial Government		–	–	717	739	705	705	233	174	177	185
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	5,762	12,628	51,789	34,702	39,334	39,334	23,467	40,014	38,808	40,510
Borrowing	6	–	0	–	–	–	–	–	–	–	–
Internally generated funds		24,649	80,703	87,873	92,898	94,495	94,495	59,397	90,538	37,347	38,281
Total Capital Funding	7	30,411	93,331	139,662	127,600	133,829	133,829	82,864	130,552	76,156	78,791

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding source necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table 17 MBRR Table A6 - Budgeted Financial Position

KZN291 Mandeni - Table A6 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Current assets											
Cash and cash equivalents		208,167	254,613	208,837	78,954	92,208	92,208	231,878	10,955	154,100	158,696
Trade and other receivable	1	50,984	53,837	57,057	33,169	32,945	32,945	44,421	42,086	29,338	30,071
Receivables from non-exch	1	(81,782)	(2,268)	13,127	36,042	58,081	58,081	34,554	44,833	26,813	27,484
Current portion of non-current r		—	—	—	—	—	—	—	—	—	—
Inventory	2	46,807	42,752	42,734	38,984	41,490	41,490	42,988	41,713	36,726	37,644
VAT		4,687	5,511	7,677	53,465	42,927	42,927	6,431	37,945	26,786	27,596
Other current assets		225	225	225	—	—	—	225	—	—	—
Total current assets		229,089	354,670	329,657	240,614	267,652	267,652	360,497	177,533	273,762	281,491
Non current assets											
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		42,164	40,529	41,913	60,544	41,913	41,913	41,913	41,913	43,799	44,894
Property, plant and equipm	3	484,788	561,888	669,291	631,390	765,028	765,028	728,890	761,459	735,453	754,571
Biological assets		—	—	—	—	—	—	—	—	—	—
Living and non-living resources		—	—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—	—
Intangible assets		477	331	2,372	298	2,008	2,008	2,317	1,928	2,015	2,066
Trade and other receivables from		—	—	—	—	—	—	—	—	—	—
Non-current receivables from nc		—	—	—	—	—	—	—	—	—	—
Other non-current assets		—	—	—	—	—	—	—	—	—	—
Total non current assets		527,428	602,748	713,576	692,232	808,949	808,949	773,120	805,301	781,267	801,531
TOTAL ASSETS		756,518	957,417	1,043,233	932,846	1,076,601	1,076,601	1,133,617	982,833	1,055,030	1,083,022
LIABILITIES											
Current liabilities											
Bank overdraft		—	—	—	—	—	—	—	—	—	—
Financial liabilities		5,760	4,762	6,043	—	—	—	5,673	—	—	—
Consumer deposits		277	216	170	216	162	162	171	162	169	173
Trade and other payables	4	28,605	41,741	54,641	23,220	48,056	48,056	26,547	41,868	42,507	44,282
Trade and other payables	5	8,705	25,789	9,028	8,284	5,436	5,436	25,825	2,058	61	62
Provision		3,576	3,815	4,572	8,677	8,908	8,908	4,572	17,196	17,970	18,419
VAT		2,898	1,969	6,698	14,759	21,570	21,570	7,170	21,674	23,054	23,631
Other current liabilities		—	—	—	—	—	—	—	—	—	—
Total current liabilities		49,822	78,293	81,153	55,157	84,132	84,132	69,957	82,959	83,762	86,567
Non current liabilities											
Financial liabilities	6	—	—	—	—	—	—	—	—	—	—
Provision	7	(8,233)	(8,040)	(4,699)	(2,777)	—	—	(4,699)	—	1,160	1,833
Long term portion of trade paya		—	—	—	—	—	—	—	—	—	—
Other non-current liabilities		17,537	17,730	21,070	22,993	25,770	25,770	21,070	25,770	25,770	25,770
Total non current liabilities		9,304	9,690	16,371	20,216	25,770	25,770	16,371	25,770	26,929	27,603
TOTAL LIABILITIES		59,126	87,983	97,524	75,373	109,901	109,901	86,328	108,729	110,691	114,170
NET ASSETS		697,391	869,434	945,709	857,473	966,699	966,699	1,047,288	874,105	944,339	968,852
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	486,486	658,722	738,338	852,024	964,566	964,566	839,917	867,234	942,109	966,566
Reserves and funds	9	202,672	202,672	202,672	2,086	2,133	2,133	202,672	2,133	2,229	2,285
Other		—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEA	10	689,158	861,394	941,010	854,111	966,699	966,699	1,042,589	869,367	944,339	968,851

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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		1,828	69,474	74,861	31,118	31,118	31,118	66,828	50,031	67,899	69,596
Service charges		1,669	1,669	51,669	75,777	75,777	75,777	-	97,903	120,064	123,066
Other revenue		69,618	21,758	21,839	4,674	24,811	24,811	26	26,742	37,047	38,164
Transfers and Subsidies - Operational	1	545,726	870,424	1,547,875	262,390	262,390	262,390	318,991	254,956	264,410	271,220
Transfers and Subsidies - Capital	1	96,109	153,649	218,409	39,760	45,138	45,138	38,533	46,017	44,629	46,586
Interest		-	-	-	-	-	-	-	25,323	32,885	33,707
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(15,498)	22,044	463,749	(539,126)	(580,362)	(580,362)	(335,170)	(434,541)	(416,326)	(427,094)
Interest		-	-	-	(3,300)	(3,300)	(3,300)	-	(3,050)	(3,187)	(3,267)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		699,451	1,139,018	2,378,402	(128,705)	(144,428)	(144,428)	89,207	63,382	147,420	151,979
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		-	-	-	(146,740)	(153,901)	(153,901)	-	(144,635)	(85,509)	(87,776)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	(146,740)	(153,901)	(153,901)	-	(144,635)	(85,509)	(87,776)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		699,451	1,139,018	2,378,402	(275,445)	(298,329)	(298,329)	89,207	(81,253)	61,912	64,203
Cash/cash equivalents at the year begin:	2	80,000	82,988	(132,013)	183,424	208,808	208,808	230,217	92,208	10,955	72,867
Cash/cash equivalents at the year end:	2	779,451	1,222,005	2,246,389	(92,021)	(89,521)	(89,521)	319,425	10,955	72,867	137,070

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 have budgeted to collect R50 million or 77 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 2023/24 FY, furthermore we have also considered the impact of implementation of credit control and debt collection policy.
- Service Charges: electricity has budgeted to collect R72 million or 89 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 R72. million has been calculated from budget inclusive of VAT of R82.8 million since this item charges tax.

3. Service Charges: Refuse has budgeted to collect R13.1 million or 77 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 R13.1 million has been calculated from budget inclusive of VAT at R15.1 million since this item levies tax.
4. Rental of facilities and equipment the municipality anticipates a 100 percent collection rate at R869 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% R25.0 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 of R1.4 million 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 or R1.2 million 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 R3.3 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 R255 million (operational) and R46 million (capital). However we have not included the INEP as there is no allocation budgeted for it this financial year.

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 total R434.5 million with exclusion of non-cash items Debt Impairment, depreciation and irrecoverable write off R75 million. Total suppliers and employees do not correspond to table A4 with a difference of R26.4 million, which is due to budget of R47 million which is an estimate of creditors opening balance other cash flow payments and VAT of R29 million.
11. Capital Assets of R144.6 million do not correspond with table A5 as this is inclusive of vat for R14 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 2026.

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

KZN291 Mandeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at	1	779,451	1,222,005	2,246,389	(92,021)	(89,521)	(89,521)	319,425	10,955	72,867	137,070
Other current investments > 90 da		(571,284)	(967,392)	(2,037,552)	170,975	181,730	181,730	(87,546)	–	81,233	21,626
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		208,167	254,613	208,837	78,954	92,208	92,208	231,878	10,955	154,100	158,696
Application of cash and investments											
Unspent conditional transfers		8,705	25,789	9,028	8,284	5,436	5,436	25,825	2,058	61	62
Unspent borrowing											
Statutory requirements	2	(1,789)	(3,542)	(1,789)	(3,542)	(1,789)	(3,542)	(1,789)	(3,542)	(1,789)	(3,542)
Other working capital req	3	13,919	10,396	6,097	(14,205)	2,755	2,755	(855)	(47,371)	(26,723)	(26,737)
Other provisions		3,576	3,815	3,576	3,815	3,576	3,815	3,576	3,815	3,576	3,815
Long term investments co	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by	5	(50,941)	(50,941)	(50,941)	(50,941)	(50,941)	(50,941)	(50,941)	(50,941)	(50,941)	(50,941)
Total Application of cash and inve		(26,530)	(14,483)	(34,028)	(56,589)	(40,963)	(42,477)	(24,184)	(95,981)	(75,816)	(77,343)
Surplus(shortfall) - Excluding Non		234,697	269,095	242,865	135,543	133,171	134,685	256,063	106,936	229,916	236,039
Creditors transferred to Debt Reli		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-		234,697	269,095	242,865	135,543	133,171	134,685	256,063	106,936	229,916	236,039

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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CAPITAL EXPENDITURE										
Total New Assets	1	42,598	74,579	126,946	52,027	58,683	58,683	68,020	50,777	52,051
Roads Infrastructure		6,283	7,661	7,886	9,739	5,633	5,633	6,090	1,230	1,261
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	127	1,849	2,713	1,055	1,055	870	—	—
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	70	36	36	—	—	—
Solid Waste Infrastructure		—	—	1,500	1,739	1,560	1,560	1,626	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	217	96	96	174	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		6,283	7,788	11,236	14,478	8,379	8,379	8,760	1,230	1,261
Community Facilities		7,811	11,048	23,398	6,870	9,974	9,974	12,766	9,387	9,622
Sport and Recreation Facilities		8,614	3,744	7,212	8,927	12,641	12,641	3,307	3,180	3,260
Community Assets		16,425	14,792	30,610	15,796	22,615	22,615	16,072	12,568	12,882
Investment properties										
Operational Buildings		—	—	1,723	5,652	10,082	10,082	30,957	36,802	37,722
Housing		—	—	—	—	—	—	—	—	—
Other Assets				1,723	5,652	10,082	10,082	30,957	36,802	37,722
Biological or Cultivated Assets										
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	2,124	—	—	—	—	—	—
Intangible Assets				2,124						
Computer Equipment		—	—	1,030	957	992	992	1,526	132	139
Furniture and Office Equipment		19,890	51,998	52,559	1,739	1,687	1,687	765	45	47
Machinery and Equipment		—	—	8,676	3,039	3,116	3,116	9,940	—	—
Transport Assets		—	—	18,989	10,365	11,812	11,812	—	—	—
Land		—	—	—	—	—	—	—	—	—
Living Resources		—	—	—	—	—	—	—	—	—
Total Renewal of Existing Assets	2	197,313	226,672	231,818	29,348	28,034	28,034	8,787	—	—
Roads Infrastructure		67,072	66,178	74,697	26,304	26,730	26,730	3,913	—	—
Storm water Infrastructure		—	—	410	—	—	—	—	—	—
Electrical Infrastructure		22,312	22,805	23,015	435	435	435	526	—	—
Infrastructure		89,384	88,983	98,122	26,739	27,165	27,165	4,439	—	—
Community Facilities		42,665	53,395	53,395	2,609	870	870	4,348	—	—
Sport and Recreation Facilities		2,459	—	—	—	—	—	—	—	—
Community Assets		45,124	53,395	53,395	2,609	870	870	4,348	—	—
Intangible Assets										
Computer Equipment		6,549	7,116	6,257	—	—	—	—	—	—
Furniture and Office Equipment		7,894	8,121	7,915	—	—	—	—	—	—
Machinery and Equipment		20,819	21,441	20,245	—	—	—	—	—	—
Transport Assets		27,543	47,616	45,884	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animal		—	—	—	—	—	—	—	—	—
Mature		—	—	—	—	—	—	—	—	—
Immature		—	—	—	—	—	—	—	—	—
Living Resources		—	—	—	—	—	—	—	—	—
Total Upgrading of Existing Assets	6	62,957	94,948	177,097	46,225	47,112	47,112	53,745	25,378	26,740
Roads Infrastructure		17,083	21,457	81,081	38,882	38,334	38,334	44,704	24,736	26,082
Storm water Infrastructure		—	—	5,128	—	—	—	—	—	—
Electrical Infrastructure		3,575	8,858	9,080	430	430	430	2,696	—	—
Infrastructure		20,658	30,314	95,290	39,312	38,764	38,764	47,399	24,736	26,082
Community Facilities		1,051	6,168	12,369	174	—	—	—	—	—
Sport and Recreation Facilities		40,933	57,380	56,646	—	—	—	3,714	642	658
Community Assets		41,983	63,548	69,015	174	—	—	3,714	642	658
Heritage Assets										
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties										
Operational Buildings		316	1,086	12,354	6,087	7,130	7,130	2,632	—	—
Housing		—	—	—	—	—	—	—	—	—
Other Assets		316	1,086	12,354	6,087	7,130	7,130	2,632	—	—
Biological or Cultivated Assets										
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Intangible Assets										
Computer Equipment		—	—	439	652	1,217	1,217	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
Machinery and Equipment		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Total Capital Expenditure	4	302,868	396,199	535,861	127,600	133,829	133,829	130,552	76,156	78,791
Roads Infrastructure		90,439	95,295	163,665	74,926	70,697	70,697	54,707	25,967	27,344
Storm water Infrastructure		—	—	5,538	—	—	—	—	—	—
Electrical Infrastructure		25,887	31,790	33,944	3,578	1,920	1,920	4,092	—	—
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	70	36	36	—	—	—
Solid Waste Infrastructure		—	—	1,500	1,739	1,560	1,560	1,626	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	217	96	96	174	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		116,325	127,086	204,647	80,530	74,308	74,308	60,598	25,967	27,344
Community Facilities		51,526	70,611	89,162	9,652	10,843	10,843	17,114	9,387	9,622
Sport and Recreation Facilities		52,006	61,124	63,857	8,927	12,641	12,641	7,021	3,822	3,918
Community Assets		103,532	131,735	153,019	18,579	23,485	23,485	24,135	13,210	13,540
Heritage Assets										
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties										
Operational Buildings		316	1,086	14,077	11,739	17,212	17,212	33,588	36,802	37,722
Housing		—	—	—	—	—	—	—	—	—
Other Assets		316	1,086	14,077	11,739	17,212	17,212	33,588	36,802	37,722
Biological or Cultivated Assets										
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	2,124	—	—	—	—	—	—
Intangible Assets				2,124						
Computer Equipment		6,549	7,116	7,726	1,609	2,209	2,209	1,526	132	139
Furniture and Office Equipment		27,784	60,119	60,474	1,739	1,687	1,687	765	45	47
Machinery and Equipment		20,819	21,441	28,921	3,039	3,116	3,116	9,940	—	—
Transport Assets		27,543	47,616	64,873	10,365	11,812	11,812	—	—	—
Land		—	—	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset cla		302,868	396,199	535,861	127,600	133,829	133,829	130,552	76,156	78,791

KZN291 Mandeni - Table A9 Asset Management

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSET REGISTER SUMMARY - PPE (W	5	527,428	602,748	713,576	692,232	808,949	808,949	805,301	781,267	801,531
Roads Infrastructure		(78,780)	(86,651)	(27,487)	346,021	365,917	365,917	339,910	324,004	332,832
Storm water Infrastructure		374,888	379,265	373,249	2,809	43,635	43,635	40,587	42,413	43,474
Electrical Infrastructure		20,256	25,082	26,139	4,918	14,629	14,629	17,615	14,132	14,485
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	70	36	36	-	-	-
Solid Waste Infrastructure		-	-	1,590	2,174	2,134	2,134	3,760	2,230	2,286
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		316,364	317,697	373,491	355,991	426,352	426,352	401,872	382,780	393,077
Community Assets		81,811	107,039	124,569	114,704	112,590	112,590	114,225	107,354	110,038
Heritage Assets		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Investment properties		42,164	40,529	41,913	60,544	41,913	41,913	41,913	43,799	44,894
		-	-	-	-	-	-	-	-	-
Other Assets		27,063	26,748	38,813	52,394	83,886	83,886	99,440	107,071	109,748
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Intangible Assets		477	331	2,372	298	2,008	2,008	1,928	2,015	2,066
Computer Equipment		3,937	3,938	4,448	12,770	5,216	5,216	6,016	4,778	4,901
Furniture and Office Equipment		4,705	4,415	4,476	14,412	4,929	4,929	5,121	4,643	4,759
Machinery and Equipment		15,427	16,573	26,550	8,907	26,516	26,516	33,869	24,824	25,445
Transport Assets		15,591	33,480	44,946	38,230	53,540	53,540	48,917	49,664	50,906
Land		19,890	51,998	51,998	33,983	51,998	51,998	51,998	54,338	55,697
Zoo's, Marine and Non-biological Animal		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY	5	527,428	602,748	713,576	692,232	808,949	808,949	805,301	781,267	801,531

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 52 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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
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)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		—	—	—	—	—	—	—	—	—
Electricity (< 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
Other energy sources		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		963	1,018	1,018	1,094	1,094	1,094	1,094	1,094	1,094
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 (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 of MPRA		(6,725)	1,599	(34,079)	(13,409)	(13,409)	(13,409)	(13,999)	(14,629)	(14,995)
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)		—	—	—	(944)	(944)	(944)	(986)	(1,030)	(1,056)
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total revenue cost of subsidised services provided		(6,725)	1,599	(34,079)	(14,354)	(14,354)	(14,354)	(14,985)	(15,659)	(16,051)

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 (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)
References										

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 been 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 2024/25 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 2025/26. 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 2025/26, 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 2025/26, 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 2025/26 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 2025/26 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 2025 - 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 2025 – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement.

25 January 2025 - Council considers the 2024/25 Mid-year Review.

February 2025 - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The 2025/26 MTREF is revised accordingly.

28 February 2025 – Council considers the 2024/25 Adjustment Budget

February 2025 - 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 2025 - Tabling in Council of the 2025/26 IDP and Budget MTREF for public consultation.

April 2025 – Public consultation.

29th April 2025 - Closing date for written comments.

01 April to 07 June 2025 – Drafting of the 2025/26 IDP and 2025/26 & 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 2025 - Tabling of the 2025/26 & 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 2025. It started in August 2023 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2025/26 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 2025/26 MTREF, based on the approved 2025/26 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 2025/26 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 2025/26 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 2025/26 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 2025/26 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 2024/25 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 2025/26 MTREF has been tabled before Council on 27th March 2025 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 2025, 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 2025/26 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 a participative, transparent and accountable governance		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 5.1.2 Facilitate the provision of new community facilities	CSPS	
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		4. Facilitate the creation of job opportunities		3.1.2 Ensure the empowerment of youth, women and people living with disabilities	EDPHS
LED 04			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	6.1.1 Improve community awareness on environmental protection 6.1.2 Implement the coastal management plan	EDPHS	
			6.2 Facilitate a creation of a disaster ready community			6.2.1 Develop and adopt the disaster management plan 6.2.2 Create a community disaster awareness
SDF 02				6.3 Ensure an integrated and aligned development planning	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 2025/26 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.

KZN291 Mandeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

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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:

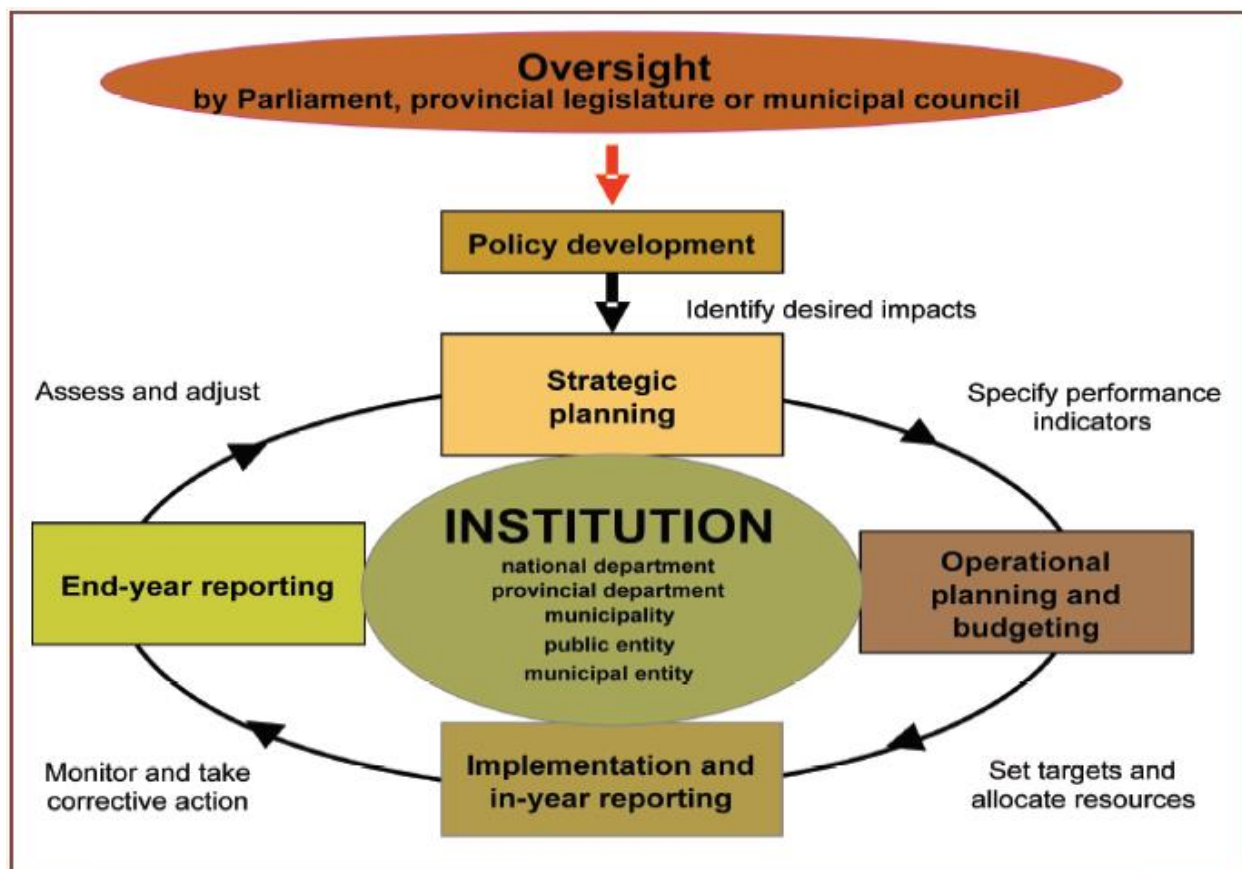


Figure 2 Planning, budgeting and reporting cycle

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:

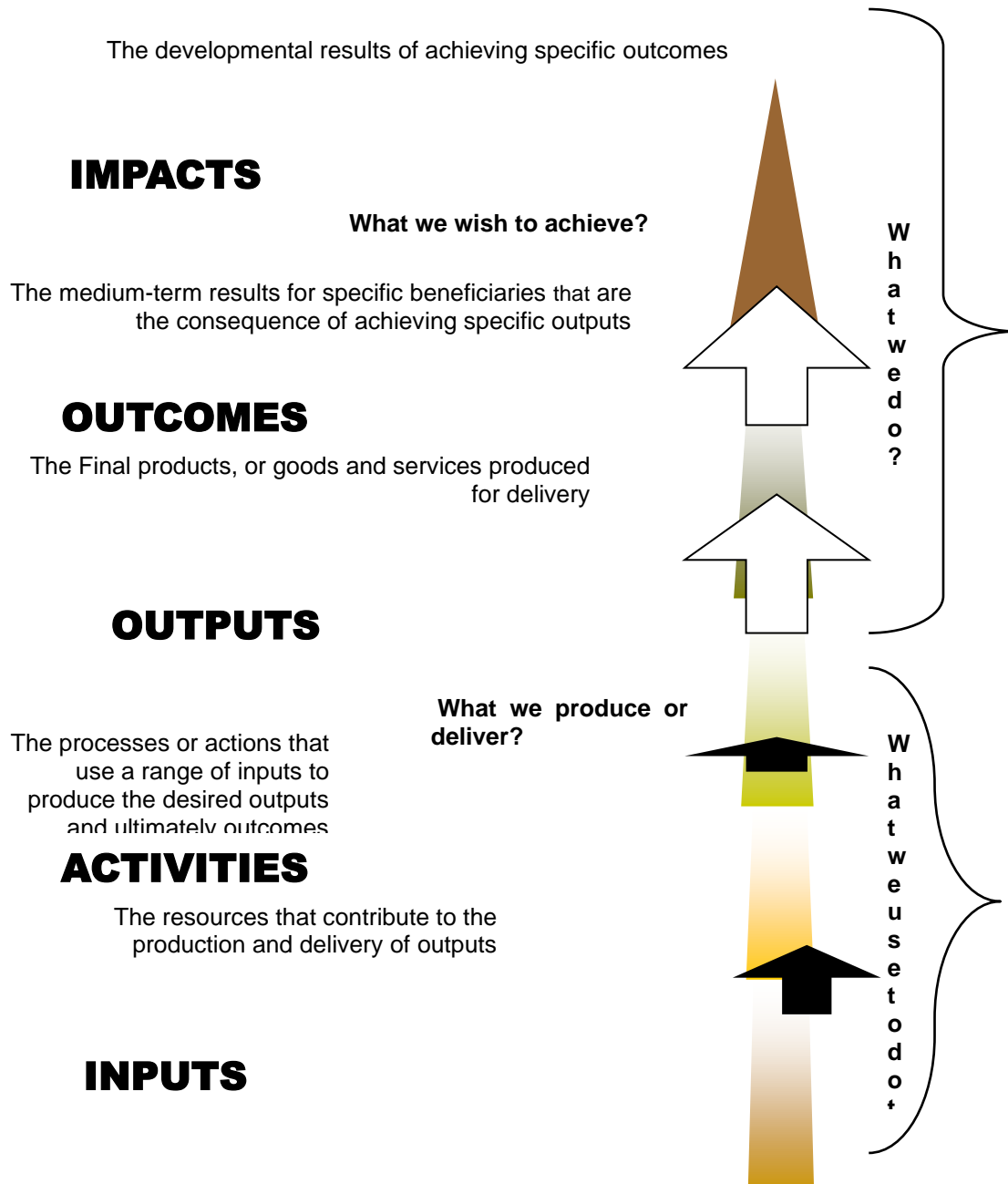


Figure 3 Definition of performance information concepts

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Vote 1 - Roads & Stormwater										
Function 1 - Roads										
Sub-function 1 - Eradication of backlogs										
Reduce road backlogs	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 and maintained	kilometres		23900.0%	25000.0%	25000.0%	25000.0%	27500.0%	29500.0%	29500.0%	29500.0%
Sub-function 2 - Roads Maintained										
Surfaced Roads resurfaced /rehabilitated	kilometres		7000.0%	9800.0%	9800.0%	9800.0%	8500.0%	8600.0%	8600.0%	8600.0%
Sub-function 3 - Roads for Growth										
Stormwater	kilometres		4500.0%	7500.0%	7500.0%	7500.0%	9500.0%	9880.0%	10295.0%	10747.9%
Function 2 - Energy & Electricity										
Sub-function 1 - Electricity										
households to be provided with electrification infrastructure (Dry Connections) and ready for connection by 30 June 2020	number of houses		29800.0%	27800.0%	27800.0%	27800.0%	25000.0%	26000.0%	27092.0%	28284.0%
Installation of 200 new streetlights in various wards within Mandeni by 30 June 2020	number of streetlights		15000.0%	18000.0%	18000.0%	18000.0%	12000.0%	12480.0%	13004.2%	13576.3%
Sub-function 2 - New Connections										
Completed and occupied households electrified	number of houses		55000.0%	45000.0%	45000.0%	45000.0%	35000.0%	36400.0%	37928.8%	39597.7%
Sub-function 3 - Maintain Electricity Infrastructure										
Electricity & repairs Maintenance	percentage		4500.0%	5500.0%	5500.0%	5500.0%	5500.0%	5720.0%	5960.2%	6222.5%
Insert measure/s description										

The following table sets out the municipality's main performance objectives and benchmarks for the 2025/26 MTREF.

Table 25 MBRR Table SA8 - Performance indicators and benchmarks

KZN291 Mandeni - Supporting Table SA8 Performance indicators and benchmarks

KZN291 Mandeni - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.1%	0.0%	0.7%	0.7%	0.7%	0.0%	0.6%	0.7%	0.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.1%	0.0%	0.7%	0.7%	0.7%	0.0%	0.7%	0.7%	0.7%
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%	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%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	4.6	4.5	4.1	4.4	3.2	3.2	5.2	2.1	3.3	3.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	4.6	4.5	4.1	4.4	3.2	3.2	5.2	2.1	3.3	3.3
Liquidity Ratio	Monetary Assets/Current Liabilities	5.2	3.9	3.3	2.0	1.5	1.5	3.9	0.6	2.2	2.2
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		5.9%	102.7%	148.2%	111.4%	111.4%	111.4%	120.7%	152.3%	177.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		5.9%	102.7%	148.2%	111.4%	111.4%	111.4%	120.7%	152.3%	177.0%	177.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	3.6%	21.5%	25.0%	42.3%	41.1%	41.1%	33.2%	36.7%	27.7%	27.7%
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		3.7%	3.4%	2.4%	-25.2%	-53.7%	-53.7%	8.3%	382.2%	58.3%	32.3%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non 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)	32.3%	29.1%	31.7%	34.1%	34.0%	34.0%	25.2%	37.1%	36.1%	36.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32.3%	29.1%	35.1%	37.8%	37.6%	37.6%		40.9%	39.8%	39.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.5%	4.7%	5.1%	6.1%	6.5%	6.5%		7.8%	4.9%	4.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.6%	8.2%	8.0%	9.2%	9.2%	9.2%	6.2%	8.7%	8.5%	8.5%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	–	–	–	–	–	15.0	13.8	14.4	14.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	-51.0%	66.4%	74.4%	134.0%	148.6%	148.6%	151.7%	128.2%	85.0%	85.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	41.3	57.2	84.4	(3.0)	(2.8)	(2.8)	16.2	0.3	2.2	4.0

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 2025/26 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 2025/26 MTREF the current ratio is 2,2 in the 2026/27 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 2025/26 financial year the ratio was 1.7 and as part of the financial planning strategy it has been reduced to 5.8 in the 2025/26 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 the 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 continue 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 2025/26 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 2025/26 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 2025/26 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 2025. 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 2025.

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 2025. 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 2025 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 89% 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 2025 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 four comma four percent (4.4%) with effect from 1 July 2025 and any linked benefits or conditions of service shall increase by the same rate of 4.4% with effect from 1 July 2025. However, this increased will be revised upon receiving Draft 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 2025/26 & 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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure											
Employee related costs	2	107,713	116,754	133,709	152,543	152,543	152,543	95,445	168,132	175,095	179,623
Remuneration of councillors		13,798	14,325	14,564	16,388	16,388	16,388	11,481	17,207	17,981	18,431
Bulk purchases - electricity	2	36,575	45,293	52,475	57,866	57,866	57,866	40,281	64,416	61,791	63,336
Inventory consumed	8	1,424	4,371	3,835	5,118	5,634	5,634	3,210	5,907	6,631	6,797
Debt impairment	3	-	(1,919)	6,048	30,261	30,261	30,261	15,130	32,077	33,520	34,358
Depreciation and amortisation		35,256	32,437	33,728	37,856	37,856	37,856	23,320	36,240	37,870	38,817
Interest		58	325	137	3,300	3,300	3,300	0	3,050	3,187	3,267
Contracted services		52,049	62,194	85,801	79,270	90,976	90,976	53,151	89,650	88,442	90,857
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		20,430	16,941	4,388	6,261	6,261	6,261	3,130	6,637	6,935	7,109
Operational costs		39,523	43,672	62,365	54,755	66,735	66,735	51,242	62,700	51,005	52,256
Losses on disposal of Assets		732	6,080	501	-	600	600	-	600	627	643
Other Losses		176	61	456	-	-	-	(47)	-	-	-
Total Expenditure		307,732	340,534	398,006	443,616	468,419	468,419	296,343	486,614	483,086	495,492

The following graph is a breakdown of the operational revenue per main category for the 2025/26 financial year.

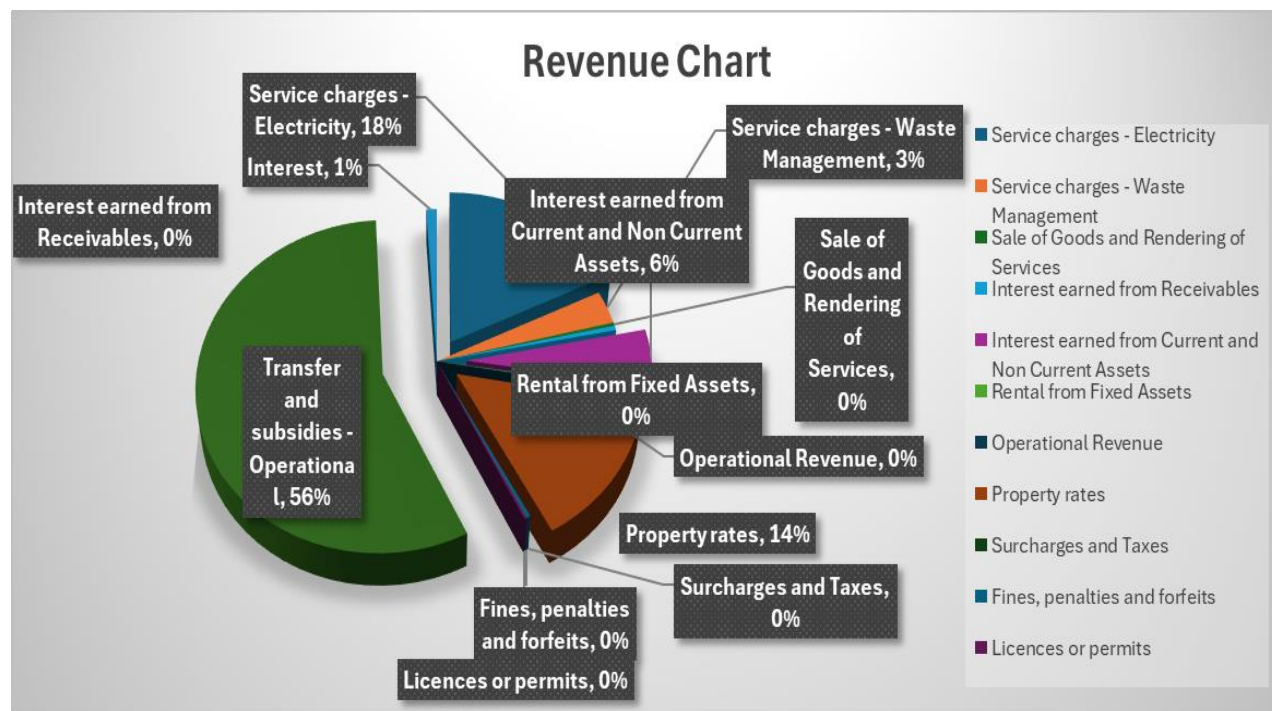


Figure 4 Breakdown of operating revenue over the 2025/26 MTREF

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 2025/26 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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Rand/cent								% incr.			
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		1,124.64	1,114.03	1,167.51	1,218.88	1,218.88	1,218.88	4.4%	1,272.51	1,285.23	1,297.96
		567.06	590.73	647.44	832.63	832.63	832.63	11.8%	931.13	940.44	949.75
Electricity: Basic levy		2,575.84	2,683.32	2,940.92	3,782.15	3,782.15	3,782.15	11.8%	4,229.58	4,271.87	4,314.17
Electricity: Consumption											
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		147.67	148.37	155.50	170.94	170.94	170.94	4.4%	178.46	180.25	182.03
Other		-	-	-	-	-	-	-	-	-	-
sub-total		4,415.21	4,536.45	4,911.35	6,004.60	6,004.60	6,004.60	10.1%	6,611.68	6,677.80	6,743.92
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total large household bill:		4,415.21	4,536.45	4,911.35	6,004.60	6,004.60	6,004.60	10.1%	6,611.68	6,677.80	6,743.92
% increase/-decrease		8.8%	2.7%	8.3%	11.8%	11.8%	11.8%	(14.5%)	10.1%	1.0%	1.0%

Revenue to be generated from property rates is R65 million in the 2025/26 financial year and increases to R68 million by 2026/27 which represents 5 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 R96,6 million for the 2025/26 financial year and increasing to R104,6 million by 2026/27. For the 2025/26 financial year services charges amount to 21 per cent of the total revenue base and grows by 22 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 2025/26 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 R28.0 million, R28.8 million and R29.7 million for the respective three financial years of the 2025/26 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

Table 29: MANDENI CITY – Detail 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	82,718	47,034	30,548
Deposits - Public Investment Commi		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public De		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - t		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sir		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	54,806	167,599	207,979	123,554	183,424	183,424	82,718	47,034	30,548
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commi		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public De		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - t		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sir		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		54,806	167,599	207,979	123,554	183,424	183,424	82,718	47,034	30,548

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	Capital Guarantee (Yes/ No)	Interest Rate %	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
ne of institution & investor	1	Yrs/Months									
Parent municipality											
Call account 1-GRANTS	1	12 Mnths	Call Accounts	Yes	0.0245	30 June 2023	11,910	2,520	(116,181)	102,951	1,200
Call account 2 -HOUSING	2	12 Mnths	Call Accounts	No	0.0245	30 June 2023	2,086	540	(350)	-	2,276
Call account 3-MIG	3	12 Mnths	Call Accounts	Yes	0.0245	30 June 2023	47	21	(41,101)	41,101	68
Call account 5-TMT	4	12 Mnths	Call Accounts	No	0.0245	30 June 2023	271	105			376
Call account 6-INEP	5	12 Mnths	Call Accounts	No	0.0245	30 June 2023	23	-	(7,384)	9,227	1,866
Call account 7-AR	6	12 Mnths	Call Accounts	No	0.0245	30 June 2023	4,230	854			5,084
Call account 8- Title Deed	7	12 Mnths	Call Accounts	No	0.0245	30 June 2023	4,857	960	(1,500)		4,317
NEDBANK	8	12 Mnths	Investments	No	0.0534	30 June 2023	60,000	9,500	(48,452)	20,000	41,048
NEDBANK	9	12 Mnths	Investments	No	0.5313	30 June 2023	50,000	7,000	(72,017)	30,000	14,983
NEDBANK	10	12 Mnths	Investments	Yes	0.0482	30 June 2023	50,000	6,500	(95,000)	50,000	11,500
											-
											-
											-
											-
Municipality sub-total							183,424		(381,986)	253,279	82,718
Entities											
											-
											-
											-
											-
											-
											-
Entities sub-total							-		-	-	-
TOTAL INVESTMENTS AND	1						183,424		(381,986)	253,279	82,718

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 R82.7 million, which decreases to R47.6 million and to R30.5 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 2025/26 medium-term capital programme:

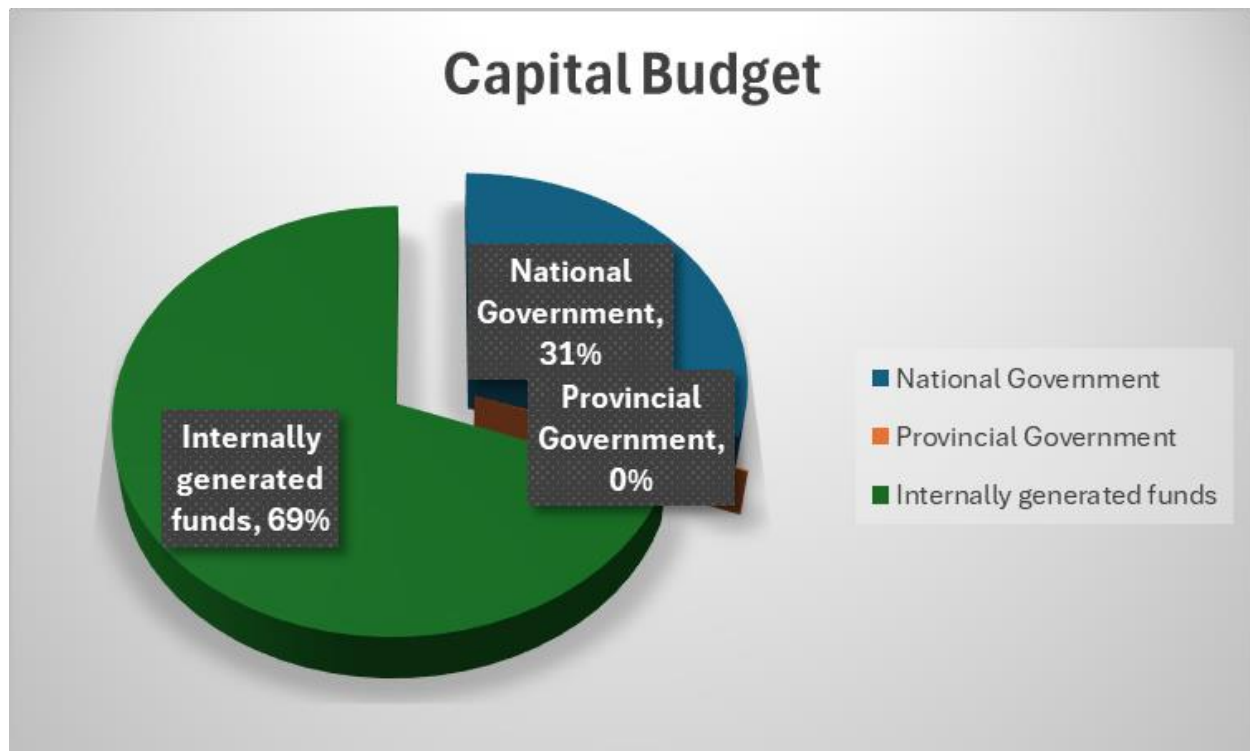
Table 30 Sources of capital revenue over the MTREF

KZN291 Mandeni - Table A5 Budgeted Capital Expenditure

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funded by:											
National Government		5,762	12,628	51,072	33,963	38,629	38,629	23,233	39,841	38,631	40,325
Provincial Government		–	–	717	739	705	705	233	174	177	185
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capita	4	5,762	12,628	51,789	34,702	39,334	39,334	23,467	40,014	38,808	40,510
Borrowing	6	–	0	–	–	–	–	–	–	–	–
Internally generated funds		24,649	80,703	87,873	92,898	94,495	94,495	59,397	90,538	37,347	38,281
Total Capital Funding	7	30,411	93,331	139,662	127,600	133,829	133,829	82,864	130,552	76,156	78,791

The above table is graphically represented as follows for the 2025/26 financial year

Figure 5 Sources of capital revenue for the 2025/26 financial year



Capital grants and receipts equates to 31 per cent of the total funding source which represents R40 million for the 2025/26 financial year and steadily decreases to 38.8 million by 2026/27. Decrease relating to grant receipts is 1.2 million and 3 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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		213,599	243,698	260,680	249,394	249,394	249,394	250,223	268,627	275,628
EPWP Incentive	–	2,435	4,807	3,784	1,815	1,815	1,815	1,714	–	–
Finance Management	–	–	1,850	1,850	1,800	1,800	1,800	1,900	2,000	2,100
Integrated National Electrification	–	–	7,200	7,200	–	–	–	–	9,102	9,521
Local Government Equitable Share	–	211,164	212,818	230,823	243,588	243,588	243,588	244,198	255,187	261,567
Municipal Infrastructure Grants	–	–	17,023	17,023	2,191	2,191	2,191	2,411	2,338	2,441
Other transfers/grants [insert description]										
Provincial Government:		5,134	13,842	19,255	4,619	4,619	4,619	4,933	5,088	5,326
KwaZulu-Natal_Capacity Building	–	4,972	13,680	19,093	4,619	4,619	4,619	4,933	5,088	5,326
KwaZulu-Natal_Infrastructure	–	162	162	162	–	–	–	–	–	–
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	218,733	257,540	279,935	254,013	254,013	254,013	255,156	273,715	280,954
Capital Transfers and Grants										
National Government:		42,232	82,276	132,244	38,910	44,288	44,288	45,817	44,426	46,373
Municipal Infrastructure Grants	–	42,232	82,276	128,668	38,910	44,288	44,288	45,817	44,426	46,373
Integrated National Electrification	–	–	–	3,576	–	–	–	–	–	–
Other capital transfers/grants [insert desc]										
Provincial Government:		50,633	50,633	50,633	–	–	–	–	–	–
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS	–	50,633	50,633	50,633	–	–	–	–	–	–
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS	–	–	2,500	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	92,865	132,909	182,877	38,910	44,288	44,288	45,817	44,426	46,373
TOTAL RECEIPTS OF TRANSFERS		311,599	390,450	462,812	292,923	298,301	298,301	300,973	318,141	327,328

GRANT RECEIPTS

- **Equitable Share** allocation is R244,2 million which has been increased by R610 thousands.
- **MIG** allocation is R45,8 million which has been increased by R1,5 million,
- **EPWP** allocation is R1.7 million which has been decreased by R101 thousand.
- **FMG** allocation is R1.9 million which has been decreased by R100 thousand.
- **INEP**, there is no allocation for the financial year
- **Library Grant** allocation is R4.9 million which has increased by R314 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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		1,828	69,474	74,861	31,118	31,118	31,118	66,828	50,031	67,899	69,596
Service charges		1,669	1,669	51,669	75,777	75,777	75,777	-	97,903	120,064	123,066
Other revenue		69,618	21,758	21,839	4,674	24,811	24,811	26	26,742	37,047	38,164
Transfers and Subsidies	1	545,726	870,424	1,547,875	262,390	262,390	262,390	318,991	254,956	264,410	271,220
Transfers and Subsidies	1	96,109	153,649	218,409	39,760	45,138	45,138	38,533	46,017	44,629	46,586
Interest		-	-	-	-	-	-	-	25,323	32,885	33,707
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(15,498)	22,044	463,749	(539,126)	(580,362)	(580,362)	(335,170)	(434,541)	(416,326)	(427,094)
Interest		-	-	-	(3,300)	(3,300)	(3,300)	-	(3,050)	(3,187)	(3,267)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING		699,451	1,139,018	2,378,402	(128,705)	(144,428)	(144,428)	89,207	63,382	147,420	151,979
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current assets		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current liabilities		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	-	(146,740)	(153,901)	(153,901)	-	(144,635)	(85,509)	(87,776)
NET CASH FROM/(USED) INVESTING		-	-	-	(146,740)	(153,901)	(153,901)	-	(144,635)	(85,509)	(87,776)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		699,451	1,139,018	2,378,402	(275,445)	(298,329)	(298,329)	89,207	(81,253)	61,912	64,203
Cash/cash equivalents	2	80,000	82,988	(132,013)	183,424	208,808	208,808	230,217	92,208	10,955	72,867
Cash/cash equivalents	2	779,451	1,222,005	2,246,389	(92,021)	(89,521)	(89,521)	319,425	10,955	72,867	137,070

The above table shows that cash and cash equivalents of the Municipality were slowly increased between the 2025/26 and 2026/27 financial year moving from a positive cash balance of R11 to a surplus of R137 million with the approved 2026/27 MTREF. With the 2025/26 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 R11 million by the financial year end. For the 2026/27 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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at the	1	779,451	1,222,005	2,246,389	(92,021)	(89,521)	(89,521)	319,425	10,955	72,867	137,070
Other current investments > 90 day		(571,284)	(967,392)	(2,037,552)	170,975	181,730	181,730	(87,546)	–	81,233	21,626
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		208,167	254,613	208,837	78,954	92,208	92,208	231,878	10,955	154,100	158,696
Application of cash and investments											
Unspent conditional transfers		8,705	25,789	9,028	8,284	5,436	5,436	25,825	2,058	61	62
Unspent borrowing											
Statutory requirements	2	(1,789)	(3,542)	(1,789)	(3,542)	(1,789)	(3,542)	(1,789)	(3,542)	(1,789)	(3,542)
Other working capital require	3	13,919	10,396	6,097	(14,205)	2,755	2,755	(855)	(47,371)	(26,723)	(26,737)
Other provisions		3,576	3,815	3,576	3,815	3,576	3,815	3,576	3,815	3,576	3,815
Long term investments comm	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by ca	5	(50,941)	(50,941)	(50,941)	(50,941)	(50,941)	(50,941)	(50,941)	(50,941)	(50,941)	(50,941)
Total Application of cash and inves		(26,530)	(14,483)	(34,028)	(56,589)	(40,963)	(42,477)	(24,184)	(95,981)	(75,816)	(77,343)
Surplus(shortfall) - Excluding Non-		234,697	269,095	242,865	135,543	133,171	134,685	256,063	106,936	229,916	236,039
Creditors transferred to Debt Relie		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-C		234,697	269,095	242,865	135,543	133,171	134,685	256,063	106,936	229,916	236,039

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	82,718	47,034	30,548
Other current investments > 90 days		(145,177)	(495,551)	(894,224)	42,408	76,629	76,629	(3,765)	68,941	106,257
Non current Investments	1	–	–	–	–	–	–	–	–	–
Cash and investments available:		182,020	208,167	254,613	116,789	143,413	143,413	78,954	115,976	136,805
Application of cash and investments										
Unspent conditional transfers		30,079	8,705	25,789	20,275	25,789	25,789	8,284	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–
Statutory requirements	2	(6,593)	(1,789)	(3,542)	(26,815)	(30,872)	(30,872)	(45,071)	(37,474)	(34,771)
Other working capital requirements	3	30,719	36,380	45,031	28,753	26,675	26,675	(23,693)	(23,306)	(26,189)
Other provisions		3,227	3,576	3,815	4,872	3,547	3,547	8,677	6,044	6,289
Long term investments committed	4	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	50,941	50,941	50,941	2,191	65,080	65,080	2,086	2,249	2,313
Total Application of cash and investments:		108,374	97,814	122,035	29,275	90,218	90,218	(49,718)	(52,487)	(52,358)
Surplus(shortfall) - Excluding Non-Current Creditors		73,646	110,353	132,578	87,514	53,194	53,194	128,672	168,463	189,163
Creditors transferred to Debt Relief - Non-Current Creditors		–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors		73,646	110,353	132,578	87,514	53,194	53,194	128,672	168,463	189,163

From the above table it can be seen that the cash and investments available total R106,9 million in the 2025/26 financial year and increases to R236 million by 2027/28, 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 R2 million which has been split as follows: Title Deed Grant of R2 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 million this assumption is based on grant register as at April 2025.

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 2025/26 MTREF was funded when considering the funding requirements of section 18 and 19 of the MFMA. The 2025/26 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.

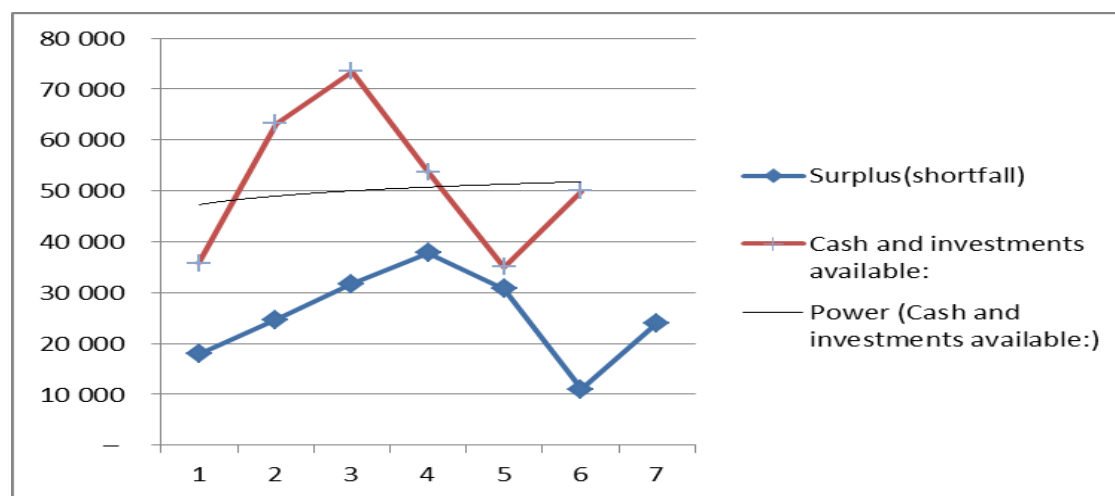


Figure 6 Cash and cash equivalents / Cash backed reserves and accumulated funds

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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Total Operating Revenue			333,878	401,560	422,381	447,101	448,870	448,870	378,749	452,864	485,035	497,552
Total Operating Expenditure			307,732	340,534	398,006	443,616	468,419	468,419	296,343	486,614	483,086	495,492
Operating Performance Surplus/(Deficit)			26,145	61,026	24,375	3,484	(19,550)	(19,550)	82,407	(33,751)	1,949	2,060
Cash and Cash Equivalents (30 June 2012)										10,955		
Revenue												
% Increase in Total Operating Revenue				20.3%	5.2%	5.9%	0.4%	0.0%	(15.6%)	0.9%	7.1%	2.6%
% Increase in Property Rates Revenue				49.4%	15.1%	6.7%	0.0%	0.0%	(13.5%)	20.7%	4.5%	2.5%
% Increase in Electricity Revenue				8.5%	22.7%	18.3%	0.0%	0.0%	(38.4%)	11.8%	10.3%	2.5%
% Increase in Property Rates & Services Charges				23.6%	17.6%	12.8%	0.0%	0.0%	(28.0%)	8.0%	7.4%	2.5%
Expenditure												
% Increase in Total Operating Expenditure				10.7%	16.9%	11.5%	5.6%	0.0%	(36.7%)	3.9%	(0.7%)	2.6%
% Increase in Employee Costs				8.4%	14.5%	14.1%	0.0%	0.0%	(37.4%)	10.2%	4.1%	2.6%
% Increase in Electricity Bulk Purchases				23.8%	15.9%	10.3%	0.0%	0.0%	(30.4%)	11.3%	(4.1%)	2.5%
Average Cost Per Budgeted Employee Position (Remuneration)					431319.9	456714				476294		
Average Cost Per Councillor (Remuneration)					416108.8	468218				491629		
R&M % of PPE			3.5%	3.1%	3.0%	4.0%	3.6%	3.6%		4.4%	3.1%	3.1%
Asset Renewal and R&M as a % of PPE			52.9%	56.5%	60.5%	14.9%	12.9%	12.9%		12.2%	6.3%	6.4%
Debt Impairment % of Total Billable Revenue			0.0%	(1.7%)	4.6%	20.4%	20.4%	20.4%	14.1%	20.0%	19.4%	19.4%
Capital Revenue												
Internally Funded & Other (R'000)			24,649	80,703	87,873	92,898	94,495	94,495	59,397	90,538	37,347	38,281
Borrowing (R'000)			–	0	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)			5,762	12,628	51,789	34,702	39,334	39,334	23,467	40,014	38,808	40,510
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%	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%	0.0%
Grant Funding % of Total Funding			18.9%	13.5%	37.1%	27.2%	29.4%	29.4%	28.3%	30.7%	51.0%	51.4%
Capital Expenditure												
Total Capital Programme (R'000)			30,411	93,331	139,662	127,600	133,829	133,829	82,864	130,552	76,156	78,791
Asset Renewal			260,270	321,620	408,915	75,573	75,146	75,146	62,532	34,165	25,378	26,740
Asset Renewal % of Total Capital Expenditure			855.8%	344.6%	292.8%	59.2%	56.2%	56.2%	75.5%	26.2%	33.3%	33.9%
Cash												
Cash Receipts % of Rate Payer & Other			25.2%	23.2%	31.4%	22.2%	26.0%	26.0%	16.7%	102.7%	123.3%	123.4%
Cash Coverage Ratio			0	0	0	(0)	(0)	(0)	0	0	0	0
Borrowing												
Most recent Credit Rating										0		
Capital Charges to Operating			0.0%	0.1%	0.0%	0.7%	0.7%	0.7%	0.0%	0.6%	0.7%	0.7%
Borrowing Receipts % of Capital Expenditure			0.0%	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 a			234,697	269,095	242,865	135,543	133,171	134,685	256,063	106,936	229,916	236,039
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)			(5.9%)	0.9%	(18.9%)	(7.4%)	(7.3%)	(7.3%)		(7.6%)	(7.4%)	(7.4%)
High Level Outcome of Funding Compliance												
Total Operating Revenue			333,878	401,560	422,381	447,101	448,870	448,870	378,749	452,864	485,035	497,552
Total Operating Expenditure			307,732	340,534	398,006	443,616	468,419	468,419	296,343	486,614	483,086	495,492
Surplus/(Deficit) Budgeted Operating Statement			26,145	61,026	24,375	3,484	(19,550)	(19,550)	82,407	(33,751)	1,949	2,060
Surplus/(Deficit) Considering Reserves and Cash			234,697	269,095	242,865	135,543	133,171	134,685	256,063	106,936	229,916	236,039
MTREF Funded (1) / Unfunded (0)	15		1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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 2025/26 MTREF shows R107 million, R230 million and R236 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 2024/25 to 2025/26, moving from 2.3 to 1.7 with the adopted 2025/26 & MTREF. As part of the 2025/26 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 2025/26 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates is 4.4 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 70 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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		213,599	243,698	262,978	249,394	249,394	249,394	250,223	268,627	275,628
EPWP Incentive	–	2,435	4,807	6,082	1,815	1,815	1,815	1,714	–	–
Finance Management	–	–	1,850	1,850	1,800	1,800	1,800	1,900	2,000	2,100
Integrated National Electrification P	–	–	7,200	7,200	–	–	–	–	9,102	9,521
Local Government Equitable Share	–	211,164	212,818	230,823	243,588	243,588	243,588	244,198	255,187	261,567
Municipal Infrastructure Grant	–	–	17,023	17,023	2,191	2,191	2,191	2,411	2,338	2,441
Other transfers/grants [insert description]										
Provincial Government:		5,364	6,889	12,710	4,619	4,619	4,619	4,933	5,088	5,326
KwaZulu-Natal	–	5,364	6,889	12,710	4,619	4,619	4,619	4,933	5,088	5,326
KwaZulu-Natal_Infrastructure_Specify (Add grant description)_Receipts										
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
Other Transfers Public Corporations	–	–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants		218,963	250,588	275,688	254,013	254,013	254,013	255,156	273,715	280,954
Capital expenditure of Transfers and Grants										
National Government:		96,989	135,149	192,631	38,910	44,288	44,288	45,817	44,426	46,373
Integrated National Electrification P	–	–	–	2,553	–	–	–	–	–	–
KwaZulu-Natal	–	56,406	56,406	56,964	–	–	–	–	–	–
Municipal Disaster Recovery Grant	–	–	–	15,556	–	–	–	–	–	–
Municipal Infrastructure Grant	–	40,583	78,743	117,558	38,910	44,288	44,288	45,817	44,426	46,373
Other capital transfers/grants [insert desc]										
Provincial Government:		56,406	56,406	56,964	–	–	–	–	–	–
KwaZulu-Natal	–	56,406	56,406	56,964	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total capital expenditure of Transfers and Grants		153,395	191,555	249,594	38,910	44,288	44,288	45,817	44,426	46,373
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		372,359	442,143	525,282	292,923	298,301	298,301	300,973	318,141	327,328

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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Operating transfers and grants	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		2,435	30,880	29,857	5,806	5,806	5,806	6,025	13,440	14,062
Repayment of grants										
Conditions met - transferred to rev		216,034	274,578	292,835	255,199	255,199	255,199	256,249	282,067	289,690
Conditions still to be met - transferred		(213,599)	(243,698)	(262,978)	(249,394)	(249,394)	(249,394)	(250,223)	(268,627)	(275,628)
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		5,134	13,842	19,255	4,619	4,619	4,619	4,933	5,088	5,326
Conditions met - transferred to rev		10,498	20,731	31,965	9,238	9,238	9,238	9,866	10,176	10,652
Conditions still to be met - transferred		(5,364)	(6,889)	(12,710)	(4,619)	(4,619)	(4,619)	(4,933)	(5,088)	(5,326)
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to rev		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to rev		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred		-	-	-	-	-	-	-	-	-
Total operating transfers and grants		226,532	295,310	324,800	264,437	264,437	264,437	266,115	292,243	300,342
Total operating transfers and grants	2	(218,963)	(250,588)	(275,688)	(254,013)	(254,013)	(254,013)	(255,156)	(273,715)	(280,954)
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		42,232	82,276	132,244	38,910	44,288	44,288	45,817	44,426	46,373
Conditions met - transferred to rev		(54,757)	(52,873)	(60,387)	-	-	-	-	-	-
Conditions still to be met - transferred		96,989	135,149	192,631	38,910	44,288	44,288	45,817	44,426	46,373
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to rev		56,406	56,406	56,964	-	-	-	-	-	-
Conditions still to be met - transferred		(56,406)	(56,406)	(56,964)	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to rev		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		92,865	132,909	182,877	38,910	44,288	44,288	45,817	44,426	46,373
Conditions met - transferred to rev		92,865	132,909	182,877	38,910	44,288	44,288	45,817	44,426	46,373
Conditions still to be met - transferred		-	-	-	-	-	-	-	-	-
Total capital transfers and grants rev		94,514	136,442	179,454	38,910	44,288	44,288	45,817	44,426	46,373
Total capital transfers and grants	2	40,583	78,743	135,667	38,910	44,288	44,288	45,817	44,426	46,373
TOTAL TRANSFERS AND GRANTS R		321,047	431,752	504,254	303,348	308,725	308,725	311,931	336,669	346,715
TOTAL TRANSFERS AND GRANTS -		(178,380)	(171,844)	(140,021)	(215,102)	(209,725)	(209,725)	(209,340)	(229,289)	(234,581)

2.11 Councilors and employee benefits

Table 37 MBRR SA22 - Summary of councilor and staff benefits

KZN291 Mandeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		–	–	12,378	13,768	13,768	13,768	14,456	15,107	15,485
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	528	675	675	675	708	740	759
Cellphone Allowance		–	–	1,491	1,687	1,687	1,687	1,771	1,851	1,897
Housing Allowances		–	–	167	258	258	258	271	283	291
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		–	–	14,564	16,388	16,388	16,388	17,207	17,981	18,431
% increase	4		–	–	12.5%	–	–	5.0%	4.5%	2.5%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	5,197	4,204	3,865	5,876	5,876	5,876	5,916	6,182	6,337
Pension and UIF Contributions		0	1	1	11	11	11	11	11	11
Medical Aid Contributions		–	–	163	42	42	42	155	162	166
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		1,048	583	380	499	499	499	405	423	434
Motor Vehicle Allowance	3	737	645	716	871	871	871	922	963	987
Cellphone Allowance	3	186	182	272	195	195	195	285	298	305
Housing Allowances	3	264	256	114	278	278	278	296	309	317
Other benefits and allowances	3	1	1	347	286	286	286	486	508	521
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligation	6	345	1,443	5,131	3,736	3,736	3,736	3,979	4,158	4,262
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		7,778	7,316	10,989	11,794	11,794	11,794	12,454	13,014	13,340
% increase	4		(5.9%)	50.2%	7.3%	–	–	5.6%	4.5%	2.5%
Other Municipal Staff										
Basic Salaries and Wages		71,436	74,961	83,417	94,130	94,130	94,130	105,277	109,439	112,326
Pension and UIF Contributions		11,179	12,303	13,566	15,938	15,938	15,938	17,175	17,947	18,396
Medical Aid Contributions		5,273	5,426	6,332	6,180	6,180	6,180	7,270	7,570	7,759
Overtime		1,826	2,388	3,361	2,469	2,469	2,469	3,191	3,334	3,418
Performance Bonus		4,104	6,078	6,601	6,513	6,513	6,513	5,711	5,968	6,117
Motor Vehicle Allowance	3	4,063	4,672	4,751	5,495	5,495	5,495	6,160	6,437	6,598
Cellphone Allowance	3	452	530	617	604	604	604	832	869	891
Housing Allowances	3	289	306	315	362	362	362	405	423	433
Other benefits and allowances	3	1,041	828	983	887	887	887	1,052	1,099	1,127
Payments in lieu of leave		585	2,636	3,462	2,718	2,718	2,718	2,798	2,924	2,997
Long service awards		832	962	355	1,407	1,407	1,407	1,498	1,566	1,605
Post-retirement benefit obligation	6	(1,143)	(1,651)	(1,041)	4,047	4,047	4,047	4,310	4,504	4,616
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		99,934	109,438	122,720	140,748	140,748	140,748	155,678	162,081	166,283
% increase	4		9.5%	12.1%	14.7%	–	–	10.6%	4.1%	2.6%
Total Parent Municipality		107,713	116,754	148,273	168,930	168,930	168,930	185,339	193,076	198,054
			8.4%	27.0%	13.9%	–	–	9.7%	4.2%	2.6%
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		107,713	116,754	148,273	168,930	168,930	168,930	185,339	193,076	198,054
% increase	4		8.4%	27.0%	13.9%	–	–	9.7%	4.2%	2.6%
TOTAL MANAGERS AND STAFF	5,7	107,713	116,754	133,709	152,543	152,543	152,543	168,132	175,095	179,623

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors	3						
Speaker	4	1	879,732.00	-	50,599.50	-	930,332
Chief Whip		1	460,110.00	-	84,756.00	-	544,866
Executive Mayor		1	1,099,665.00	-	50,599.50	-	1,150,265
Deputy Executive Mayor		1	879,732.00	-	50,599.50	-	930,332
Executive Committee		5	2,413,929.66	-	615,898.50	-	3,029,828
Total for all other councillors		26	8,710,311.35	-	1,911,067.99	-	10,621,379
Total Councillors	8	35	14,443,480	-	2,763,521		17,207,001
Senior Managers of the Municipality	5						
Municipal Manager (MM)		1	1,324,654	878,556	192,000	111,633	2,506,843
Chief Finance Officer		1	1,087,610	650,440	126,000	89,328	1,953,378
		1	1,087,610	690,441	126,000	89,328	1,993,379
		1	1,087,610	689,789	126,000	89,328	1,992,727
		1	1,087,610	697,375	126,000	89,328	2,000,313
		1	1,087,610	696,296	126,000	89,328	1,999,234
<i>List of each official with packages >= senior manager</i>							
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
Total Senior Managers of the Municipality	8,10	6	6,762,704	4,302,898	822,000	558,272	12,445,874
Total for municipal entities	8,10	-	-	-	-	-	-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	41	21,206,184	4,302,898	3,585,521	558,272	29,652,875

Table 39 MBRR SA24 – Summary of personnel numbers

KZN291 Mandeni - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		2023/24			Current Year 2024/25			Budget Year 2025/26		
Number	Ref	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 Members)	35	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	4	2
Other Managers	7	28	27	1	28	27	1	28	28	—
Professionals		123	108	15	125	110	15	125	112	13
Finance		34	25	9	35	26	9	35	26	9
Spatial/town planning		15	14	1	16	15	1	16	15	1
Information Technology		5	5	—	5	5	—	5	5	—
Roads		12	7	5	12	7	5	12	9	3
Electricity		5	5	—	5	5	—	5	5	—
Water		—	—	—	—	—	—	—	—	—
Sanitation		—	—	—	—	—	—	—	—	—
Refuse		41	41	—	41	41	—	41	41	—
Other		11	11	—	11	11	—	11	11	—
Technicians		22	19	3	24	21	3	25	25	—
Finance		—	—	—	—	—	—	—	—	—
Spatial/town planning		—	—	—	—	—	—	—	—	—
Information Technology		—	—	—	—	—	—	—	—	—
Roads		—	—	—	—	—	—	—	—	—
Electricity		—	—	—	—	—	—	—	—	—
Water		—	—	—	—	—	—	—	—	—
Sanitation		—	—	—	—	—	—	—	—	—
Refuse		—	—	—	—	—	—	—	—	—
Other		22	19	3	24	21	3	25	25	—
Clerks (Clerical and administrative)		24	24	—	24	24	—	25	25	—
Service and sales workers		—	—	—	—	—	—	—	—	—
Skilled agricultural and fishery workers		—	—	—	—	—	—	—	—	—
Craft and related trades		—	—	—	—	—	—	—	—	—
Plant and Machine Operators		24	24	—	28	28	—	32	32	—
Elementary Occupations		83	83	—	99	99	—	112	102	10
TOTAL PERSONNEL NUMBERS	9	345	290	55	369	314	55	388	333	55
% increase					7.0%	8.3%	—	5.1%	6.1%	—
Total municipal employees headcount	6, 10	345	290	55	369	314	55	388	333	55
Finance personnel headcount	8, 10	34	25	9	35	26	9	35	26	9
Human Resources personnel headcount	8, 10	311	265	46	334	288	46	353	307	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	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue																
Exchange Revenue																
Service charges - Electricity		6,742	6,742	6,742	6,742	6,742	6,742	6,742	6,742	6,742	6,742	6,742	6,742	80,899	89,250	91,481
Service charges - Water		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - Waste Water Management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - Waste Management		1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	14,727	15,389	15,774
Sale of Goods and Rendering of Services		126	126	126	126	126	126	126	126	126	126	126	126	1,515	1,583	1,622
Agency services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		168	168	168	168	168	168	168	168	168	168	168	168	2,016	2,106	2,159
Interest earned from Current and Dividends		2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000	26,125	26,778
Rent on Land		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		63	63	63	63	63	63	63	63	63	63	63	63	756	790	810
Licence and permits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Special rating levies		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		100	100	100	100	100	100	100	100	100	100	100	100	1,200	1,254	1,285
Non-Exchange Revenue																
Property rates		5,415	5,415	5,415	5,415	5,415	5,415	5,415	5,415	5,415	5,415	5,415	5,415	64,975	67,899	69,596
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		114	114	114	114	114	114	114	114	114	114	114	114	1,368	1,430	1,465
Licences or permits		83	83	83	83	83	83	83	83	83	83	83	83	999	1,044	1,070
Transfer and subsidies - Operational		21,246	21,246	21,246	21,246	21,246	21,246	21,246	21,246	21,246	21,246	21,246	21,246	254,956	273,512	280,741
Interest		371	371	371	371	371	371	371	371	371	371	371	371	4,453	4,654	4,770
Fuel Levy		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Gains		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital expenditure)		37,739	37,739	37,739	37,739	37,739	37,739	37,739	37,739	37,739	37,739	37,739	37,739	452,864	485,035	497,552
Expenditure																
Employee related costs		14,011	14,011	14,011	14,011	14,011	14,011	14,011	14,011	14,011	14,011	14,011	14,011	168,132	175,095	179,623
Remuneration of councillors		1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	17,207	17,981	18,431
Bulk purchases - electricity		5,368	5,368	5,368	5,368	5,368	5,368	5,368	5,368	5,368	5,368	5,368	5,368	64,416	61,791	63,336
Inventory consumed		492	492	492	492	492	492	492	492	492	492	492	492	5,907	6,631	6,797
Debt impairment		2,673	2,673	2,673	2,673	2,673	2,673	2,673	2,673	2,673	2,673	2,673	2,673	32,077	33,520	34,358
Depreciation and amortisation		3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020	36,240	37,870	38,817
Interest		254	254	254	254	254	254	254	254	254	254	254	254	3,050	3,187	3,267
Contracted services		7,471	7,471	7,471	7,471	7,471	7,471	7,471	7,471	7,471	7,471	7,471	7,471	89,650	88,442	90,857
Transfers and subsidies		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Irrecoverable debts written off		553	553	553	553	553	553	553	553	553	553	553	553	6,637	6,935	7,109
Operational costs		5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	62,700	51,005	52,256
Losses on disposal of Assets		50	50	50	50	50	50	50	50	50	50	50	50	600	627	643
Other Losses		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure		40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	486,614	483,086	495,492
Surplus/(Deficit)		(2,813)	(2,813)	(2,813)	(2,813)	(2,813)	(2,813)	(2,813)	(2,813)	(2,813)	(2,813)	(2,813)	(2,813)	(33,751)	1,949	2,060
Transfers and subsidies - capital (monetary allocations)		3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	46,017	44,629	46,586
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	12,266	46,578	48,647
Income Tax		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	12,266	46,578	48,647
Share of Surplus/Deficit attributable to		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	12,266	46,578	48,647
Share of Surplus/Deficit attributable to		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transac		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	1	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	12,266	46,578	48,647

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

KZN291 Mandeni - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote																
Vote 1 - Executive and council		697	697	697	697	697	697	697	697	697	697	697	697	8,365	8,741	8,960
Vote 2 - Finance and administration		27,820	27,820	27,820	27,820	27,820	27,820	27,820	27,820	27,820	27,820	27,820	27,820	333,836	348,873	357,645
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		511	511	511	511	511	511	511	511	511	511	511	511	6,129	6,337	6,607
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		4,061	4,061	4,061	4,061	4,061	4,061	4,061	4,061	4,061	4,061	4,061	4,061	48,730	47,289	49,352
Vote 9 - Road transport		332	332	332	332	332	332	332	332	332	332	332	332	3,979	2,367	2,426
Vote 10 - Energy sources		6,774	6,774	6,774	6,774	6,774	6,774	6,774	6,774	6,774	6,774	6,774	6,774	81,285	98,755	101,415
Vote 11 - Waste Management		1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	16,557	17,302	17,734
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		41,573	41,573	41,573	41,573	41,573	41,573	41,573	41,573	41,573	41,573	41,573	41,573	498,880	529,664	544,139
Expenditure by Vote to be appropriated																
Vote 1 - Executive and council		6,672	6,672	6,672	6,672	6,672	6,672	6,672	6,672	6,672	6,672	6,672	6,672	80,065	80,588	82,603
Vote 2 - Finance and administration		13,393	13,393	13,393	13,393	13,393	13,393	13,393	13,393	13,393	13,393	13,393	13,393	160,713	150,376	154,154
Vote 3 - Internal audit		26	26	26	26	26	26	26	26	26	26	26	26	313	327	335
Vote 4 - Community and social services		3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	36,416	37,691	38,739
Vote 5 - Sport and Recreation		1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	13,044	13,631	13,972
Vote 6 - Public safety		179	179	179	179	179	179	179	179	179	179	179	179	2,148	2,244	2,301
Vote 7 - Housing		18	18	18	18	18	18	18	18	18	18	18	18	214	224	229
Vote 8 - Planning and Development		2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	27,051	28,249	28,999
Vote 9 - Road transport		5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	63,379	59,424	60,910
Vote 10 - Energy sources		6,184	6,184	6,184	6,184	6,184	6,184	6,184	6,184	6,184	6,184	6,184	6,184	74,212	79,949	82,108
Vote 11 - Waste Management		1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	23,439	24,509	25,122
Vote 12 - [NAME OF VOTE 12]		468	468	468	468	468	468	468	468	468	468	468	468	5,621	5,874	6,021
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	486,614	483,086	495,492
Surplus/(Deficit) before assoc.		1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	12,266	46,578	48,647
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	12,266	46,578	48,647

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

KZN291 Mandeni - Supporting Table 697083

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Novemb er	Decemb er	January	Februar y	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional																
Governance and administration		28,517	28,517	28,517	28,517	28,517	28,517	28,517	28,517	28,517	28,517	28,517	28,517	342,201	357,614	366,605
Executive and council		697	697	697	697	697	697	697	697	697	697	697	697	8,365	8,741	8,960
Finance and administration		27,820	27,820	27,820	27,820	27,820	27,820	27,820	27,820	27,820	27,820	27,820	27,820	333,836	348,873	357,645
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety		511	511	511	511	511	511	511	511	511	511	511	511	6,129	6,337	6,607
Community and social services		477	477	477	477	477	477	477	477	477	477	477	477	5,720	5,911	6,169
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		34	34	34	34	34	34	34	34	34	34	34	34	409	427	438
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		4,392	4,392	4,392	4,392	4,392	4,392	4,392	4,392	4,392	4,392	4,392	4,392	52,709	49,655	51,778
Planning and development		4,061	4,061	4,061	4,061	4,061	4,061	4,061	4,061	4,061	4,061	4,061	4,061	48,730	47,289	49,352
Road transport		332	332	332	332	332	332	332	332	332	332	332	332	3,979	2,367	2,426
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		8,154	8,154	8,154	8,154	8,154	8,154	8,154	8,154	8,154	8,154	8,154	8,153	97,842	116,057	119,149
Energy sources		6,774	6,774	6,774	6,774	6,774	6,774	6,774	6,774	6,774	6,774	6,774	6,774	81,285	98,755	101,415
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	16,557	17,302	17,734
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue - Functional		41,573	41,573	41,573	41,573	41,573	41,573	41,573	41,573	41,573	41,573	41,573	41,573	498,880	529,664	544,139
			53,582	53,582	53,582	53,582	53,582	53,582	53,582	53,582	53,582	53,582				
Expenditure - Functional																
Governance and administration		20,091	20,091	20,091	20,091	20,091	20,091	20,091	20,091	20,091	20,091	20,091	20,091	241,091	231,291	237,091
Executive and council		6,672	6,672	6,672	6,672	6,672	6,672	6,672	6,672	6,672	6,672	6,672	6,672	80,065	80,588	82,603
Finance and administration		13,419	13,419	13,419	13,419	13,419	13,419	13,419	13,419	13,419	13,419	13,419	13,419	161,026	150,703	154,489
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety		4,319	4,319	4,319	4,319	4,319	4,319	4,319	4,319	4,319	4,319	4,319	4,319	51,822	53,790	55,241
Community and social services		3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	36,416	37,691	38,739
Sport and recreation		1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	13,044	13,631	13,972
Public safety		179	179	179	179	179	179	179	179	179	179	179	179	2,148	2,244	2,301
Housing		18	18	18	18	18	18	18	18	18	18	18	18	214	224	229
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		7,707	7,707	7,707	7,707	7,707	7,707	7,707	7,707	7,707	7,707	7,707	7,707	92,481	89,817	92,106
Planning and development		2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	26,529	27,704	28,440
Road transport		5,028	5,028	5,028	5,028	5,028	5,028	5,028	5,028	5,028	5,028	5,028	5,028	60,331	56,239	57,645
Environmental protection		468	468	468	468	468	468	468	468	468	468	468	468	5,621	5,874	6,021
Trading services		8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	100,699	107,643	110,495
Energy sources		6,184	6,184	6,184	6,184	6,184	6,184	6,184	6,184	6,184	6,184	6,184	6,184	74,212	79,949	82,108
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		254	254	254	254	254	254	254	254	254	254	254	254	3,048	3,185	3,265
Waste management		1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	23,439	24,509	25,122
Other		43	43	43	43	43	43	43	43	43	43	43	43	522	545	559
Total Expenditure - Functional		40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	40,551	486,614	483,086	495,492
Surplus/(Deficit) before assoc.		1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	12,266	46,578	48,647
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	12,266	46,578	48,647

Table 43 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN291 Mandeni - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sum	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive and council		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	36,348	37,257
Vote 2 - Finance and administration		495	495	495	495	495	495	495	495	495	495	495	495	5,941	-	-
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	18,841	10,019	10,273
Vote 5 - Sport and Recreation		621	621	621	621	621	621	621	621	621	621	621	621	7,450	3,822	3,918
Vote 6 - Public safety		6	6	6	6	6	6	6	6	6	6	6	6	70	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		623	623	623	623	623	623	623	623	623	623	623	623	7,478	-	-
Vote 9 - Road transport		4,559	4,559	4,559	4,559	4,559	4,559	4,559	4,559	4,559	4,559	4,559	4,559	54,707	25,967	27,344
Vote 10 - Energy sources		370	370	370	370	370	370	370	370	370	370	370	370	4,439	-	-
Vote 11 - Waste Management		135	135	135	135	135	135	135	135	135	135	135	135	1,626	-	-
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 sum	2	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	130,552	76,156	78,791
Total Capital Expenditure	2	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	130,552	76,156	78,791

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

KZN291 Mandeni - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional	1															
Governance and administration		2,995	2,995	2,995	2,995	2,995	2,995	2,995	2,995	2,995	2,995	2,995	2,995	35,941	36,348	37,257
Executive and council		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	36,348	37,257
Finance and administration		495	495	495	495	495	495	495	495	495	495	495	495	5,941	—	—
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety		2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	26,361	13,841	14,191
Community and social services		814	814	814	814	814	814	814	814	814	814	814	814	9,768	10,019	10,273
Sport and recreation		621	621	621	621	621	621	621	621	621	621	621	621	7,450	3,822	3,918
Public safety		762	762	762	762	762	762	762	762	762	762	762	762	9,143	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		5,110	5,110	5,110	5,110	5,110	5,110	5,110	5,110	5,110	5,110	5,110	5,110	61,316	25,967	27,344
Planning and development		623	623	623	623	623	623	623	623	623	623	623	623	7,478	—	—
Road transport		4,486	4,486	4,486	4,486	4,486	4,486	4,486	4,486	4,486	4,486	4,486	4,486	53,838	25,967	27,344
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		578	578	578	578	578	578	578	578	578	578	578	578	6,935	—	—
Energy sources		370	370	370	370	370	370	370	370	370	370	370	370	4,439	—	—
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		72	72	72	72	72	72	72	72	72	72	72	72	870	—	—
Waste management		135	135	135	135	135	135	135	135	135	135	135	135	1,626	—	—
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional	2	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	130,552	76,156	78,791
Funded by:																
National Government		3,320	3,320	3,320	3,320	3,320	3,320	3,320	3,320	3,320	3,320	3,320	3,320	39,841	38,631	40,325
Provincial Government		14	14	14	14	14	14	14	14	14	14	14	14	174	177	185
District Municipality		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers recognised - capital		3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	40,014	38,808	40,510
Borrowing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Internally generated funds		7,545	7,545	7,545	7,545	7,545	7,545	7,545	7,545	7,545	7,545	7,545	7,545	90,538	37,347	38,281
Total Capital Funding		10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	10,879	130,552	76,156	78,791

Table 45 MBRR SA30 - Budgeted monthly cash flow

KZN291 Mandeni - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash Receipts By Source															
Property rates	4,169	4,169	4,169	4,169	4,169	4,169	4,169	4,169	4,169	4,169	4,169	4,169	50,031	67,899	69,596
Service charges - electricity	6,903	6,903	6,903	6,903	6,903	6,903	6,903	6,903	6,903	6,903	6,903	6,903	82,831	102,366	104,926
Service charges - water re	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - refuse r	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	15,073	17,698	18,140
Rental of facilities and equ	72	72	72	72	72	72	72	72	72	72	72	72	869	908	931
Interest earned - external	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000	26,125	26,778
Interest earned - outstandi	27	27	27	27	27	27	27	27	27	27	27	27	323	6,760	6,929
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeit	114	114	114	114	114	114	114	114	114	114	114	114	1,368	1,430	1,465
Licences and permits	96	96	96	96	96	96	96	96	96	96	96	96	1,148	1,200	1,230
Agency services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and Subsidies -	106,196	4,733	—	—	572	80,585	757	—	62,448	—	—	—	254,956	264,410	271,220
Other revenue	271	271	271	271	271	271	271	271	271	271	271	271	3,254	12,503	13,007
Cash Receipts by Source	121,187	19,724	14,991	14,991	15,563	95,577	15,748	14,991	77,440	14,991	14,991	14,991	434,854	501,299	514,223
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	19,443	—	—	—	6,350	—	—	—	20,223	—	—	—	46,017	44,629	46,586
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on Disposal of F	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refin	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in cor	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
VAT Control (receipts)	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675	—	20,102	21,006	21,531
Decrease (increase) in no	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in no	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Receipts by Sc	140,630	19,724	14,991	14,991	21,913	95,577	15,748	14,991	97,663	14,991	14,991	14,991	500,973	566,934	582,341
Cash Payments by Type															
Employee related costs	13,762	13,762	13,762	13,762	13,762	13,762	13,762	13,762	13,762	13,762	13,762	13,762	165,146	171,975	176,425
Remuneration of councillo	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	17,207	17,981	18,431
Interest	254	254	254	254	254	254	254	254	254	254	254	254	3,050	3,187	3,267
Bulk purchases - electricit	6,173	6,173	6,173	6,173	6,173	6,173	6,173	6,173	6,173	6,173	6,173	6,173	74,078	71,060	72,837
Acquisitions - water & othe	521	521	521	521	521	521	521	521	521	521	521	521	6,247	—	—
Contracted services	8,591	8,591	8,591	8,591	8,591	8,591	8,591	8,591	8,591	8,591	8,591	8,591	103,086	99,682	102,408
Transfers and subsidies - c	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - c	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other expenditure	5,731	5,731	5,731	5,731	5,731	5,731	5,731	5,731	5,731	5,731	5,731	5,731	68,776	55,629	56,994
Cash Payments by Type	36,466	36,466	36,466	36,466	36,466	36,466	36,466	36,466	36,466	36,466	36,466	36,466	437,591	419,514	430,361
Other Cash Flows/Payments by Type															
Capital assets	12,053	12,053	12,053	12,053	12,053	12,053	12,053	12,053	12,053	12,053	12,053	12,053	144,635	85,509	87,776
Repayment of borrowing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Cash Flows/Paymen	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Payments by T	48,519	48,519	48,519	48,519	48,519	48,519	48,519	48,519	48,519	48,519	48,519	48,519	582,226	505,023	518,137
NET INCREASE/(DECREASE) IN CASH HELD	92,111	(28,794)	(33,527)	(33,527)	(26,605)	47,058	(32,771)	(33,527)	49,144	(33,527)	(33,527)	(33,527)	(81,253)	61,912	64,203
Cash/cash equivalents at th	92,208	184,320	155,525	121,998	88,471	61,865	108,923	76,153	42,625	91,769	58,242	24,715	92,208	10,955	72,867
Cash/cash equivalents at th	184,320	155,525	121,998	88,471	61,865	108,923	76,153	42,625	91,769	58,242	24,715	(8,813)	10,955	72,867	137,070

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 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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		6,283	7,788	11,236	14,478	8,379	8,379	8,760	1,230	1,261
Roads Infrastructure		6,283	7,661	7,886	9,739	5,633	5,633	6,090	1,230	1,261
Roads		6,283	7,661	7,886	4,696	4,298	4,298	1,177	1,230	1,261
Road Structures		-	-	-	1,304	870	870	1,739	-	-
Road Furniture		-	-	-	3,739	465	465	3,174	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	127	1,849	2,713	1,055	1,055	870	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	127	1,849	2,278	794	794	-	-	-
HV Switching Station		-	-	-	435	261	261	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	435	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	435	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	70	36	36	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	70	36	36	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	1,500	1,739	1,560	1,560	1,626	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	756	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	1,500	1,739	1,560	1,560	870	-	-
Coastal Infrastructure		-	-	-	217	96	96	174	-	-
Capital Spares		-	-	-	217	96	96	174	-	-
Information and Communication		-	-	-	-	-	-	-	-	-
Community Assets		16,425	14,792	30,610	15,796	22,615	22,615	16,072	12,568	12,882
Community Facilities		7,811	11,048	23,398	6,870	9,974	9,974	12,766	9,387	9,622
Halls		3,643	-	137	1,304	1,870	1,870	8,983	9,387	9,622
Centres		3,953	9,161	18,054	609	1,409	1,409	522	-	-
Crèches		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	435	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	2,174	2,174	2,174	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	174	174	174	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		214	1,888	5,206	2,609	4,348	4,348	2,826	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		8,614	3,744	7,212	8,927	12,641	12,641	3,307	3,180	3,260
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		8,614	3,744	7,212	8,927	12,641	12,641	3,307	3,180	3,260
Capital Spares		-	-	-	-	-	-	-	-	-
Other assets		-	-	1,723	5,652	10,082	10,082	30,957	36,802	37,722
Operational Buildings		-	-	1,723	5,652	10,082	10,082	30,957	36,802	37,722
Municipal Offices		-	-	1,723	5,217	9,647	9,647	29,565	36,802	37,722
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	435	435	435	1,391	-	-
Intangible Assets		-	-	2,124	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	2,124	-	-	-	-	-	-
Computer Software and Applications		-	-	2,124	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	1,030	957	992	992	1,526	132	139
Computer Equipment		-	-	1,030	957	992	992	1,526	132	139
Furniture and Office Equipment		19,890	51,998	52,559	1,739	1,687	1,687	765	45	47
Furniture and Office Equipment		19,890	51,998	52,559	1,739	1,687	1,687	765	45	47
Machinery and Equipment		-	-	8,676	3,039	3,116	3,116	9,940	-	-
Machinery and Equipment		-	-	8,676	3,039	3,116	3,116	9,940	-	-
Transport Assets		-	-	18,989	10,365	11,812	11,812	-	-	-
Transport Assets		-	-	18,989	10,365	11,812	11,812	-	-	-
Total Capital Expenditure	1	42,598	74,579	126,946	52,027	58,683	58,683	68,020	50,777	52,051

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	26,739	-	-
Roads Infrastructure		59,606	67,072	66,178	12,391	9,399	9,399	26,304	-	-
Roads		2,645	2,160	-	12,391	9,399	9,399	26,304	-	-
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		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
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 of existing assets	1	172,489	197,313	226,672	17,609	14,008	14,008	29,348	-	-
Renewal of Existing Assets as % of Total Expenditure		63.3%	65.1%	60.3%	12.2%	10.0%	10.0%	23.0%	0.0%	0.0%
Renewal of Existing Assets as % of Total Expenditure		586.7%	621.9%	754.0%	49.6%	39.4%	39.4%	77.5%	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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		13,024	13,528	14,325	18,504	19,374	19,374	21,802	15,968	16,367
Roads Infrastructure		4,612	7,600	6,397	8,548	8,548	8,548	8,426	5,625	5,765
Roads		4,585	7,470	6,397	7,939	7,939	7,939	7,948	5,125	5,253
Road Structures		28	59	—	435	435	435	304	318	326
Road Furniture		—	70	—	174	174	174	174	182	186
Capital Spares		—	—	—	—	—	—	—	—	—
Storm water Infrastructure		506	627	1,017	2,870	2,870	2,870	3,913	454	466
Drainage Collection		506	627	1,017	2,870	2,870	2,870	3,913	454	466
Storm water Conveyance		—	—	—	—	—	—	—	—	—
Attenuation		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		2,271	1,196	2,518	3,000	2,565	2,565	3,148	3,289	3,372
Power Plants		99	93	—	43	43	43	130	136	140
HV Substations		—	—	—	—	—	—	—	—	—
HV Switching Station		—	—	—	—	—	—	—	—	—
HV Transmission Conductors		268	—	521	739	739	739	870	909	931
MV Substations		20	9	77	43	43	43	61	64	65
MV Switching Stations		—	—	—	—	—	—	—	—	—
MV Networks		85	58	47	130	130	130	87	91	93
LV Networks		463	332	784	739	739	739	1,130	1,181	1,211
Capital Spares		1,336	704	1,089	1,304	870	870	870	909	931
Capital Spares		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		2,632	3,059	3,421	3,391	4,696	4,696	5,565	5,816	5,961
Landfill Sites		—	—	—	—	—	—	—	—	—
Waste Transfer Stations		—	—	—	—	—	—	—	—	—
Waste Processing Facilities		2,632	3,059	3,421	3,391	4,696	4,696	5,565	5,816	5,961
Information and Communication Infrastructure		3,002	1,046	972	696	696	696	750	784	803
Data Centres		—	—	—	—	—	—	—	—	—
Core Layers		3,002	1,046	972	696	696	696	750	784	803
Distribution Layers		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Community Assets		1,022	1,089	1,843	2,148	2,197	2,197	2,885	3,015	3,090
Community Facilities		169	52	207	174	43	43	363	379	389
Halls		—	—	107	—	—	—	—	—	—
Libraries		169	3	—	—	—	—	213	223	228
Cemeteries/Crematoria		—	—	—	—	—	—	—	—	—
Police		—	—	—	—	—	—	—	—	—
Parks		—	49	101	174	43	43	150	157	161
Sport and Recreation Facilities		853	1,036	1,635	1,974	2,154	2,154	2,522	2,635	2,701
Indoor Facilities		—	—	—	—	—	—	—	—	—
Outdoor Facilities		853	1,036	1,635	1,974	2,154	2,154	2,522	2,635	2,701
Other assets		139	91	30	—	—	—	348	363	373
Operational Buildings		139	91	30	—	—	—	348	363	373
Municipal Offices		139	91	30	—	—	—	348	363	373
Pay/Enquiry Points		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	348	193	193	—	—	—
Computer Equipment		—	—	—	348	193	193	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
Machinery and Equipment		4,135	3,970	5,289	6,348	7,432	7,432	10,438	4,547	4,660
Machinery and Equipment		4,135	3,970	5,289	6,348	7,432	7,432	10,438	4,547	4,660
Transport Assets		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Total Repairs and Maintenance Expe	1	18,320	18,677	21,486	27,348	29,196	29,196	35,473	23,893	24,490

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	Ref	2025/26 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive and council		–	–	–	–	–	–	
Vote 2 - Finance and administration		263,585	319,605	323,455	333,159	343,154	353,448	
Vote 3 - Internal audit		–	–	–	–	–	–	
Vote 4 - Community and social services		4,421	5,497	4,710	4,851	4,997	5,147	
Vote 5 - Sport and Recreation		1,649	5,234	–	–	–	–	
Vote 6 - Public safety		–	–	–	–	–	–	
Vote 7 - Housing		–	–	–	–	–	–	
Vote 8 - Planning and Development		46,731	44,726	42,536	43,812	45,126	46,480	
Vote 9 - Road transport		1,992	1,548	20,625	21,244	21,881	22,538	
Vote 10 - Energy sources		48,101	56,878	72,748	74,931	77,179	79,494	
Vote 11 - Waste Management		12,498	13,458	13,720	14,132	14,555	14,992	
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	
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		378,977	446,946	477,794	492,128	506,892	522,098	–
Future operational costs by vote	2							
Vote 1 - Executive and council		80,065	80,588	82,603	85,081	87,633	90,262	
Vote 2 - Finance and administration		160,713	150,376	154,154	158,778	163,542	168,448	
Vote 3 - Internal audit		313	327	335	345	356	366	
Vote 4 - Community and social services		36,416	37,691	38,739	39,902	41,099	42,332	
Vote 5 - Sport and Recreation		13,044	13,631	13,972	14,391	14,823	15,268	
Vote 6 - Public safety		2,148	2,244	2,301	2,370	2,441	2,514	
Vote 7 - Housing		214	224	229	236	243	250	
Vote 8 - Planning and Development		27,051	28,249	28,999	29,869	30,765	31,688	
Vote 9 - Road transport		63,379	59,424	60,910	62,737	64,619	66,558	
Vote 10 - Energy sources		74,212	79,949	82,108	84,571	87,108	89,721	
Vote 11 - Waste Management		23,439	24,509	25,122	25,876	26,652	27,452	
Vote 12 - [NAME OF VOTE 12]		5,621	5,874	6,021	6,202	6,388	6,579	
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		486,614	483,086	495,492	510,357	525,667	541,437	–
Future revenue by source	3							
Exchange Revenue								
Service charges - Electricity								
Service charges - Water								
Service charges - Waste Water Management								
Service charges - Waste Management								
Agency services								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		865,591	930,032	973,286	1,002,484	1,032,559	1,063,536	–

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 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 2025/26 MTREF during March 2025 directly aligned and informed by the 2025/26 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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
REVENUE ITEMS:											
Non-exchange revenue by source											
Exchange Revenue	6										
Total Property Rates		40,638	49,061	92,400	75,646	75,646	75,646	83,797	78,974	82,528	84,591
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		(6,725)	1,599	(34,079)	(13,409)	(13,409)	(13,409)	(29,960)	(13,999)	(14,629)	(14,995)
Net Property Rates		33,913	50,660	58,321	62,237	62,237	62,237	53,838	64,975	67,899	69,596
Exchange revenue service charges											
Service charges - Electricity	6										
Total Service charges - Electricity		45,958	49,864	61,164	72,341	72,341	72,341	44,543	80,899	89,250	91,481
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (50 kwh per indigent household per month)		–	–	–	–	–	–		–	–	–
Net Service charges - Electricity		45,958	49,864	61,164	72,341	72,341	72,341	44,543	80,899	89,250	91,481
Service charges - Waste Managem	6										
Total refuse removal revenue		10,818	11,577	12,380	15,050	15,050	15,050	8,709	15,713	16,420	16,830
Total landfill revenue		–	–	–	–	–	–	–	–	–	–
Less Revenue Foregone (in excess of one removal a week to indigent households)		–	–	–	(944)	(944)	(944)	–	(986)	(1,030)	(1,056)
Less Cost of Free Basis Services (removed once a week to indigent households)		–	–	–	–	–	–		–	–	–
Net Service charges - Waste Management		10,818	11,577	12,380	14,106	14,106	14,106	8,709	14,727	15,389	15,774

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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	76,633	79,165	87,283	100,007	99,099	99,099	66,027	111,193	115,622	118,662
Pension and UIF Contributions		11,179	12,304	13,567	15,949	16,141	16,141	10,316	17,185	17,959	18,408
Medical Aid Contributions		5,273	5,426	6,495	6,222	6,947	6,947	5,165	7,425	7,732	7,925
Overtime		1,826	2,388	3,361	2,469	2,996	2,996	2,440	3,191	3,334	3,418
Performance Bonus		5,152	6,661	6,980	7,012	5,743	5,743	4,543	6,116	6,391	6,551
Motor Vehicle Allowance		4,800	5,318	5,466	6,366	6,664	6,664	3,775	7,082	7,400	7,585
Cellphone Allowance		638	712	889	799	1,052	1,052	723	1,117	1,167	1,196
Housing Allowances		553	561	430	640	658	658	341	701	732	751
Other benefits and allowances		1,042	829	1,331	1,172	1,427	1,427	1,613	1,538	1,607	1,647
Payments in lieu of leave		585	2,636	3,462	2,718	2,627	2,627	187	2,798	2,924	2,997
Long service awards		832	962	355	1,407	1,407	1,407	315	1,498	1,566	1,605
Post-retirement benefit obligations	4	(799)	(208)	4,090	7,782	7,782	7,782	-	8,288	8,661	8,878
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-	-
sub-total	5	107,713	116,754	133,709	152,543	152,543	152,543	95,445	168,132	175,095	179,623
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	107,713	116,754	133,709	152,543	152,543	152,543	95,445	168,132	175,095	179,623
Depreciation and amortisation											
Depreciation of Property, Plant & Equipment		31,616	29,987	31,406	37,492	37,492	37,492	23,265	36,160	37,787	38,732
Lease amortisation		110	75	83	364	364	364	55	79	83	85
Capital asset impairment		3,530	2,374	2,239	-	-	-	-	-	-	-
Total Depreciation and amortisation	1	35,256	32,437	33,728	37,856	37,856	37,856	23,320	36,240	37,870	38,817
Bulk purchases - electricity											
Electricity bulk purchases		36,575	45,293	52,475	57,866	57,866	57,866	40,281	64,416	61,791	63,336
Total bulk purchases	1	36,575	45,293	52,475	57,866	57,866	57,866	40,281	64,416	61,791	63,336
Transfers and grants											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-	-
Contracted Services											
Outsourced Services		23,358	25,754	31,895	29,811	38,997	38,997	24,087	36,416	38,054	39,006
Consultants and Professional Services		7,213	7,408	6,954	6,303	6,395	6,395	4,191	5,999	6,282	6,482
Contractors		21,478	29,033	46,951	43,156	45,585	45,585	24,873	47,235	44,106	45,369
Total contracted services		52,049	62,194	85,801	79,270	90,976	90,976	53,151	89,650	88,442	90,857
Operational Costs											
Collection costs		2,471	1,964	3,765	1,739	2,889	2,889	2,382	2,609	2,726	2,794
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Audit fees		1,692	2,361	2,849	2,174	3,428	3,428	3,035	3,217	3,362	3,446
		-	-	-	-	-	-	-	-	-	-
		1,692	2,361	2,849	2,174	3,428	3,428	3,035	3,217	3,362	3,446
Other Operational Costs		35,359	39,346	55,752	50,842	60,418	60,418	45,825	56,874	44,917	46,015
Total Operational Costs	1	39,523	43,672	62,365	54,755	66,735	66,735	51,242	62,700	51,005	52,256
Repairs and Maintenance by Expenditure Item	8										
Employee related costs		-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		18,320	18,677	21,486	27,348	29,196	29,196	-	35,473	23,893	24,490
Contracted Services		-	-	-	-	-	-	-	-	-	-
Other Expenditure		-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Exp.	9	18,320	18,677	21,486	27,348	29,196	29,196	-	35,473	23,893	24,490
Inventory Consumed											
Inventory Consumed - Water		-	-	-	-	-	-	-	-	-	-
Inventory Consumed - Other		(348)	(143)	1,354	5,118	5,634	5,634	448	5,907	6,631	6,797
Total Inventory Consumed & Other Materi.		(348)	(143)	1,354	5,118	5,634	5,634	448	5,907	6,631	6,797

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	Ref 1	Vote 1 - Executiv	Vote 2 - Finance	Vote 3 - Internal	Vote 4 - Commun	Vote 5 - Sport	Vote 6 - Public	Vote 7 - Housin	Vote 8 - Planning	Vote 9 - Road	Vote 10 - Energy	Vote 11 - Waste	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand																	
Revenue																	
Exchange Revenue																	
Service charges - Electricity		-	-	-	-	-	-	-	-	-	80,899	-	-	-	-	-	80,899
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Manage		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		-	-	-	-	-	-	-	-	-	-	14,727	-	-	-	-	14,727
Sale of Goods and Rendering of Service		-	834	-	481	-	-	-	200	-	-	-	-	-	-	-	1,515
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	186	1,830	-	-	-	-	2,016
Interest earned from Current and Non C		-	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	704	-	-	-	52	-	-	-	-	-	-	-	756
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	750	-	-	-	-	-	250	-	200	-	-	-	-	-	1,200
Non-Exchange Revenue																	
Property rates		-	64,975	-	-	-	-	-	-	-	-	-	-	-	-	-	64,975
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	11	-	-	-	-	1,357	-	-	-	-	-	-	1,368
Licences or permits		-	91	-	-	-	-	-	-	908	-	-	-	-	-	-	999
Transfer and subsidies - Operational		8,365	237,733	-	4,733	-	-	-	2,411	1,714	-	-	-	-	-	-	254,956
Interest		-	4,453	-	-	-	-	-	-	-	-	-	-	-	-	-	4,453
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital trans		8,365	333,836	-	5,929	-	-	-	2,913	3,979	81,285	16,557	-	-	-	-	452,864
Expenditure																	
Employee related costs		(19,503)	(53,850)	-	(28,599)	(4,625)	-	-	(18,917)	(25,828)	(4,095)	(8,482)	(4,233)	-	-	-	(168,132)
Remuneration of councillors		(17,207)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17,207)
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	(64,416)	-	-	-	-	-	(64,416)
Inventory consumed		(1,990)	(750)	-	(1,340)	-	-	-	(1,677)	(50)	-	(100)	-	-	-	-	(5,907)
Debt impairment		-	(28,090)	-	-	-	-	-	-	-	2,304	(6,291)	-	-	-	-	(32,077)
Depreciation and amortisation		-	(10,371)	-	(3,667)	-	-	-	-	(21,096)	(1,105)	-	-	-	-	-	(36,240)
Interest		-	(3,050)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,050)
Contracted services		(19,193)	(28,280)	(313)	(1,497)	(8,005)	(739)	(214)	(5,014)	(15,817)	(3,087)	(6,227)	(1,264)	-	-	-	(89,650)
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	(4,332)	-	-	-	-	-	-	-	-	(2,304)	-	-	-	-	(6,637)
Operational costs		(22,172)	(31,390)	-	(1,313)	(414)	(1,409)	-	(1,443)	(588)	(3,813)	(35)	(124)	-	-	-	(62,700)
Losses on disposal of Assets		-	(600)	-	-	-	-	-	-	-	-	-	-	-	-	-	(600)
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		(80,065)	(160,713)	(313)	(36,416)	(13,044)	(2,148)	(214)	(27,051)	(63,379)	(74,212)	(23,439)	(5,621)	-	-	-	(486,614)
Surplus/(Deficit)		88,430	494,549	313	42,345	13,044	2,148	214	29,964	67,358	155,497	39,996	5,621	-	-	-	(33,751)
Transfers and subsidies - capital (monetary allocations)		-	-	-	200	-	-	-	45,817	-	-	-	-	-	-	-	46,017
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		88,430	494,549	313	42,545	13,044	2,148	214	75,780	67,358	155,497	39,996	5,621	-	-	-	12,266

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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
ASSETS											
Trade and other receivables											
Electricity		9,567	8,725	9,480	23,548	24,259	24,259	8,248	33,053	23,662	24,253
Water		-	-	-	-	-	-	-	-	-	-
Waste		25,679	29,509	32,768	78,452	75,521	75,521	40,993	90,729	90,918	93,191
Waste Water		-	-	-	852	1,322	1,322	-	1,830	1,912	1,960
Other trade receivables from e		15,738	15,603	14,809	4,337	660	660	10,309	7,583	8,055	8,256
Gross: Trade and other receiv		50,984	53,837	57,057	107,189	101,762	101,762	59,551	133,196	124,548	127,661
Less: Impairment for debt		-	-	-	(74,020)	(68,817)	(68,817)	(15,130)	(91,110)	(95,210)	(97,590)
Impairment for Electricity		-	-	-	(4,163)	(3,298)	(3,298)	-	(2,818)	(2,945)	(3,018)
Impairment for Water		-	-	-	-	-	-	-	-	-	-
Impairment for Waste		-	-	-	(2,435)	(62,018)	(62,018)	(15,130)	(84,582)	(88,388)	(90,598)
Impairment for Waste Water		-	-	-	-	-	-	-	-	-	-
Impairment for other trade rec		-	-	-	(67,422)	(3,500)	(3,500)	-	(3,710)	(3,877)	(3,974)
Total net Trade and other rec		50,984	53,837	57,057	33,169	32,945	32,945	44,421	42,086	29,338	30,071
Receivables from non-exchan											
Property rates		30,532	121,418	124,295	134,110	193,671	193,671	146,942	190,305	178,831	183,301
Less: Impairment of Property r		(73,228)	(82,773)	(78,529)	(103,609)	(138,137)	(138,137)	(78,536)	(148,018)	(154,679)	(158,546)
Net Property rates		(42,696)	38,645	45,765	30,501	55,534	55,534	68,406	42,287	24,152	24,756
Other receivables from non-ex		(39,086)	(40,913)	(32,639)	8,541	5,425	5,425	(33,852)	8,132	8,498	8,710
Impairment for other receivab		-	-	-	(2,999)	(2,878)	(2,878)	-	(5,585)	(5,837)	(5,983)
Net other receivables from nc		(39,086)	(40,913)	(32,639)	5,542	2,547	2,547	(33,852)	2,547	2,661	2,728
Total net Receivables from nc		(81,782)	(2,268)	13,127	36,042	58,081	58,081	34,554	44,833	26,813	27,484
Standard Rated											
Opening Balance		-	-	-	553	804	804	612	781	816	836
Acquisitions		-	-	-	476	476	476	-	2,375	-	-
Issues	7	567	572	572	(1,164)	(2,338)	(2,338)	-	(740)	(870)	(891)
Adjustments	8	-	-	39	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Stan		567	572	612	(136)	(1,058)	(1,058)	612	2,416	(54)	(55)
Zero Rated											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	364	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero		-	-	-	-	-	-	-	364	-	-
Materials and Supplies											
Opening Balance		-	-	-	121	186	186	378	181	189	193
Acquisitions		459	571	2,305	3,915	3,915	3,915	701	3,390	-	-
Issues	7	(218)	(429)	(1,926)	(3,955)	(3,297)	(3,297)	(448)	(5,167)	(5,762)	(5,906)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supp		240	141	378	81	804	804	632	(1,596)	(5,573)	(5,712)
Land											
Opening Balance		-	-	-	39,038	41,744	41,744	41,744	40,529	42,353	43,411
Acquisitions		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Adjustments		46,000	42,038	41,744	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		46,000	42,038	41,744	39,038	41,744	41,744	41,744	40,529	42,353	43,411
Closing Balance - Inventory & Consum		46,807	42,752	42,734	38,984	41,490	41,490	42,988	41,713	36,726	37,644

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 transactions										
Electricity		6,076	9,567	8,725	10,987	14,157	14,157	23,548	23,649	24,472
Water		-	-	-	-	-	-	-	-	-
Waste		29,399	25,679	29,509	71,337	70,624	70,624	78,452	80,542	82,015
Waste Water		-	-	-	812	-	-	852	891	932
Other trade receivables from exchange transactions		17,566	15,738	15,603	(5,036)	9,475	9,475	4,337	4,920	5,422
Gross: Trade and other receivables from exchange transactions		53,042	50,984	53,837	78,101	94,256	94,256	107,189	110,003	112,841
Less: Impairment for debt		-	-	-	(69,725)	(53,702)	(53,702)	(74,020)	(76,742)	(87,966)
Impairment for Electricity		-	-	-	(5,609)	(4,683)	(4,683)	(4,163)	(4,258)	(4,326)
Impairment for Water		-	-	-	-	-	-	-	-	-
Impairment for Waste		-	-	-	(64,116)	(58,772)	(58,772)	(2,435)	(2,459)	(2,484)
Impairment for Waste Water		-	-	-	-	-	-	-	-	-
Impairment for other trade receivalbes from exchange transactions		-	-	-	-	9,753	9,753	(67,422)	(70,025)	(81,157)
Total net Trade and other receivables from exchange transactions		53,042	50,984	53,837	8,376	40,554	40,554	33,169	33,260	24,875
-										
Receivables from non-exchange transactions										
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)	(103,609)	(106,837)	(99,048)
Net Property rates		(40,098)	(42,696)	(27,078)	16,570	37,278	37,278	30,501	31,304	43,831
Other receivables from non-exchange transactions		(37,205)	(39,086)	(40,913)	5,675	8,716	8,716	8,541	8,817	9,027
Impairment for other receivalbes from non-exchange transactions		-	-	-	(921)	(2,009)	(2,009)	(2,999)	(3,089)	(3,151)
Net other receivables from non-exchange transactions		(37,205)	(39,086)	(40,913)	4,754	6,706	6,706	5,542	5,728	5,876
Total net Receivables from non-exchange transactions		(77,303)	(81,782)	(67,991)	21,324	43,984	43,984	36,042	37,031	49,707
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)	(1,164)	(1,209)	(1,263)
Adjustments	8	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		666	567	572	535	572	572	(136)	(186)	(248)
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)	(3,955)	(4,279)	(4,324)
Adjustments	8	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		198	240	141	203	657	657	81	67	65
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	38,984	36,920	34,854

KZN291 Mandeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'												
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
R thousand												
Property, plant and equipment (PPE)												
PPE at cost/valuation (excl. finance lease)		671,832	750,361	882,268	864,990	1,089,542	1,089,542	965,132	1,083,037	1,071,502	1,099,021	
Leases recognised as PPE	3	56,256	77,178	74,044	—	—	—	74,044	—	—	—	
Less: Accumulated depreciation		243,300	265,652	287,021	233,600	324,513	324,513	310,286	321,578	336,049	344,450	
Total Property, plant and equipment	2	484,788	561,888	669,291	631,390	765,028	765,028	728,890	761,459	735,453	754,571	
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdrafts)		—	—	—	—	—	—	—	—	—	—	
Current portion of long-term liabilities		5,760	4,762	6,043	—	—	—	5,673	—	—	—	
Total Current liabilities - Borrowing		5,760	4,762	6,043	—	—	—	5,673	—	—	—	
Trade and other payables												
Trade and other payables from exchange transactions	5	28,605	41,741	54,641	23,220	48,056	48,056	26,547	41,868	42,507	44,282	
Other trade payables from exchange transactions		—	—	—	—	—	—	—	—	—	—	
Trade payables from Non-exchange transactions		8,705	25,789	9,028	8,284	5,436	5,436	25,825	2,058	61	62	
Trade payables from Non-exchange transactions		—	—	—	—	—	—	—	—	—	—	
VAT		2,898	1,969	6,698	14,759	21,570	21,570	7,170	21,674	23,054	23,631	
Total Trade and other payables	2	40,208	69,499	70,367	46,263	75,062	75,062	59,542	65,601	65,622	67,975	
Provisions - non-current												
Retirement benefits		17,537	17,730	21,070	22,993	25,770	25,770	21,070	25,770	26,929	27,603	
Refuse landfill site rehabilitation		—	—	—	—	—	—	—	—	—	—	
Other		—	—	—	—	—	—	—	—	—	—	
Total Provisions non-current		17,537	17,730	21,070	22,993	25,770	25,770	21,070	25,770	26,929	27,603	
CHANGES IN NET ASSETS												
Accumulated surplus/(deficit)												
Accumulated surplus/(deficit) - opening		—	—	—	808,780	938,978	938,978	(738,338)	854,968	895,531	917,920	
GRAP adjustments		—	—	—	—	—	—	—	—	—	—	
Restated balance		—	—	—	808,780	938,978	938,978	(738,338)	854,968	895,531	917,920	
Surplus/(Deficit)		71,244	106,413	79,468	43,244	25,588	25,588	101,579	12,266	46,578	48,647	
Transfers to/from Reserves		29,567	29,567	29,567	—	—	—	—	—	—	—	
Depreciation offsets		178,196	243,912	243,912	—	—	—	—	—	—	—	
Other adjustments		7,490	7,598	7,745	—	—	—	—	—	—	—	
Accumulated Surplus/(Deficit)	1	286,498	387,490	360,693	852,024	964,566	964,566	(636,758)	867,234	942,109	966,566	
Reserves												
Housing Development Fund		50,941	50,941	50,941	2,086	2,133	2,133	50,941	2,133	2,229	2,285	
Capital replacement		—	—	—	—	—	—	—	—	—	—	
Self-insurance		—	—	—	—	—	—	—	—	—	—	
Other reserves		(0)	(0)	(0)	—	—	—	(0)	—	—	—	
Revaluation		151,731	151,731	151,731	—	—	—	151,731	—	—	—	
Total Reserves	2	202,672	202,672	202,672	2,086	2,133	2,133	202,672	2,133	2,229	2,285	
TOTAL COMMUNITY WEALTH	2	489,171	590,163	563,365	854,111	966,699	966,699	(434,086)	869,367	944,339	968,851	

Table 53 MBRR Table A10 – Basic Service Delivery Measurement

KZN291 Mandeni - Table A10 Basic service delivery measurement

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
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)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Electricity (< 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
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		963	1,018	1,018	1,094	1,094	1,094	1,094	1,094	1,094
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 (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) (impermissable values per section 17 of MPRA)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		(6,725)	1,599	(34,079)	(13,409)	(13,409)	(13,409)	(13,999)	(14,629)	(14,995)
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)		–	–	–	(944)	(944)	(944)	(986)	(1,030)	(1,056)
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		(6,725)	1,599	(34,079)	(14,354)	(14,354)	(14,354)	(14,985)	(15,659)	(16,051)

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		Number			R thousand	
MABUNE CONSULTING	Yrs	3	A PANEL OF LAND SURVEYORS & TOWN	30 March 2025	Charged per transaction	
VER / CRAWFORD JV	Yrs	3	A PANEL OF LAND SURVEYORS & TOWN	30 March 2025	Charged per transaction	
VELENKOSINI PROFESSIONAL LA	Yrs	3	A PANEL OF LAND SURVEYORS & TOWN	30 March 2025	Charged per transaction	
TSHANI CONSULTING	Yrs	3	A PANEL OF LAND SURVEYORS & TOWN	30 March 2025	Charged per transaction	
ISIBUKO DEVELOPMENT PLANNI	Yrs	3	A PANEL OF LAND SURVEYORS & TOWN	30 March 2025	Charged per transaction	
NEW PLANNING	Yrs	3	A PANEL OF LAND SURVEYORS & TOWN	30 March 2025	Charged per transaction	
CCG TECHNOLOGY GROUP	Yrs	3 YEARS	MSCOA	31 October 2027		12,638
FNB	Yrs	5 YEARS	BANKING SERVICES	30 May 2026	Charged per transaction	
INSIDE DATA	Yrs	3 YEARS	BULK PRINTING AND MAILING	20 February 2025		3,754
UMHLABA GEOMATICS	Yrs	3 YEARS	GENERAL VALUATION & PREPARATION	17 August 2025		1,145
PAY DAY SOFTWARE SYSTEMS	Yrs	3 YEARS	PAY ROLL AND HR SYSTEMS	02 November 2026		1,570
KUNENE MAKPOPO	Yrs	3 YEARS	SHORT - TERM INSURANCE-ASSETS	30 September 2026		4,607
MBD CONSULTING	Yrs	3 YEARS	SOURCING OF SOCIAL AND ECONOMIC	04 August 2027	10 % Charged per transaction	
MAXIMUM PROFIT- MAXPROF	Yrs	3 YEARS	SOURCING OF SOCIAL AND ECONOMIC	04 August 2027	10 % Charged per transaction	
CONLOG (PTY) LIMITED	Yrs	3 YEARS	SMART METRES	29 August 2027	Charged per transaction	
ESKOM		ONGOING	ELECTRICITY SUPPLY	ONGOING	Charge per usage	
MOBILE TELEPHONE NETWORKS	Yrs	3 YEARS	3G MODEM FOR 87 USERS	31 January 2027		803
MICROSOFT IRELAND OPERATIO	Yrs	3 YEARS	MICROSOFT LICENCES	14 November 2024	Based on rand/dollar value	
IKHOKOKA SOLUTIONS (PTY) LT	Yrs	3 YEARS	ICT PANEL OF SERVICE PROVIDERS	19 February 2026		695
KAYOSI TRADING	Yrs	3 YEARS	BULK UNIFORMS & PPE	09 March 2026	Unit cost based	
MIN MAP ENTERPRISES AND SER	Yrs	3 YEARS	BULK UNIFORMS & PPE	09 March 2026	Unit cost based	
UNLIMITED ABC	Yrs	3 YEARS	BULK UNIFORMS & PPE	09 March 2026	Unit cost based	
KONICA MINOLTA T/A BIDVEST	Yrs	3 YEARS	SD-WAN , VPN AND IP TELEPHONY SOL	31 July 2026		3,500
EMALANGENI TECHNOLOGIES	Yrs	3 YEARS	TRAVEL AGENT	09 August 2026		6,962
CITY OF CHOICE TRAVELS	Yrs	3 YEARS	IMPLEMENTATION OF PROJECT MANAG	31 August 2026	Unit cost based	
ADVISORY IT	Yrs	3 YEARS	SUPPLY, INSTALLATION AND MAINTEN	04 October 2026		2,000
EMALANGENI TECHNOLOGIES	Yrs	3 YEARS	LEASING OF PARKHOMES OFFICES	31 October 2026		15,807
MALUTHULI CONSULTING	Yrs	3 YEARS	SUPPORT AND MAINTAIN A CLOUD BAC	31 October 2026	Unit cost based	
BAMBANANI ENTERPRISES	Yrs	3 YEARS	3G MODEM FOR 87 USERS	31 January 2026		2,808
MOBILE TELEPHONE NETWORKS	Yrs	2 YEARS	DEVELOPMENT AND INSTALLATION OF	05 May 2026		803
ADVISORY IT	Yrs	3 YEARS	PANEL TO CONDUCT TRAININGS FOR T	29 May 2027	Transactional Basis	
SONANI TRADING AND COMMUN	Yrs	3 YEARS	PANEL TO CONDUCT TRAININGS FOR T	29 May 2027	Transactional Basis	
AGRIOPERATIONS HUB (PTY) LTD	Yrs	3 YEARS	PANEL TO CONDUCT TRAININGS FOR T	29 May 2027	Transactional Basis	
MORAR INCORPORATED	Yrs	3 YEARS	HYGINE SERVICES	15 July 2027		2,353
BIDVEST STEIGNER	Yrs	3 YEARS	ESTABLISHMENT OF A PANEL OF			
			MAXIMUM OF THREE (3) SERVICE			
			PROVIDERS			
			FOR THE ADVERTISING SERVICES FOR			
			A PERIOD OF THREE (3) YEARS			
MALUTHULI CONSULTING	Yrs	3 YEARS	ESTABLISHMENT OF A PANEL OF	06 January 2028	Transactional Basis	
			MAXIMUM OF THREE (3) SERVICE			
			PROVIDERS			
			FOR THE ADVERTISING SERVICES FOR			
			A PERIOD OF THREE (3) YEARS			
AYANDA MBANGA		3 YEARS		06 January 2028	Transactional Basis	
DOLPHIN COAST LANDREFILL M	Yrs	2 YEARS	MUNICIPAL DUMPING SITE	31 December 2026	Transactional basis	
NUOMISA BOERDERY	Yrs	3 YEARS	ANIMAL POUND SERVICES	20 September 2025		1,575
EZAMALUNGA TRADING	Yrs	3 YEARS	PROVISION OF SECURITY SERVICES	31 December 2025		27,869
SNOBHO (PTY) LTD	Yrs	3 YEARS	SUPPLY AND DELIVER BLACK & YELLOW	28 February 2026		6,955
AMANGEMA FUNERALS	Yrs	3 YEARS	PROVISION OF INDIGENT AND PAUPER	05 January 2028	Transactional basis	
ISULETHU FUNERAL SERVICE	Yrs	3 YEARS	PROVISION OF INDIGENT AND PAUPER	05 January 2028	Transactional basis	
MALUME MOTORING SCHOOL	Yrs	3	YOUTH DRIVER'S LICENCE COURSE	03 April 2027		1,166
BONAKUDE	Yrs	3	PSP TO PROVIDE INTERNAL AUDIT AND	31 March 2025	Transactional basis	
THELLULWAZI BUSINESS	Yrs	3	PSP TO PROVIDE INTERNAL AUDIT AND	31 March 2025	Transactional basis	
ISIGU ACCOUNTANTS AND AUDI	Yrs	3	PSP TO PROVIDE INTERNAL AUDIT AND	31 March 2025	Transactional basis	
INTERGRITY FORENSIC Solutio	Yrs	3	PSP TO PROVIDE INTERNAL AUDIT AND	31 March 2025	Transactional basis	
KAIZEN INTERNATIONAL	Yrs	3	PSP TO PROVIDE INTERNAL AUDIT AND	31 March 2025	Transactional basis	
PHUMLANI NGUBANE	Yrs	3	ESTABLISHMENT OF A PANEL OF MINIM	25 July 2025	Transactional basis	
TEMBE KHEWSA NXUMALO INC	Yrs	3	ESTABLISHMENT OF A PANEL OF MINIM	25 July 2025	Transactional basis	
MHLANGA INCORPORATED	Yrs	3	ESTABLISHMENT OF A PANEL OF MINIM	25 July 2025	Transactional basis	
BHEKISISA GOQO & CO	Yrs	3	ESTABLISHMENT OF A PANEL OF MINIM	25 July 2025	Transactional basis	
MEMELA AND ASSOCIATES	Yrs	3	ESTABLISHMENT OF A PANEL OF MINIM	25 July 2025	Transactional basis	
INNOVATION GOVERNMENT SOF	Yrs	3	IMPLEMENTATION OF PMS AUTOMATED	31 August 2026		3,200
BVI CONSULTING ENGINEERS K2	Yrs	3	PANEL OF CONSULTANTS	25 July 2022	9.5% of the project construction cost	
NZAMAKHUZA HOLDINGS (PTY)	Yrs	3	PANEL OF CONSULTANTS	29 October 2023	10.5% of the project construction cost	
VERITAS ENGINEERING	Yrs	3	PANEL OF CONSULTANTS	25 July 2022	10% of the project construction cost	
SKYV CONSULTING ENGINEERS	Yrs	3	PANEL OF CONSULTANTS	30 September 2024	13.5% of the project construction cost	
MORULA CONSULTING ENGINEE	Yrs	3	PANEL OF CONSULTANTS	30 September 2024	10% of the project construction cost	
UKWAKHA CONSULTING ENGINE	Yrs	3	PANEL OF CONSULTANTS	25 July 2022	11% of the project construction cost	
HI TECH CONSULTING ENGINEER	Yrs	3	PANEL OF CONSULTANTS	26 September 2024	13.5% of the project construction cost	
AFICOST JBFF PROJECT MANAG	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	14% of the project construction cost	
BRIMSTOHN CONSULTING JV	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	12% of the project construction cost	
DLV PROJECT MANAGERS & ENG	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	9.5% of the project construction cost	
ETILWENI (PTY) LTD	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	13.5% of the project construction cost	
IMPUMELELO CONSULTING ENGI	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	10.50% of the project construction cost	
KUKHAYA PROJECTS	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	10.50% of the project construction cost	
LIBEKO (PTY) LTD	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	12% of the project construction cost	
LZM AFRICA HOLDINGS	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	13.50% of the project construction cost	
NGEJA CONSULTING ENGINEERS	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	10.5% of the project construction cost	
SANOQWARE CONSULTANTS	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	11% of the project construction cost	
SINGH GOVENDE & ASSOCIATE	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	11% of the project construction cost	
TKQ CONSULTING ENGINEERS	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	11.5% of the project construction cost	
URBANRU (PTY) LTD	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	11.5% of the project construction cost	
THESHANI TRADING ENTERPRISE	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	13.5% of the project construction cost	
FOLK ENGINEERING CONSULTAN	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	13.5% of the project construction cost	
PSMT CONSULTING ENGINEERS	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	12.5% of the project construction cost	
A-M CONSULTING ENGINEERS (P	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	9.8% of the project construction cost	
IGHINA CONSULTING ENGINEERS	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	14% of the project construction cost	
MINATHI CONSULTING	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	10% of the project construction cost	
ZLM PROJECT ENGINEERING	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	14% of the project construction cost	
MABALENGWE ENGINEERA	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	14% of the project construction cost	
DPNIC CONSULTING	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	14% of the project construction cost	
THESHANI TRADING ENTERPRISE	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	14% of the project construction cost	
GIBB ENGINEERING AND ARCHIT	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	12% of the project construction cost	
PAP AFRICA CONSULTING	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	12.85% of the project construction cost	
SIBAYA ENGINEERS	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	14% of the project construction cost	
SIYAZENZELA CONSULTING	Yrs	3	PANEL OF PSP FOR CONSULTING SERV	30 September 2024	14% of the project construction cost	
DESRAE LOGISTICE	Yrs	3	PSP TO SUPPLY, DELIVER AND INSTALL	09 March 2025	Transactional basis	
BHEKAPHEZULU INVESTMENTS	Yrs	3	PANEL OF TEN (10) SERVICE PROVIDER	07 November 2025	Transactional basis	
EZAMALUNGA TRADING	Yrs	3	PANEL OF TEN (10) SERVICE PROVIDER	07 November 2025	Transactional basis	
ISICHAKA ESINGENAMONA	Yrs	3	PANEL OF TEN (10) SERVICE PROVIDER	07 November 2025	Transactional basis	
MANANDA PROJECTS	Yrs	3	PANEL OF TEN (10) SERVICE PROVIDER	07 November 2025	Transactional basis	
MLCBOVMU PROJECTS	Yrs	3	PANEL OF TEN (10) SERVICE PROVIDER	07 November 2025	Transactional basis	
MYERLASE TRADING	Yrs	3	PANEL OF TEN (10) SERVICE PROVIDER	07 November 2025	Transactional basis	
NEELAN'S AUTO CC	Yrs	3	PANEL OF TEN (10) SERVICE PROVIDER	07 November 2025	Transactional basis	
ROADLOGIC CIVILS (PTY) LTD	Yrs	3	PANEL OF TEN (10) SERVICE PROVIDER	07 November 2025	Transactional basis	
TRAILWAY TRANSPORT	Yrs	3	PANEL OF TEN (10) SERVICE PROVIDER	07 November 2025	Transactional basis	
ZS CIVILS CONSTRUCTION	Yrs	3	PANEL OF TEN (10) SERVICE PROVIDER	07 November 2025	Transactional basis	
AQUA TRANSPORT AND PLANT	Yrs	3	PANEL OF TEN (10) SERVICE PROVIDER	07 November 2025	Transactional basis	
EZAMAKHUBA CONSTRUCTION	Yrs	3	APPOINTMENT FOR A MAXIMUM PANEL	06 February 2026	Transactional basis	
NITHENSI (PTY) LTD	Yrs	3	APPOINTMENT FOR A MAXIMUM PANEL	06 February 2026	Transactional basis	
BIG O TRADING 298 CC	Yrs	3	APPOINTMENT FOR A MAXIMUM PANEL	06 February 2026	Transactional basis	
ZISAYINI TRADING ENTERPRISE	Yrs	3	APPOINTMENT FOR A MAXIMUM PANEL	06 February 2026	Transactional basis	
HUMBLE FRANK MULTI SERVICE	Yrs	3	APPOINTMENT FOR A MAXIMUM PANEL	06 February 2026	Transactional basis	
AMATHOKOZAMAHLA TRADING	Yrs	3	APPOINTMENT FOR A MAXIMUM PANEL	06 February 2026	Transactional basis	
SIKHULA EBUNYENI ENTERPRISE	Yrs	3	APPOINTMENT FOR A MAXIMUM PANEL	06 February 2026	Transactional basis	
BUSANGOKWAKHE (PTY) LTD	Yrs	3	APPOINTMENT FOR A MAXIMUM PANEL	06 February 2026	Transactional basis	
FIREED UP AUTO INDUSTRIAL	Yrs	3	APPOINTMENT FOR A MAXIMUM PANEL	06 February 2026	Transactional basis	
MUSA AND SONS TRADING	Yrs	3	APPOINTMENT FOR A MAXIMUM PANEL	06 February 2026	Transactional basis	
DESRAE LOGISTICE	Yrs	3	PANEL OF 08 SERVICE PROVIDERS TO A	27 July 2027	Transactional basis	
DOLPHIN COAST TOWING	Yrs	3	PANEL OF 08 SERVICE PROVIDERS TO A	27 July 2027	Transactional basis	
NEELAN'S AUTO CO	Yrs	3	PANEL OF 08 SERVICE PROVIDERS TO A	27 July 2027	Transactional basis	
NKOSI AUTOMOTIVE (PTY) LTD	Yrs	3	PANEL OF 08 SERVICE PROVIDERS TO A	27 July 2027	Transactional basis	
POWERSPARES ISITHEBE	Yrs	3	PANEL OF 08 SERVICE PROVIDERS TO A	27 July 2027	Transactional basis	
SAMUEL AUTOMOTIVE	Yrs	3	PANEL OF 08 SERVICE PROVIDERS TO A	27 July 2027	Transactional basis	
SIYAVUKA SUPPLY SERVICES	Yrs	3	PANEL OF 08 SERVICE PROVIDERS TO A	27 July 2027	Transactional basis	
TAURUS HYDRAULICS	Yrs	3	PANEL OF 08 SERVICE PROVIDERS TO A	27 July 2027	Transactional basis	
R BUSISIWE (PTY) LTD	Yrs	3	PANEL OF 03 SERVICE PROVIDERS TO S	15 July 2027	Rate based	
MSEBE CONTRACTING	Yrs	3	PANEL OF 03 SERVICE PROVIDERS TO S	15 July 2027	Rate based	
LAMAZWIDZE PROJECTS	Yrs	3	PANEL OF 03 SERVICE PROVIDERS TO S	15 July 2027	Rate based	
IJUBANE INVESTMENTS	Yrs	3	PANEL OF (5) SERVICE PROVIDERS TO	05 January 2028	Rate based	
ONOMBUTHU (PTY) LTD	Yrs	3	PANEL OF (5) SERVICE PROVIDERS TO	05 January 2028	Rate based	
KB LEVEL CONSTRUCTION	Yrs	3	PANEL OF (5) SERVICE PROVIDERS TO	05 January 2028	Rate based	
WORTHKINGS	Yrs	3	PANEL OF (5) SERVICE PROVIDERS TO	05 January 2028	Rate based	

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 27 March 2025