INTEGRATED DEVELOPMENT PLAN

!KHEIS MUNICIPALITY 2024 - 2025

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Glossary of Acronyms

BBBEE	Broad Based Black Economic Empowerment
CAPEX	Capital Expenditure
CDW	Community Development Worker
CIP	Community Integrated Projects
DORA	Division of Revenue Act
DWA	Department of Water Affairs
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Program
HSP	Human Settlements Plan
IDP	Integrated Development Plan
INEP	Integrated National Energy Plan
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LGTAS	Local Government Turnaround Strategy
MIG	Municipal Infrastructure Grant
MSIG	Municipal Systems Improvement Grant
NDP	National Development Plan
OPEX	Operational Expenditure
PMS	Performance Management System
PSO	Provincial Strategic Objectives
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan
SMME	Small, Micro and Medium Enterprises
WTW	Water Treatment Works
WWTP	Waste Water Treatment Plant
MBRR	Municipal Budget and Reporting Regulations
MSA	Municipal Systems Act
MFMA	Municipal Finance Management Act
CFO	Chief Financial Officer

Vision, Mission and Values

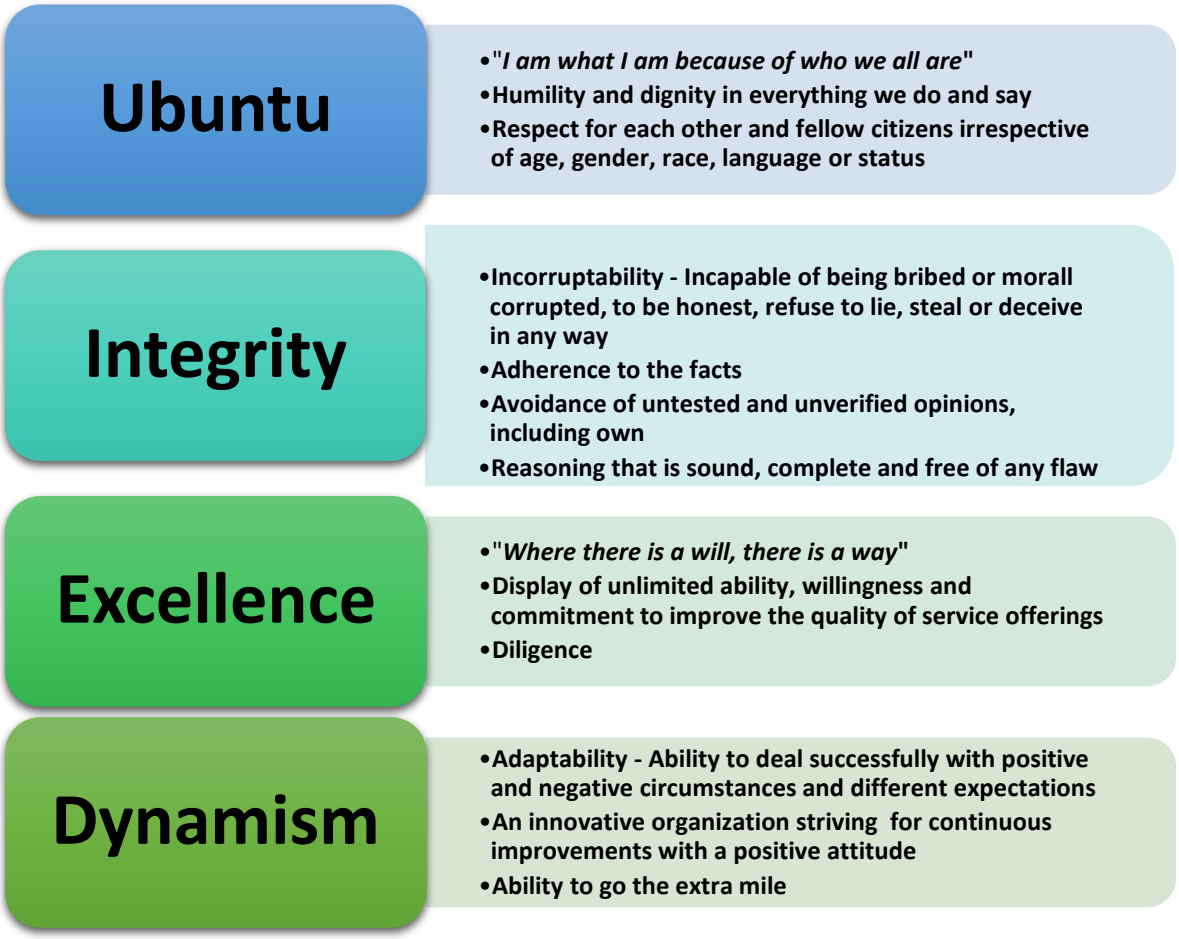
Vision:

A beacon of basic service delivery

Mission:

1. Creation of a conducive working environment
2. Attracting employees with the requisite skills and competencies
3. Effective and efficient management of resources
4. Deliver on identified community priorities
5. Develop reliable infrastructure for service delivery
6. Promote a conducive environment for safety and socio-economic development
7. Promote a transparent and accountable system of governance

Our Shared Values



Executive Summary

Introduction

Integrated Development Planning is a process that has become central to local government in driving processes to ensure delivery to residents of a municipality. Integrated Development Planning has been developed as a consolidated municipal planning process that provides a framework for the planning of future development in a municipality. It ensures horizontal and vertical co-ordination and integration across the three spheres of government: national, provincial and local. The consultation process is therefore critical due to the success of every South African municipality's attempt to bring about responsive, developmental local government and poverty alleviation.

Background

!Kheis Municipality is a Category B Municipality in the ZF Mqcawu District. It is a small municipality in the Northern Cape Province and in South Africa. Despite the small economic and state of financial climate, the municipality thrive to deliver services to the community.

Legislative Mandate

The Municipal Systems Act (MSA) Act 32 0f 2000 requires Council to develop Integrated Development Plans which should be single, inclusive and strategic in nature. The IDP of a municipality will guide development within the council's area of jurisdiction, once adopted; an IDP should also be reviewed annually. In addition, the Act also stipulates the IDP process and the components to be included.

Purpose

The purpose of Integrated Development Planning is to facilitate faster and more appropriate delivery of services and provide a framework for economic and social development in a municipality. Section 34 of the Municipal Systems Act determines that a municipal council must review its integrated development plan annually in accordance with an assessment of its performance measurements and as changing circumstances demand.

Strategic Agenda

The municipality is the major arena of development planning. It is at this level of government where people's needs, priorities, and local conditions have to be linked, with national guidelines and sectorial considerations, to specific projects and programmes. The !Kheis Municipality therefore developed a 5-year strategic plan.

In order to achieve the outcomes and objectives of the Municipality the Municipality is categorized in five strategic (key) performance areas. The strategic framework is based on the following:

Municipal Strategic Objectives

SFA#	Strategic Focus Area / National Key Performance Area	Count	SO#	Strategic Objective	Count	PR#	Priority	Count
SFA1	Basic Service Delivery	17	SO1	To improve and maintain current basic service delivery through specific infrastructural development projects	15	PR01	Water	3
						PR02	Sanitation	2
						PR03	Integrated Human Settlements	
						PR04	Electricity	1
						PR05	Roads and storm water management	
			SO2	To promote a safe and healthy environment through the protection of our natural resources	2	PR06	Environmental Conservation	1
						PR07	Disaster management	2
SFA2	Local Economic Development	6	SO3	To create an enabling environment for social development and economic growth	6	PR08	Decent employment opportunities and job creation	2
						PR09	Youth development	2
						PR10	Rural development	0
						PR11	Opportunities for women and people living with disability	0
						PR12	HIV/AIDS Awareness Programs	0
SFA3	Municipal Financial Viability and Transformation	12	SO4	To grow the revenue base of the municipality	12	PR13	Sound Financial Planning	12
SFA4	Municipal Transformation and Organisational Development	3	SO5	To structure and manage the municipal administration to ensure efficient service delivery	3	PR14	Institutional capacity building	3
SFA5	Good Governance and Public Participation	12	SO6	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	12	PR15	Ward committees System	4
						PR16	Responsive and accountable system of Local Government	12
	Totals	41			41			41

Key Perfomance Objectives

Sustainable growth

Promote sustainable growth patterns which mitigates climate change and which enhances the quality of life of residents through sustainable living practices and which contributes to the local economy.

Sustainable Human Settlements

Promote the establishment of sustainable human settlements in providing housing to residents.

Healthy community

Promote a healthy community with access to health bearing services such as sewage, sanitation, safe streets, lighting

Infrastructure Investment

Promote the development and maintenance of infrastructure that promotes service delivery, growth in jobs and facilitates empowerment and opportunity.

Opportunity driven
Promote the increase in opportunities for growth and jobs, driven by private sector and the public sector, by creating an enabling environment for business and provide demand-led private sector driven support for growth sectors, industries and business.

Compliance
Promote the municipality as a compliant and accountable sphere of local government that is characterized by good governance.

Intergovernmental relations
Promote the management of effective Intergovernmental Relations

Integrated Planning
Promote effective Integrated Development Planning that relates to all spheres of government and civil society.

Participation
Promote the participation of the community in the working of the municipality.

Capacity
Promote capacity development within the municipality area so that effective service delivery can be advanced.

Maintenance
Promote well-maintained municipal infrastructure through operations and management.

Disaster Management
Effective disaster management practices in collaboration with other spheres of government and the District Municipality.

Quality Services
A fully functional department accountable for delivering quality services to local government of physical assets.

Key Perfomance Areas

Key Performance Area 1: Reliable Infrastructure:
The objective of !Kheis Municipality is to provide access to reliable infrastructure that will contribute to a higher quality of life for the greater !Kheis citizens. There is an urgent need for the Municipality to upgrade and maintain its infrastructure. Concerning infrastructural planning, the municipality is in the process of finalizing an Integrated Municipal Infrastructure Plan to deal specifically with its six Water Treatment Works.

Electricity is the main energy source of households within this municipal area. !Kheis electricity infrastructure is outdated and in need of urgent upgrade. There's a need to develop an electricity master plan to provide for future expansion of additional 5 megawatts and to offset its current shortage of 250 amps which have stalled the construction of medium size shopping complex in Sternham. The municipality has applied for INEP to connect additional 800 households over the next three years. The initial connections commenced in September 2019 with a connection of 350 households in Duineveld.

Key Performance Area 2: Service Delivery:

The objective of the municipality is to provide basic services to all its residents and to improve community relationships. The delivery of municipal services in electricity, water, sanitation, refuse, roads and storm water is a key function of the municipality. The Municipality faces significant service delivery challenges, including the roll out of services to rural areas and under serviced households, ensuring adequate maintenance of assets occur, controlling the rising unit costs of service delivery, addressing future bulk supply shortages and ensuring adequate investment in economic infrastructure.

Ward Committees have been established in all four Wards and communities have already expressed themselves on their service delivery needs. The municipality will review the service delivery strategies and service levels and will seek opportunities to service delivery partnerships and the development of a delivery plan and charter for implementation.

Key Performance Area 3: Safe Communities:

The objective of the Municipality is to strive towards a safe community in greater !Kheis through the proactive management of traffic, environmental health, fire and disaster risks. We are in the process of applying for traffic service which is critical to ensure overall law enforcement and road safety within the municipal area. A Traffic Safety and revenue plan will be developed, with the assistance of the Provincial Treasury and Department of Local Government.

Key Performance Area 4: Socio-Economic Development:

The !Kheis' local economy is built on the opportunities created by farming along the wine route and an internationally accredited abattoir in the area. It is however essential that the tourism industry be developed and investment into this industry be promoted to ensure further growth. The Municipality will therefore engage stakeholders and consider allocations for tourism development, Art and Culture promotion and SMME development.

The municipality is in the heart of the solar corridor and further investment will be encouraged to stimulate grow and downstream activities in real estate, retail and financial services to service the migration of new skills and people in the area.

Key Performance Area 5: Effective and Efficient Governance

One of the key factors to the success of a Municipality is to be stable, well-managed and efficient. The municipality will promote efficient and effective governance with high levels of stakeholder participation. The political and administrative leadership of !Kheis municipality will position itself to manage competing demands for limited resources in a fair equitable and efficient manner.

The municipality will draft and update all municipal policies, strategies and operational plans over the next three years. This will be done to ensure that municipal activities, rules and procedures are consistent with all relevant policies, legislations and by-laws.

The Municipality will improve communication of the vision, strategy and plans both internally and externally, to keep staff informed, capacitated and to manage the expectations of the community. In the Agricultural sector, improved processes will be introduced to support inclusive participation in agricultural value-chains and fostering an environment conducive to local and regional private sector investment. Community participation in the structures of local government will be strengthened in all the areas in the Municipality.

Key Performance Area 6: Efficient Workforce

The objective of the municipality is to provide an efficient workforce by aligning institutional arrangements to the overall strategy. The staff component is the biggest single budget item and hence the development, motivation and utilization of staff are a high priority. Institutional transformation is needed in order to bring stability in the council administration, to fill management vacancies, conduct organizational redesign and to compile all job descriptions and job evaluations for all posts. Funding will be sourced in order to appoint a service provider to conduct an organisational review over the first two financial years in order to ensure that the organogram is aligned to the IDP, funded and the correct person is in the correct job, job descriptions are up to date and evaluated.

The municipality will also develop a Human Resource Strategy that will influence the operations of current policies and possibly the compilation of new policies.

The new strategy will also assist the municipality amongst other with the most effective placement of employees. The Municipality aims to maximize employee development by creating development opportunities for the municipality's employees by maximizing existing developmental opportunities. An Individual Performance Management programme for all managers/supervisors up to the third level of reporting will also be implemented. The municipality has developed a Work Place Skills Plan (WSP) of which the main objective is to ensure that there is staff development through training interventions for all levels of staff.

Key Performance Area 7: Financial Sustainability

The objective of the municipality is to strive towards a financially sustainable municipality. !Kheis municipality has a duty to improve financial management across expenditure, revenue, assets, supply chain, debt and financial reporting streams to determine the most effective way of solving its financial problems. Due to the challenges the unicipality has been and is still experiencing, we have made a submission for Financial Recovery Programme to National Treasury which has been supported by Provincial Treasury after the Mid-Term assessment process.The Municipality will review the budget and expenditure management systems to ensure that efficient and effective service delivery is in line with municipal wide priorities.

The revenue management systems will be reviewed in order to maximise revenue generation possibilities and improve revenue performance. The Municipality will introduce measures to enhance levels of customer care, increase responsiveness to consumer billing and other queries. The municipality will review cash and debt management strategies and practices. The Municipality will review internal controls and delegations regarding financial management. Funding needs to be sourced in order to develop and integrated infrastructure and asset management plan.

This will entail the review and updating of the Asset Register. The Municipality will review governance practices in the Supply Chain practices and implement proper controls and risk management practices. The Municipality will initiate a process towards the review of IT infrastructure and implement accounting in order to ensure that financial systems are in line with the Municipal Budget and Reporting Reforms.

Overview IDP Cycle

This Final annual review makes provision for project and programmes that has to be implemented from the 1st of July 2023 until 30th June 2024. Projects will be fully

implemented by the end of this financial year because implementation is still on track and the municipality will be able to spend the budget approved by council.

Spatial and IDP Mapping

The municipal Spatial Development Framework (SDF) is in place and approved and will be used to develop !Kheis municipal area in the long term. Further work will be done on the SDF and will be implemented with the approved SDF. The IDP Project Spatial maps are included and indicate current and future development of the municipal area.

Disaster Management

The formulation and implementation of a Disaster Management Plan forms part of the Municipality's IDP process. The purpose of this Disaster Management Plan [Disaster Management Act 57 Sect 53[(2)] is to ensure that there is Disaster Management at all times enhancing the Municipality's ability to prevent and to deal with disasters and to avoid development that is considered high risk in terms of the potential for disasters.
This chapter gives an indication on the readiness of the municipality in case of a disastrous event. It also identifies projects and programmes that will be implemented to reduce risks and the mitigation measures that are put in place to enable vulnerable groups to be resilient.

Foreword by the Mayor



The penultimate review of the IDP comes at a time when the current Council inaugurated after the local government election of 2021 took office in November of that fateful year. It comes at a time when we are at the last stretch of our race to deliver on our election promises, a time when the country prepares itself for the next local government election in the year 2021. It also comes at a time when the world, our country South Africa, provinces, district and local municipalities have to the deal with the COVI-19 pandemic the has engulfed the global community.

The Integrated Development Plan (IDP) is a five-year Business Plan of the municipality that gives effect to Section 152 detailing the object of local government as enshrined in the Constitution of South Africa. The Service Delivery and Budget Implementation Plan (SDBIP) is the result of the fourth review of the Fourth Generation IDP that was adopted when the present Council came into Office in November 2021.

When Council took office in 2021, they developed short, medium and long-term goals, which included:

- A program to build qualified, competent and skilled institutional capacity in the administration that will always strive to enhance good governance
- Put systems in place to improve effectiveness and efficiency in all service delivery processes
- Move towards implementing a turnaround strategy plan and Financial Recovery Plan
- Gradually invest in replacement of dated infrastructure and acquisition of new infrastructure to improve service delivery
- Create an enabling environment for business so that we can contribute towards job creation
- Create a caring environment that will foster the social well-being and improved living conditions of our communities

The 4th Generation IDP outlines the strategic objectives, focus areas and development priorities of the municipality. During its planning process which happened largely during the National State of Disaster and lockdown period, Council focused a set of strategic objectives, which will empower it to deliver services in accordance with the Constitutional injunction.

The SDBIP encompasses the strategies and priorities to align the performance indicators to the IDP. Its development, implementation and ultimate reporting by means of the Annual Performance Report is a key governance mechanism in the municipality's quest to move towards a clean audit outcome.

The Strategic Objective (SO) aligned the strategic focus areas with strategic goals of the Province. The revised strategic objectives and priorities for the five- year municipal IDP that will be adopted by Council by the end of May 2024 are:

SO1 To improve and maintain current basic service delivery through specific infrastructural development projects

- PR 01 Water
- PR 02 Sanitation
- PR 03 Integrated Human Settlements
- PR 05 Electricity and energy supply
- PR 08 Roads and stormwater

SO2: To promote a safe and healthy environment through the protection of our natural resources

- PR 06 Environmental Health Services to combat the spread of deseases
- PR 07 Disaster Management to comply with the directives from the District Municipality

SO3: To create an enabling environment for social development and economic growth

- PR 12 Youth development
- PR 13 Opportunities for women and people living with disabilities

SO4: To grow the revenue base of the municipality

- PR 04 Sound Financial Planning

SO5: To structure and manage the municipal administration to ensure efficient service delivery

- PR 09 Institutional capacity building

SO6: To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication

- PR 10 Ward committees System
- PR 11 Responsive and accountable system of Local Government

Cllr. Rolf Christie

Mayor

Foreword by the Municipal Manager

The objects of Local Government as outlined in Section 152 of the Constitution are the pillars and building blocks that underpin our **Strategic objectives and Key Performance Areas** in the pursuit of delivering better servies for all in the municipality. Community participation is an integral element of these objectives.

Our objective in this penultimate period of Council is to provide access to **reliable infrastructure** that will enhance our ability to meet citizen's demands for water and sanitation. Therefore, the bulk of our Municipal Infrastructure grant will be geared towards improving water reticulation and upgrading sanitation infrastructure to improve hygience and bringing dignity to our residents

Electricity is the **main energy source** of households within this municipal area. The Electricity Master Plan will be rolled out in the current financial year. The other phases of the Integrated National Electricity Program (INEP) through our strategic partner ESKOM will continue to connect additional households to the grid.

The objective of the municipality is to **provide basic services** to all its residents and to improve community relationships. The delivery of municipal services in electricity, water, sanitation, refuse, roads and storm water is a key function of the municipality.

The !Kheis **local economy** is built on the opportunities created by farming along the wine route and an internationally accredited abattoir in the area. It is however essential that the tourism industry be developed and investment into this industry be promoted to ensure further growth. The municipality is in the heart of the solar corridor and further investment will be encouraged to stimulate growth and downstream activities in real estate, retail and financial services to service the migration of new skills and people in the area.

One of the key factors to the success of a municipality is to be stable, well-managed and efficient. The municipality will **promote efficient and effective governance** with high levels of stakeholder participation. The political and administrative leadership of !Kheis municipality will position itself to manage competing demands for limited resources in a fair equitable and efficient manner.

We will dedicate this year towards moving to clean governance and have already started our internal audit process to attend to the issues that led to a Disclaimer Audit opinion and are confident that the municipality will make great strides in the next audit to move away from this untenable situation. Our decision to compile the Annual Financial Statements internally and not seek the assistance of consultants has helped a great deal in understanding the control environment in the municipality.

The objective of the municipality is to **provide an efficient workforce** by aligning institutional arrangements to the overall strategy. The staff component is the biggest single budget item and hence the development, motivation and utilization of staff are a high priority. The municipality will also develop a Human Resource Strategy that will influence the operations of current policies and possibly the compilation of new policies.

The objective of the municipality is to strive towards a **financially sustainable municipality**. !Kheis municipality has a duty to improve financial management across expenditure, revenue, assets, supply chain, debt and financial reporting streams to determine the most

effective way of solving its financial problems. Revenue Collection has been severely impacted for the three months leadind to the end of financial year and we project it will continue as long as the economy is on lockdown and well after that when the economy is in recovery. The municipality is seriously considerin approaching government to consider the issue Voluntary Severance Packages in accordance with Section 189 of the Labour Relaions Act to drastically reduce its salary bill which currently stands at approximately 48% of Operational Expenditure (OPEX)

We are resolute and deliberate in our endevour to invite possible donor funders, investors in real estate, tourism products and green energy to look at !Khies as an emerging market with a unique selling proposition and potential for high returns on investment. The fact that the Municipality was given the name !Kheis (**A place to live)** is indeed an acknowledgment to the native people who first migrated to this area, and has now become our Brand Promise for anyone who wants to live, work, invest and do business here.

Acting Municipal Manager
Mr. M.P Dichaba

PART A:

Chapter 1:

- 1.1 Introduction: Strategic Planning
- 1.2 Legislative Framework
- 1.3 IDP Processes
- 1.4 !Kheis Municipal KPA's
- 1.5 Public Participation Sessions
- 1.6 Public Needs Analysis

Chapter 1
Introduction: Strategic Planning

1.1 Integrated Development Planning

This document represent the 5th review of !Khies Municipality Integrated Development Plan (IDP) for the current planning and implementation time-frame, being the budgetary periods. The second review of the IDP must be read together comprehensive with the five-year IDP and the set of municipal wide sector plans.

The plan will look at economic and social development for the area as a whole. It must set a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected. Integrated Development Planning is the strategic tool of a local municipality, designed to bring together and to harmonize individual plans of the municipality's departments. The plan guides all future development of the municipality by setting priorities, allocating resources and defining periods and indicators.

The IDP is a Corporate Plan of 5 years that is directly linked to the council's elected term of office. After every local government election, the new Council has to prepare its IDP in terms of the strategic planning and development cycle. The IDP should be based on long-term spatial, infrastructure and finance plans. The standards of service delivery, financial

planning and reporting will therefore be monitored through an effective performance management system.

Municipalities are encouraged and supported by both national and provincial government to develop realistic and credible IDP's that not only comply with relevant legislation but –

- owned by local leadership, municipal management and community as the single strategic plan to direct resources within the municipality;
- driven by the management team and systems within the municipality with implementation regularly monitored during the year through the performance management system;
- contain a long-term development strategy guiding investment across the municipal area;
- provide an investment plan for national, provincial and local government and nongovernmental stakeholders to enhance and enable joint planning and resource alignment to improve service delivery to all stakeholders; and
- include local area plans to localise the strategy and implementation of the IDP.

This schematic diagram is to inform and guide how the strategic cycle for the five-year term (2022 - 2026) will be implemented through revision of the IDP annually:

This IDP guides all future developments of the municipality by setting priorities, allocating resources and defining periods and indicators. In preparing the IDP the municipality has set out to develop an IDP which aims to foster more effective service delivery by providing the framework for economic and social development in terms of the municipal mandate. In doing so, it contributes toward the notion of a developmental local government that fosters a culture of co-operative governance. !Kheis Municipality strives to continue to develop the IDP as an effective management tool of which the aim is:

- Creating a greater level of focus and thereby improving on the strategic nature of the document;
- Aligning this strategic document with the realities of financial and human resources;
- Alignment of the IDP with the activities of the sector departments
- Alignment of the IDP with the various sector plans

1.2 IDP Legislative Framework

The mandate of the municipality is provided for in section 152 of the Constitution of South Africa that stipulates the objectives for developmental local government, namely:

- to provide democratic and accountable government for local communities;

- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in matters of local government.

Although the implementation of the IDP is monitored through the performance management system, an annual process is required to check the relevance of the strategic plan within a dynamic environment.

The IDP is given legal status by the following primary and secondary legislation and regulations:

- The Municipal Systems Act 32 of 2000 (referred to as MSA)
- The Municipal Finance Management Act No. 56 of 2003 (referred to as MFMA)
- Municipal Planning and Performance Management Regulations, 2001: Department of Provincial & Local Government

The Municipal Systems Act 32 of 2000, requires that all Municipalities must prepare and adopt an Integrated Development Plan (IDP) and must subject it to an annual review. In terms of Chapter 5, Section 25, all Municipalities must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the Municipality. Section 34 of the same chapter requires a Municipality to review the IDP annually and, where necessary, to amend the plan in accordance with a prescribed process.

In addition to the requirement for every Municipality to compile such an Integrated Development Plan, the Municipality is also required to monitor and evaluate its performance. Section 34 of the MSA deals with the review and amendment of the IDP:

A Municipal Council must review its Integrated Development Plan annually in accordance with an assessment of its performance measurements in terms of Section 41; and to the extent that changing circumstances so demand; and may amend its Integrated Development Plan in accordance with prescribed processes.

The IDP has to be reviewed annually in order to:

- Ensure its relevance as the Municipality's strategic plan;
- Inform other components of the Municipal business process including institutional and

- financial planning and budgeting;
- Inform the cyclical inter-governmental planning and budget cycle.

The Local Government: Municipal Planning and Performance Management Regulations, 2001 states in Chapter 2 that the IDP review and amendment process must adhere to the public participation requirements as outlined in Chapter 4 of the MSA.

Section 16(1) of the MSA requires that a Municipality must develop a culture of Municipal governance that complements formal representative government with a system of anticipatory governance, and must for this purpose encourage, and create conditions for, the local community to participate in the affairs of the Municipality.

Regulation 2(4) of the Local Government Municipal Planning and Performance Management Regulations, 2001 requires that:

- only a member or committee of a municipal council may propose an amendment to the IDP;
- the proposal to amend must be accompanied by a reason and be aligned with the district IDP;
- the amendment is adopted by a decision of the Municipal Council;
- all the members of the council be given reasonable notice;
- the proposed amendment/s be published for public comment for a period of at least 21 days in a manner which enables the public to make representations in this regard; and the applicable district Municipality be consulted.

During 2003 the Municipal Financial Management Act (MFMA) was enacted which specifies a number of time frames for the tabling and adoption of the Municipal Budget and amendments to the IDP. In terms of Section 16 and 17, the Mayor must, at a Council meeting not later than the 31st of March each year, table any draft and proposed amendments to the IDP with the draft budget. In terms of Section 24 of the MFMA, the municipal council must at least 30 days before the start of the budget year consider the approval of the annual budget. Both pieces of legislation (Municipal Systems Act and the Municipal Financial Management Act) emphasize the close relationship between the budget processes.

1.3 IDP Processes

2025/26 IDP AND BUDGET PROCESS TIME-SCHEDULE,
FOR THE APPROVAL OF THE 2024/2025 IDP, BUDGET AND SDBIP FOR 2024 / 2025 FY:
Required in terms of Section 21(1) (b) of the MFMA

		JULY 2023 – JUNE 2024												
Activity	**Responsible Person**	**Jul**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Comments**
Internal Process: Assess the 2024/25 IDP & Budget process to address deficiencies, improvements and ensure integration and alignment of processes for 2023/24 - 2024/2025	IDP Manager & Chief Financial Officer												29	
MFMA S21(1)(b): Draft 2023/24 ***IDP and Budget process time schedule*** outlining the steps and timeframes for compilation of the 2024/25 IDP, 2024/2025 Budget and two outer year's Budget and SDBIP	IDP Manager & Chief Financial Officer	17												
Internal Process: Municipal Strategic Session to deliberate on (a) the 20/ 30 year Spatial Development Plan (SDP) and (b) high level strategic issues to redefine Council's short term Strategic Agenda to implement SDP.	Municipal Manager Directors Executive Mayor EXCO Members													

		24/25												
Activity	**Responsible Person**	**Jul**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Comments**
Internal Process: Attend District IDP Managers Forum Meeting-Discuss outcomes of IDP and Budget Assessments, Challenges and District Interventions into IDP and budget planning for the review process.	IDP Manager	26												
MSA: Ward Committee Meetings to review the prioritisation of community needs in approved IDP and discuss the process for developing Neighbourhood Plans: Communicate final approved 24/25 Budget, Tariffs and IDP to Ward Committees.	Speaker	24												
MSA S21: Consider MEC comments and recommendations on assessment of initial IDP Document and IDP processes followed.	Municipal Manager Directors IDP Manager	31												
MFMA S53(1)(c)(iii): Signing of 2024/25 performance contracts for Section 57 Managers and Submission to the Mayoral Committee Signing of lower levels staff performance agreements.	Municipal Manager	31												

Activity	Responsible Person	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments
Internal Process: Prepare and finalise Departmental Plans	Municipal Manager Directors	31												
MSA and MFMA: Final Section 57 Managers 2024/25 Performance Assessments Final Performance Assessments of lower level staff	Municipal Manager Executive Mayor	31												
Internal Process: Finalise logistic processes in respect of each of the IDP and budget meetings and table a business plan to Management in this regard.	IDP Manager	31												
MSA CH 5: Convene IDP and Budget Steering Committee Meeting. (Dry Run) Final Discussion of Public Participation Meeting Processes.	IDP Manager		15											
Internal Process: Operational Budget: Salary/Wages schedules to Directors for scrutiny & Corrections	CFO Directors		21											
MSA Ch5 S29: IDP Public Participation Meetings. Communicate Capital Projects per	IDP Manager Directors Speaker													

Ward on 24/25 budget, Reconfirm / review service delivery/development priorities.	Ward Councillors Mayor		20 - 24											

Activity	Responsible Person	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments
MSA Ch5 S24: Consult Sector Departments to establish programme/Projects for 5 years – Inter-governmental engagements on IDP and Budget	IDP Manager CFO		27 - 31											
MFMA S28, MBRR S23: Adjustment of Budget Rollovers; changes on SDBIP and KPI'S as per Adjustment Budget	CFO Director Corporate Services		28											
MFMA S21(1)(b): Tabling of and briefing Council on the Draft 2025/26 IDP/Budget Process Plan for approval, including time schedules for IDP/Budget Public participation meetings.	IDP Manager Chief Financial Officer		29											
MSA and MFMA: Advertise the budget process and dates of IDP/Budget Public meetings on Municipal Website,	IDP Manager Municipal Manager													

Municipal Newsletter and Local Newspapers				14										
Internal Process: Attend District IDP Managers Forum Meeting. Develop uniform guidelines for IDP/Budget review.	IDP Manager Municipal Manager			21										
MFMA S28 (7): Forward adjustment budget (hard and electronic copies) to National Treasury and Provincial Treasury after approval.	CFO			14										
Internal Process: Review of Municipal Strategic Plan Workshop with Council: Review Municipal KPA and Strategic Objectives	Municipal Manager Directors Council			21										

Activity	Responsible Person	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments
Internal Process: Operational Budget: Salary/Wages schedules with corrections and recommendations to be returned to Finance Department	Directors CFO			28										

Internal Process: Attend Quarterly Provincial IDP Manager Forum Meeting in preparation for IDP Indaba	IDP Manager			28									
Internal Process: Two Day Neighbourhood Development Session with Wards to prepare Draft Neighbourhood Development Plans	IDP Manager				1 & 2								
Internal Process: Directorates to be provided with the previous financial year 5 year Capital Plan in order to be able to indicate any changes that need to be made and identify any new projects that needs to be added for the compilation of the Draft Capital Budget	CFO Directors				5								
MSA: Ward Committee Meetings: Discuss, scrutinise community needs as outcome of IDP/ Budget public engagement sessions to IDP forum. (IDP forum consolidate requests from all wards where after projects prioritized in line	IDP Manager												

with available funding over five year period) Escalate community needs relating national/ provincial mandates to relevant organ(s) of state.					8 - 19								
Internal Process: Review and costing of municipal rates and tariffs. Preparation of tariffs and bulk resource (water (Water Board), electricity (NERSA), etc.) engagement documentation. Directors to be provided with the previous year's operating expenditure / income actual and current year projections to be used as a base for new Operating Budget. (CFO will further submit budget guidelines to Budget Steering Committee for approval. Guidelines to include deadline dates by which Directorates have to meet as well as submission of requests per line item with a zero based budget)	CFO Directors Budget Steering Committe e				17								

Activity	Responsible Person	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments
Internal Process: Attend District Stakeholders Engagement Session to inform Sector Departments and Stakeholders of IDP/Budget needs analysis.	IDP Manager				16									
Internal Process: Table Revised Strategic Plan in Council for approval	Municipal Manager				31									
Internal Process: Review Municipal Spatial Development Framework	Director Planning and Development				30									

Activity	Responsible Person	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
MFMA S52(d): Submit Quarterly Report (July 2023 – September 2024) on implementation of budget and financial state of affairs to Council	Mayor / CFO				30								
MFMA S28: Engagements with Provincial Government regarding any adjustments to projected allocations for next 3 years in terms of the MTREF	CFO Directors				30								
MSA: Updating and review of strategic elements of IDP in light of the focus of Council	IDP Manager				30								

Internal Process: Operational Budget: Income / Expenditure inputs and statistics to be returned to Budget Office	Directors/CFO					16									

Activity	Responsible Person	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments
MSA: Directors Identify/Create Projects as outcome of the prioritisation of development needs during IDP public engagements sessions within projected budget allocations.	CFO Directors					5 - 23								
MSA: Convene IDP/ Budget Steering Committee Meeting: Identify projects per Ward with Budget Allocations; prioritise implementation and integration where possible.	IDP Manager IDP Steering Committee					23								
MSA & MFMA: Review Municipal Strategies, objectives, KPA's, KPI's and targets. - Identification of priority IDP KPI's incorporate in IDP and link to budget	IDP Steering Committee CFO					23								

Internal Process: Capital Budget: Inputs from the different Directorates to be returned to the Budget Office	Directors/CFO					26								
Internal Process: Executive management articulates outcomes, objectives, priorities and outputs desired for next three years and submit capital budget project proposals for draft IDP Review document to Budget Office	Budget Steering Committee Executive Management					30								
Internal Process: Based on financial statements of 2023/24 determine municipality's financial position & assess its financial capacity & available funding for next three years	CFO					30								
Internal Process: Finalise Salary Budget for 2024/25	CFO					30								

Activity	Responsible Person	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments
Internal Process: Finalise preliminary projections on operating revenue and expenditure budget for 2024/25	CFO						10							
MSA: Convene IDP Representative Forum Meeting to give	Municipal Manager IDP Manager													

feedback and discuss outcome of Budget steering committee meeting	CFO						13							
MFMA & MSA: *Workshop 1:* draft IDP, Budget and proposed tariffs and SDBIP with Council. Provide progress update to council against IDP/Budget process schedule and obtain approval for any adjustments to process.	Mayor Municipal Manager IDP Manager CFO					30	01							
Internal Process: Finalise expenditure on operational budget for the budget year and two outer years.	CFO						21							
MSA: Conclusion of Sector Plans and integration into the IDP document.	IDP Manager						21							
MSA: Finalise departmental Plans and link to IDP	IDP Manager Directors						21							
Actvity	**Responsible Person**	**Jul**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Comments**
MFMA S127(2): Tabling of 2023/24 Annual Report to Council	Municipal Manager							31						
MSA S29: Convening Budget Steering Committee Meeting for the purpose to discuss and	Budget Steering Committee													

prioritise draft Capital projects for the next three years								31					
Internal Process: Final review of municipal strategies, objectives, KPA's, KPI's and targets	IDP Manager IDP Steering Committee							31					
MBRR 7: Review all budget related policies	CFO							2 - 31					
MBRR 21: Adjustment Budget: Finalise Capital and Operational budget projections for 2024/25	CFO							31					
MFMA S(127)(5)(b): Submit Annual Report to Auditor General, Provincial Treasury and COGTA	Municipal Manager								8				
Internal Process: Directors Identify projects and forward local Budget Needs priorities to ZFM DM. Project alignment between ZFM DM and !Kheis Local Municipality	Internal Process								4 - 15				
Internal Process: Ward Committee Meetings: Discuss and brief Ward Committees on Council's revised strategic plan, Strategic Objectives and envisaged deliverables.	IDP Manager												

										5 - 29				
Actvity	**Responsible Person**	**Jul**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Comments**
MFMA s20: Review tariffs and charges and determine affordable tariffs and finalise income budget.	CFO								22					
Internal Process: Attend Provincial IDP INDABA Incorporate Sector Departments Projects in Draft IDP.	IDP Manager Directors								22					
MFMA21(2)(c) : Municipalities receive inputs from National and Provincial Government and other bodies on factors influencing the budget, e.g. Grant Allocations	Municipal Manager CFO								18 - 26					
Internal Process: Attend District IDP Managers Forum Meeting to discuss the alignment of IDP Strategic Development Goals with ZFM DM. Draft IDP Presentations.	IDP Manager								28					
MBRR S4: Present Draft IDP and Budget to Steering Committees for quality check	IDP and Budget Steering Committees								28					

Internal Process: Submit first draft IDP to ZFM DM for Horizontal Project alignment between the ZFM DM and !Kheis Local Municipality	IDP Manager								28					
MBRR S23: Table Adjustment Budget to Council for approval	Municipal Manager								28					
MFMA 28: Amend IDP, SDBIP, KPI's and performance agreements into adjustment budget.	Municipal Manager Directors								28					
Actvity	**Responsible Person**	**Jul**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Comments**
MBRR 4: Present Draft IDP and Budget to Steering Committees for quality Check (Including recommendations / adjustments made at meetings of 28 February 2024)	IDP and Budget Steering Committees								28					
Internal Process: *Workshop 2:* draft IDP, Budget and proposed tariffs and SDBIP with Council. Provide progress update to council against IDP/Budget process schedule and obtain approval for any adjustments to process.	IDP Manager CFO								28					
MBRR 24: Forward Adjustment Budget (hard and electronic copies)	CFO													

to National and Provincial Treasury after approval										15				
MBRR 24: Publication of approved Adjustment Budget after approval per MSA and on municipal website	CFO									15				
Internal Process: Municipal Manager presents fin Municipal Manager al draft IDP, Budget, SDBIP and Budget related policies to the Mayor for perusal and tabling to Council	Municipal Manager									21				
Internal Process: Municipal Manager submit draft IDP, Budget, and Related Policies to Director Corporate Services for inclusion in Council Meeting Agenda	Municipal Manager									21				
MFMA S16: Table ***(and briefing of council)*** draft IDP, Budget, SDBIP and Related policies and proposed schedule of Ward Committee Meetings for IDP & Budget Feedback/Consultation Process to Council (Principal Approval)	Municipal Manager									29				
Actvity	**Responsible Person**	**Jul**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Comments**

MFMA: Training workshop for councillors to equip councillors for Public participation meetings. Briefing of councillors on logistical arrangements for public participation meetings.	Municipal Manager And Sec 57 Managers, etc.									29			
MFMA S129(1): Council to Consider and adopt an oversight report on 2023/24 Annual Report	Municipal Manager									29			
MBRR S15 / MFMA S22: Advertise & Inviting public comments on Draft Budget, Proposed Tariffs, and IDP Place copies of Draft Budget and IDP at all municipal buildings.	Director Corporate Services CFO										2 - 18		
MFMA S22(b): Forward Copy of preliminary approved Budget ,IDP, SDBIP & related documents (hard and electronic copies) to National & Provincial Treasury – 10 working days after tabling	CFO, IDP Manager										12		
Internal Process: Attend District IDP Managers Forum- Present Draft IDP for input.	IDP Manager										18		
MBRR S15 / MFMA: S23Public Consultation Meetings: Feedback / Consultation on preliminary approved IDP & Budget (Details as per Annexure A)	Municipal Manager Directors										2 - 18		

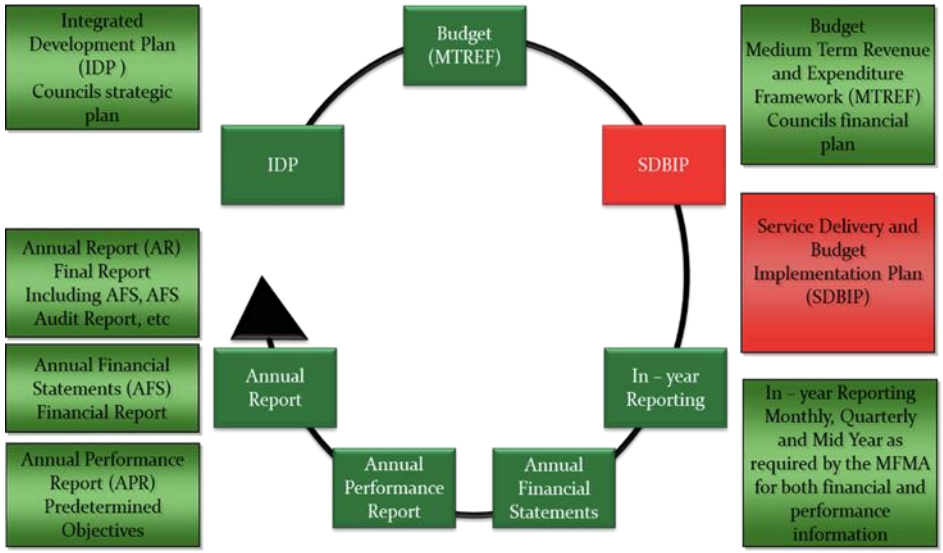
MFMA CH 5: Engagement with the Provincial Treasury on draft budget benchmark	Municipal Manager										25			

Actvity	Responsible Person	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments
MBRR S16(1)(a): CFO and Director Corporate Service analyse public and Ward Committee comments and inputs on Draft IDP and Budget and prepare recommendations for Council's perusal	CFO Director Corporate Services										30			
MFMA s52(d): Submit Quarterly Report (Jan 2024 – Mar 2025) on implementation of budget and financial state of affairs to Council	Executive Mayor										30			
MBRR 16(1)(a): Council considers public and Government Departments' comments and inputs and revised IDP, Budget and SDBIP if necessary.	Municipal Manager											2 - 9		
MBRR 4: Present Final IDP, Budget and final draft SDBIP to Steering Committees for quality Check (Including recommendations	IDP and Budget Steering Committees											17		

made by all stakeholders and Council)														
MFMA S24(1): Table final IDP, budget & related documents to Council for approval	Municipal Manager											31		
MBRR S18: Inform local community on approved IDP and Budget Detail – Place Newspaper Article and Copies at Libraries	Municpal Manager												12	
MFMA S24(3): Send copy of approved Budget, IDP, & related documents (incl. final draft SDBIP) to National and Provincial Governments and other stakeholders Ensure Signed Quality Certificate as per S5 of MBRR is also attached.	CFO IDP Manager												12	
Actvity	**Responsible Person**	**Jul**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Comments**
MFMA S75(1)(a): Publication of Approved Budget and IDP within 10 workings days on Municipal Website	CFO IDP Manager												14	

MFMA S69(3)(a): Submit draft SDBIP to Mayor within 14 days after approval of budget	Municipal Manager												20	
MFMA S(53)(1)(c)(ii): Mayor approves the municipality's SDBIP within 28 days after the approval of the budget and submit hard and electronic copy to NT and PT	Executive Mayor												28	
Internal; Process: Place approved IDP, budget, SDBIP and related documents on CD for all councillors and distribute.	IDP Manager												28	

Planning, Implementation & Reporting Cycle



1.4 !Kheis Municipality's Key Performance Areas (KPA's)

Taking cognisance of the political, national, provincial and district policies and plans, the following KPA's were identified for !Kheis and adopted by Council:

- **KPA 1**: Basic Service Delivery
- **KPA 2**: Local Economic Development
- **KPA 3**: Municipal Financial Viability and Transformation
- **KPA 4**: Municipal Transformation and Organizational Development
- **KPA 5**: Good Governance and Public Participation

The key performance area (KPA's) above has been translated into the follow strategic and development objectives for !Kheis Municipality:

IDP PRIORITIES

SO1: To improve and maintain current basic service deliver through specific infrastructural projects

PR1 Water
PR2 Sanitation
PR3 Electricity
PR4 Streets and Storm water management
PR5 Human Settlements

SO2: To promote a safe and healthy environment through the protection of our natural resources

PR6 Environmental conservation – refuse removal, parks etc.
PR7 Disaster management

SO3: To create and enabling environment for social development and economic growth
PR8 Facilitate decent opportunities for job creation
PR9 Rural development
PR10 Youth development
PR11 Opportunities for women and people living with disabilities
PR12 HIV/AIDS awareness

SO4: **To grow the revenue base of the municipality**
PR13 Sound financial planning

SO5: To structure and manage the municipal administration to ensure efficient service delivery
PR14 Institutional capacity building

SO6: To encourage community participation in the matters of the municipality
PR15 Ward Committee system
PR16 Responsive and accountable system of local government

The key performance areas (KPA's) above has been translated into the follow strategic and development objectives for !Kheis Municipality:

SFA#	KEY PERFORMANCE AREA (KPA)	SO#	STRATEGIC OBJECTIVE
SFA1	Basic Service Delivery	SO1	To improve and maintain current service through infrastructure development
		SO2	To promote a safe and healthy environment through the protection of natural resources
SFA2	Local Economic Development	SO3	To create an enabling environment for social development and economic growth
SFA3	Municipal Finance Viability and Transformation	SO4	To grow the revenue base of the municipality
SFA4	Municipal Transformation and Organisational Development	SO5	To structure and manage the municipal administration to ensure efficient service delivery
SFA5	Good Governance and Public Participation	SO6	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication

1.5 Public Participation sessions

The process was informed by -community based planning which resulted in prioritising the needs of the community; an analysis of the current status of service delivery and the environment; and various stakeholder engagements. The municipality has clearly demonstrated its effort to promote participative democracy in the developing of its by-laws, planning applications as well as other planning processes The purpose of this initial round of public participation was:

KPA	REQUESTS	WARD
KPA 1: Basic Service Delivery	Problems with high mass lights, community fear for safety as all the lights doesn't work.	All wards
	New residential erven/plots not available	All wards
	All roads must be finished in all towns.	All wards
	Request for halls and community centres focussed on the construction/upgrading of new halls and community centres.	3
	Housing requests include the request for RDP houses and houses in general.	All wards
	Electricity for new extensions in all towns	All wards
	The COGHSTA house's sanitation is a problem as the toilette facilities does not work at all	All wards
	Town be kept clean and neat at all times, to have a better outlook	All wards
	Ensuring proper lighting be placed on the N10 to ensure safety	All wards
	Current and new establishment of sport fields	All wards
	Ensuring all informal settlement areas be equipped with basic services	All wards
	Multi-Purpose Centres in all towns	All wards
	Implementation of Advanced Waste Management Systems that reflect community values around waste minimisation.	All wards
	Recovery, re-use and recycling of waste is maximised. The volume of waste disposed to landfill is minimised. Life spans of landfill sites are extended.	All wards
KPA 2: Local Economic Development	Unemployment is still high in the community	All wards
	Not enough skills development, especially for the youth.	All wards
	Municipality to provide a Training Centre for youth development	All wards
	People to be encouraged to work, hence the high unemployment rate	All wards
	High unemployment in the community (ABET Centre and skills development programs for the youth)	All wards
KPA3: Municipal Financial Viability and Transformation	Re-look the tariffs on the current budget The community to be involved in the drafting of the tariff list	All wards
	Needs to budget for repairs and maintenance of sports facilities, community halls etc.	All wards
	The timeously distribution of printed municipal accounts	All wards

	Old debt to be written off	All wards
KPA4: Municipal Transformation and Organizational Development	ECD Centres in community need it to be reconstructed	All wards
	More attention and improvement be given to the Tourism Sector	All wards
	The construction of a mobile Police station as crime is a problem in the area	All wards
	Law enforcement be strengthen in all towns. Poor safety measures at schools.	All wards
	New Medical centres for Gariep & Opwag Current medical facility in Wegdraai be upgraded, as it is not on standard Current clinic in Boegoeberg need to be finished Health services is poor especially towards the elderly as the clinic is far and there is no patient transport available, no doctor or nurse available after hours and also poor ambulance services.	1,3,4 2 4 3
	Municipality to avail land for the erection and building of pre-school facilities	1,2,4
	Municipality to provide a Training Centre for youth development	1,2,4
	The avail of a plot to build a place for the old people	2
	The eradication of parks in all communities	1,2,3,4
	No fencing for the unused dumping site	3
	The removal of stray animals on the national roads (safety hazard)	1,2,3,4
• **KPA 5**: Good Governance and Public Participation	The ward councilor to engage with the community regularly	4
	Council to interact with the communities regularly for feedback	1,2,3,4
	Follow-up meetings to be held regularly: • To discuss the process to be followed for the outer financial years • To consult on the content for the IDP review and what components of the IDP should be reviewed	3

	• Identify the current needs per ward and how the prioritisation will take place	

1.6 Public Needs Analysis (Generic Needs)

- **KPA 1**: Basic Service Delivery
- **KPA 2**: Local Economic Development
- **KPA 3**: Municipal Financial Viability and Transformation
- **KPA 4**: Municipal Transformation and Organizational Development
- **KPA 5**: Good Governance and Public Participation

  Throughout the stakeholder meetings, public hearings and other interactions, various needs were identified and will be clustered below in the form of the Key performance areas. Below are the key issues which were communicated to us at the public meetings, relevant stakeholder meetings per ward:

WARD 1 – WEGDRAAI

COMMUNITY PRIORITY ISSUES

PR NUMBER	PRIORITY ISSUE
PR1	WATER
PR2	ELECTRICITY
PR3	HOUSING
PR4	SANITATION
PR5	REFUSE REMOVAL
PR6	RURAL DEVELOPMENT
PR7	JOB CREATION

WARD 2 – GROOTDRINK

COMMUNITY PRIORITY ISSUES

PR NUMBER	PRIORITY ISSUE
PR1	WATER
PR2	SANITATION
PR3	HOUSING
PR4	ELECTRICITY
PR5	REFUSE REMOVAL
PR6	RURAL DEVELOPMENT
PR7	JOB CREATION

WARD 3 – STERNHAM

COMMUNITY PRIORITY ISSUES

PR NUMBER	PRIORITY ISSUE
PR1	WATER
PR2	SANITATION
PR3	ELECTRICITY
PR4	HOUSING
PR5	ROADS & STORMWATER
PR6	REFUSE REMOVAL
PR7	JOB CREATION
PR8	WOMAN & DISABLED
PR9	HIV AIDS AWARENESS

WARD 4 – BOEGOEBERG / DUINEVELDT

COMMUNITY PRIORITY ISSUES

PR NUMBER	PRIORITY ISSUE
PR1	HOUSING
PR2	WATER
PR3	SANITATION
PR4	ELECTRICITY
PR5	ROADS & STORMWATER
PR6	REFUSE REMOVAL
PR7	YOTH DEVELOPMENT
PR8	WOMAN & DISABLED
PR9	HIV AIDS AWARENESS

WARD 5 – TOPLINE / GARIEP

COMMUNITY PRIORITY ISSUES

PR NUMBER	PRIORITY ISSUE
PR1	WATER
PR2	ELECTRICITY
PR3	HOUSING
PR4	SANITATION
PR5	REFUSE REMOVAL
PR6	JOB CREATION
PR7	YOUTH DEVELOPMENT

WARD 6 – Groblershoop / Opwag

COMMUNITY PRIORITY ISSUES

PR NUMBER	PRIORITY ISSUE
PR1	WATER
PR2	ELECTRICITY
PR3	HOUSING
PR4	SANITATION
PR5	REFUSE REMOVAL
PR6	JOB CREATION
PR7	YOUTH DEVELOPMENT

PART B:
Chapter 2:

- 2.1 Situational Analysis
- 2.2 !Kheis at a Glance

Chapter 2

2.1 Situational Analysis

STRENGTHS	WEAKNESS
1. Stable Council 2. Sound labour relations 3. Sound financial and HR Policies 4. Key personnel with the requisite skills & competencies 5. Effective turnaround time in delivery of services 6. Delivery and distribution of quality drinkable water 7. Active engagement with the community 8.	1. Bloated salary bill – 58% of OPEX 2. Ageing and outdated IT infrastructure(non-compliant to optic fibre) 3. Aged fleet hampering service delivery 4. Revenue collection 5. Non trainable personnel who are extra to requirements 6. Low community participaltion re: Ordinary Council meetings
OPPORTUNITIES	THREATS

STRENGTHS	WEAKNESS
1. Located within the hub of sun harvesting for green energy 2. Availability of land for socio-economic development 3. Ability to totally go offgrid 4. Future investment in green energy 5. Possibility of stimulating economic growth in the energy sector and create downstream job opportunities in construction and retail 6. Gap market township development and rental stock 7. PPPs to develop tourism products	1. Inteference by the political office bearers in the region 2. Blurred roles of responsibility by some Councilors 3. ESKOM 4. Theft and pilferage at our water and sanitation sites 5. Shortage of skills in the jurisdiction of the municipality 6. Non compliance with Treasury guidelines by local SMMEs (CSD et.al)

2.2 !Kheis at a Glance

2.2.1 Historic Background

The !Kheis Municipal Area was initially inhabited by the Khoi-San people, whom also had been the first permanent inhabitants of South Africa. The San, who lived a nomadic life, migrated through the area. The Korannas (Khoi group) arrived in the area during the 18th century. They were widely spread over the "Benede Oranje" area and consisted of various tribes, each with its own captain (leader). The groups who lived in the !Kheis area, was under leadership of Captain Willem Bostander and Klaas Springbok. Many of their descendants still live in the area today. Other Khoi-groups, such as the Griekwas, also migrated through the area and intermarried with the Korannas. Later Coloured stock farmers, as well as white hunters and farmers arrived.

The Koronnas tenaciously protected their territory against English invaders, when the English wanted to shift the Colonial Northern Border up to the Orange River. After several Northern Border wars, the Korannas power was broken and several Koranna leaders i.e. Dawid Diederiks, Jan Kivedo (Cupido), Karel Ruyter (Ruiters), Piet Rooi, Klaas Lukas, Jan Malgas, Thomas Pofadder, were caught between 1870 and 1879 by the English and held captive as political prisoners on Robben Island. (The very first people send to Robben Island as political prisoners, were Khoi people). In 1883 Piet Rooi died as a prisoner on Robben Island.

The actions of the English against the Korannas left them without leaders, which largely led to the fall of the Koranna people. The fact that the Municipality was given the name !Kheis (**A place to live)** is indeed an acknowledgment to the native people who first migrated to this area.

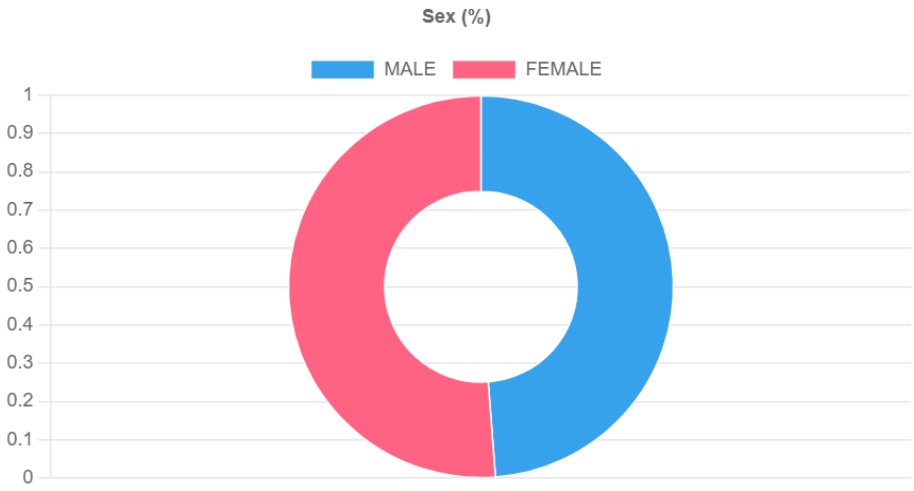
2.2.2 Demographics

Key statistics of !Kheis municipality

Name	Census 2022	Census 2011
Total population	21 954	16 637
Young children (0-14 years)	30,8%	35,0%
Working age population	(15-64 years)	63,5% 60,3%
Elderly (65+ years)	5,7%	4,7%
Dependency ratio	57,5	65,9
Sex ratio	95,4	102,2
No schooling (20+ years)	9,6%	13,5%
Higher education (20+ years)	2,7%	4,4%
Number of households	4 967	4 146
Average household size	4,4	4,0
Formal dwellings	66,3%	66,3%
Flush toilets connected to sewerage	49,9%	48,3%
Weekly refuse disposal service	30,5%	53,3%
Access to piped water in the dwelling	23,6%	16,7%
Electricity for lighting	91,0%	64,0%

Population for Kheis municipality

Sex



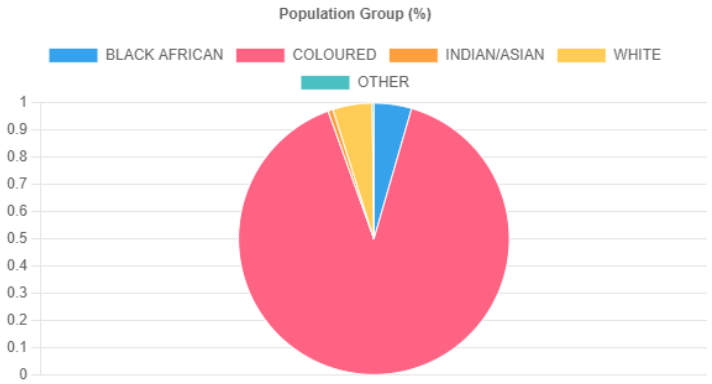
Source: Stats SA Census 2022

Population group of !Kheis municipality

Name	Frequency	%
BLACK AFRICAN	985	4,5%
COLOURED	19 777	90,1%
INDIAN/ASIAN	127	0,6%
WHITE	1 026	4,7%
OTHER	39	0,2%

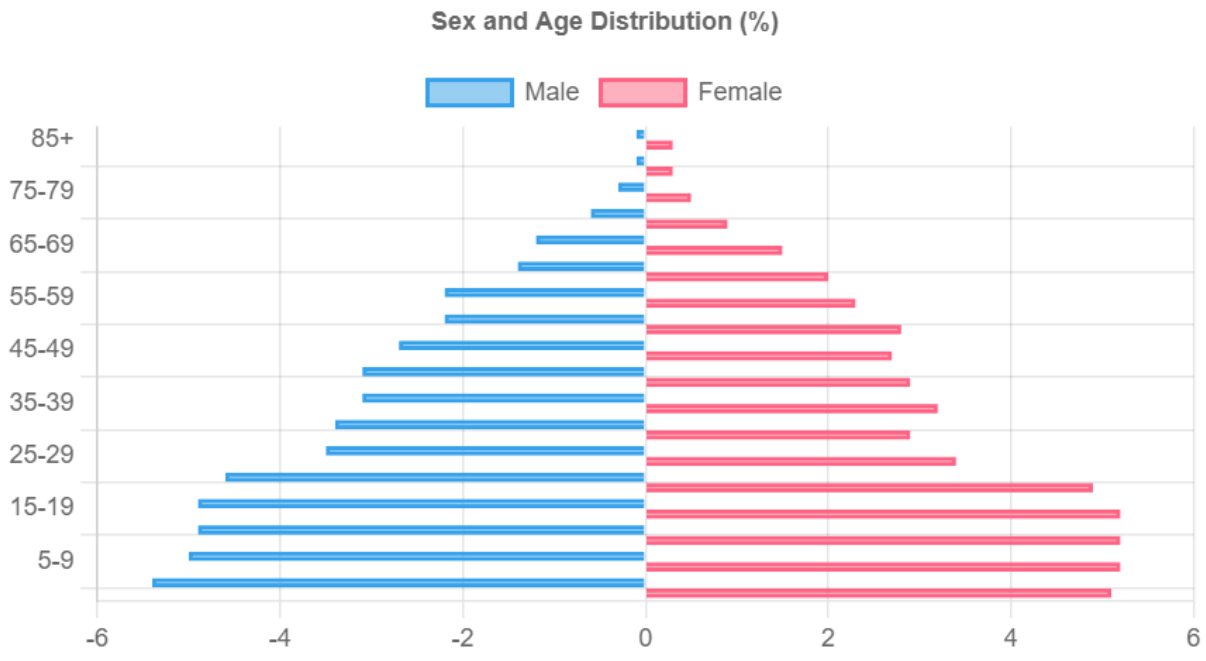
Source: Stats SA Census 2022

Population group in percentage



Source: Stats SA Census 2022

Population by Sex and age distribution for !Kheis municipality



Source: Stats SA Census 2022

Table for Sex and age distribution for !Kheis municipality

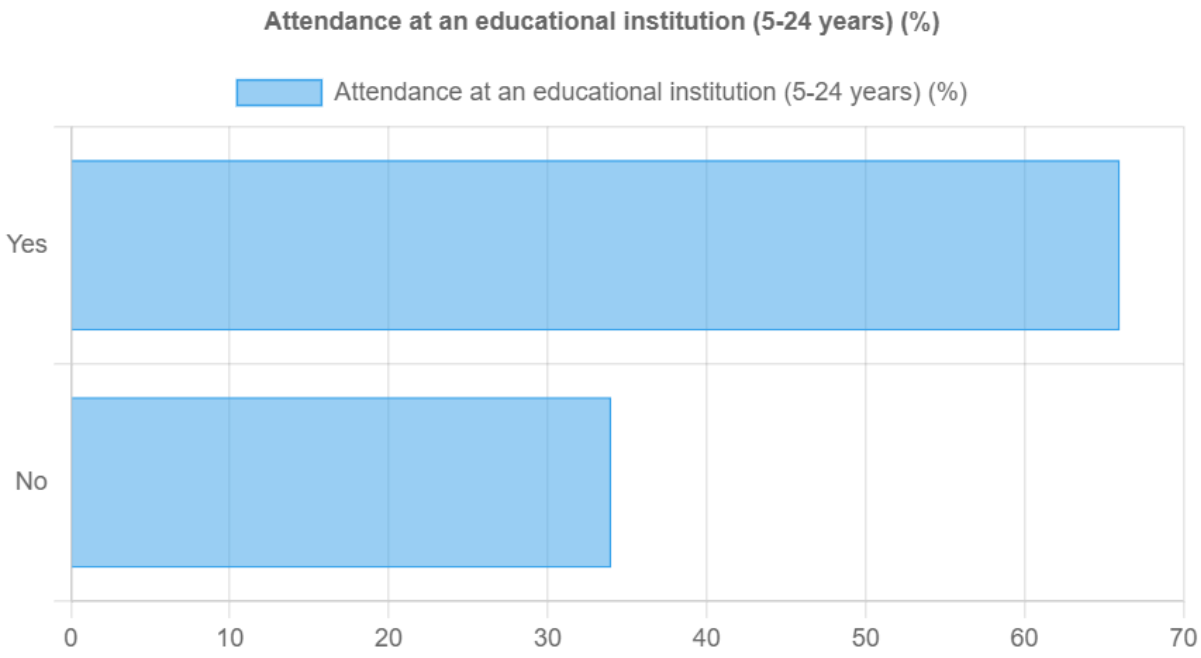
Name	Male	Male (%)	Female	Female (%)
85+	12	0,1%	56	0,3%
80-84	26	0,1%	66	0,3%
75-79	77	0,3%	103	0,5%
70-74	130	0,6%	199	0,9%
65-69	256	1,2%	323	1,5%
60-64	312	1,4%	432	2,0%
55-59	490	2,2%	499	2,3%
50-54	476	2,2%	617	2,8%
45-49	600	2,7%	599	2,7%
40-44	681	3,1%	631	2,9%
35-39	690	3,1%	704	3,2%
30-34	738	3,4%	639	2,9%
25-29	771	3,5%	744	3,4%
20-24	1 020	4,6%	1 083	4,9%

Name	Male	Male (%)	Female	Female (%)
15-19	1 085	4,9%	1 133	5,2%
10-14	1 086	4,9%	1 135	5,2%
5-9	1 090	5,0%	1 143	5,2%
0-4	1 180	5,4%	1 129	5,1%

Source: Stats SA Census 2022

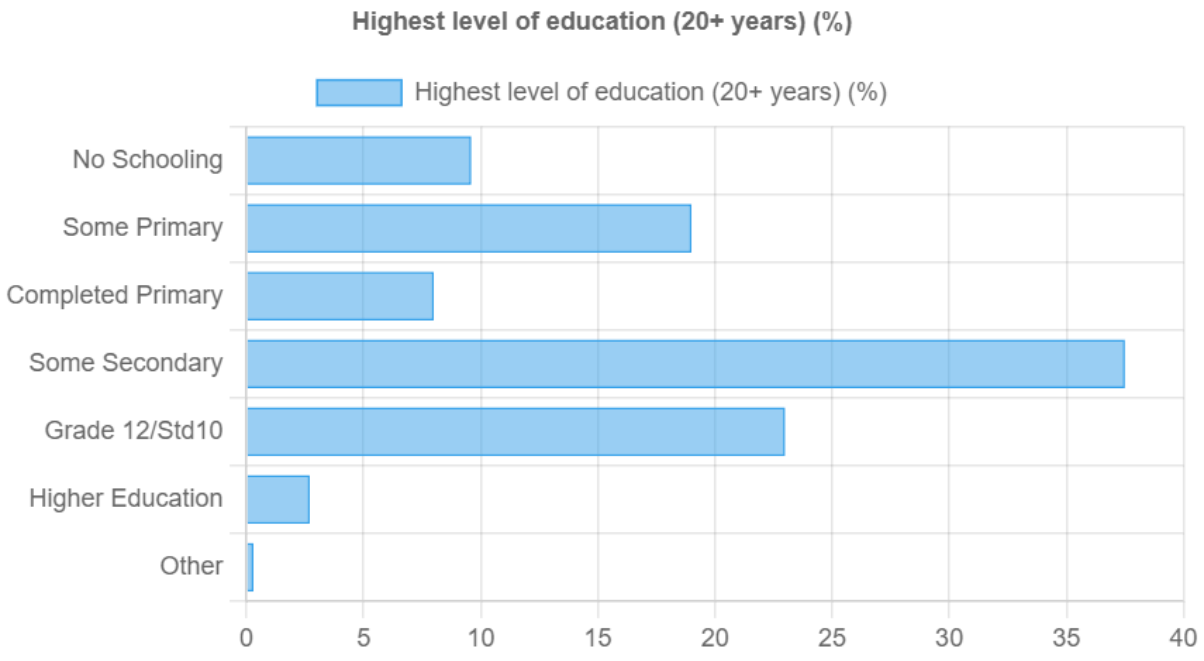
Education for Kheis municipality

Attendance at an educational institution (5-24 years) in percentage



Source: Stats SA Census 2022

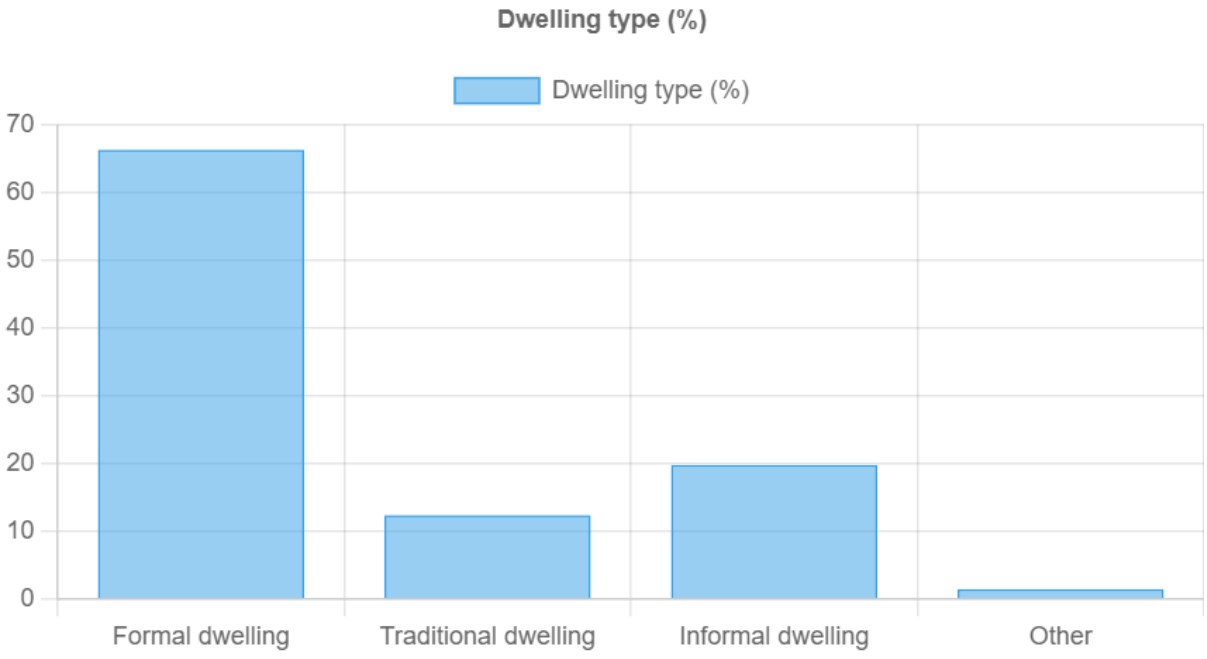
Highest level of education (20+ years) in percentage



Source: Stats SA Census 2022

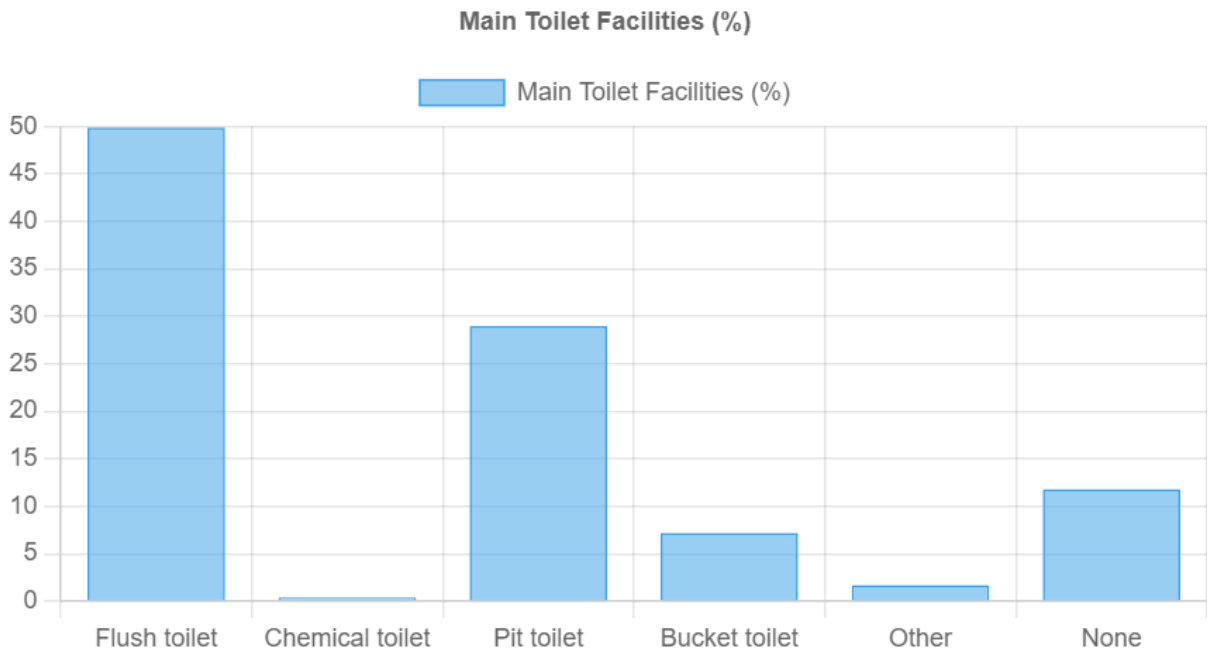
Household living condition for Kheis municipality

Dwelling type



Source: Stats SA Census 2022

Main toilet facilities



Source: Stats SA Census 2022

Table for main toilet facilities

Name	Frequency	%
Flush toilet	2 477	49,9%
Chemical toilet	20	0,4%
Pit toilet	1 441	29,0%
Bucket toilet	359	7,2%
Other	86	1,7%
None	584	11,8%

Source: Stats SA Census 2022

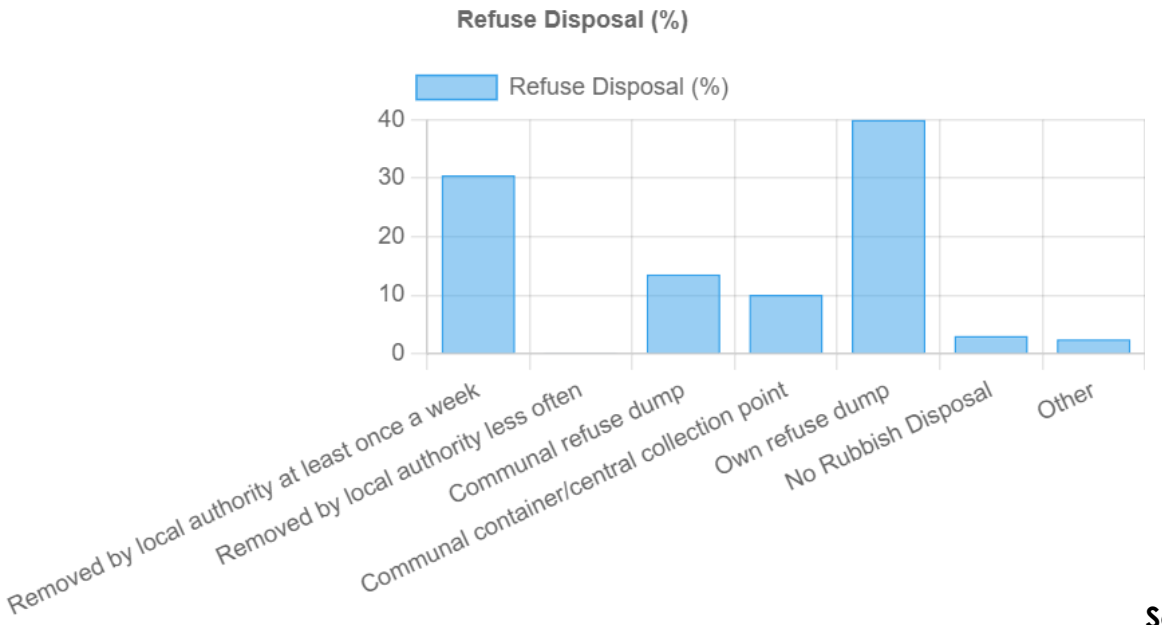
Table for Access to piped water

Name	Frequency	%
Piped (tap) water inside the dwelling	1 171	23,6%

Name	Frequency	%
Piped (tap) water inside the yard	3 230	65,0%
Piped (tap) water on community stand	303	6,1%
No access to piped water	265	5,3%

Source: Stats SA Census 2022

Refuse disposal for !Kheis municipality



Source: Stats SA Census 2022

Table for energy for cooking

Name	Frequency	%
Electricity from mains	3 682	74,1%
Gas	739	14,9%
Paraffin	12	0,2%
Wood	398	8,0%
Coal	4	0,1%
Animal dung	0	0,0%
Solar	8	0,2%

Name	Frequency	%
Other	32	0,6%
None	93	1,9%

Source: Stats SA Census 2022

Table for Energy for lighting

Name	Frequency	%
Electricity from mains	4 520	91,0%
Gas	7	0,1%
Paraffin	8	0,2%
Candles	199	4,0%
Solar	111	2,2%
Other	30	0,6%
None	92	1,8%

Source: Stats SA Census 2022

2.2.3 Local Economic Development (LED)

Regional Development Plan

It is important to note that a regional development plant has the objective to develop a region to its best potential. In short it means that the region contributes to the wealth of the residents, regions and the larger province and country it is situated in. The challenge in achieving these objectives is that one has to start projects along the value chain to improe the Gross Value Add of the region in line with the new District Model envisaged by National Government. The municipality together with strategic partners will continue to identify projects that will meet these criteria. To kick of the process, we identified the following areas that needs to be addressed:

1. Viable products with a known demand in the region or abroad to generate income.

2. Technology to generate or produce the products in question.

3. An implementation strategy that will maximise local participation.

4. A management structure and key resources to commence the process.

The following anchor projects have been identified:

1. Export of Manganese and Iron Ore from a mine in the region through the rail infrastructure in Groblershoop.

2. Adding value by erection of an Iron Producing Plant in Groblershoop.

3. Introducing Agricultural Products with a high export value or replacing imports into the region.

4. Adding value by opening a Roto Moulding Facility.

5. Local training and skills development of local population to supply the labour needs for the mentioned facilities.

6. Bringing expert knowhow to the region that will facilitate further technical solutions utilising the local raw materials and resources.

7. Facilitating and opening fringe industries.

The constraints of development are often pondered on and there are a number of academic papers available on this topic. The constraints listed below is by no means exhaustive, but it is based on history in South Africa and in line with models that is available all over the world. The basic constraint for development of a regions or a group of people, the key is the ability to add value. Value attracts reward and reward allows the people adding the value to improve their situation. Considering this basic facts the constraints of the !Kheis Municipality, can be summarised as follows:

1. The value in the region is largely untapped, to unlock it there are external input/support required.

2. The present perception of how to bring about change does not recognise the cultural and work practice changes that is required. As example, we will not be able to hire "Red Seal" _Artisans to maintain the plant. The management needs to be willing to have a different approach, government and management needs to support an approach where less skilled people are employed but possibly be paid less than an artisan. In total the cost of maintenance should end up being the same as one will require more of the less skilled labour to achieve the same result.

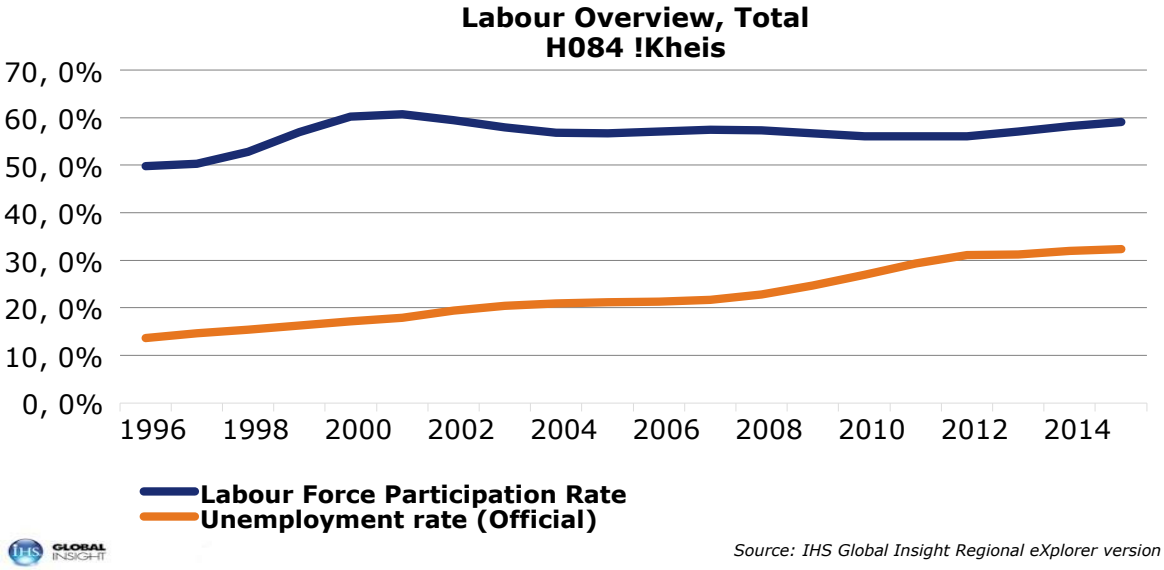
3. The focus often is to export the products produced, and then buy in other products. This is counter productive as one will not be able to have an exportable product from the onset. This process often goes through a few interactions before the product is suited for exporting out of the region. This does not mean that the product would not have value internally. As an example, we will not get granite tiles perfect from the start, but why should the housing projects of the area buy tiles in, the principle should be to supply for own use, tiles, bricks, roof tiles etc. Same durability and same price, but at least the money it cost to make it was also spent in the region.

4. Human resources are the most important contributor to development of a region. One should train people to the point that they can leave.

5. Value add to raw materials, land, soil, water, sun, manganese ore, iron ore, granite, rail, electricity, and ideas needs to be beneficiated to the highest possible value before it leaves a region. To take as an example iron ore, in the ground at R 15 to Iron R 3500 per ton is a compilation of labour, risk and reward (profit). Innovative joint leadership and financing makes the difference between 10% on the two different prices.

To achieve this, we need to take stock of the assets and resources that we have in the region and the following statistical data will inform the research and analysis that should be conducted to grow the local economy.

Key statistical data:

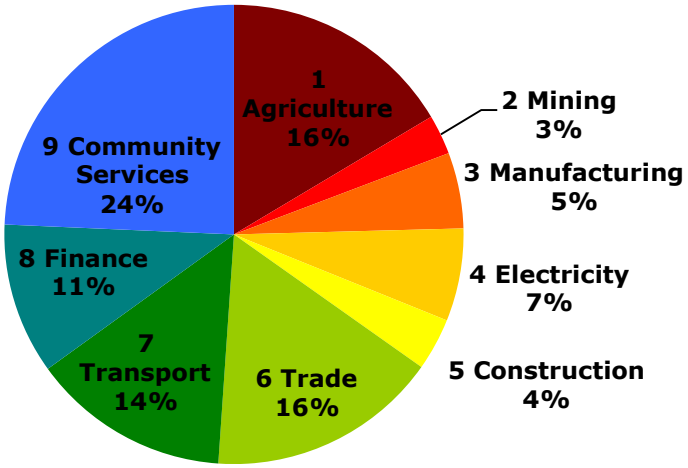


Source: IHS Global Insight Regional eXplorer version 993

As per figure 1, above graph indicates that the employment rate in !Kheis municipal areahas dramatically increase from 50% to 60% high from 1996 – 2001 and took a dip from 60% - 59% from 2002 - 2014 and that the unemployment rate has also increase in 1996 – 2003 from 18% - 21%, but remained constant at 21% from 2004 – 2007 and took a massive increase from 2008 – 2014 from 21% – 32% due to exporting in the agriculture industry.

The reason why the unemployment rate is above 20% in the !Kheis area is caused by the fact that only a very small percentage of people are highly skilled and are currently attending any tertiary education at higher institutions and the seasonal economic activities taking place in the agriculture sector which has a direct impact on the skills development levels and employment rate in the area.

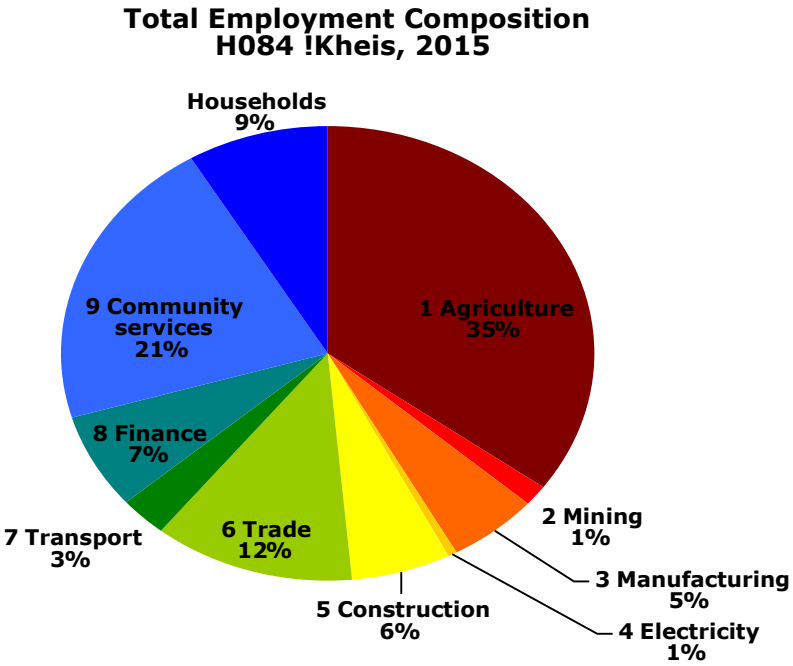
GVA-R Sectoral composition
H084 !Kheis, 2017-2018



Source: IHS Global Insight Regional eXplorer version 993

As per figure 2, the highest contributing sector was community services with 24% to the total economy and agriculture being the second highest contributing sector with 16% and the lowest two contributing sectors to the total economy in the area are mining at 3% and construction at 4% in 2015. A large number of residents are dependent on government pensions, implying that a large part of the residents of !Kheis earn less than R 2000-00 per month and that in itself has a negative influence on the payment of services. Livestock is marketed at Groblershoop, Upington, Johannesburg and Cape Town. Cotton, corn, wheat, tomatoes, peanuts, musk melons and pumpkins are cultivated under irrigation from the Orange River. In the irrigation sector, focus is mainly placed on the cultivation of table grapes. There are also two wine cellars in the area, i.e. at Grootdrink and Groblershoop. High quality table wine is produced at these wine cellars, as well as quality grape juice. The products of these wine cellars have already received several national and international awards. Several permanent jobs are created through these wine cellars.

Total Employment Composition



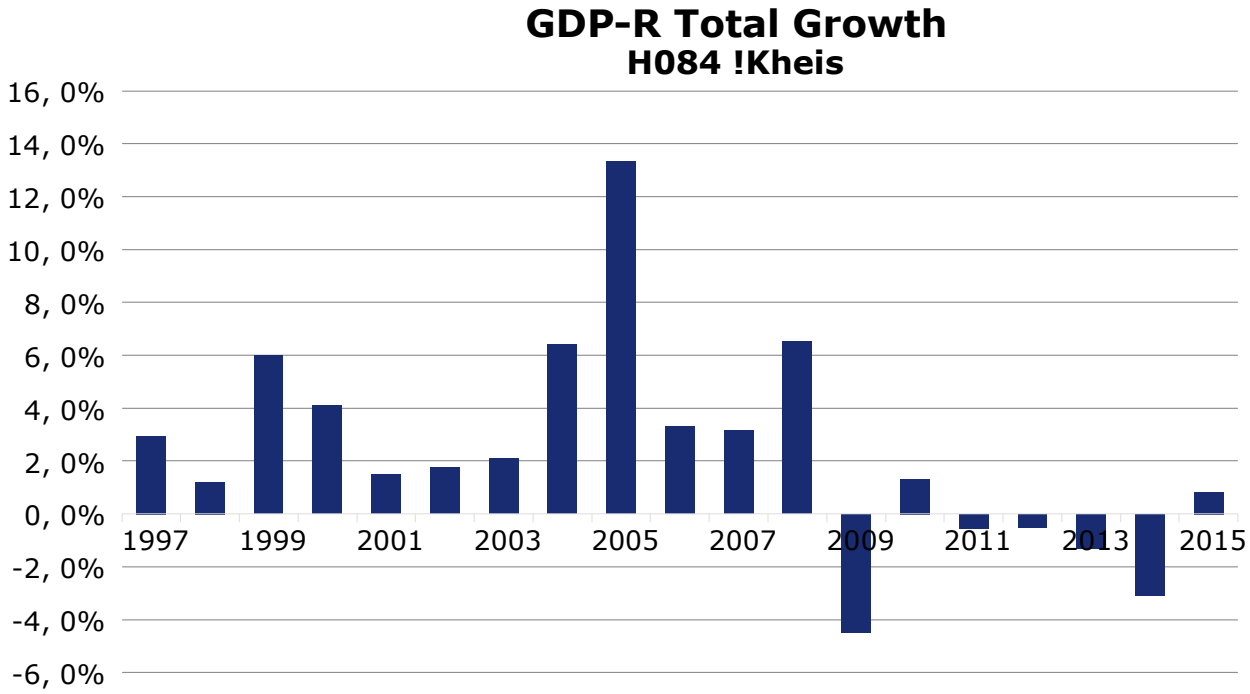
Source: IHS Global Insight Regional eXplorer version 993

As per Figure 3, the highest employer in the !Kheis Area makes out a Percentage of 21%, followed by public sector (Community service) with an employment rate of 21% and the lowest sectors respectively are the mining and electricity sector at 1%.

The agricultural sector is still the main economic sector. The commercial farmers, farm especially with sheep for meat production, while the emerging farmers also farm with sheep and goats. Provincial Government and Farm Africa are involved by capacitate the emerging farmers in sustainable farming and bookkeeping.

An abattoir is available at Groblershoop, where all livestock from the area, as well as other areas, are slaughtered. ±180 permanent jobs are created through the abattoir.

The utilization of solar energy to drive both the green economy as well as local economic development has been identified at the district level as a strategic development opportunity, while the development of a recycling programme is promoted at the local municipal level as having the potential to alleviate poverty through job creation (!Kheis Local Municipality, 2013). Tourism is also listed as a potential growth strategy, with a focus on cultural, agricultural and eco-tourism opportunities within the municipality.



Source: IHS Global Insight Regional eXplorer version 993

As per Figure 4, Gross Domestic Product Stood at 13.5% in 2005 and drastically dropped to -4.2% in 2009, but with a slow growth rate till 2014 from -4.2 to -3% compared to 2009, but had a positive growth rate in 2015 of 1%.

In 2009 the municipality GDP contribution decrease to record of -4% low due to the increase in the price of meat which resulted in a decline of meat exporting as at it might be due to the outbreak of Foot and Mouth Disease and stock theft.

Major development projects planned within the municipal area are poised to continue to have a positive impact on its economy over the next 10 to 15 years. Despite the positive outlook the Municipality is still faced with high levels of unemployment and poverty, little or no diversification in the economy and a declining resource base.

Opportunities and Thrust / Pillar:

Table Project Pillars and Programmes

Thrust	Programme	Project
Agriculture and Rural Development	**Agro-Processing Development**	▪ **Solicit inward investment for the current wine cellars to produce at maximum capacity** ▪ **Pecan nut value adding**

		▪ Availing agrarian land for emerging farmers

Thrust	Programme	Project
	Emerging Farmer Support	▪ Mentorship programmes for Emerging farmers ▪ Provision of water for irrigation
SMME Development	Business Development & Support	SMME & Entrepreneurial Incubator in partnership with ACWA Power
	Local Business Promotion	Paving of linking roads in Groblershoop CBD Construction of a Shopping complex
Tourism Development	Tourism Marketing and Development	▪ Development and marketing of tourism packages ▪ Development of unique tourism products (such as 4x4 routes, hunting and team building camps) Tourism Route Development & Marketing Developing of a Tourism Marketing Strategy

Investment Promotion	**Infrastructure Development**	**Showcase the municipality as a destination for both domestic and foreign investment through targeted destination marketing promotion activities**

2.2.19 Solar Corridor and Special Economic Development Zone

The municipality is in the middle of the Presidential Infrastructure Coordinating Committee (PICC), Strategic Infrastructure Program (SIP) and is therefore part of the Special Economic Development Zone of the Solar Corridor. !Kheis Municipal area could benefit from a number of programs that are not available to other municipalities, and must be incorporated in the approach in the IDP.

Solar energy is a natural resource like water, mining, iron and copper. A lot of macro solar projects is happening around the municipality. Micro solar opportunities can assist sustainability of the municipality by attracting new businesses and in the provision of basic services to residents. The Municipal area has a high solar radiation which can open enormous potential of green technology and innovation such as powering solar vehicles to render basic services. This resource can be a major advantage to assist the poor rural communities in the creation of jobs and providing electricity to under privilege families and business opportunities. The current Solar Plant operating in the Municipal area is ran by Bokpoort SCP (Aqua Power).

2.2.20 Health

Overview (Department of Health: Northern Cape)

The mission of the Northern Cape Department of Health is to provide quality health care services; promote a healthy, caring and responsible society; and offer caring, multi-skilled professionals who will integrate comprehensive services, using evidence-based care strategies and partnerships to maximize efficiencies for the benefit of all.

The Department's strategic goals are: provision of strategic leadership and creation of a social compact for effective health service delivery; improved quality management and patient care across the system through, inter alia, developing the Department's human resources; improved health outcomes in managing both communicable and non-communicable diseases; reduction of maternal, infant and child mortality; an efficient health management information system; attainment of a positive audit outcome for both financial and non-financial management; and an improved and accelerated infrastructure development programme.

The low morale and high mortality profile of the !Kheis Local Municipality demonstrates our health challenges, the escalating diseases of lifestyle (non-communicable diseases), the unabated increase in the number of accidents and injuries, and the persistently high incidence of infectious diseases (mainly TB and HIV and AIDS) contribute to years of life lost. !Kheis area has health facilities available in all towns.

Each clinic has access to professional and auxiliary nurses but there is no doctor for the entire municipal area. Standby services and Emergency services are available after hours or over

weekends when facilities are closed. The nearest hospital is 120km from Groblershoop. Only two ambulances is available for emergencies in the whole area and the absence of a medical doctor is a huge concern. The service of a state doctor visit happens on an ad-hoc base; monthly and only for two hours a day. The matter had been referred to a higher level.

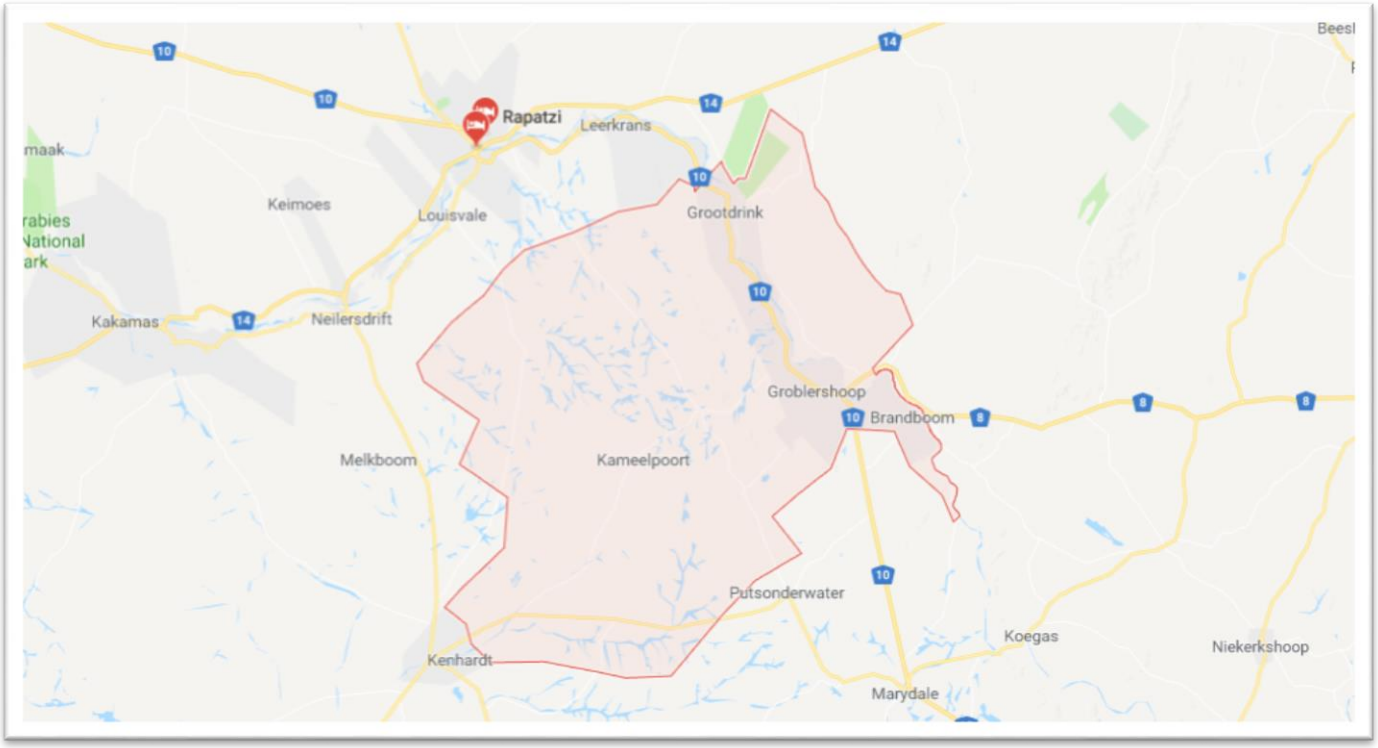
2.2.21 Disaster Management and Fire & Emergency

The Disaster Management Act, 2002 Act No 57 of 2002 states that the municipality is responsible for the coordination of disaster events in conjunction with ZF District Municipality. The function includes disaster preparedness, contingency planning and disaster response.

The location of the Municipality, along the Orange River, makes it vulnerable for disasters like floods, the latest recorded flood occurred in 2011. Another common disaster in the area is fires that can originate from the scorching heat of the sun, the large number of informal settlements using candles for light and open fires for cooking and lack of safety awareness and education within the communities.

Ensuring the safety of citizens is therefore of utmost importance. Although, in the !Kheis Municipal area Disaster Management is a District function. Therefore the Council of the District may declare a disaster. The District Council must consult with the local municipality and politicians. The District Council will consider existing legislation and capacity before declaring a disaster.

2.2.22 Natural Environment



!Kheis covers an area of approximately 7 225 squares kilometers. All the towns in the !Kheis Municipal area are situated next to the N10. The area is drained by several ground levels and non-perennial rivers. These are mainly dry streams which are transformed into wet streams during very wet years. From there the water flows to the Orange River. Few hills / mountains also appear, like the Asbestos Mountains. The area is part of the Nama-Karoo Biome.The natural vegetation is

characterized by karoo plants, which adapted well to the environment, e.g. "Kokerboom", "Witgat" and the Camel thorn tree. Furthermore; berg field appears in the Asbestos Mountains with sand-field in between, especially where Camel thorn and "Swarthaak" is the dominant tree species.

2.2.23 Climate Change

Climate change already causes and will continue to cause a number of challenges which are linked to global impacts such as increased temperatures, extreme weather events (e.g. flooding and drought), sea level rise and climate variability. Climate change is associated with an increase in average global temperatures, leading to changes in rainfall patterns, and is likely to have significant impacts in some parts of the world, especially Africa. Indications are that climate change will result in worse floods and droughts, reduce production and worsen diseases. In South Africa the predictions are bad – we could lose the entire Cape Floral Kingdom and most of the mammal species for which the Kruger National Park is famous.

It is against this growing concern that efforts should be made to improve the scientific understanding of what drives the earth-atmosphere system, producing such changes, identify those areas that may be particularly vulnerable to environmental changes, and to improve adaptation and mitigation to enable people and plant and animal communities to better live with climate change.

The !Kheis area falls within a rain shadow. The average rainfall is 130mm per year. Conditions are related to those of a semi-desert.

2.2.24 Spatial Planning and Development

A Municipal Spatial Development Framework (MSDF) is a long-term development strategy required in terms of the Municipal Systems Act 32 of 2000 and forms part of the Integrated Development Plan (IDP). The main aim of the MSDF is to clearly outline the spatial status quo of the Municipality, identify the opportunities and threats and then set out the local authority's goal, strategies and supporting policies in achieving medium - and long-term growth. It must give spatial expression on the Municipality's service delivery and development agenda. Furthermore, it clarifies and directs development and management activities in urban and rural areas in alignment with National and Provincial spatial planning legislation.

Spatial planning is important as it guides development within the municipal area. It is used as the basis to unlock infrastructure delivery, protecting agricultural land and environmental assets, identify strategic economic areas, managing development growth and rural land use management. A suite of plans are used to achieve the above objective, such as; Spatial Development Framework, Spatial Development Plans, Local Area Plans, Functional Area Plans and Land Use Management Schemes. The KLM SDF is an indicative, strategic planning document that provides strategic guidance on the future economic and spatial development of the municipality. As such, it does not seek to, but may make statements about the development or use of individual properties in settlements, or farms and farm portions. It, does, however, definitely:

• Make strong ***policy*** *statements* about larger areas in which similar needs are prevalent, development possibilities exist, development challenges are experienced and economic activities and human settlement take place and could take place;

• Provide a ***future spatial development vision, set of spatial development objectives and spatial development strategies*** to which all investment and spending actions must be directed; and

• Set out an ***implementation framework*** and a series of ***development indicators*** with which to measure progress towards the realization of the development objectives and the spatial development vision.

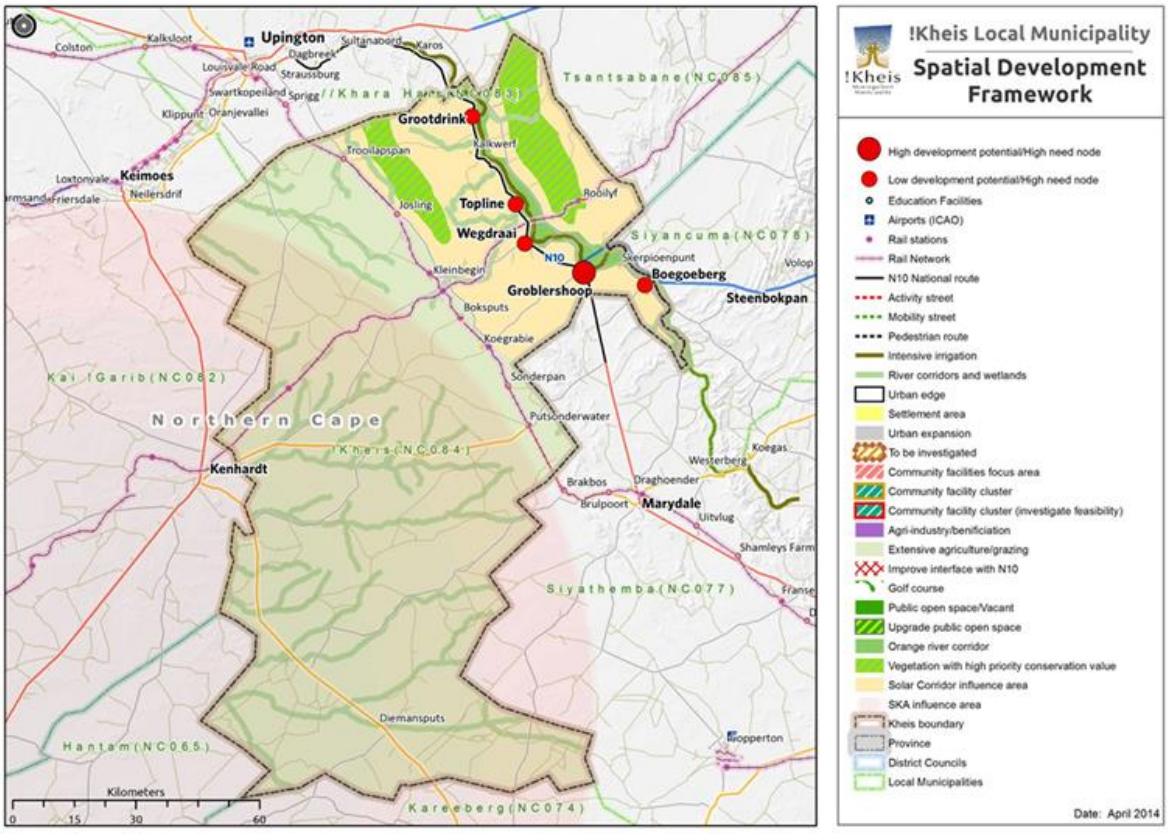
Together these three components provide officials, politicians and non-State actors with:

• A ***proactive guide*** for future spatial development investment decisions by both the State and the non---State actors active in the municipality;

• A ***'strategic check-list',*** in the form of a simple, very easy measuring rod with which test and establish whether a proposed development option or spatial development application will contribute to the realization of the municipal vision; and

• A ***set of strategic actions*** to be undertaken during the course of the next five years to ensure movement towards the realization of the municipality's vision over the next twenty to thirty years.

Below is a map of the !Kheis Municipal area as identified in the Spatial Development Framework.



The following projects were identified in the roll-out of the SDF:

TOWNSHIP ESTABLISHMENT COMPLETED

1. Wegdraai 360 erwe,
2. Topline 248 erwe,
3. Opwag 730 erwe,
4. Groblershoop 1517 erwe,

5. Boegoeberg 550 erwe,
6. Gariep 135 erwe,
7. Grootdrink 387 erwe

THE CONSTRUCTION OF CIVIL SERVICES FOR GROBLERSHOOP 1517 STANDS
Progress to date:
Water Connections:
414/1517 erven (27.3%) have been serviced with Water Mains,
100/1517 erven (6.59%) Saddle Erf Connections,
0/1517 erven (0%) Water Meters and Standpipes.
Sewer Connections:
368/1517 erven (24.26%) have been serviced with Sewer Mains.
358/1517 (23.60%) sewer erf connections.
0/1517 (0.0%) node markers have been installed.
29/307 (9.44%) Manholes have been installed.
Roads:
0/1517 erven (0%) have been serviced with Roadbed,
0/1517 erven (0%) have been serviced with Wearing Coarse and Gravel Stormwater canals have been constructed (0%)

THE CONSTRUCTION OF CIVIL SERVICES FOR OPWAG 748 STANDS
Progress to date:
Water Connections:
443/748 erven (59%) have been serviced with Water Mains,
305/748 erven (41%) Saddle Erf Connections,
45/748 erven (6%) Water Meters and Standpipes.
Sewer Connections:
301/748 erven (40%) have been serviced with Sewer Mains.
301/748 (40%) sewer erf connections and
182/748 (24%) node markers have been installed.
110 x Manholes have been installed.
Roads:
0/1517 erven (0%) have been serviced with Roadbed,
0/1517 erven (0%) have been serviced with Wearing Coarse and Gravel Stormwater canals have been constructed (0%)

2.2.25 Environment and Nature Conservation

Overview

The mission of the Northern Cape Department of Environment and Nature Conservation is to conserve and protect the natural environment for the benefit, enjoyment and welfare of present and future generations by integrating sustainable utilization with socio-economic development.

The Department's strategic-orientated goals are: environmental quality and biodiversity management; socio-economic benefits and employment creation; cooperative governance and administration; environmental education; research; and compliance and enforcement.

PART C:
Chapter 3: Governance and Institutional Stuctures

- 3.1 Political Structure
- 3.2 Administrative Structure
- 3.3 Committee Service
-

Chapter 3 Governance and Institutional Stuctures

3.1 Political Sructure

3.1.1 Municipal Council

The Council is the ultimate decisison making authority. Decisison to approve or amend the Municipality's intergrated development plan (IDP) may not be delegated and dcsisons have to be aken by the full council.

3.1.2 Executive Mayor

In terms of the Municipal Sytems Act the Muncipal Finance Management Act the Executive Mayor must:

- manage the drafting of the IDP
- assign responsibilities in this regard to the municipal manager
- submit the draft plan to the municipal council adoption, and
- Corodinate the annual revision of the IDP and determine how the IDP is to be taken into account or revised for the purposes of the budget.

3.1.3 Ward Committees

The role of the Ward Cimmittee with respect to the IDP is to:

- Assist the ward councilor (who is the chairperson) in identifying challenges and needs of residents
- Provide a mechanism for discussion and negotiation between different stakeholders in the ward,
- Interact with with other forums and organistaions on matters affecting the ward
- Draw up a ward plan that offers suggestions on how to improve service delivery in the particular ward,
- Disseminate information in the ward, and,
- Monitor the implementation process concerning its area.

3.1.4 Political Parties

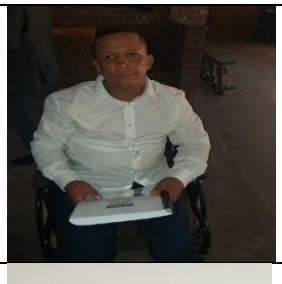
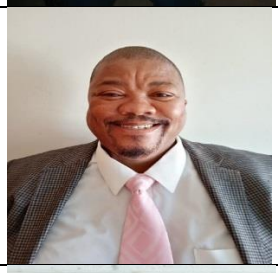
The Political oversight role reside within the Municipal Council. In Terms of the Section 79 and 80 of the Municicpal Systems Act (Act 117 of 1998).

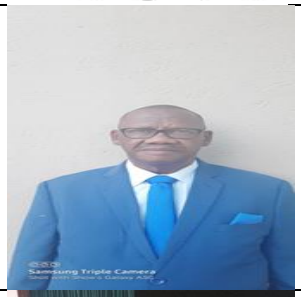
The Minicicpal Council Comprises of four political parties namely:

- African National Congress (ANC);
- Democratic Alliance (DA); and
- Congress of the People (COPE).
- Economic Freedom Fighters (EFF).

3.1.5 Councilors

WARD NUMBER	NAME	POLITICAL PARTY		Council Position
1	Cllr. Anisia Jacoba Ludick		ANC	Chair Financial Viability

2	**Cllr. Hendrik Phillipus van Wyk**		**ANC**	**Chair Technical and Land**
3	**Cllr. Paul Vries**		**INDEPENDENT**	**Chair MPAC**
4	**Cllr. Mervin Malgas**		**INDEPENDENT**	**Ward Councillor**
5	**Cllr. Jessica Lodewyk**		**ANC**	**Ward Councillor**
6	**Cllr. Jurgen Hendrik Jooste**		**DA**	**Ward Councillor**
7	**PR COUNCILLORS**		**PR COUNCILLORS**	*****
8	**Cllr. Davy Jacobs**		**ANC**	**(PR) Chiefwip**
9	**Cllr. Karel Shaun Boer**		**ANC**	**PR**

10	**Cllr.Rolf Valton Mondrey Christie**		**DA**	**PR Mayor**
11	**Cllr. Koos Esau**		**COPE**	**Speaker**
12	**Cllr. John Balies**		**EFF**	**PR Coucillor**

3.2 Administrative Structure

The Administrative structure still needs to be reviewed, job descriptions drafted and evaluated and staff placed in the correct job at the correct level.

3.2.1 Acting Municipal Manager – Mr. D. Dolopi

The municipal manager is responsible for the design and execution of all arrangements regarding the compilation and implementation of the IDP. The municipal Manager is, subject to the policy directions of the municipal council, responsible and accountable for-

- the implementation of the IDP and the monitoring of progress with implementation of the plan; and
- The formation and development of an administration equipped to carry out the task of implementing the IDP.

- Monitoring the the targets set out in the Service Delivery and Budget Implementation Plan (SDBIP).

3.2.2 Heads of Departments and officials

Their role is to -

- provide relevant technical, sector and financial information for analysis for determining priority issues;
- Contribute technical expertise in the consideration and finalisation of strategies and identification of projects; and provide departmental operational and capital budgetary information. onovan Block

1. Manager: Human Capital and Community Develoment – Fanus van Eck
2. Manager: Technical & Essential Services – Desmond Dolopi

3.3 Committee Services

This section is a support function to Council and all internal committees and is situated in the Department of Corporate Services. The agendas and minutes of all Council meetings are compiled within this section; it is a challenge to fulfil this function to adhere to the Bylaw on Municipal Council's Rules of Order for Internal Arrangements. Training in report writing and taking of minutes is needed for the staff to deliver an excellent service for the Council and the Committees.

PART D:
Chapter 4: Strategic Thrust
4.1 Strategic Priorities
4.2 !Kheis Municipal Project List

Chapter 4: Strategic Thrust

4.1 Strategic Priorities

!Kheis Municipality developed strategic priorities (KPA's), objectives and strategies in order to achieve the outcomes in its mission statement, however, achieving the outcomes remain a challenge. Effective intergovernmental relations will overcome the challenge posed by historical mediocre performance of government departments to achieve outcomes developed on paper. Taking into consideration political, national, and provincial and district policies.

4.2 !Kheis Municipality adopted the following SIX(6) Strategic Priorities (KPA's):

SFA#	KEY PERFORMANCE AREA (KPA)	SO#	STRATEGIC OBJECTIVE
SFA1	Basic Service Delivery	SO1	To improve and maintain current service through infrastructure development
		SO2	To promote a safe and healthy environment through the protection of natural resources
SFA2	Local Economic Development	SO3	To create an enabling environment for social development and economic growth
SFA3	Municipal Finance Viability and Transformation	SO4	To grow the revenue base of the municipality
SFA4	Municipal Transformation and Organisational Development	SO5	To structure and manage the municipal administration to ensure efficient service delivery
SFA5	Good Governance and Public Participation	SO6	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication

4.3 Funded Projects for 2024/25

CAPITAL BUDGET 2024/2025				2021/22	2022/22	2023/24	2024/25
PROJECT	**WARD**	**FUNDS**	**AMOUNT**				
➢ Wegdraai Sewer Reticulation, Pump Satation & Rising Main	Ward 1 (Wegdraai)	MIG			3,000 000.00	11 567 000,00	
➢ Upgrading of bulk water supply - Topline	Ward 5 (Topline)	WSIG			-	9,000,000.00	9,450,000.00
➢ Upgrading of bulk water supply – Brandboom	Ward 4 (Brandboom)	WSIG			5,000,000.00		
➢ Upgrading of bulk water supply – Gariep	Ward 5 (Gariep)	WSIG		8,052,525	961,629.00		
➢ Development (Library)	Ward 6 (Groblershoop)	DSAC					
➢ New Structure Wegdraai (Library)	Ward 1 (Wegdraai)	DSAC		-			
➢ Development of Grootdrink Sport facility	Ward 2 (Grootdrink)	IUDG		9,218,000			
➢ Grootdrink Sewer Reticulation, Pump Satation & Rising Main	Ward 2 (Grootdrink)	MIG	-				

➢ Upgrading of Kerk street	Ward 6 (Groblershoop)	MIG			300,000.00		
➢ Upgrading of Koegrabie street	Ward 6 (Groblershoop)	MIG			300,000.00		
➢ Construction of sewer reticulation, pump station and rising main to oxidation ponds in Wegdraai	Ward 1 (Wegdraai)	MIG		500,000	10,078,371.00	11,567,000.00	11,883,000.00
➢ Upgrading of bulk water Sternham	Ward 3 (Sternham)	MIG		387,780			
➢ Integrated National Electrification Municipal grant	INEMG					2,000,000.00	2,000,000.00
				22,835,000	16,640,000.00	22,567,000.00	23,333,000.00
Bulk Upgrade of Water and Sanitinitation	Uitkoms (Opwag)	MIG					30 000 000
Community Safety and Security	Provision of Security services at Sternham Sewer Pump Station	EPWP					110,000
Community Safety and Security	Access Control (Security) at Grootdrink Staduim	EPWP					127,000
Basic Infrastructure Services, including Water Sewer Retucilation, Sanitation, Dams	Paving on Municipal Office Premises	EPWP					350,000

Infrastructure Sector	**Periodical Maintenance on Municipal Infrastructure**	**EPWP**					**255,000**
Infratructure Sector	**Upgrading of gravel access roads in Municipal area**	**MIG**					**10 000 000**

Part E:

Chapter 5:
In-Year Municipal Performance Scorecard
5.1 Proposed Organisational Performance

5.2 Alignment Tables

Chapter 5

Proposed Organisational Performance

5.1 Top Level SDBIP/Institutional Scorecard Performance Indicators 2023/2024

TECHNICAL SERVICES

No.	See Code tables						Key Performance Indicator		Indicator Definition	Unit of Measurement	Annual Target 2023/ 2024	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Multi-Year	2023 2024	2024 2025
	IDP	SO	PR	MKPA / NKPA	NO	NDP	PSO											
	5.2	01	01	BSD	14	02	02	Upgrading of Gariep Water treatment Works	The indicator reflects the progress percentage of the project by 30June 2024	Percentage of progress of the Project by 30 June 2024	100%	100%	-	-	-	Yes	-	-

[1] Performance indicators number ***one to fifteen*** are required in terms of the Local Government: Municipal Planning and Performance Regulations, 2001: Regulation 10 General Key Performance Indicators. See
NT budget tables SA9

[2] Performance indicators number ***one to fifteen*** are required in terms of the Local Government: Municipal Planning and Performance Regulations, 2001: Regulation 10 General Key Performance Indicators. See
NT budget tables SA9

	5.2	01	01	BSD	14	02	02	Upgrade of Bulk water Brandboom	The indicator reflects the progress percentage of the project by 30 June 2024	Percentage of progress of the Project by 30 June 2024	100%	-	-	40%	60%	Yes		
	5.2	01	01	BSD	14	02	02	The number of single residential properties with access to basic level of Water	The indicator reflects the number of residential properties that the Municipality is aware of which are connected to the municipal water infrastructure network (A10) – Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (a) General key performance indicators	Number of residential properties that have access to Water	3800	3800	3800	3800	3800	Y	4000	4200
	5.2	01	02	BSD	13	02	02	Construction of sewer reticulation, pump station and rising main to oxidation points in Wegdraai	The indicator reflects the percentage of progress registered towards the implementation of the project. (A10) – Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (a) General key performance indicators	Percentage of progress of the Project completed by 30 June 2024	100%	-	-	-	-	Yes	-	-
	5.2	01	02	BSD	02	02	02	The number of single residential properties with access to basic level of Sanitation	The indicator reflects the number of residential properties that the Municipality is aware of which are connected to the municipal water infrastructure network (A10) – Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10	Number of residential properties that have access Sanitation	2800	2800	2800	2800	2800	Y	3100	3100

[3] Performance indicators number ***one to fifteen*** are required in terms of the Local Government: Municipal Planning and Performance Regulations, 2001: Regulation 10 General Key Performance Indicators. See
NT budget tables SA9

								(a) General key performance indicators										
	5.2	01	06	BSD	14	02	02	The number of single residential properties with access to basic level of Refuse Removal	The indicator reflects the number of residential properties that the Municipality is aware of which are connected to the municipal water infrastructure network (A10) – Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (a) General key performance indicators	Number of residential properties that have access to Refuse Removal	2800	2800	2800	2800	2800	Y	3100	3100
	5.2	01	03	BSD	14	02	05	Upgrading of Sports facility in Grootdrink	The indicator reflects the percentage of progress registered towards the implementation of the project. (A10) – Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (a) General key performance indicators	Percentage of progress of the Project completed by 30 June 2023	100%	-	-	30%	70%	N	-	-
	5.2	01	05	BSD				Upgrading of Koegrabie street and Kerk Street	The indicator reflects the progress percentage of the project by 30June 2024	Percentage of progress of the Project completed by 30 June 2024	100%	-	-	60%	40%	N	-	-
	5.2	01	05	BSD	03	01	01	Create job opportunities through Extended Plubic Works Programmes(EPWP)	The indicator reflects the number of FTE's employed.	The number of jobs created through EPWP by 30 June 2024	45	30	7	8	0	N	60	75
	5.2	01	01	BSD	13	06	13	Water quality level obtained as per SANS parameters by 30 June 2024.	The indicator reflects the percentage of the consumable quality of water, as per SANS parameters.	Percentage of Water quality by 30June 2024	100%	-	-	-	-	Y	100%	100%

							Acute Health – Microbiology										
	5.2	01		BSD	13	06	13	Water quality level obtained as per SANS parameters by 30 June 2024. Acute Health – Chemical	The indicator reflects the percentage of the consumable quality of water, as per SANS parameters.	Percentage of Water quality by 30June 2024	100%	-	-	-	100%	Y	100%	100%
	5.2	01		BSD	13	06	13	Water quality level obtained as per SANS parameters by 30 June 2024. Chronic Health – Chemical	The indicator reflects the percentage of the consumable quality of water, as per SANS parameters.	Percentage of Water quality by 30June 2024	100%	-	-	-	100%	Y	100%	100%
	5.2	01		BSD	13	06	13	Water quality level obtained as per SANS parameters by 30 June 2024. Non-Health – Aesthetic	The indicator reflects the percentage of the consumable quality of water, as per SANS parameters.	Percentage of Water quality by 30June 2024	100%	-	-	-	100%	Y	100%	100%
	5.2	01		BSD	13	06	13	Water quality level obtained as per SANS parameters by 30 June 2024. - Operational	The indicator reflects the percentage of the consumable quality of water, as per SANS parameters.	Percentage of Water quality by 30June 2024	100%	-	-	-	100%	Y	100%	100%
	5.2	01		BSD	13	06	13	Water quality level obtained as per SANS parameters by 30 June 2024. Disinfectant	The indicator reflects the percentage of the consumable quality of water, as per SANS parameters.	Percentage of Water quality by 30June 2024	100%	-	-	-	100%	Y	100%	100%

	5.2	05	14	MTOD	15	05	01	Submission of Fleet management reports	The Indicator reflects the fuel management and roadworthiness of Municipal fleet	The number of reports submitted by 30June 2024.	4	1	1	1	1	N	4	4
	5.2	05	14	MTOD	15	05	01	Submission of repairs and maintenance report	The indicator reflects the maintenance on roads, water and sanitation pipe leaks, water meters , mechanical and electrical works	The number of reports submitted by 30June 2023.	4	1	1	1	1	N	4	4
	5.2	05	14	MTOD	15	05	01	Review and approval of technical related policies and plans	The indicator reflects the review and approval of all technical related policies and plans	Approval of all technical related policies	2	0	0	0	2	N	4	4

BUDGET AND TREASURY OFFICE

	See Code tables							Key Performance Indicator	Indicator Definition	Unit of Measurement	Annual Target 2023-2024	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Multi-Year	2023 2024	2024 2025
	IDP	SO	PR	MKPA / NKPA	NO	NDP	PSO											
5	5.2	01	04	BSD	04	02	02	The number of formal single residential properties with access to free basic services: ELECTRICITY	This indicator relates to the Pre-Paid Electricity Tariff Electrification Housing Scheme (Limited to 20A) limited to 400kWh and first 50kWh free – Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (b)	The Number of indigent households receiving Free basic Electricity	1500	375	375	375	375	Y	-	-

									General key performance indicators									
6	5.2	01	01	BSD	13	02	02	The number of formal single residential properties with access to free basic services: WATER	This indicator reflects the 100% social rebate granted in respect to the annual water availability fee charged to qualifying homeowners of single residential properties. (A10) – Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (b) General key performance indicators	The Number of indigent households receiving Free basic Water	1500	375	375	375	375	Y	-	-
7	5.2	01	02	BSD	13	02	02	The number of formal single residential properties with access to free basic services: SANITATION/ SEWERAGE	This indicator reflects the 100% social rebate granted in respect to the annual sanitation fee charged to qualifying homeowners of single residential properties. (A10) – Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (b) General key performance indicators	The Number of indigent households receiving Free basic Sanitation	1500	375	375	375	375	Y	-	-
8	5.2	01	06	BSD	04	03	02	The number of formal single residential properties with access to free basic services: SOLID WASTE/ REFUSE	This indicator reflects the 100% social rebate granted in respect to the annual solid waste fee charged to qualifying homeowners of single residential properties. (A10) – Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10	The Number of indigent households receiving Free basic Refuse	1500	375	375	375	375	Y	-	-

								(b) General key performance indicators										
9	5.2	01	01	BSD				The number of formal single residential properties with access to free basic services: WATER	This indicator reflects the 100% social rebate granted in respect to the annual solid waste fee charged to qualifying homeowners of single residential properties. (A10) – Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (b) General key performance indicators	The number of residential properties billed for WATER	4416	1104	1104	1104	1104	Y	4500	4500
10	5.2			BSD				The number of formal single residential properties with access to free basic services: SANITATION	This indicator reflects the 100% social rebate granted in respect to the annual solid waste fee charged to qualifying homeowners of single residential properties. (A10) – Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (b) General key performance indicators	The number of residential properties billed for SANITATION	2600	650	650	650	650	Y	2600	2600
11	5.2			BSD				The number of formal single residential properties with access to free basic services: REFUSE REMOVAL	This indicator reflects the 100% social rebate granted in respect to the annual solid waste fee charged to qualifying homeowners of single residential properties. (A10) – Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10	The number of residential properties billed for REFUSE REMOVAL	4415	1104	1104	1104	1104	Y	4000	4000

									(b) General key performance indicators									
9	10.1	04	13	MFVT	15	02	06	The percentage of a Municipality's capital budget spent on budgeted capital projects	Percentage reflecting year-to-date spend/total budget, less any contingent liabilities relating to the capital budget. The total budget is the Council-approved adjusted budget at the time of the measurement. Contingent liabilities are only identified at the year-end. - Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (c) General key performance indicators	The percentage of capital budget	100%	25	25	25	25	Y	100%	100%
10.	10.0	05	14	MTOD	15	01	05	Review and approval of budget related policies and plans	The indicator reflects the review and approval of all budget related policies and plans	The indicator reflects the review and approval of all budget related policies and plans	21	5	5	5	6	Y	5	5

11	10	04	13	MFVT	15	06	03	Approval of the original budget	The Indicator reflects the original budget approved by council within the legislative deadline as per applicable prescripts.	Approval of budget before 30June 2024.	1	1	-	-	-	N	1	1
12	10	04	13	MFVT	15	06	03	The adjustment budget is approved by council within the legislative deadline	The Indicator reflects the adjustment budget approved by council within the legislative deadline as per applicable prescripts.	Approval of adjustment budget before end of February 2024.	1	-	-	1	-	N	1	1
13	10	04	13	MFVT	15	06	03	Submission of section 71 Reports to the relevant stakeholders within 10 working days after each month	The indicator reflects the submission of section 71 reports to the relevant stakeholders within the prescribed timeframe.	The number of section 71 reports submitted by 30June 2024	12	3	3	3	3	N	12	12
14	10	04	13	MFVT	15	06	03	Submission of section 72 Reports to the mayor and provincial treasury within 10 working days after each month	The indicator reflects the submission of section 72 reports to the relevant stakeholders within the prescribed timeframe.	The number of section 72 reports submitted by 30June 2024	1	-	-	1	-	Y	1	1

15	10	04	13	MFVT	15	06	03	Submission of section 52 Reports to the mayor and provincial treasury within 10 working days after each month	The indicator reflects the submission of section 52 reports to the relevant stakeholders within the prescribed timeframe.	The number of section 52 reports submitted by 30June 2024	1	1	1	1	1	Y	1	1
16	10	04	13	MFVT	15	06	03	Monthly outstanding debtors' reports submitted to council	The indicator reflects the submission of outstanding debtors reports to the council for approval	The number of reports submitted to council by 30June 2024	12	3	3	3	3	Y		
17	10	04	13	MFVT	15	06	03	Submission of SCM reports submitted to the relevant stakeholders within 10 working days after each month	The indicator reflects the submission of Supply Chain reports to the relevant stakeholders within the prescribed timeframe.	The number of SCM reports submitted by 30June 2024	4	1	1	1	1	Y	4	4
18	10	04	13	MFVT	15	06	03	Performance of monthly bank reconciliations	The indicator reflects performance of monthly bank reconciliations for internal and financial controls purposes.	Monthly bank reconciliation reports conducted by 30June 2024	12	3	3	3	3	Y	12	12

19	10	04	13	MFVT	15	03	02	Performance of monthly creditors reconciliations	The indicator reflects performance of monthly creditors reconciliations for internal and financial controls purposes.	Quarterly reconciliation reports conducted by 30June 2024	12	3	3	3	3	Y	12	12
20	10	04	13	MFVT	15	03	02	Performance of monthly debtors' reconciliations	The indicator reflects performance of monthly debtors reconciliation for internal and financial controls purposes.	Monthly debtor's reconciliation reports conducted by 30June 2024	12	3	3	3	3	Y	12	12
21	10	04	13	MFVT	15	03	02	Performance of monthly asset and inventory' reconciliations	The indicator reflects performance of monthly asset and inventory reconciliations for internal and financial controls purposes.	Monthly asset and inventory reconciliation reports conducted by 30June 2024	12	3	3	3	3	Y	12	12
22	10	04	13	MFVT	15	09	16	Financial viability measured in terms of outstanding debtors at 30June 2024.	The indicator reflects the percentage of outstanding debtors as ta 30June 2024.	Percentage of outstanding service debtors	75%	15%	20%	-	-	N	-	-

23	10	04	13	MFVT	15	09	06	Financial viability as expressed by the following ratio: Debt Coverage	The ratio measures the ability to cover debt service payments with own revenue to aid in determining the financial viability of the Municipality (SA8) - Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (g) General key performance indicators	Debt Coverage as at 30June 2024	31.1	25.1	15.2	-	31.1	Y	51.8	55.9
24	10	04	13	MFVT	15	09	06	Financial viability as expressed by the following ratio: Cost Coverage	To calculate the ability to cover fixed cost with available cash to aid in determining the financial viability of the Municipality (SA8) - Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (g) General key performance indicators	Cash/cost coverage as at 30June 2024	(3.8)	(0.4)	(0.1)	-	(3.8)	Y	(7.1)	(10.2)
25	10	04	13	MFVT	15	09	06	Financial viability as expressed by the following ratio: Outstanding Service Debtors to Revenue	To calculate the ratio of service debtor to service revenue to aid in determining the financial viability of the Municipality (SA8) - Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (g) General key performance indicators.	Outstanding service debtor to revenue as at 30June 2024	95.3	75.2	85.9	-	95.3	Y	95.3	93.1
23	10.2	04	14	MFVT	15	09	06	Debtor's Payment Level	The debtor's payment level directly relates to the municipality's capacity to collect amounts due with regard to rates, service and sundry charges and is fundamental to maintain positive cash flows and ensuring stability and long term financial viability.	Level of Collection rate achieved	40	25	15	-	40	Y	40	40

									(SAB) Investigate further processes to increase the debt collection rate including the restructuring of the Income Department.										

HUMAN CAPITAL AND CLIENT SERVICES

No.	See Code tables							Key Performance Indicator	Indicator Definition	Unit of measurement	Annual Target 2023-2024	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Multi-Year	2023 2024	2024 2025
	IDP	SO	PR	MKPA / NKPA	NO	NDP	PSO											
1	7.2.1	01	03	BSD	04	04	02	Review Human Settlement Plan by council	The Human Settlements Plan sets out the programs and projects relating to the human settlement development in the municipal area.	Review and approval of Human Settlements Plan by 30June 2024	1	-	-	1	-	Y	-	-
2	Chapter 8	05	14	MTOP	04	09	02	Review of Spatial Development Framework (SDF) by council	The SDF is a core component of the 4th Generation IDP process, of !Kheis Local Municipality. The plan aims at making spatial provision for IDP and other strategic planning objectives of the organization in line with the principles of Sustainable Development.	Review and approval of Spatial development framework by 30June 2024	1	-	-	-	1	Y	-	-
3	7.1	06	07	BSD	04	03	02	Review of the Disaster Management Plan by council	A plan to pro-actively identify risks and prevent disasters from happening or mitigate the impact of such disasters if it cannot be avoided. The Disaster Management Plan is reviewed annually.	Review and approval of Disaster management Plan by 30June 2024	1	-	-	-	1	Y	1	1

4	CHAPTER 7	06	16	GGPP	15	11	06	Review of Land-Use Management Scheme by council	The LUMS Set out the procedure and conditions relating to usage and development of Land in the municipal area.	Review and approval of land-use management scheme by 30June 2024	1	-	-	-	1	Y	-	-
5	7.1	05	14	MTOD	15	05	01	The Percentage budget spent on implementation of workplace skills plan. (WSP)	Public Service employers in the national and provincial spheres of government are required in terms of Section 30 of the Skills Development Amendment Act to budget at least one percent [1%] of their payroll for the education and training of their employees measured against training budget. - Local Government: Municipal Planning and Performance Management Regulations, 2001: Regulation 10 (f) General key performance indicators	Percentage of budget spent on WSP	1	-	-	-	1	Y	1	1
6	Page 93 5.2	05	14	MTOD	15	05	01	Review and approval of Human Resource related policies and plans	The indicator reflects the review and approval of all HR related policies and plans	The review and approval of all HR related policies and plans by 30June 2024	2	-	-	1	1	Y	2	4
7	Page 93 5.2	05	14	MTOD	15	01		Workplace Skills Plan Submitted to LGSETA	The indicator reflects the Submission of the WSP within the prescribed timeframe.	Submission WSP by 30April 2024	1	-	-	-	1	Y	1	1
8	Page 93 5.2	05	14	MTOD	15	01		Submission of Annual Employment Equity Plan to Department of Labor	The indicator reflects the Submission of the Annual Employment equity plan within the prescribed timeframe.	Submission of Annual Employment equity plan by 15 January 2024	1	-	-	1	-	Y	-	-
9	Page 93 5.2	05	14	MTOD	15	01	05	Submission of Quarterly Employment Equity Plans to Departments of Labor & STATS SA	The indicator reflects the Submission of the quarterly Employment equity plan within the prescribed timeframe	Submission of Quarterly Employment equity plans	4	1	1	1	1	Y	4	4

10	Page 93 5.2	05	14	MTOD	15	01	05	Implementation of the Municipality's budget spent on its Workplace Skills Plan	The indicator reflects the actual budget spent against the Workplace Skills Plan	Percentage of Budget spent on WSP	1%	-	-	-	1%	Y	1%	1%
11	Page 93 5.2	05	14	MTOD	15	01	05	Implementation of Skills Development Training programs from LGSETA	The indicator reflects skills development training programs implemented through LGSETA	The number of Skills development training programs implemented	2	-	-	1	1	Y	2	4
12	Page 93 5.2	05	14	MTOD	15	01	05	Monthly Review of Salary and third-party Reconciliations	The indicator reflects the review of monthly salary and third-party payments reconciliations.	Monthly salary and third-party reconciliations	12	3	3	3	3	N	12	-
13	Page 93 5.2	05	14	MTOD	15	01	05	Monthly Leave Reconciliation	The indicator reflects the monthly leave reconciliations.	Monthly leave reconciliations	12	3	3	3	3	N	12	-
14	Page 93 5.2	05	14	MTOD	15	01	05	Ordinary and special council Meetings held	The indicator reflects ordinary and special council meetings	The number of ordinary and special council meetings held by 30June 2024	4	1	1	1	1	N	4	-
15	Page 93 5.2	05	14	MTOD	15	01	05	MPAC meetings held	The indicator reflects MPAC meetings held	The number of MPAC meetings held	4	1	1	1	1	N	4	-
16	Page 93 5.2	05	14	MTOD	15	01	05	Conduct daily back-up of all systems and databases in terms of the IT policy	The indicator reflects the daily back-ups of all systems and database	The number of daily back-up reports	12	3	3	3	3	N	12	-

17	Page 93 5.2	05	14	MTOD	15	01	05	Reduction of Disciplinary cases held	The indicator reflects the number of reductions of disciplinary cases held	The number of disciplinary cases held	2	-	1	-	1	N	2	-
18	Page 93 5.2	05	14	MTOD	15	01	05	Reduction of Court Cases held	The indicator reflects the number of reductions of court cases held	The number of court cases held	2	-	1	-	1	N	2	-
19	Page 93 5.2	05	14	MTOD	15	01	05	Reduction of Terminations and dismissals	The indicator reflects the number of reduction of terminations and dismissals	The number of terminations and dismissals	4	1	1	1	1	N	4	-
20	Page 93 5.2	05	14	MTOD	15	01	05	Reduction of COVID 19 related cases	The indicator reflects the number of reductions of COVID 19 related cases	The number of COVID 19 cases	4	1	1	1	1	N	4	-
21	Page 93 5.2	05	14	MTOD	15	01	05	Reduction of Medical Examination	The indicator reflects the number of reduction of occupational health and safety related cases.	The number of OHS cases	4	1	1	1	1	N	-	-
22	Page 93 5.2	05	14	MTOD	15	01	05	Reduction of Injuries on duty	The indicator reflects the number of injuries on duty	The number of Injuries on duty	4	1	1	1	1	N	-	-
23	Page 93 5.2	05	14	MTOD	15	01	05	Learners and drivers' licenses.	The indicator reflects the learners and drivers' licenses	The number of learners and drivers licensing	4	1	1	1	1	N	-	-

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No.	See Code tables							Key Performance Indicator	Indicator Definition	Unit of Measurement	Annual Target 2023/2024	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Multi-Year	2023 2024	2024 2025
	IDP	SO	PR	MKPA / NKPA	NO	NDP	PSO											
1	7.3.5	03	09	LED	03	01	01	Review of LED strategy	The indicator reflects the review of LED strategy	Review and approval of LED strategy by 30June 2024	1	-	-	-	1	N	-	-
2	7.3.5	06	09	LED	03	01	01	LED forum meetings	The indictor reflects LED forum meetings held.	The number of LED forum meetings held	4	1	1	1	1	N	-	-
3	Chapter 6	06	15	GGPP	15	11	06	Integrated Development Plan Review	The indictor reflects the review of the integrated development plan	Review and approval of IDP before 30June 2024	1	-	-	-	1	N	1	1

4	Chapter 8	06	15	GGPP	15	11	06	Publishing of the final IDP on the municipal website	The indicator reflects the publishing of the IDP within 10days after council approval	The approval of the IDP before the 30 June 2024	1	1	-	-	-	Y	1	-
5	Chapter 8	06	15	GGPP	15	11	06	Facilitate bi-annual public participation sessions to obtain inputs for IDP and budget process	The indicator reflects public participation meeting/sessions held	The number of public participation meetings held	4	1	1	1	1	Y	4	-
6	Page 93	05	14	MOTD	15	01	05	Development of performance agreements for section 57 managers	The indicator reflects the development of performance agreements for section 57 managers	The number of signed performance agreements for section 57 managers	4	1	1	1	1	Y	-	-
7	Page 93	05	14	MOTD	15	01	05	Conduct performance evaluations for section 57 managers	The indicator reflects evaluation of section 57 managers performance agreements	Evaluation points awarded to each Section 57 Managers Performance Agreements	4	1	1	1	1	Y	4	-
8	7.7	05	14	MTOD	15	09	06	Submission of quarterly performance reports	The indicator reflects submission of quarterly performance reports	The number of reports submitted	4	1	1	1	1	Y	4	-

9	05	14	15	MTOD	09	06	05	Submission of mid-term assessment report	The indicator reflects the submission of mid-term assessment report within the prescribed timeframe.	Submission of mid-term assessment report before 25 January 2024	1	-	-	1	-	Y	1	-
10	7.7	05	14	MTOD	15	09	06	Review of the Risk Management Strategy and Policy; and Risk Management Committee Charter for the 2023/2024financial year	The indictor reflects the review of risk management planning documents.	Review and approval of risk management planning documents before 30June 2024	1	1	-	-	-	Y	1	1
11	7.7	05	14	MTOD	15	09	06	Performance of annual risk assessments	The indicator reflects performance of annual risk assessments	The number of risk assessments performed	1	1	-	-	-	Y	1	-
12	7.7	05	14	MTOD	15	09	06	Compilation of three-year risk-based audit plan, internal audit charter, methodology and policy	The indicator reflects the review of internal audit planning documents	Review and approval of internal audit planning documents	4	-	-	-	4	Y	4	-
13	7.7	05	14	MTOD	15	09	06	Submission of quarterly internal audit reports to the audit committee	The indicator reflects the submission of quarterly internal audit reports.	The number of quarterly internal audit reports submitted	4	1	1	1	1	Y	1	-

14	7.7	05	14	MTOD	15	09	06	management meetings held	The indictor reflects the number of MANCO meetings held	The number of MANCO meetings held	4	1	1	1	1	Y	4	-
15	7.7	05	14	MTOD	15	09	06	Local Labour Forum Meetings held	The indicator reflects the number of MPAC meetings	The number of MPAC meetings held	4	1	1	1	1	Y	1	1

5.1.2 Municipal Scorecard

Alignment Tables (Linkages)

5.2 Alignment Tables

IDP Strategic Objectives (SO)	Code
To improve and maintain current basic service delivery through specific infrastructural development projects	SO1
To promote a safe and healthy environment through the protection of our natural resources	SO2
To create an enabling environment for social development and economic growth	SO3
To grow the revenue base of the municipality	SO4
To structure and manage the municipal administration to ensure efficient service delivery	SO5
To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	SO6

IDP Pre-determined Objective (PR)	Code
Water	PDO01
Sanitation	PDO02

National KPA (NKPA)	Code
Basic Service Delivery	BSD
Local Economic Development	LED
Municipal Financial Viability and Transformation	MFVT
Municipal Transformation and Organisational Development	MTOD
Good Governance and Public Participation	GGPP

Municipal KPA (MKPA)	Code
Basic Service Delivery	BSD
Local Economic Development	LED
Municipal Financial Viability and Transformation	MFVT
Municipal Transformation and Organisational Development	MTOD
Good Governance and Public Participation	GGPP

NDP Objectives (NDP)	Code

National Outcome (NO)	Code
No poverty	NO01
No hunger	NO02
Good jobs and economic growth	NO03
Sustainable cities & communities	NO04
Renewable energy	NO05
Climate change	NO06
Responsible consumption	NO07
Quality education	NO08
Good health	NO09
Gender equality	NO10
Reduced inequalities	NO11
Peace & justice	NO12
Clean water & sanitation	NO13
Innovation & infrastructure	NO14
Partnerships for the achievement of the goals	NO15

Integrated Human Settlements	PDO03
Roads and Storm Water Management	PDO04
Electricity	PDO05
Environmental Conservation	PDO06
Disaster Management	PDO07
Decent employment opportunities and job creation	PDO08
Youth development	PDO09
Rural development	PDO10
Opportunities for women and people living with disability	PDO11
HIV/Aids awareness	PDO12
Sound Financial Planning	PDO13
Institutional capacity building	PDO14
Ward committees System	PDO15
Responsive and accountable system of Local Government	PDO16

Economy and Employment	NDP01
Economic Infrastructure	NDP02
Environmental Sustainability and resilience	NDP03
Transforming Human Settlements	NDP04
Improving education, training and innovation	NDP05
Health care for all	NDP06
Social protection	NDP07
Building safer Communities	NDP08
Building a capable and development state	NDP09
Fighting corruption	NDP10
National building and social cohesion	NDP11

Provincial Strategic Outcomes (PSO)	**Code**
Creating opportunities for growth and jobs	PSO1
Enable a resilient, sustainable, quality and inclusive living environment	PS02
Improving education outcomes and opportunities for youth development	PSO3
Increase wellness, safety and tackling social skills	PSO4
High speed broadband infrastructure	PSO5
Embed good governance and integrated service delivery through partnerships and spatial alignment	PSO6

PART F:
Chapter 6: Financial Planning

6.1 Financial Tables

6.2 Financial Recovery Plan

6.3 Grands & Subsidies

Chapter 6: Financial Planning

Section 26 of chapter 5 of the Local Government Municipal Systems Act, No 32 of 2000 prescribes the core components of the Integrated Development Plan (IDP). Section 26(h) requires the inclusion of a financial plan, which should include a budget projection for at least the next three years. This financial plan aims to determine the financial affordability and sustainability levels of the Municipality over the medium term.

A Municipality's financial plan integrates the financial relationships of various revenue and expenditure streams to give effect to the IDP. It provides guidance for the development of current budgets and assesses financial impacts on outer years' budgets by incorporating capital expenditure outcomes, operating expenditure trends, optimal asset management plans and the consequential impact on rates, tariffs and other service charges.

The Municipality has to do long term financial planning in order to determine the appropriate mix of financial parameters and assumptions within which the Municipality should operate to facilitate budgets that are affordable and sustainable at least ten years into the future. This helps to identify the consequential financial impact of planned capital projects on the Municipality's operating budget. The planning is reviewed annually to determine the most affordable level at which the Municipality can operate optimally, taking into account the fiscal overview, economic climate, national and provincial influences, IDP and other legislative imperatives, internal governance and community consultation.

Northern Cape: !Kheis (NC084) - Table A4 Budgeted Financial Performance 30 June 2023

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
Rand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
Revenue											
Service charges - Water	2	4,498,977	4,294,157	3,932,835	8,647,931	8,647,931	8,647,931	1,715,761	9,115,430	9,562,085	10,011,504
Service charges - Waste Water Management	2	2,231,777	2,516,209	2,952,677	2,766,508	2,766,508	2,766,508	1,231,785	2,913,133	3,055,877	3,199,502
Service charges - Waste Management	2	2,785,640	3,265,946	3,944,576	3,157,116	3,157,116	3,157,116	1,713,178	3,324,443	3,487,341	3,651,246
Sale of Goods and Rendering of Services		69,984	110,238	397,169	545,974	894,738	894,738	700,695	1,253,106	1,314,511	1,376,291
Agency services		367,540	775,298	185,092	472,004	472,004	472,004	10,707	376,020	394,445	412,984

Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		3,553,655	3,950,826	5,901,724	4,680,000	4,680,000	4,680,000	1,969,363	4,928,040	5,169,512	5,412,480
Interest earned from Current and Non Current Assets		158,164	168,064	58,520	514,686	514,686	514,686	12,801	541,964	568,521	595,241
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		18,989	13,442	13,450	19,640	19,640	19,640	13,319	20,681	21,694	22,714
Rental from Fixed Assets		184,253	259,919	206,380	1,734,965	1,734,965	1,734,965	98,207	1,826,552	1,916,054	2,044,409
Licence and permits		657	-	1,948	55,195	55,195	55,195	120	58,120	60,968	63,834
Operational Revenue		313,104	205,480	30,347	411,385	411,385	411,385	3,257	416,845	437,365	457,922

Non-Exchange Revenue											
Property rates	2	3,958,455	3,391,831	5,146,853	10,647,990	10,647,990	10,647,990	(294,543)	11,212,333	11,761,738	12,314,540
Fines, penalties and forfeits		-	-	-	300,000	300,000	300,000	-	315,900	331,379	346,954
Transfer and subsidies - Operational		29,520,960	35,102,771	32,137,310	38,270,000	38,270,000	38,270,000	20,984,162	39,150,000	41,076,000	40,920,000
Interest		5,406	1,083,238	4,718	1,170,000	1,170,000	1,170,000	1,625	1,232,010	1,292,378	1,353,120
Gains on disposal of Assets		100,530	276,035	228,300	439,725	2,701,725	2,701,725	183,733	463,030	485,719	508,548
Total Revenue (excluding capital transfers and		47,768,091	55,413,454	55,141,899	73,833,119	76,443,883	76,443,883	28,344,170	77,147,607	80,935,587	82,691,289

contributi ons)											

Summary of revenue classified by revenue source

Table 3 Summary of revenue and expenditure classified by source

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

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality, besides the dependence on government grants. In the 2022/23 adjusted budget, revenue from rates and services charges totalled R25,220 million in conjunction with the R26,565 million for 2023/24 financial year in review. Water revenue has also seen a slight increase of 5,12%, from 2022/23.

Water is the second largest revenue source totalling 59,36% (R11,81 million) of billing revenue for the financial year under review.

Operating grants and transfers totals R38,270 million in the approved adjustment budget for 2022/23 financial year and steadily increased to R39,150 million by 2022/23. 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 Grants Receipts

Northern Cape: !Kheis (NC084) - Table SA19 Expenditure on Transfers and Grant for 30 June 2023

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23	2023/24 Medium Term Rev Expenditure Framework

Rand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/2
EXPENDITURE									
Operating									
National Government									
Equitable Share		1,297,761	4,117,640	2,043,192	30,467,964	30,578,566	30,578,566	32,159,725	33,735,562
Expanded Public Works Programme Integrated Grant		573,024		329,560	1,073,000	1,073,000	1,073,000		
Local Government Financial Management Grant		1,107,216	1,349,396	2,030,596	3,009,230	2,999,999	2,999,999	3,100,000	3,100,000
Municipal Disaster Grant		353,225							
Total National Government		3,331,226	5,467,036	4,403,348	34,550,194	34,651,565	34,651,565	35,259,725	36,835,562
Provincial Government									
Capacity Building and Other		17,575	293,792	47,864	1,201,129	1,182,243	1,182,243	1,267,572	1,329,846

Total Provincial Government		17,575	293,792	47,864	1,201,129	1,182,243	1,182,243	1,267,572	1,329,846
Total Operating		3,348,801	5,760,828	4,451,212	35,751,323	35,833,808	35,833,808	36,527,297	38,165,408
Capital									
National Government									
Energy Efficiency and Demand Side Management Grant			2,407,434	(234,500)					
Municipal Infrastructure Grant		3,297,803	10,562,257	8,472,407	11,567,000	11,567,000	11,567,000	11,881,000	12,215,000
Water Services Infrastructure Grant		548,898			5,000,000	5,000,000	5,000,000	9,450,000	9,875,000
Total National Government		3,846,701	12,969,691	8,237,907	16,567,000	16,567,000	16,567,000	21,331,000	22,090,000
Provincial Government									
Infrastructure		234,500	774,480	(774,480)					
Capacity Building and Other		179,520							
Total Provincial Government		414,020	774,480	(774,480)	-	-	-	-	-

Total Capital		4,260,721	13,744,171	7,463,427	16,567,000	16,567,000	16,567,000	21,331,000	22,090,000
TOTAL		7,609,522	19,504,999	11,914,639	52,318,323	52,400,808	52,400,808	57,858,297	60,255,408

Tariff-setting is a 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 taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Excessive increases are likely to be counterproductive, resulting in higher levels of non- payment.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. Therefore Property Rates is predominantly the most crucial income for the municipality and form great part in the collection rate of any municipality.

1.4.2 Sale of Water and Impact of Tariff Increases

We face significant challenges with water supply, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

Water tariffs are not fully cost-reflective-including the cost of maintenance and renewal of purification plants, water networks and cost associated with reticulation expansion;

Water tariffs are currently not structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and

Water tariff are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2018. Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in the future to ensure sustainability. A tariff increase of 5.3% from 1 July 2023 for water is proposed. This is based on CPI Circular 123. In addition 6kl water per 30-day period will again be granted free of charge to all residents.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 5 Proposed Water Tariffs

	CURRENT TARIFFS 2022/23 (excluding vat)	PROPOSED TARIFFS 2023/24 (excluding vat)

RESIDENTIAL	Rand per	KL
1-6kl per month (Subsidy)	5,28	5,55
7-15kl per month	8,79	9.26
16-40kl per month	8,79	9.26
41-80kl per month	10,55	11.11
81- 100kl per month	10,55	11.11
101 – 150kl per month	10,55	11.11
151-200kl per month	29,89	31.48
201kl and above	36,93	38.88
NON-RESIDENTIAL		
Schools and hostels	12,31	12,96
Abattoir	13,77	14.50
Raw water	0,086	0,091

ACTION PLAN

!Kheis Local Municipality scored an overall of 50.33% in its Blue Drop status during the year of 2020.

We have embarked on the following action plans to improve our blue drop status:

Training of all our water operators

Acquiring all the equipment to ensure we test our water quality on a more regular basis

Do a risk assessment on all our water treatment plants

Ensure that all the medical certificates are in place

Certificates of adherence are compliant

Request for reports on incidents that were admitted at the clinic

Water conservation and water demand process are in place

Adhere to all standards as set out in the regulations acts

Water samples will be prioritised and done on a weekly basis to assess water more effectively.

The Municipality received funds from ACWA Power (Bokpoort CSP) to improve the water quality at the treatment plants since 2020.

We are engaging with consultants and the different Departments to assist with as much information as they can to improve our Blue Drop status. The Municipality has the capacity to improve the scores from previous years to achieve the 90% mark and more. The actions to be taken should therefore be implemented and monitored on a regular time frame to achieve these results. The Department of Water Affairs is giving sufficient assistance to the Municipality and we commend their support.

WATER SAFETY PLAN FOR 2022/23 FINANCIAL YEAR

The Water Safety Plan (WSP) was compiled in 2019 and will be reviewed in September 2021 for the water supply area of !Kheis Local Municipality, ZF Mgcawu District Municipality, Northern Cape.

This document addresses the critical water quality management such as the water safety planning processes, full system assessments that include inspections of the catchment, water treatment works and the distribution system.

The plan also includes the evaluation of the risk informed water quality monitoring programmes, the data submission on the BDS and the water quality over past years.

SCORING / RATING SYSTEM	SCORE OBTAINED	STATUS
Site inspection	56%	Good
High Risk Identified	47%	Good
Microbiological water quality	58%	Bad
Overall impression on risk management	54	Fair

The overall impression score of 50.33% (for 2019) is average which indicates that only basic water management is being addressed within the current resources available and not risk based as required by the water safety planning process. The technical manager is in process of meeting DWS for results, because no audit had been carried since 2020/21.

Raw water is extracted from the Orange River as well as from the canal in most of the areas within the municipality area and pump into the raw water dams. Most risks like the insufficient safety and security of the water treatment works, unqualified process controllers and supervisors and no routine maintenance programmes were identified as major risks in this supply areas.

The areas that complete the !Kheis Municipal boundaries are Groblershoop, Boegoeberg, Opwag, Zumaville, Wegdraai, Topline, Grootdrink and Gariep.

WATER SAFETY PLANNING PROCESS

The purpose of the Water Safety Planning Process is to introduce a holistic approach to drinking water quality management and provide a systematic, transparent approach to the consistent provision of safe water with a clear focus on public health. The emphasis of the WSPP on water supply management and covers the entire water supply system with participation of all stakeholders.

The objectives of the Water Safety Planning Process are to consistently ensure the safety and acceptability of the drinking water system by:

Identifying hazards and prioritizing risks in the drinking water system from catchment-to consumer

Assessing the effectiveness of existing control measures for these risks

Implementing improvement plans for high priority uncontrolled risks.

1.4.3 Sanitation and Impact of Tariff Increases

A tariff increase of 5.3% for sanitation from 1 July 2023 is proposed. This is based on the input cost assumptions related to water. It should be noted that water costs contributes approximately 12.56 per cent of waste water treatment input costs. The following factors also contribute to the proposed tariff increase:

Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;

Free sanitation (100 per cent of 6 kl water) will be applicable to registered indigents; and

The total revenue expected to be generated from rendering this service amounts to R2.913 million for the 2023/24 financial year.

At the moment only a basic charge is levied per erven for sanitation services rendered by the municipality.

1.4.4 Waste Removal and Impact of Tariff Increases

A 5.3 % increase in the waste removal tariff is proposed from 1 July 2023.

The following table compares current and proposed amounts payable from 1 July 2023:

Table 6 Comparison between current waste removal fees and increases

Detail	Tariff 1 July 2022(excluding vat)	Tariff 1 July 2023 (excluding vat)
Sanitation		
Households (Subsidy)	113	118
Households	113	118
Business	141	148
Schools	141	148
Abattoir	27 523	28 981
Refuse removal		
Households (Subsidy)	155	163
Households	155	163
Business	341	359

Garden refuse	162	170
Building refuse	324	341

1.4.5 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

Table 7 MBRR table SA14- Household bills

NC084 !Kheis - Supporting Table SA14 Household bills

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
Rand/cent		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
Monthly Account for Household - 'Middle Income Range'	1	1,711.50	1,833.09	1,970.57	12,207.81	(1.00)	–	46.9%	13,444.32	14,116.61	14,822.42
Rates and services charges:		1,711.50	1,833.09	1,970.57	12,207.81	(1.00)	–	46.9%	13,444.32	14,116.61	14,822.42

Property rates		167.54	179.43	192.89	3,800.00	–	–	5.3%	4,200.00	4,410.00	4,630.50
Water: Basic levy		72.01	77.12	82.91	–	–	–	5.3%	–	–	–
Water: Consumption		73.55	78.77	84.68	–	–	–	5.3%	–	–	–
Sanitation		122.58	131.28	141.12	112.54	–	–	5.3%	118.50	124.43	130.65
Refuse removal		134.83	144.40	155.23	155.00	–	–	5.3%	162.94	171.09	179.64
Other		–	–	–	–	–	–	–	–	–	–
sub-total		570.50	611.01	656.83	4,067.54	–	–	10.2%	4,481.44	4,705.52	4,940.79
VAT on Services								–			
Total large household bill:		570.50	611.01	656.83	4,067.54	–	–	10.2%	4,481.44	4,705.52	4,940.79
% increase/-decrease			7.1%	7.5%	519.3%	(100.0%)	–		–	5.0%	5.0%

Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		167.54	179.43	192.89	202.15	–	–	5.3%	–	–	–
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		–	–	–	–	–	–	–	–	–	–
Water: Basic levy		72.01	77.12	82.91	86.89	–	–	5.3%	–	–	–
Water: Consumption		105.72	113.22	121.72	127.56	–	–	5.3%	–	–	–
Sanitation		198.49	212.58	228.52	239.49	–	–	5.3%	–	–	–
Refuse removal		134.83	144.40	155.23	162.68	–	–	5.3%	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
sub-total		678.58	726.76	781.27	818.77	–	–	(100.0%)	–	–	–

VAT on Services								–			
Total small household bill:		678.58	726.76	781.27	818.77	–	–	(100.0%)	–	–	–
% increase/-decrease			7.1%	7.5%	4.8%	(100.0%)	–		–	–	–
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		167.54	179.43	192.89	202.15	–	–	(100.0%)	–	–	–
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		–	–	–	–	–	–	–	–	–	–
Water: Basic levy		72.01	77.12	82.91	86.89	–	–	(100.0%)	–	–	–
Water: Consumption		73.54	78.77	84.67	88.74	–	–	(100.0%)	–	–	–

Sanitation		98.06	105.02	112.90	118.32	–	–	(100.0%)	–	–	–
Refuse removal		134.83	144.40	155.23	162.68	–	–	(100.0%)	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
sub-total		545.98	584.74	628.60	658.77	–	–	(100.0%)	–	–	–
VAT on Services								–			
Total small household bill:		545.98	584.74	628.60	658.77	–	–	(100.0%)	–	–	–
% increase/-decrease			7.1%	7.5%	4.8%	(100.0%)	–		–	–	–

1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2032/24 budget and MTREF is informed by the following:

The assets renewal strategy and repairs and maintenance plan;

Balanced budget constraint (operating expenditure should not exceed operating revenue)

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

Table 8 Summary of operating expenditure by standard classification item

Northern Cape: !Kheis (NC084) - Table A4 Budgeted Financial Performance 30 June 2023

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
Rand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
Revenue Exchange Revenue											

Service charges - Water	2	4,498,977	4,294,157	3,932,835	8,647,931	8,647,931	8,647,931	1,715,761	9,115,430	9,562,085	10,011,504
Service charges - Waste Water Management	2	2,231,777	2,516,209	2,952,677	2,766,508	2,766,508	2,766,508	1,231,785	2,913,133	3,055,877	3,199,502
Service charges - Waste Management	2	2,785,640	3,265,946	3,944,576	3,157,116	3,157,116	3,157,116	1,713,178	3,324,443	3,487,341	3,651,246
Sale of Goods and Rendering of Services		69,984	110,238	397,169	545,974	894,738	894,738	700,695	1,253,106	1,314,511	1,376,291
Agency services		367,540	775,298	185,092	472,004	472,004	472,004	10,707	376,020	394,445	412,984
Interest earned from Receivables		3,553,655	3,950,826	5,901,724	4,680,000	4,680,000	4,680,000	1,969,363	4,928,040	5,169,512	5,412,480
Interest earned from Current and Non Current Assets		158,164	168,064	58,520	514,686	514,686	514,686	12,801	541,964	568,521	595,241
Rent on Land		18,989	13,442	13,450	19,640	19,640	19,640	13,319	20,681	21,694	22,714

Rental from Fixed Assets		184,253	259,919	206,380	1,734,965	1,734,965	1,734,965	98,207	1,826,552	1,916,054	2,044,409
Licence and permits		657	-	1,948	55,195	55,195	55,195	120	58,120	60,968	63,834
Operational Revenue		313,104	205,480	30,347	411,385	411,385	411,385	3,257	416,845	437,365	457,922
Non-Exchange Revenue											
Property rates	2	3,958,455	3,391,831	5,146,853	10,647,990	10,647,990	10,647,990	(294,543)	11,212,333	11,761,738	12,314,540
Fines, penalties and forfeits		-	-	-	300,000	300,000	300,000	-	315,900	331,379	346,954
Transfer and subsidies - Operational		29,520,960	35,102,771	32,137,310	38,270,000	38,270,000	38,270,000	20,984,162	39,150,000	41,076,000	40,920,000
Interest		5,406	1,083,238	4,718	1,170,000	1,170,000	1,170,000	1,625	1,232,010	1,292,378	1,353,120
Gains on disposal of Assets		100,530	276,035	228,300	439,725	2,701,725	2,701,725	183,733	463,030	485,719	508,548

Total Revenue (excluding capital transfers and contributions)		47,768,091	55,413,454	55,141,899	73,833,119	76,443,883	76,443,883	28,344,170	77,147,607	80,935,587	82,691,289
Expenditure											
Employee related costs	2	29,484,077	31,103,030	29,686,183	33,417,979	32,166,518	32,166,518	17,819,566	34,849,804	36,557,454	38,275,652
Remuneration of councillors		2,787,966	2,988,048	3,795,134	4,634,244	4,634,244	4,634,244	2,495,923	4,634,244	4,861,323	5,089,805
Inventory consumed	8	362,221	2,927,249	2,229,799	1,339,715	1,844,715	1,844,715	1,521,021	1,393,864	1,462,165	1,530,885
Debt impairment	3	-	5,951,315	332,955	-	-	-	-	12,725,056	13,348,584	13,975,967
Depreciation and amortisation		7,940,456	9,656,140	5,359,383	9,087,817	9,087,817	9,087,817	-	9,569,472	10,038,376	10,510,181
Interest		-	3,914,515	-	-	-	-	-	-	-	-

Contracted services		940,471	3,310,587	2,500,625	3,748,449	4,609,536	4,609,536	576,748	5,203,377	5,354,893	5,473,774
Transfers and subsidies		595,389	221,370	(1,060,720)	1,112,262	1,112,262	1,112,262	333,537	46,650	48,936	51,237
Irrecoverable debts written off		4,904,212	-	11,681,983	12,084,573	12,084,573	12,084,573	-	-	-	-
Operational costs		4,116,482	9,491,727	10,869,853	7,622,345	9,309,835	9,309,835	2,203,415	8,411,881	8,660,960	9,045,324
Total Expenditure		51,131,274	69,563,981	65,395,195	73,047,384	74,849,500	74,849,500	24,950,210	76,834,348	80,332,691	83,952,825
Surplus/(Deficit)		(3,363,183)	(14,150,527)	(10,253,296)	785,735	1,594,383	1,594,383	3,393,960	313,259	602,896	(1,261,536)
Transfers and subsidies - capital (monetary allocations)	6	8,232,041	13,809,630	6,648,336	16,567,000	16,567,000	16,567,000	7,474,966	21,333,000	23,590,000	24,678,000

Surplus/(Deficit) after capital transfers and contributions		4,868,858	(340,897)	(3,604,960)	17,352,735	18,161,383	18,161,383	10,868,926	21,646,259	24,192,896	23,416,464
Surplus/(Deficit) after income tax		4,868,858	(340,897)	(3,604,960)	17,352,735	18,161,383	18,161,383	10,868,926	21,646,259	24,192,896	23,416,464
Surplus/(Deficit) attributable to municipality		4,868,858	(340,897)	(3,604,960)	17,352,735	18,161,383	18,161,383	10,868,926	21,646,259	24,192,896	23,416,464
Surplus/(Deficit) for the year		4,868,858	(340,897)	(3,604,960)	17,352,735	18,161,383	18,161,383	10,868,926	21,646,259	24,192,896	23,416,464

The budget allocation for employee related costs for the 2023/24 financial year totals R34,850 million, which equals 45,3% of the total operating expenditure. The increase can be attributed to 5.3% percent for salary increases in line with the Circular 123. The municipality is also struggling with the funding of the voluntary severance packages that had been discussed with the LLF and employees.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R9.569 million for the 2023/24 financial and equates to 12.4% of the total operating expenditure. Please note that the implementation of GRAP 17 accounting standard has bring a range of assets previously not included in the assets register onto the register. i.e Heritage assets, unbundling of infrastructure assets and componentisation of property plant and equipment.

Other expenditure comprises of various line items relating to the daily operations of the municipality. It comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the municipality's infrastructure.

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipality's current infrastructure, the 2023/24 budget and MTREF provide for extensive growth in the area of asset maintenance, and must be informed by the asset renewal strategy and repairs and maintenance plan of the municipality.

During the compilation of the 2023/24 MTREF operational repairs and maintenance has been identified as a strategic imperative owing to the ageing of the municipality's infrastructure and historic deferred maintenance. It is grouped under contracted services on the budget it equites R5,203 million, an increase of 11,39% in relation to the Special Adjustment Budget of 2022/23 and continues to grow at 5,3% over the

MTREF. In relation to the total operating expenditure, contracted services comprises of 6.77%.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services all households are being required to register in terms of the municipality's Indigents Policy. The municipality currently provide registered indigent households within the Government norms and standards of 6kl of free water and 50 amp electricity. The target is to register more indigent households during the 2023/24 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service measurement is contained in Table 24 MBRR A10 (Basic Service Delivery Measurements) . 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.

1.6 Capital expenditure

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

Northern Cape: !Kheis (NC084) - Table A5 Budgeted Capital Expenditure by Functional Classification and Funding for 30 June 2023

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
Rand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
Capital Expenditure - Functional											
Municipal governance and administration		-	(393,668)	-	-	-	-	-	-	-	-
Executive and council											
Finance and administration			(393,668)								
Internal audit											
Community and public safety		179,520	-	-	-	1,180,000	1,180,000	1,177,676	-	-	-

Community and social services		179,520									
Sport and recreation						1,180,000	1,180,000	1,177,676			
Economic and environmental services		234,500	774,480	(424,223)	-	421,000	421,000	339,253	-	-	-
Planning and development											
Road transport		234,500	774,480	(424,223)		421,000	421,000	339,253			
Trading services		3,846,701	12,969,691	8,237,907	16,567,000	16,567,000	16,567,000	1,573,639	21,331,000	22,090,000	22,878,000
Energy sources											
Water management		548,898			5,000,000	5,000,000	5,000,000		9,450,000	9,875,000	10,315,000
Waste water management											

Waste management Other		3,297,803	12,969,691	8,237,907	11,567,000	11,567,000	11,567,000	1,573,639	11,881,000	12,215,000	12,563,000
Total Capital Expenditure - Functional	3	4,260,721	13,350,503	7,813,684	16,567,000	18,168,000	18,168,000	3,090,568	21,331,000	22,090,000	22,878,000
Funded by National Government Provincial Government		3,846,701 414,020	12,969,691 774,480	8,237,907 (774,480)	16,567,000	16,567,000	16,567,000	1,573,639	21,331,000	22,090,000	22,878,000
Transfers recognised - capital	4	4,260,721	13,744,171	7,463,427	16,567,000	16,567,000	16,567,000	1,573,639	21,331,000	22,090,000	22,878,000
Borrowing	6										
Internally generated funds								1,516,929			

Total Capital Funding	7	4,260,721	13,744,171	7,463,427	16,567,000	16,567,000	16,567,000	3,090,568	21,331,000	22,090,000	22,878,000

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

NC084 !Kheis - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 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 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation	2										
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–

Vote 2 - CORPORATE SERVICE	–	–	–	–	–	–	–	–	–	–
2.1 - Executive	–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES	(730)	699	–	–	–	–	–	–	–	–
3.1 - Executive	–	–	–	–	–	–	–	–	–	–
3.2 - Support - Management Accounting	–	–	–	–	–	–	–	–	–	–
3.3 - Financial Accounting	(730)	699	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES	180	–	–	–	–	–	–	–	–	–
4.1 - Executive	–	–	–	–	–	–	–	–	–	–
4.7 - Sport and Recreation - Library Services	180	–	–	–	–	–	–	–	–	–

Vote 5 - TECHNICAL SERVICES	20,172	3,217	(33)	16,567	11,988	11,988	5,530	21,331	22,090	22,878
5.1 - Executive	–	–	–	–	–	–	–	–	–	–
5.5 - Waste, Solid Waste and Water Management	20,172	3,217	(33)	16,567	11,988	11,988	5,530	21,331	22,090	22,878
Vote 6 - EXECUTIVE AND COUNCIL	–	–	–	–	–	–	–	–	–	–
6.1 - Municipal Manager: Executive	–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	19,622	3,915	(33)	16,567	11,988	11,988	5,530	21,331	22,090	22,878

For 2023/24 an amount of R21,331 million has been appropriated for the development of infrastructure which represents 100% of the total capital budget. In the outer years this amount totals R23,590 million and R24,678 million respectively for each of the financial years.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 23 MBRR A9 (Asset Management). In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class. Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Upgrading of bulk water supply – Topline

R 9 450 000

Construction of sewer reticulation, pump station and rising main to oxidation ponds in Wegdraai R 11 881 000

1.7 Finaled Annual Budget Tables (A1 – A10)

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal budget and Reporting Regulations. These tables set out the municipality's 2023/24 budget and MTREF to be considered for approval by council. Each table is accompanied by explanatory notes.

Table 12 MBRR Table A1- Budget Summary

Northern Cape: !Kheis (NC084) - Table A1 Budget Summary for 30 June 2023

Description	2019/20	2020/21	2021/22	Current year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
Rand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26

Financial Performance										
Property rates	3,958,455	3,391,831	5,146,853	10,647,990	10,647,990	10,647,990	(294,543)	11,212,333	11,761,738	12,314,540
Service charges	9,516,394	10,076,312	10,830,088	14,571,555	14,571,555	14,571,555	4,660,724	15,353,006	16,105,303	16,862,252
Investment revenue	158,164	168,064	58,520	514,686	514,686	514,686	12,801	541,964	568,521	595,241
Transfer and subsidies - Operational	29,520,960	35,102,771	32,137,310	38,270,000	38,270,000	38,270,000	20,984,162	39,150,000	41,076,000	40,920,000
Other own revenue	4,614,118	6,674,476	6,969,128	9,828,888	12,439,652	12,439,652	2,981,026	10,890,304	11,424,025	11,999,256
Total Revenue (excluding capital transfers and contributions)	47,768,091	55,413,454	55,141,899	73,833,119	76,443,883	76,443,883	28,344,170	77,147,607	80,935,587	82,691,289
Employee costs	29,484,077	31,103,030	29,686,183	33,417,979	32,166,518	32,166,518	17,819,566	34,849,804	36,557,454	38,275,652

Remuneration of councillors	2,787,966	2,988,048	3,795,134	4,634,244	4,634,244	4,634,244	2,495,923	4,634,244	4,861,323	5,089,805
Depreciation and amortisation	7,940,456	9,656,140	5,359,383	9,087,817	9,087,817	9,087,817	-	9,569,472	10,038,376	10,510,181
Finance charges	-	3,914,515	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	362,221	2,927,249	2,229,799	1,339,715	1,844,715	1,844,715	1,521,021	1,393,864	1,462,165	1,530,885
Transfers and subsidies	595,389	221,370	(1,060,720)	1,112,262	1,112,262	1,112,262	333,537	46,650	48,936	51,237
Other expenditure	9,961,165	18,753,629	25,385,416	23,455,367	26,003,944	26,003,944	2,780,163	26,340,314	27,364,437	28,495,065
Total Expenditure	51,131,274	69,563,981	65,395,195	73,047,384	74,849,500	74,849,500	24,950,210	76,834,348	80,332,691	83,952,825
Surplus/(Deficit)	(3,363,183)	(14,150,527)	(10,253,296)	785,735	1,594,383	1,594,383	3,393,960	313,259	602,896	(1,261,536)

Transfers and subsidies - capital (monetary allocations)	8,232,041	13,809,630	6,648,336	16,567,000	16,567,000	16,567,000	7,474,966	21,333,000	23,590,000	24,678,000
Surplus/(Deficit) after capital transfers & contributions	4,868,858	(340,897)	(3,604,960)	17,352,735	18,161,383	18,161,383	10,868,926	21,646,259	24,192,896	23,416,464
Surplus/(Deficit) for the year	4,868,858	(340,897)	(3,604,960)	17,352,735	18,161,383	18,161,383	10,868,926	21,646,259	24,192,896	23,416,464
Capital expenditure & funds sources										
Capital expenditure	4,260,721	13,350,503	7,813,684	16,567,000	18,168,000	18,168,000	3,090,568	21,331,000	22,090,000	22,878,000
Transfers recognised - capital	4,260,721	13,744,171	7,463,427	16,567,000	16,567,000	16,567,000	-	21,331,000	22,090,000	22,878,000

Total sources of capital funds	4,260,721	13,744,171	7,463,427	16,567,000	16,567,000	16,567,000	-	21,331,000	22,090,000	22,878,000
Financial position										
Total current assets	4,210,068	52,343,243	6,158,438	93,249,632	94,075,782	94,075,782	34,737,694	68,458,622	71,289,649	73,220,765
Total non current assets	(3,677,892)	156,727,553	3,231,308	192,922,600	194,523,600	194,523,600	6,321,875	210,457,339	210,747,435	211,063,630
Total current liabilities	(4,336,684)	60,931,793	12,994,711	89,459,371	91,077,873	91,077,873	33,795,499	136,498,959	137,073,445	140,097,188
Total non current liabilities	-	2,281,786	-	2,024,788	2,024,788	2,024,788	-	3,634,748	3,634,748	3,634,748
Community wealth/Equity	-	146,198,114	-	205,062,619	205,062,619	205,062,619	(3,604,856)	146,332,822	147,763,466	149,202,958
Cash flows										

Net cash from (used) operating	11,627,100	70,394,315	54,127,244	17,797,297	21,437,346	21,437,346	40,457,241	51,243,037	54,820,642	59,395,447
Net cash from (used) investing	1,174,138	(1,865,454)	-	(18,505,206)	(16,567,000)	(16,567,000)	(2,176,239)	(21,258,248)	(22,090,000)	(22,878,000)
Cash/cash equivalents at the year end	12,801,238	70,309,193	54,127,244	(5,517,604)	60,651	60,651	35,708,277	30,600,984	33,346,837	37,133,642
Cash backing/surplus reconciliation	-	-	-	-	-	-	-	-	-	-
Cash and investments available	(166,589)	4,078,765	(2,572,727)	(28,739,015)	(29,772,121)	(29,772,121)	23,299,543	4,109,410	5,900,809	8,741,705
Application of cash and investments	(6,921,496)	41,018,902	8,675,957	124,113,769	122,774,113	122,774,113	27,071,129	95,247,085	95,358,534	95,979,141
Balance - surplus (shortfall)	6,754,907	(36,940,137)	(11,248,684)	(152,852,784)	(152,546,234)	(152,546,234)	(3,771,586)	(91,137,675)	(89,457,725)	(87,237,436)

Asset management										
Asset register summary (WDV)	(3,677,892)	122,112,564	3,231,308	147,428,296	147,849,296	147,849,296	5,144,199	162,380,552	161,911,648	161,439,843
Depreciation	7,940,456	9,656,140	5,359,383	9,087,817	9,087,817	9,087,817	-	9,569,472	10,038,376	10,510,181
Renewal and Upgrading of Existing Assets	4,081,201	8,018,813	1,523,873	5,000,000	5,421,000	5,421,000	339,253	9,450,000	9,875,000	10,315,000
Repairs and Maintenance	305,353	232,016	211,005	763,152	670,470	670,470	52,381	764,500	801,255	804,564
Free services										
Cost of Free Basic Services provided	997,150	(280,790)	(127,202)	2,952,942	2,952,942	2,952,942	2,952,942	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level	–	–	–	–	–	–	–	–	–	–

Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1-Budget Summary

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

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

3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

The operating surplus/deficit (after Total Expenditure) is positive over MTREF

Capital expenditure is balanced by capital funding sources, of which

Transfers recognised is reflected on the Financial Performance Budget;

Internally generated funds are financed from a combination of the current operating surplus. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, indicates that the necessary cash resources are available to fund the Capital Budget

4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Over the MTREF there is progressive improvement in the level of cash-backing of obligations.

5.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 service to the poor. The section of Free Service shows that the amount spent on Free Basic Service 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

Northern Cape: !Kheis (NC084) - Table A2 Budgeted Financial Performance by Functional Classification for 30 June 2023

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
Rand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26

Revenue - Functional										
Municipal governance and administration		38,965,024	53,435,016	44,868,171	68,122,352	70,974,352	70,974,352	71,377,044	74,635,106	75,869,857
Executive and council										
Finance and administration		38,965,024	53,435,016	44,868,171	68,122,352	70,974,352	70,974,352	71,377,044	74,635,106	75,869,857
Internal audit										
Community and public safety		936,097	795,777	871,158	1,000,701	1,000,701	1,000,701	1,043,738	1,091,774	1,141,811
Community and social services		936,097	795,777	871,158	1,000,701	1,000,701	1,000,701	1,043,738	1,091,774	1,141,811
Economic and environmental services		367,540	775,298	185,092	772,004	772,004	772,004	691,920	725,824	759,938
Planning and development										

Road transport		367,540	775,298	185,092	772,004	772,004	772,004	691,920	725,824	759,938
Environmental protection										
Trading services		15,731,471	14,216,993	15,865,814	20,505,062	20,263,826	20,263,826	25,367,905	28,072,883	29,597,683
Energy sources									1,500,000	1,800,000
Water management		8,137,705	4,504,155	5,619,930	13,046,858	13,046,858	13,046,858	18,565,430	19,437,085	20,326,504
Waste water management		6,051,917	2,379,089	3,910,947	2,775,635	2,775,635	2,775,635	2,922,743	3,065,959	3,210,058
Waste management		1,541,849	7,333,749	6,334,937	4,682,569	4,441,333	4,441,333	3,879,732	4,069,839	4,261,121
Other	4									
Total Revenue - Functional	2	56,000,132	69,223,084	61,790,235	90,400,119	93,010,883	93,010,883	98,480,607	104,525,587	107,369,289

Expenditure - Functional										
Municipal governance and administration		32,692,262	37,506,777	43,935,413	51,853,126	51,946,019	51,946,019	47,267,776	49,432,017	51,609,622
Executive and council		5,056,032	7,201,577	8,246,405	10,588,596	9,134,877	9,134,877	11,212,272	11,761,672	12,314,474
Finance and administration		27,636,230	30,305,200	35,689,008	41,264,530	42,811,142	42,811,142	36,055,504	37,670,345	39,295,148
Internal audit										
Community and public safety		2,148,264	1,492,129	1,043,939	1,201,129	1,182,243	1,182,243	1,267,572	1,329,846	1,392,599
Community and social services		2,130,690	1,448,030	1,041,414	1,201,129	1,182,243	1,182,243	1,267,572	1,329,846	1,392,599
Sport and recreation		17,574	44,099	2,525						
Economic and environmental services		1,345,553	2,131,261	1,227,430	1,062,528	1,065,165	1,065,165	1,100,467	1,040,273	1,113,469

Planning and development		1,254,827	995,634	613,046	884,006	885,182	885,182	913,421	958,177	1,027,515
Road transport		90,726	1,135,627	614,384	178,522	179,983	179,983	187,046	82,096	85,954
Trading services		14,945,195	28,433,814	19,188,413	18,930,601	20,656,073	20,656,073	27,198,533	28,530,555	29,837,135
Energy sources		1,508,834	2,503,917	2,790,680	2,359,062	3,619,062	3,619,062	2,670,000	2,800,830	2,932,470
Water management		8,204,732	10,664,032	8,531,385	8,859,522	9,334,748	9,334,748	12,466,826	13,077,178	13,691,801
Waste water management		2,785,394	7,828,075	2,320,969	4,241,165	4,230,956	4,230,956	6,357,697	6,669,036	6,948,132
Waste management		2,446,235	7,437,790	5,545,379	3,470,852	3,471,307	3,471,307	5,704,010	5,983,511	6,264,732
Other	4									

Total Expenditure - Functional	3	51,131,274	69,563,981	65,395,195	73,047,384	74,849,500	74,849,500	76,834,348	80,332,691	83,952,825
Surplus/(Deficit)		4,868,858	(340,897)	(3,604,960)	17,352,735	18,161,383	18,161,383	21,646,259	24,192,896	23,416,464

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

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

2. Note the Total Revenue on this table includes capital revenues (Transfers recognised-capital) and so does not balance to the operating revenue on Table A4.

3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

4. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's structure.

Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

Table 14 MBRR Table A3- Budget Financial Performance

NC084 !Kheis - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		39,973	68,168	56,671	89,400	92,011	92,011	97,438	103,435	106,191
Vote 4 - COMMUNITY SERVICES		870	796	871	1,000	1,000	1,000	1,043	1,091	1,141
Vote 5 - TECHNICAL SERVICES		15,140	216	4,248	–	–	–	–	–	–
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–

Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	55,983	69,180	61,790	90,400	93,011	93,011	98,481	104,526	107,332
Expenditure by Vote to be appropriated	1									
Vote 1 - MUNICIPAL MANAGER		2,017	2,079	1,714	2,710	1,369	1,369	3,457	3,627	3,797
Vote 2 - CORPORATE SERVICE		4,962	8,343	5,407	6,560	7,893	7,893	8,217	8,620	9,233
Vote 3 - FINANCIAL MANAGEMENT SERVICES		49,032	37,185	24,150	26,714	26,871	26,871	27,783	29,202	30,429
Vote 4 - COMMUNITY SERVICES		6,426	7,550	9,272	5,057	5,000	5,000	4,785	4,906	5,136
Vote 5 - TECHNICAL SERVICES		27,388	25,178	17,679	23,236	25,058	25,058	23,666	24,825	25,958
Vote 6 - EXECUTIVE AND COUNCIL		3,031	4,203	6,559	7,886	7,773	7,773	8,034	8,428	8,824
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–

Total Expenditure by Vote	2	92,855	84,538	64,782	72,163	73,964	73,964	75,942	79,607	83,376
Surplus/(Deficit) for the year	2	(36,872)	(15,358)	(2,992)	18,237	19,047	19,047	22,539	24,919	23,955

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.

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

Northern Cape: !Kheis (NC084) - Table A4 Budgeted Financial Performance 30 June 2023

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
Rand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
Revenue											
Exchange Revenue											
Service charges - Water	2	4,498,977	4,294,157	3,932,835	8,647,931	8,647,931	8,647,931	1,715,761	9,115,430	9,562,085	10,011,504

Service charges - Waste Water Management	2	2,231,777	2,516,209	2,952,677	2,766,508	2,766,508	2,766,508	1,231,785	2,913,133	3,055,877	3,199,502
Service charges - Waste Management	2	2,785,640	3,265,946	3,944,576	3,157,116	3,157,116	3,157,116	1,713,178	3,324,443	3,487,341	3,651,246
Sale of Goods and Rendering of Services		69,984	110,238	397,169	545,974	894,738	894,738	700,695	1,253,106	1,314,511	1,376,291
Agency services		367,540	775,298	185,092	472,004	472,004	472,004	10,707	376,020	394,445	412,984
Interest earned from Receivables		3,553,655	3,950,826	5,901,724	4,680,000	4,680,000	4,680,000	1,969,363	4,928,040	5,169,512	5,412,480
Interest earned from Current and Non Current Assets		158,164	168,064	58,520	514,686	514,686	514,686	12,801	541,964	568,521	595,241
Rent on Land		18,989	13,442	13,450	19,640	19,640	19,640	13,319	20,681	21,694	22,714
Rental from Fixed Assets		184,253	259,919	206,380	1,734,965	1,734,965	1,734,965	98,207	1,826,552	1,916,054	2,044,409
Licence and permits		657	-	1,948	55,195	55,195	55,195	120	58,120	60,968	63,834

Operational Revenue		313,104	205,480	30,347	411,385	411,385	411,385	3,257	416,845	437,365	457,922
Non-Exchange Revenue											
Property rates	2	3,958,455	3,391,831	5,146,853	10,647,990	10,647,990	10,647,990	(294,543)	11,212,333	11,761,738	12,314,540
Fines, penalties and forfeits		-	-	-	300,000	300,000	300,000	-	315,900	331,379	346,954
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		29,520,960	35,102,771	32,137,310	38,270,000	38,270,000	38,270,000	20,984,162	39,150,000	41,076,000	40,920,000
Interest		5,406	1,083,238	4,718	1,170,000	1,170,000	1,170,000	1,625	1,232,010	1,292,378	1,353,120
Gains on disposal of Assets		100,530	276,035	228,300	439,725	2,701,725	2,701,725	183,733	463,030	485,719	508,548
Total Revenue (excluding capital transfers		47,768,091	55,413,454	55,141,899	73,833,119	76,443,883	76,443,883	28,344,170	77,147,607	80,935,587	82,691,289

and contributions)											
Expenditure											
Employee related costs	2	29,484,077	31,103,030	29,686,183	33,417,979	32,166,518	32,166,518	17,819,566	34,849,804	36,557,454	38,275,652
Remuneration of councillors		2,787,966	2,988,048	3,795,134	4,634,244	4,634,244	4,634,244	2,495,923	4,634,244	4,861,323	5,089,805
Inventory consumed	8	362,221	2,927,249	2,229,799	1,339,715	1,844,715	1,844,715	1,521,021	1,393,864	1,462,165	1,530,885
Debt impairment	3	-	5,951,315	332,955	-	-	-	-	12,725,056	13,348,584	13,975,967
Depreciation and amortisation		7,940,456	9,656,140	5,359,383	9,087,817	9,087,817	9,087,817	-	9,569,472	10,038,376	10,510,181
Interest		-	3,914,515	-	-	-	-	-	-	-	-
Contracted services		940,471	3,310,587	2,500,625	3,748,449	4,609,536	4,609,536	576,748	5,203,377	5,354,893	5,473,774

Transfers and subsidies		595,389	221,370	(1,060,720)	1,112,262	1,112,262	1,112,262	333,537	46,650	48,936	51,237
Irrecoverable debts written off		4,904,212	-	11,681,983	12,084,573	12,084,573	12,084,573	-	-	-	-
Operational costs		4,116,482	9,491,727	10,869,853	7,622,345	9,309,835	9,309,835	2,203,415	8,411,881	8,660,960	9,045,324
Total Expenditure		51,131,274	69,563,981	65,395,195	73,047,384	74,849,500	74,849,500	24,950,210	76,834,348	80,332,691	83,952,825
Surplus/(Deficit)		(3,363,183)	(14,150,527)	(10,253,296)	785,735	1,594,383	1,594,383	3,393,960	313,259	602,896	(1,261,536)
Transfers and subsidies - capital (monetary allocations)	6	8,232,041	13,809,630	6,648,336	16,567,000	16,567,000	16,567,000	7,474,966	21,333,000	23,590,000	24,678,000
Surplus/(Deficit) after capital transfers and contributions		4,868,858	(340,897)	(3,604,960)	17,352,735	18,161,383	18,161,383	10,868,926	21,646,259	24,192,896	23,416,464

Surplus/(Deficit) after income tax		4,868,858	(340,897)	(3,604,960)	17,352,735	18,161,383	18,161,383	10,868,926	21,646,259	24,192,896	23,416,464
Surplus/(Deficit) attributable to municipality		4,868,858	(340,897)	(3,604,960)	17,352,735	18,161,383	18,161,383	10,868,926	21,646,259	24,192,896	23,416,464
Surplus/(Deficit) for the year		4,868,858	(340,897)	(3,604,960)	17,352,735	18,161,383	18,161,383	10,868,926	21,646,259	24,192,896	23,416,464

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

1. Total operating revenue is R76,4million in 2022/23 and decreases to R77,1million by 2023/24. This represents a year-on-year increase of 0.91% for the 2023/24 financial year.

2. Revenue to be generated from property rates is R10,6 million in the 2022/23 financial year and increases to R11,2 million by 2023/24 which represents 5% of the own operating revenue base off the municipality and therefore remains a significant funding source for the municipality.

3. Services charges relating to water, sanitation and refuse, together constitutes the biggest component of the revenue basket of the municipality totalling R14,5 million for the 2022/23 financial year and increasing to R15,3 million by 2023/24. For the 2022/23 financial year services charges amount to 19.90% of the total revenue base and grows by 5.3% per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of water.

Transfers recognised- operating includes the local government equitable share and other operating grants from national and provincial government.

4.Employee related costs, Debt impairment, Depreciation and bulk purchases are main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 16 MBRR Table A5 Budgeted Capital Expenditure

NC084 !Kheis - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 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 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		(730)	699	–	–	–	–	–	–	–	–

Vote 4 - COMMUNITY SERVICES		180	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		20,172	3,217	(33)	16,567	11,988	11,988	5,530	21,331	22,090	22,878
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		19,622	3,915	(33)	16,567	11,988	11,988	5,530	21,331	22,090	22,878
Single-year expenditure to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		–	(394)	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–

Vote 5 - TECHNICAL SERVICES		–	7,603	7,847	–	6,180	6,180	1,178	–	1,500	1,800
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		–	7,210	7,847	–	6,180	6,180	1,178	–	1,500	1,800
Total Capital Expenditure - Vote	3,7	19,622	11,125	7,814	16,567	18,168	18,168	6,708	21,331	23,590	24,678
Capital Expenditure - Functional											
Governance and administration		(730)	305	–	–	–	–	–	–	–	–
Executive and council		–	–	–	–	–	–	–	–	–	–
Finance and administration		(730)	305	–	–	–	–	–	–	–	–
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		180	–	–	–	1,180	1,180	1,178	–	–	–

Community and social services	180	–	–	–	–	–	–	–	–	–
Sport and recreation	–	–	–	–	1,180	1,180	1,178	–	–	–
Economic and environmental services	235	774	(424)	–	421	421	339	–	–	–
Planning and development	–	–	–	–	–	–	–	–	–	–
Road transport	235	774	(424)	–	421	421	339	–	–	–
Environmental protection	–	–	–	–	–	–	–	–	–	–
Trading services	19,938	10,046	8,238	16,567	16,567	16,567	5,191	21,331	23,590	24,678
Energy sources	–	–	–	–	–	–	–	–	1,500	1,800
Water management	5,306	–	–	5,000	5,000	5,000	–	9,450	9,875	10,315
Waste water management	–	–	–	–	–	–	–	–	–	–
Waste management	14,632	10,046	8,238	11,567	11,567	11,567	5,191	11,881	12,215	12,563

Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3,7	19,622	11,125	7,814	16,567	18,168	18,168	6,708	21,331	23,590	24,678
Funded by:											
National Government		19,938	10,046	8,238	16,567	16,567	16,567	5,191	21,331	23,590	24,678
Provincial Government		414	774	(774)	–	–	–	–	–	–	–
Transfers recognised - capital	4	20,352	10,820	7,463	16,567	16,567	16,567	5,191	21,331	23,590	24,678
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	–	–	1,601	1,601	1,517	–	–	–
Total Capital Funding	7	20,352	10,820	7,463	16,567	18,168	18,168	6,708	21,331	23,590	24,678

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

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

2. Unlike multi-year capital appropriations, single-year appropriations relates to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialised tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

3. The capital programme is funded from national grants and transfers, public contributions and donations, external loans and internally generated funds from current year surpluses. For 2023/24, capital transfers totals R21,333 million. No borrowing is intended to finance any of the capital budgets during the MTREF. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding)

Table 17 MBRR Table A6- Budgeted Financial Position

Northern Cape: !Kheis (NC084) - Table A6 Budgeted Financial Position 30 June 2023

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
Rand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
ASSETS											

Current assets											
Cash and cash equivalents		(166,589)	4,078,765	(2,572,727)	(28,739,015)	(29,772,121)	(29,772,121)	23,299,543	4,109,410	5,900,809	8,741,705
Trade and other receivables from exchange transactions	1	5,120,446	23,505,835	2,776,078	66,330,193	67,279,799	67,279,799	8,505,996	31,337,083	32,045,132	30,984,653
Receivables from non-exchange transactions	1	(3,407,881)	9,798,030	1,849,752	43,912,260	44,821,910	44,821,910	(118,534)	16,115,789	16,444,453	16,592,309
Current portion of non-current receivables		-	(874,830)	-	109,510	109,510	109,510	-	(817,263)	(814,348)	(811,505)
Inventory	2	-	178,429	1,173	185,388	185,388	185,388	1,173	20,373	20,373	20,373
VAT		2,664,092	15,657,014	4,104,162	10,279,773	10,279,773	10,279,773	3,049,516	17,693,230	17,693,230	17,693,230

Other current assets		-	-	-	1,171,523	1,171,523	1,171,523	-	-	-	-
Total current assets		4,210,068	52,343,243	6,158,438	93,249,632	94,075,782	94,075,782	34,737,694	68,458,622	71,289,649	73,220,765
Non current assets											
Property, plant and equipment	3	(3,679,734)	154,862,099	3,130,325	190,984,394	192,585,394	192,585,394	6,220,892	208,591,885	208,881,981	209,198,176
Biological assets		1,842	-	100,983	-	-	-	100,983	-	-	-
Trade and other receivables from exchange transactions		-	1,865,454	-	1,938,206	1,938,206	1,938,206	-	1,865,454	1,865,454	1,865,454
Total non current assets		(3,677,892)	156,727,553	3,231,308	192,922,600	194,523,600	194,523,600	6,321,875	210,457,339	210,747,435	211,063,630
TOTAL ASSETS		532,176	209,070,796	9,389,746	286,172,232	288,599,382	288,599,382	41,059,569	278,915,961	282,037,084	284,284,395

LIABILITIES											
Current liabilities											
Financial liabilities		-	(4,012,882)	-	2,391,088	2,391,088	2,391,088	-	(4,012,882)	(4,012,882)	(4,012,882)
Consumer deposits		-	113,917	-	98,492	98,492	98,492	-	116,716	116,716	116,716
Trade and other payables from exchange transactions	4	(5,576,848)	28,233,902	11,220,106	50,978,164	52,596,666	52,596,666	31,364,364	60,186,396	60,806,882	63,880,625
Trade and other payables from non-exchange transactions	5	335,973	11,996,618	(607,646)	13,110,274	13,110,274	13,110,274	(607,646)	10,410,971	10,364,971	10,314,971
Provision		(889,841)	9,405,812	678,259	9,477,808	9,477,808	9,477,808	526,226	55,409,553	55,409,553	55,409,553

VAT		1,794,032	15,194,426	1,703,992	13,403,545	13,403,545	13,403,545	2,512,555	14,388,205	14,388,205	14,388,205
Total current liabilities		(4,336,684)	60,931,793	12,994,711	89,459,371	91,077,873	91,077,873	33,795,499	136,498,959	137,073,445	140,097,188
Non current liabilities											
Financial liabilities	6	-	1,559,748	-	1,620,578	1,620,578	1,620,578	-	1,559,748	1,559,748	1,559,748
Provision	7	-	722,038	-	404,210	404,210	404,210	-	2,075,000	2,075,000	2,075,000
Total non current liabilities		-	2,281,786	-	2,024,788	2,024,788	2,024,788	-	3,634,748	3,634,748	3,634,748
TOTAL LIABILITIES		(4,336,684)	63,213,579	12,994,711	91,484,159	93,102,661	93,102,661	33,795,499	140,133,707	140,708,193	143,731,936
NET ASSETS	10	4,868,860	145,857,217	(3,604,965)	194,688,073	195,496,721	195,496,721	7,264,070	138,782,254	141,328,891	140,552,459

COMMUNITY WEALTH/EQUITY Accumulated surplus/(deficit)	8	-	146,198,114	-	205,062,619	205,062,619	205,062,619	(3,604,856)	146,332,822	147,763,466	149,202,958
TOTAL COMMUNITY WEALTH/EQUITY	10	-	146,198,114	-	205,062,619	205,062,619	205,062,619	(3,604,856)	146,332,822	147,763,466	149,202,958

Explanatory notes to Table A6- Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understand-ability for councillor 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. 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 47 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:

Call investments deposits

Consumer debtors

Property, plant and equipment

Trade and other payables

Provisions non-current

Changes in net assets; and

Reserves

4. The municipal equivalent of equity is Community Wealth/ Equity. The justification is that ownership and the net assets of the municipality belong to the community

Any movement on the Budgeted Financial Performance or Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on 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

Northern Cape: !Kheis (NC084) - Table A7 Budgeted Cash Flows 30 June 2023

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
Rand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26

CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	530	4,463,000	(6,543,944)	(7,453,594)	(7,453,594)	-	7,781,552	8,077,722	8,558,565
Service charges		-	2,360,742	1,537,362	(5,227,724)	(6,177,330)	(6,177,330)	642,028	5,477,519	5,728,675	7,758,418
Other revenue		(6,858)	1,257,713	924,089	105,971	2,716,735	2,716,735	3,286,482	4,230,300	4,441,889	4,688,957
Transfers and Subsidies - Operational	1	-	31,252,738	24,638,000	38,270,000	38,270,000	38,270,000	17,879,783	38,107,000	39,985,000	39,779,000
Transfers and Subsidies - Capital	1	-	19,535,103	9,077,000	16,567,000	16,567,000	16,567,000	7,500,376	21,331,000	23,590,000	24,678,000
Interest		-	-	-	658,259	658,259	658,259	-	691,855	725,157	595,241
Payments											

Suppliers and employees		11,633,958	15,987,489	13,487,793	(25,520,003)	(22,631,462)	(22,631,462)	11,148,572	(26,376,189)	(27,727,801)	(26,662,734)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	(512,262)	(512,262)	(512,262)	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		11,627,100	70,394,315	54,127,244	17,797,297	21,437,346	21,437,346	40,457,241	51,243,037	54,820,642	59,395,447
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Decrease (increase) in non-current receivables		1,174,138	(1,865,454)	-	(1,938,206)	-	-	-	72,752	-	-

Capital assets		-	-	-	(16,567,000)	(16,567,000)	(16,567,000)	(2,176,239)	(21,331,000)	(22,090,000)	(22,878,000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		1,174,138	(1,865,454)	-	(18,505,206)	(16,567,000)	(16,567,000)	(2,176,239)	(21,258,248)	(22,090,000)	(22,878,000)
CASH FLOWS FROM FINANCING ACTIVITIES Receipts Payments											
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-

NET INCREASE/ (DECREASE) IN CASH HELD		12,801,238	68,528,861	54,127,244	(707,909)	4,870,346	4,870,346	38,281,002	29,984,789	32,730,642	36,517,447
Cash/cash equivalents at the year begin:	2	-	1,780,332	-	(4,809,695)	(4,809,695)	(4,809,695)	-	616,195	616,195	616,195
Cash/cash equivalents at the year end:	2	12,801,238	70,309,193	54,127,244	(5,517,604)	60,651	60,651	38,281,002	30,600,984	33,346,837	37,133,642

Explanatory notes to Table A7- Budget Cash Flow Statement

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

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

3. The 2023/24 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Adequate cash reserves over the medium-term.

It should be noted that the amounts for transfers and grants (operational and capital) is incorrect. Due to system formulas the vendor is going to correct the link with the original budget of 2022/23. The correct amounts for transfers and grants – operational is R 38.270 mil and capitalR16.567mil.

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

Northern Cape: !Kheis (NC084) - Table A8 Cash backed reserves/accumulated surplus reconciliation for 30 June 2024

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
Rand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
Cash and investments available											
Cash/cash equivalents at the year end	1	12,801,238	70,309,193	54,127,244	(5,517,604)	60,651	60,651	35,708,277	30,600,984	33,346,837	37,133,642
Other current investments > 90 days		(12,967,827)	(66,230,428)	(56,699,971)	(23,221,411)	(29,832,772)	(29,832,772)	(12,408,734)	(26,491,574)	(27,446,028)	(28,391,9 7)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		(166,589)	4,078,765	(2,572,727)	(28,739,015)	(29,772,121)	(29,772,121)	23,299,543	4,109,410	5,900,809	8,741,705

Application of cash and investments											
Unspent conditional transfers		335,973	11,996,618	(607,646)	14,040,000	14,040,000	14,040,000	(607,646)	10,410,971	10,364,971	10,314,971
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(791,606)	124,643	(684,175)	2,085,792	2,085,792	2,085,792	2,273,225	(1,001,799)	(1,001,799)	(1,001,799)
Other working capital requirements	3	(5,575,848)	19,708,902	9,289,106	98,557,438	97,213,940	97,213,940	24,879,364	30,921,396	31,074,882	31,791,625
Other provisions		(890)	9,406	678	9,478	9,478	9,478	526	55,410	55,410	55,410
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of		(6,921,322)	41,235,975	8,675,544	124,161,038	122,817,540	122,817,540	27,071,169	95,740,121	95,847,607	96,514,350

cash and investments:											
Surplus(shortfall)		6,754,733	(37,157,210)	(11,248,271)	(152,900,053)	(152,589,661)	(152,589,661)	(3,771,626)	(91,630,711)	(89,946,798)	(87,772,645)

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

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

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.

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"

Table 20 MBRR Table A9 – Asset Management

Northern Cape: !Kheis (NC084) - Table A9 Asset Management 30 June 2024

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
Rand	N	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
CAPITAL EXPENDITURE										
Total New Assets	1	179,520	5,331,690	6,289,811	11,567,000	12,747,000	12,747,000	11,881,000	12,215,000	12,563,000
Roads Infrastructure										
Storm water Infrastructure										
Electrical Infrastructure			2,407,434	(234,500)						
Water Supply Infrastructure										
Sanitation Infrastructure			194,582	391,064	11,567,000	11,567,000	11,567,000	11,881,000	12,215,000	12,563,000

Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		-	2,602,016	156,564	11,567,000	11,567,000	11,567,000	11,881,000	12,215,000	12,563,000
Community Facilities		179,520								
Sport and Recreation Facilities			2,729,674	6,133,247		1,180,000	1,180,000			
Community Assets		179,520	2,729,674	6,133,247	-	1,180,000	1,180,000	-	-	-
Heritage Assets										
Intangible Assets		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
Transport Assets										

Land										
Zoo's, Marine and Non-biological Animals										
Mature										
Immature										
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Immature										
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	4,081,201	8,018,813	1,523,873	5,000,000	5,421,000	5,421,000	9,450,000	9,875,000	10,315,000
Roads Infrastructure		234,500	774,480	(424,223)		421,000	421,000			
Storm water Infrastructure										
Electrical Infrastructure										

Water Supply Infrastructure		548,898	5,177,166	1,981,816	5,000,000	5,000,000	5,000,000	9,450,000	9,875,000	10,315,000
Sanitation Infrastructure		3,297,803	2,460,835	(33,720)						
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		4,081,201	8,412,481	1,523,873	5,000,000	5,421,000	5,421,000	9,450,000	9,875,000	10,315,000
Community Facilities			(393,668)							
Sport and Recreation Facilities										
Community Assets		-	(393,668)	-	-	-	-	-	-	-
Heritage Assets										

Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings										
Housing										
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Servitudes										
Licences and Rights										
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment										
Machinery and Equipment										

Transport Assets										
Land										
Zoo's, Marine and Non-biological Animals										
Mature										
Immature										
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	4,260,721	13,350,503	7,813,684	16,567,000	18,168,000	18,168,000	21,331,000	22,090,000	22,878,000
Roads Infrastructure		234,500	774,480	(424,223)		421,000	421,000			
Storm water Infrastructure										
Electrical Infrastructure			2,407,434	(234,500)						
Water Supply Infrastructure		548,898	5,177,166	1,981,816	5,000,000	5,000,000	5,000,000	9,450,000	9,875,000	10,315,000
Sanitation Infrastructure		3,297,803	2,655,417	357,344	11,567,000	11,567,000	11,567,000	11,881,000	12,215,000	12,563,000

Solid Waste Infrastructure									
Rail Infrastructure									
Coastal Infrastructure									
Information and Communication Infrastructure									
Infrastructure	4,081,201	11,014,497	1,680,437	16,567,000	16,988,000	16,988,000	21,331,000	22,090,000	22,878,000
Community Facilities	179,520	(393,668)							
Sport and Recreation Facilities		2,729,674	6,133,247		1,180,000	1,180,000			
Community Assets	179,520	2,336,006	6,133,247	-	1,180,000	1,180,000	-	-	-
Heritage Assets									
Revenue Generating									
Non-revenue Generating									

Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings										
Housing										
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Servitudes										
Licences and Rights										
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Transport Assets										
Land										
Zoo's, Marine and Non-biological Animals										

Mature										
Immature										
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset Class		4,260,721	13,350,503	7,813,684	16,567,000	18,168,000	18,168,000	21,331,000	22,090,000	22,878,000
ASSET REGISTER SUMMARY - PPE (WDV)	5	(3,677,892)	122,112,564	3,231,308	147,428,296	147,849,296	147,849,296	162,380,552	161,911,648	161,439,843
Roads Infrastructure		(4,810,204)	28,423,635	(2,005,094)	35,458,647	35,879,647	35,879,647	22,435,023	22,435,023	22,435,023
Storm water Infrastructure										
Electrical Infrastructure		(909,581)	482,316	(413,534)	1,751,921	1,751,921	1,751,921	2,570,077	2,570,077	2,570,077
Water Supply Infrastructure		(2,642,670)	13,097,517	(233,728)	21,507,031	21,507,031	21,507,031	6,580,644	6,493,961	6,406,743
Sanitation Infrastructure		1,473,093	24,266,987	7,866,590	37,140,190	37,140,190	37,140,190	38,593,412	38,555,352	38,517,057
Solid Waste Infrastructure		(169,098)	(3,232,624)	(1,790,361)	(821,470)	(821,470)	(821,470)	38,886,405	38,861,830	38,837,103

Rail Infrastructure Coastal Infrastructure Information and Communication Infrastructure		5,516,685								
Infrastructure		(1,541,775) (397,493)	63,037,831 3,940,863	3,423,873 (162,040)	95,036,319 4,684,891	95,457,319 4,684,891	95,457,319 4,684,891	109,065,561 (1,751,884)	108,916,243 (1,751,884)	108,766,003 (1,751,884)
Community Assets Heritage Assets		(397,493)	3,940,863	(162,040)	4,684,891	4,684,891	4,684,891	(1,751,884)	(1,751,884)	(1,751,884)
Investment properties		(205,016)	51,807,865	(7,389)	(3,740,505)	(3,740,505)	(3,740,505)	52,873,635	52,760,403	52,646,470

Other Assets		(205,016)	51,807,865	(7,389)	(3,740,505)	(3,740,505)	(3,740,505)	52,873,635	52,760,403	52,646,470
Biological or Cultivated Assets		1,842		100,983						
Intangible Assets										
Computer Equipment		(66,307)	(45,825)	(61,105)	(2,196,132)	(2,196,132)	(2,196,132)	(1,131,110)	(1,190,438)	(1,250,133)
Furniture and Office Equipment		(23,892)	4,760	(2,347)	(2,018,878)	(2,018,878)	(2,018,878)	(1,101,417)	(1,155,584)	(1,210,088)
Machinery and Equipment		(1,110,313)	2,522,784		1,185,075	1,185,075	1,185,075	1,129,235	1,060,951	992,245
Transport Assets		(334,938)	697,998	(60,667)	(1,096,038)	(1,096,038)	(1,096,038)	3,150,245	3,125,670	3,100,943
Land			146,288		55,573,564	55,573,564	55,573,564	146,287	146,287	146,287
Zoo's, Marine and Non-biological Animals										

Living Resources										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		(3,677,892)	122,112,564	3,231,308	147,428,296	147,849,296	147,849,296	162,380,552	161,911,648	161,439,843
EXPENDITURE OTHER ITEMS										
Depreciation	7	7,940,456	9,656,140	5,359,383	9,087,817	9,087,817	9,087,817	9,569,472	10,038,376	10,510,181
Repairs and Maintenance by Asset Class	3	305,353	232,016	211,005	763,152	670,470	670,470	764,500	801,255	804,564
Roads Infrastructure		806			41,392	41,392	41,392	43,586	45,722	47,870
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure		51,266	38,095	24,490	36,632	26,632	26,632	40,468	42,388	44,297
Sanitation Infrastructure		8,617	30,329	41,612	124,457	114,457	114,457	131,053	137,475	143,936

Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		60,689	68,424	66,102	202,481	182,481	182,481	215,107	225,585	236,103
Community Facilities					12,244	12,244	12,244	12,892	13,524	14,160
Sport and Recreation Facilities										
Community Assets		-	-	-	12,244	12,244	12,244	12,892	13,524	14,160
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-

Operational Buildings	20,546	59,386	28,912	233,041	179,359	179,359	215,642	226,210	236,840
Housing									
Other Assets	20,546	59,386	28,912	233,041	179,359	179,359	215,642	226,210	236,840
Biological or Cultivated Assets									
Servitudes									
Licences and Rights									
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	2,014	1,657	119	23,010	23,010	23,010	20,186	21,176	22,173
Furniture and Office Equipment	28,307	10,172	4,024	77,109	77,109	77,109	71,369	74,869	78,388
Machinery and Equipment	47,267	6,234	65,293	102,578	88,078	88,078	100,502	104,903	109,836
Transport Assets	146,530	86,143	46,555	112,689	108,189	108,189	128,802	134,988	107,064
Land									
Zoo's, Marine and Non-biological Animals									

Mature										
Immature										
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		8,245,809	9,888,156	5,570,388	9,850,969	9,758,287	9,758,287	10,333,972	10,839,631	11,314,745
Renewal and upgrading of Existing Assets as % of total capex		95.8%	60.1%	19.5%	30.2%	29.8%	29.8%	44.3%	44.7%	45.1%
Renewal and upgrading of Existing Assets as % of deprecn		51.4%	83.0%	28.4%	55.0%	59.7%	59.7%	98.8%	98.4%	98.1%
R&M as a % of PPE & Investment Property		-8.3%	0.2%	6.7%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Renewal and upgrading and R&M as a % of PPE and Investment Property		-119.2%	6.8%	55.4%	3.9%	4.1%	4.1%	6.3%	6.6%	6.9%

Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

Table 21 MBRR Table A10 – Basic Service Delivery Measurement

NC084 !Kheis - Table A10 Basic service delivery measurement

		-2019	-2020	-2021	-2022-O	-2022-A	-2022-F	-2023	-2024	-2025
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–

Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–

Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–

Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–

Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		208 465	(316 019)	(97 052)	172 784	172 784	172 784	172 784	181 250	189 769
Sanitation (free minimum level service)		269 775	12 040	(15 019)	1 163 258	1 163 258	1 163 258	1 224 911	1 284 931	1 345 323
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		518 909	23 188	(15 131)	1 616 900	1 616 900	1 616 900	1 702 596	1 786 023	1 869 966
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		208	(316)	(97)	173	173	173	173	181	190
Sanitation (free sanitation service to indigent households)		270	12	(15)	1 163	1 163	1 163	1 225	1 285	1 345
Electricity/other energy (50kwh per indigent household per month)		–	–	–	–	–	–	–	–	–

Refuse (removed once a week for indigent households)		519	23	(15)	1 617	1 617	1 617	1 703	1 786	1 870
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		997	(281)	(127)	2 953	2 953	2 953	3 100	3 252	3 405
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)		–	–	–	601	601	601	633	664	695
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)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–

Total revenue cost of subsidised services provided		–	–	–	601	601	601	633	664	695

Explanatory notes to Table A10 – Basic Services Delivery Measurement

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

2. The budget provides for more households to be registered as indigent in 2023/24, and therefore entitled to receiving Free Basic Services.

3. It is anticipated that these Free Basic Services will cost the municipality R 2,9 million in 2022/23, increasing to R3,1 million in 2023/24. This is covered by the municipality's equitable share allocation from national government.

Part 2 – SUPPORTING DOCUMENTATION

2.1 Overview of the annual budget process

In terms of Section 30 of the Municipal Systems Act no 32 of 2000, the Mayor of a municipality must in accordance with S 29 –

"(c) Submit the final plan to the municipal council for adoption by the council, further

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 chaired by the Municipal Manager.

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.

2.1.1 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 2022) a time schedule that sets out the process to revise the IDP and prepare the budget.Section 28 (1) of the Municipal Systems Act requires each municipality to adopt a process in writing to guide the planning, finalizing, adoption and review of its Integrated Development Plan.

The Mayor tabled in Council the required the IDP and budget time schedule on 30 August 2022. Key dates applicable to the process were:

IDP and Budget Process

The scheduled meetings took place in line with the projected dates and times as approved by Council, accept for two divisions within the wards.

Political and management oversight of the budget compilation process and more specifically.

IDP Representative Forum – This forum represents all stakeholders and is inclusive as possible. Efforts will be made to bring additional organizations into the IDP RF and ensure their continued participation throughout the progress.

IDP and Budget Steering Committee – Oversee the alignment of the planning process with the district framework.

Determination of priorities/projects

Through public participation needs and priorities are identified.

Newspapers will inform the community of the progress of the IDP

The website will also be utilized to communities and inform the community. Copies of the IDP and the Budget will be placed on the website for people and service providers to download.

Alignment of municipal priorities with National, Provincial and sector priorities.

The municipality used the conditional grants as published in the 2022 Division of Revenue bill and the 2022 Northern Cape appropriation bill for the Financial Performance budget and the Financial Capital budget. Projects identified and priorities in the 2023/24 reviewed IDP were budgeted for in the capital budget.

The following projects were approved to be funded out of MIG

Upgrading of bulk water supply – Topline - R 9 450 000

Construction of sewer reticulation, pump station

and rising main to oxidation ponds in Wegdraai - R 11 881 000

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The municipality's IDP is a 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 fourth revision cycle included the following key IDP processes and Deliverables:

Registration of community needs;

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

Financial planning and budgeting process;

Public participation process;

Compilation of the SDBIP, and

The review of the performance management and monitoring processes.

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

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

The Final Service Delivery and Budget Implementation Plan (SDBIP) with Final Performance Agreements will be submitted to the Mayor after the approval of the Final IDP and Budget; and the final SDBIP will be tabled to Council for approval with the Performance Agreements. The proposed date for these submissions will depend on the directives given by the President and the Minister for Cogta, 30 days after the closure of the Corona virus lockdown with the final IDP and Budget.

2.1.3 Financial Modelling and Key Planning Drivers

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

Municipal 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 20233/24 adjustments budget and performance against the SDBIP

Cash Flow Management Strategy

Debtor payment levels

Loan and investment possibilities

The need for tariff increases versus the ability of the community to pay for services;

Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 115 has been taken into consideration in the planning and prioritisation process.

2.2 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 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 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 Strategies (PGDS);

National and Provincial spatial development perspectives;

Relevant sector plans such as transportation, legislation and policy;

National Key Performance Indicators (NKPs);

Accelerated and Shared Growth Initiative (ASGISA);

National 2014 Vision;

National Spatial Development Perspective (NSDP) and

The National Priority Outcomes.

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 five strategic for the 2023/24 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 22 IDP Strategic Objectives

SFA#	STRATEGIC FOCUS AREA/NATIONAL KEY FOCUS AREA	SO#	STRATEGIC OBJECTIVE	IDP PRIORITIES
SFA1	Basic Service Delivery	SO1	To improve and maintain current service through infrastructure development	PR1 Water PR2 Sanitation PR3 Electricity PR4 Streets and Storm water management PR5 Human Settlements
		SO2	To promote a safe and healthy environment through the protection of our natural resources	PR6 Environmental conservation – refuse removal, parks etc. PR7 Disaster management
SFA2	Local Economic Development	SO3	To create an enabling environment for social development and economic growth	PR8 Facilitate decent opportunities for job creation PR9 Rural development PR10 Youth development PR11 Opportunities for women and people living with disabilities

				PR12 HIV/AIDS awareness
SFA3	Municipal Financial Viability and Transformation	SO4	To grow the revenue base of the municipality	PR13 Sound financial planning
SFA4	Municipal Transformation and Organizational Development	SO5	To structure and manage the municipal administration to ensure efficient service delivery	PR14 Institutional capacity building
SFA5	Good Governance and Public Participation	SO6	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	PR15 Ward Committee system PR16 Communications

Aspects Which Need Attention

Currently the IDP document has certain aspects which still need to be completed within the near future. Some of these aspects have been started and as soon as completed, would form part of this document.

The compilation of an IDP for any town or area is a dynamic process, which doesn't necessarily end with the completion, approval and submission of a document. It is only the start of the new way of working towards future planning of the respective area. As the current actions are completed, new needs arise and new objectives need to be formulated to address these needs. This document therefore, serves as the foundation on which annual building and planning must take place.

In future review processes, more attention should be given to the Integration Phase of the document, as well as to monitoring of the effective and successful implementation of projects.

On national level it has been pointed out to almost all local authorities must focus more of their planning on:

a) Environmental issues,

b) Alignment especially with regard to government departments and

c) Sustainability of projects and programs.

With this in mind this municipality already attempted to address some of the above-mentioned gaps in this IDP review process and are committed to continuing doing so in order to enhance developmental local government.

The 2022/23 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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

R thousand		Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Basic and Sustainable Delivery Municipal Infrastructure Development	Water, cleaning services, Waste Removal, Sewerage Water, Public works, waste		15 140	216	4 248						
Local Economic Development	Community Services		870	796	871	1 000	1 000	1 000	1 043	1 091	1 141
Municipal Finance Viability and Management	Finance		39 973	68 168	56 671	89 400	92 011	92 011	97 438	103 435	106 228
Good Governance and Public Participation	Executive & Council, Corporate Services										

Good Governance	Traffic, Road transport										
Allocations to other priorities		2									
Total Revenue (excluding capital transfers and contributions)		1	55 983	69 180	61 790	90 400	93 011	93 011	98 481	104 526	107 369

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

R thousand		Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Basic and Sustainable Delivery	Water, cleaning services, Waste Removal, Sewerage		27 388	25 178	17 679	23 236	25 058	25 058	23 572	24 726	25 854
Municipal Infrastructure Development	Water, Public works, waste										
Local Economic Development	Community Services		6 426	7 550	9 272	5 057	5 000	5 000	4 763	4 883	5 113

Municipal Finance Viability and Management	Finance		49 032	37 185	24 150	26 714	26 871	26 871	28 268	29 501	30 74
Good Governance and Public Participation	Executive & Council, Corporate Services		10 010	14 625	13 680	17 156	17 035	17 035	19 318	20 264	21 21
Good Governance	Traffic, Road transport		1 179	967	613	884	885	885	913	958	1 028
Allocations to other priorities											
Total Expenditure		1	94 034	85 505	65 395	73 047	74 850	74 850	76 834	80 333	83 95

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

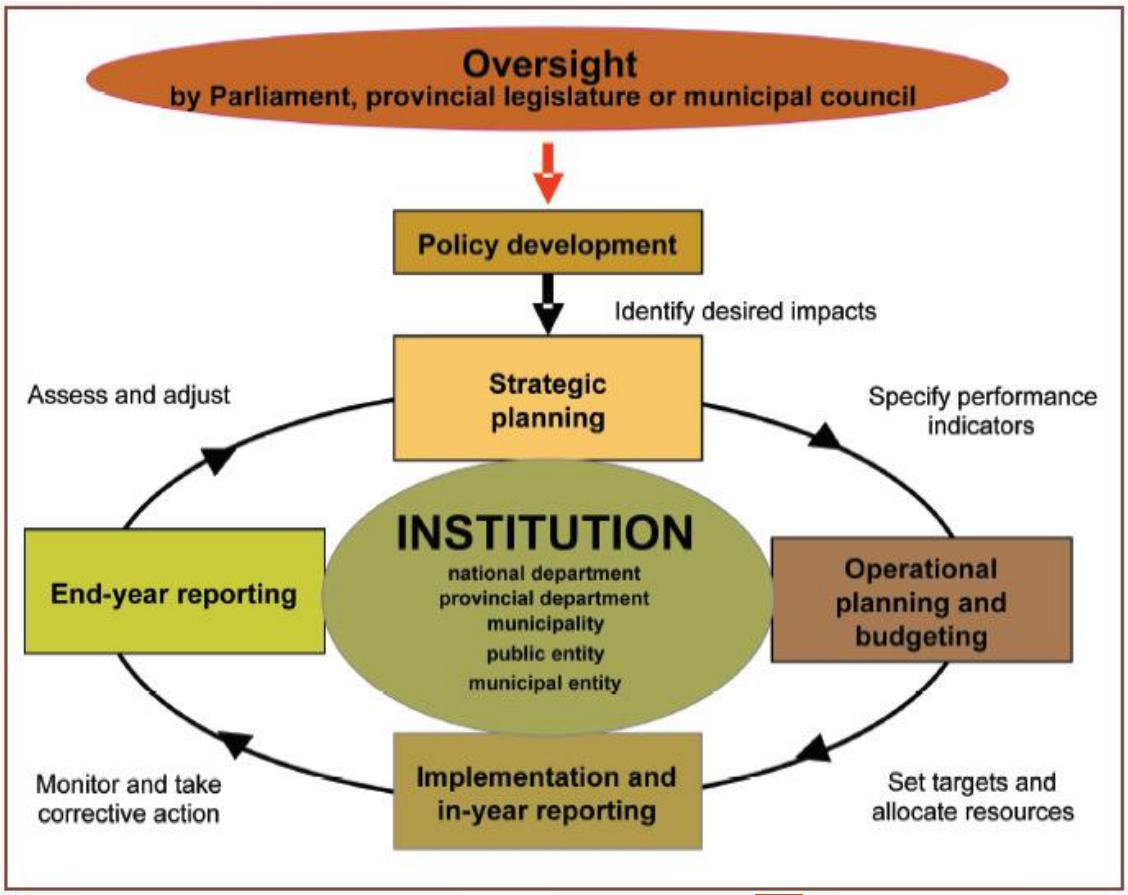
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Basic and Sustainable Delivery Municipal Infrastructure Development	Water, cleaning services, Waste Removal, Sewerage Water, Public works, waste	20 172	10 820	7 814	16 567	18 168	18 168	21 331	23 590	24 678

Local Economic Development	Community Services	180								
Municipal Finance Viability and Management	Finance	(730)	305							
Good Governance and Public Participation	Executive & Council, Corporate Services									
Good Governance	Traffic, Road Transport									
Allocations to other priorities										
Total Capital Expenditure		19 622	11 125	7 814	16 567	18 168	18 168	21 331	23 590	24 678

2.3 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 to individual employee's performance.

At any 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:



The developmental results of

achieving specific outcomes

What we aim to change?

The medium-term results for specific beneficiaries that are the consequence of achieving specific

IMPACT

Manage towards achieving

OUTCOME

What we wish to achieve?

The final products, or goods and services produced for delivery ?

What we produce or

OUTPUTS



The processes or actions that use a range of inputs to produce the desired outputs and

ACTIVITIES

What we do?

The resources that contribute to the



INPUTS

What we use to do the work?

Plan, budget, implement and monitor

Figure 1 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 purposes); 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

The following table sets out the municipalities main performance indicators and benchmarks for 2023/24 MTREF.

2.3.1.1 Safety of Capital

The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overfinal and tax provisions as a percentage of funds and reserves.

2.3.1.2 Liquidity

Current ratio is a measure of the current assets divided by the current liabilities. For the 2023/24 MTREF the current ratio is (3.64) and in the 2023/24 budgeted financial year the ration is (3.78), while the ratio for the 2024/25 MTREF is (4.93)as the liquidity for the two outer years of the MTREF is on (5.6) as to 1. Going forward it will be necessary to improve on this rate. This is below the benchmark ratio because of the excessive provision for bad debts that we are still going to review.

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

.

2.3.1.3 Revenue Management

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

2.3.1.4 Creditors Management

The municipality strive to pay all creditors within the legislated 30 days of invoice.

2.3.2 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. Only registered indigent's quality for the free basic services.

For the 2022/23 financial year more indigents have been provided for in the budget. In terms of the Municipality's indigent policy (attached as Annexure 4) registered households are entitled to 6kl fee water, free sanitation and free waste removal equivalent to 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 service, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 24 MBRR A10 (Basic Service Delivery Measurement)

Table 24 MBRR A10 (Basic Service Delivery Measurement)

NC084 !Kheis - Table A10 Basic service delivery measurement

		-2019	-2020	-2021	-2022-O	-2022-A	-2022-F	-2023	-2024	-2025
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–

Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–

Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–

Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–

Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		208 465	(316 019)	(97 052)	172 784	172 784	172 784	172 784	181 250	189 769
Sanitation (free minimum level service)		269 775	12 040	(15 019)	1 163 258	1 163 258	1 163 258	1 224 911	1 284 931	1 345 323
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		518 909	23 188	(15 131)	1 616 900	1 616 900	1 616 900	1 702 596	1 786 023	1 869 966
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		208	(316)	(97)	173	173	173	173	181	190
Sanitation (free sanitation service to indigent households)		270	12	(15)	1 163	1 163	1 163	1 225	1 285	1 345
Electricity/other energy (50kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)		519	23	(15)	1 617	1 617	1 617	1 703	1 786	1 870
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–

Total cost of FBS provided		997	(281)	(127)	2 953	2 953	2 953	3 100	3 252	3 405
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)		–	–	–	601	601	601	633	664	695

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)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		–	–	–	601	601	601	633	664	695

2.3.3 Providing clean water and managing waste water

The municipality is the Water Service Authority for the entire municipal area in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 90% of the municipality's bulk water needs are provided directly by Boegoeberg Water in the form of purified water.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to portable water treatment works and waste water treatment works that meet certain criteria of excellence.

Our blue Drop status was assessed as fair but our green drop status was not up to standard

The following is briefly the main challenges facing the municipality in this regard:

Shortage of skilled personnel makes proper operations and maintenance difficult; and

There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;

The filling of vacancies has commenced and Waste Water Division will embark on an in-house training programme, especially for operational personnel;

2.4 Overview of budget related-policies

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

2.4.1 Review of rates policy

The Rates Policy will be considered for approval by Council at the budget meeting of 31 May 2023. Amendments have been made with regard to the tariffs increases and the final policy will be attached to that document. While the final policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to accommodate all stakeholder views. Some of the possible revisions will include the need for full participation of relevant stakeholders when changing rebates on property rates every year. In addition the rebate structure is also likely to change to incorporate the views from the stakeholders.

2.4.2 Asset Management. Infrastructure Investment and Funding Policy

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 maintenance was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

2.4.3 Budget Policy

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

It 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 Policy will be approved by Council in May 2023.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was review and adopted by Council 31 May for the 2023/24 financial year. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on. The current policy can be located on the municipal website at www.!kheis.gov.za.

2.4.5 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy, as approved in council is also under review. The aim of the policy is to ensure that the municipality's surplus cash and investments, where applicable, 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.

2.4.6 Tariff Policies

The municipality's tariff policies (located at www.!kheis.gov.za) provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

2.4.8 Financial Code Policy

The Financial Code Policy has directly informed the compilation of the 2023/24 MTREF with the emphasis on affordability and long-term sustainability. Although we are busy reviewing the policy, its contents have been of significance in the preparation of the

MTREF. The policy dictates the approach to long term financial modelling. The outcomes are then filtered into the budget process. The financial planning outcomes are taken to Council and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features of the policy is the emphasis on financial sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

Approved 2023/24 final Budget;

Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);

Economic climate and trends (i.e Inflation, household debt levels, indigent factors, growth, recessionary implications);

Loan and investments possibilities;

Performance trends;

Tariff Increases;

The ability of the community to pay for services (affordability);

Policy priorities;

Improved and sustainable service delivery; and

Debtor payment levels.

The above policy together with those listed below will be made available on the municipality's website, as well as:

Property Rates Policy;

Budget Policy;

Indigents Policy.

Tariff Policy

Credit Control and Debt Collection Policy

Financial Code Policy

Asset Management Policy

Cash Management and Investment Policy

Borrowing Policy; and

Supply Chain Management Policy

2.5 Overview of budget assumptions

2.5.1 External factors

South Africa's economy has continued to take a down spiral, but a much slower rate than projected at the time of the 2023 Budget. Inflation has remained at a very high down spiral, with consumer prices rising by more than the anticipated growth of 5.3 percent as projected by MFMA circular 123 of 2023.

Consequently, municipal revenues and cash flows are expected to gradually improve during 2023/24. However, given that the likely recovery is not guaranteed and, at best, is likely to be slow, the municipality still had to adopt a conservative approach in projecting expected revenues and cash receipts. This has also applied to managing all revenue and cash streams effectively, as well as evaluation of the spending decision.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2023/24 MTREF:

National Government macro-economic targets;

The general inflationary outlook and the impact on municipality's residents and businesses;

The impact of municipal cost drivers;

The increase in prices of bulk and water; and

The increase in the cost of remuneration. Employee related costs comprise 45% of total operating expenditure in the 2023/24 MTREF. The increase in employee related costs is at least within inflation levels at 5.3%. We have applied the guideline increase by National Treasury as contained in Circulars 123.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The current municipal loan book is based on fixed interest. The municipality does not intent to enter into any long term debts for the 2023/24 budget year

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at various rates at or above the CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecast term. The municipality embark to implement a Revenue Enhancement Strategy which will contribute towards our cash flow problems.

2.5.5 Salary increases

According to budget circular 123 of 2023, the provision for salary increases had been agreed at 5.3% at the bargaining council. The municipality provide for the mentioned increase in the concept budget for 2023/24.

2.5.6 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focus 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 skills development;

Improving health service;

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.

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

It is estimated that a spending rate of at least 80 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2023/24 MTREF of which performance has been factored into the cash flow budget.

Overview of budget funding

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 which will lead to a positive revenue collection. The municipality derives most of its operational revenue from the provision of goods and services such as water, sanitation and solid waste removal, property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, agency services, 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 Strategy;

Achievement of a high per cent annual collection rate for consumer revenue due to regular interactions with consumers;

National Treasury guidelines;

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

And the ability to extend new services and obtain cost recovery levels.

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

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

Table 29 Proposed tariff increases over medium-term

Description	2022/23 Proposed tariff Increase
	5.3%
Property Rates	5.3%
Charges Water Service Charges Service Charges Sanitation	5.3%
Service Charges Refuse	5.3%

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

Table 30 MBRR SA15 – Detail Investment Information

NC084 !Kheis - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality										
Securities - National Government		–	–	–	–	–	–	–	–	–
Listed Corporate Bonds		–	–	–	–	–	–	–	–	–
Deposits - Bank		–	–	–	331	331	331	–	–	–

Deposits - Public Investment Commissioners		–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits		–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates		–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks		–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)		–	–	–	–	–	–	–	–	–
Repurchase Agreements - Banks		–	–	–	–	–	–	–	–	–
Municipal Bonds		–	–	–	–	–	–	–	–	–
Municipality sub-total	1	–	–	–	331	331	331	–	–	–
Entities										
Securities - National Government		–	–	–	–	–	–	–	–	–
Listed Corporate Bonds		–	–	–	–	–	–	–	–	–
Deposits - Bank		–	–	–	–	–	–	–	–	–
Deposits - Public Investment Commissioners		–	–	–	–	–	–	–	–	–

Deposits - Corporation for Public Deposits		–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates		–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks		–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)		–	–	–	–	–	–	–	–	–
Repurchase Agreements - Banks		–	–	–	–	–	–	–	–	–
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		–	–	–	331	331	331	–	–	–

2.6.2 Medium-term outlook: capital revenue

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

Table 31 Sources of capital revenue over the MTREF

NC084 !Kheis - Table A5 Budgeted Capital Expenditure
by vote, functional classification and funding

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 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 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26

Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		(730)	699	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		180	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		20 172	3 217	(33)	16 567	11 988	11 988	5 191	21 331	22 090	22 878
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		19 622	3 915	(33)	16 567	11 988	11 988	5 191	21 331	22 090	22 878
Single-year expenditure to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		–	(394)	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		–	7 603	7 847	–	6 180	6 180	–	–	1 500	1 800

Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		–	7 210	7 847	–	6 180	6 180	–	–	1 500	1 800
Total Capital Expenditure - Vote	3,7	19 622	11 125	7 814	16 567	18 168	18 168	5 191	21 331	23 590	24 678
Capital Expenditure - Functional											
Governance and administration		(730)	305	–	–	–	–	–	–	–	–
Executive and council		–	–	–	–	–	–	–	–	–	–
Finance and administration		(730)	305	–	–	–	–	–	–	–	–
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		180	–	–	–	1 180	1 180	–	–	–	–
Community and social services		180	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	1 180	1 180	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		235	774	(424)	–	421	421	–	–	–	–
Planning and development		–	–	–	–	–	–	–	–	–	–
Road transport		235	774	(424)	–	421	421	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		19 938	10 046	8 238	16 567	16 567	16 567	5 191	21 331	23 590	24 678

Energy sources		–	–	–	–	–	–	–	–	1 500	1 800
Water management		5 306	–	–	5 000	5 000	5 000	–	9 450	9 875	10 315
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management		14 632	10 046	8 238	11 567	11 567	11 567	5 191	11 881	12 215	12 563
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3,7	19 622	11 125	7 814	16 567	18 168	18 168	5 191	21 331	23 590	24 678
Funded by:											
National Government		19 938	10 046	8 238	16 567	16 567	16 567	5 191	21 331	23 590	24 678
Provincial Government		414	774	(774)	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	20 352	10 820	7 463	16 567	16 567	16 567	5 191	21 331	23 590	24 678
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	–	–	1 601	1 601	–	–	–	–
Total Capital Funding	7	20 352	10 820	7 463	16 567	18 168	18 168	5 191	21 331	23 590	24 678

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

Capital grants and receipts equates to 100% of the total funding source which represents R21.3 million for the 2023/24 financial year.

2.6.3 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 councillors and management's ability to understand the cash flow management. Some specific features include:

Clear separation of receipts 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.

The above table shows that cash and cash equivalent of the municipality are anticipated to be comfortable for 2023/24 budgeted financial year showing a balance R17.1 million due to the anticipated decrease in outstanding debtors as a result of the measures must be taken to collect debts from consumer debtors. The municipality undertook an extensive debt collection process to boost cash levels. These initiatives and interventions are expected to translate into positive cash flows and ultimately an improvement on the cash position for the municipality

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 123 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 are the predicted cash and investments that are available at the end of the budget year?

How are those funds used?

What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall 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)

From the above table it can be seen that the cash and investments availability total R4.5 mil in the 2022/23 financial year and increase to R 17.1 mil by 2023/24, 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:

There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investment Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project.

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 receipts delays will have a greater requirement for working capital, as was experienced by the municipality in 2023/24 resulting in cash flow challenges. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its financial obligations.

The calculation of actual cash received from services had been determined at 50% as being the current collection rate of the municipality

It can be concluded that the municipality focused to have a surplus against the cash backed and accumulated surpluses reconciliation. 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.

2.6.4 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 37 MBRR SA10 – Funding compliance measurement

NC084 !Kheis - Table A10 Basic service delivery measurement

		-2019	-2020	-2021	-2022-O	-2022-A	-2022-F	-2023	-2024	-2025
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/2

Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–

Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–

Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		208 465	(316 019)	(97 052)	172 784	172 784	172 784	172 784	181 250	189 769
Sanitation (free minimum level service)		269 775	12 040	(15 019)	1 163 258	1 163 258	1 163 258	1 224 911	1 284 931	1 345 323
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–

Refuse (removed at least once a week)		518 909	23 188	(15 131)	1 616 900	1 616 900	1 616 900	1 702 596	1 786 023	1 869 966
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		208	(316)	(97)	173	173	173	173	181	190
Sanitation (free sanitation service to indigent households)		270	12	(15)	1 163	1 163	1 163	1 225	1 285	1 345
Electricity/other energy (50kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)		519	23	(15)	1 617	1 617	1 617	1 703	1 786	1 870
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		997	(281)	(127)	2 953	2 953	2 953	3 100	3 252	3 405
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)		–	–	–	601	601	601	633	664	696
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)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		–	–	–	601	601	601	633	664	696

2.6.4.1 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

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 22. 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.

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 financial 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 strengthening for the period 2023/24 to 2024/25.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to determine whether 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. The municipalities assessed the result of this

calculation taking into consideration its own circumstances and levels of backlogs. The current outcome is a surplus, it may indicate that rates and service charges collection rates are currently insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2023/24 MTREF the indicative outcome is a surplus of R 21,6 mil. The municipality determine this through the process of offsetting depreciation against the expenditure as a non-cash item. It should also be indicated that this surplus will be funded through the capitalisation of depreciation on new assets as well revaluation of assets.

2.6.4.2 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. The result is intended to be an approximation of the real increase in revenue.

2.6.4.3 Cash receipts as a percentage of ratepayers and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 51% for 2023/24. 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.

2.6.4.4 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 forecasted that all capital payments will be paid within the legislative requirement that creditors be paid within 30 days.

2.6.4.5 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, as there are no intensions to obtain any borrowing. Transfers/grants revenue as a percentage of Government transfers/grants available

2.6.4.6 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% 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.

2.6.4.7 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. The table above shows no change in non-current as those older than a year have been impaired.

2.6.4.8 Repairs and Maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicate insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium or 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 48 MBRR SA34C .

2.6.4.9 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/ or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 47 MBRR SA34b.

2.7 Expenditure on grants and reconciliation of unspent funds

Table 38 MBRR SA19 – Expenditure on transfers and grant programmes

Table 39 MBRR SA20 – Reconciliation between of transfers, grant receipts and unspent funds

Northern Cape: !Kheis (NC084) - Table SA19 Expenditure on Transfers and Grant 30 June 2024

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
Rand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
EXPENDITURE										
Operating										

National Government										
Equitable Share		1,297,761	4,117,640	2,043,192	30,467,964	30,578,566	30,578,566	32,159,725	33,735,562	35,321,133
Expanded Public Works Programme Integrated Grant		573,024		329,560	1,073,000	1,073,000	1,073,000			
Local Government Financial Management Grant		1,107,216	1,349,396	2,030,596	3,009,230	2,999,999	2,999,999	3,100,000	3,100,000	3,099,998
Municipal Disaster Grant		353,225								
Total National Government		3,331,226	5,467,036	4,403,348	34,550,194	34,651,565	34,651,565	35,259,725	36,835,562	38,421,131
Provincial Government										
Capacity Building and Other		17,575	293,792	47,864	1,201,129	1,182,243	1,182,243	1,267,572	1,329,846	1,392,599
Total Provincial Government		17,575	293,792	47,864	1,201,129	1,182,243	1,182,243	1,267,572	1,329,846	1,392,599
Total Operating		3,348,801	5,760,828	4,451,212	35,751,323	35,833,808	35,833,808	36,527,297	38,165,408	39,813,730
Capital										
National Government										
Energy Efficiency and Demand Side Management Grant			2,407,434	(234,500)						
Municipal Infrastructure Grant		3,297,803	10,562,257	8,472,407	11,567,000	11,567,000	11,567,000	11,881,000	12,215,000	12,563,000

Water Services Infrastructure Grant		548,898			5,000,000	5,000,000	5,000,000	9,450,000	9,875,000	10,315,000
Total National Government		3,846,701	12,969,691	8,237,907	16,567,000	16,567,000	16,567,000	21,331,000	22,090,000	22,878,000
Provincial Government										
Infrastructure		234,500	774,480	(774,480)						
Capacity Building and Other		179,520								
Total Provincial Government		414,020	774,480	(774,480)	-	-	-	-	-	-
Total Capital		4,260,721	13,744,171	7,463,427	16,567,000	16,567,000	16,567,000	21,331,000	22,090,000	22,878,000
TOTAL		7,609,522	19,504,999	11,914,639	52,318,323	52,400,808	52,400,808	57,858,297	60,255,408	62,691,730

Northern Cape: !Kheis (NC084) - Table SA20 Reconciliation of transfers, grants receipts and unspent funds for 30 June 2024

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
Rand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
Operating Transfers and Grants:										
National Government:										

Opening Balance		-	-	-	(3,000,000)	(3,000,000)	(3,000,000)	-	-	-
Receipts		-	-	-	(4,073,000)	(4,073,000)	(4,073,000)	(3,100,000)	(3,100,000)	(3,100,000)
Transferred to Revenue/Capital Expenditure		-	-	-	4,073,000	4,073,000	4,073,000	3,100,000	3,100,000	3,100,000
Closing Balance		-	-	-	(3,000,000)	(3,000,000)	(3,000,000)	-	-	-
Provincial Government:										
Opening Balance		-	(10,123,019)	-	-	-	-	(11,455,971)	(11,455,971)	(11,455,971)
Receipts		-	-	-	(1,000,000)	(1,000,000)	(1,000,000)	-	-	-
Transferred to Revenue/Capital Expenditure		-	-	-	1,000,000	1,000,000	1,000,000	1,043,000	1,091,000	1,141,000
Re-payment of Unspent Grant		-	-	-	-	-	-	-	-	-
Closing Balance		-	(10,123,019)	-	-	-	-	(10,412,971)	(10,364,971)	(10,314,971)
District Municipality:										
Other grant providers:										
Total Operating Transferred to Revenue/Capital Expenditure		-	-	-	5,073,000	5,073,000	5,073,000	4,143,000	4,191,000	4,241,000

Total Operating Transfers and Grants - Closing Balance		-	(10,123,019)	-	(3,000,000)	(3,000,000)	(3,000,000)	(10,412,971)	(10,364,971)	(10,34,971
Capital Transfers and Grants:										
National Government:										
Opening Balance		-	-	-	(11,040,000)	(11,040,000)	(11,040,000)	-	-	-
Receipts		-	-	-	(16,567,000)	(16,567,000)	(16,567,000)	(21,331,000)	(22,090,000)	(22,8 8,000
Transferred to Revenue/Capital Expenditure		-	280,713	-	16,567,000	16,567,000	16,567,000	21,333,000	22,090,000	22,87 8,000
Re-payment of Unspent Grant		2,651,000	-	-	-	-	-	-	-	-
Closing Balance		2,651,000	280,713	-	(11,040,000)	(11,040,000)	(11,040,000)	2,000	-	-
Provincial Government:										
Transferred to Revenue/Capital Expenditure		(2,986,973)	(2,154,312)	607,646	-	-	-	-	-	-
Closing Balance		(2,986,973)	(2,154,312)	607,646	-	-	-	-	-	-
Total Capital Transferred to Revenue/Capital Expenditure		(2,986,973)	(1,873,599)	607,646	16,567,000	16,567,000	16,567,000	21,333,000	22,090,000	22,87 8,000

Total Capital Transfers and Grants - Closing Balance		(335,973)	(1,873,599)	607,646	(11,040,000)	(11,040,000)	(11,040,000)	2,000	-	-
Total Transferred to Revenue/Capital Expenditure		(2,986,973)	(1,873,599)	607,646	21,640,000	21,640,000	21,640,000	25,476,000	26,281,000	27,119,000
Total Transfers and Grants - Closing Balance		(335,973)	(11,996,618)	607,646	(14,040,000)	(14,040,000)	(14,040,000)	(10,410,971)	(10,364,971)	(10,34,971

2.8 Councillor and employee benefits

Table 40 MBRR SA22 – Summary of councillor and staff benefits

NC084 !Kheis - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		1,840	2,017	2,687	3,331	3,331	3,331	3,331	3,494	3,68
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–

Motor Vehicle Allowance		608	668	734	815	815	815	815	855	895
Cellphone Allowance		340	303	374	488	488	488	488	512	536
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		2,788	2,988	3,795	4,634	4,634	4,634	4,634	4,861	5,0 0
% increase	4		7.2%	27.0%	22.1%	–	–	–	4.9%	4.7%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		2,969	3,078	2,546	3,062	2,050	2,050	3,184	3,340	3,4 7
Pension and UIF Contributions		606	415	420	527	529	529	527	553	579
Medical Aid Contributions		23	12	20	21	21	21	32	33	35
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		87	114	100	102	102	102	108	113	118
Motor Vehicle Allowance	3	786	831	716	990	636	636	1,028	1,079	1,1 9
Cellphone Allowance	3	60	68	56	80	56	56	86	91	95
Housing Allowances	3	–	72	42	72	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–

Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		4,531	4,590	3,900	4,853	3,394	3,394	4,965	5,208	5,43
% increase	4		1.3%	(15.0%)	24.4%	(30.1%)	–	46.3%	4.9%	4.7%
Other Municipal Staff										
Basic Salaries and Wages		17,952	18,761	18,703	20,309	20,186	20,186	20,895	21,919	22,949
Pension and UIF Contributions		2,806	2,841	2,754	2,968	2,933	2,933	3,060	3,210	3,361
Medical Aid Contributions		601	807	767	1,112	1,112	1,112	1,120	1,175	1,230
Overtime		8	7	–	32	32	32	25	26	27
Performance Bonus		821	1,596	1,259	1,692	1,682	1,682	1,741	1,827	1,912
Motor Vehicle Allowance	3	1,500	1,719	1,773	1,853	1,964	1,964	2,149	2,255	2,361
Cellphone Allowance	3	129	166	181	167	167	167	189	199	208
Housing Allowances	3	179	118	113	88	121	121	109	114	119
Other benefits and allowances	3	12	121	141	207	207	207	210	220	230

Payments in lieu of leave		633	331	95	75	307	307	321	337	352
Long service awards		111	46	–	51	51	51	54	57	60
Post-retirement benefit obligations	6	–	–	–	11	11	11	11	12	12
Sub Total - Other Municipal Staff		24,751	26,513	25,786	28,565	28,773	28,773	29,885	31,349	32,23
% increase	4		7.1%	(2.7%)	10.8%	0.7%	–	3.9%	4.9%	4.7%
Total Parent Municipality		32,070	34,091	33,481	38,052	36,801	36,801	39,484	41,419	43,65
			6.3%	(1.8%)	13.7%	(3.3%)	–	7.3%	4.9%	4.7%
Board Members of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–	–	–
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–

Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Board Fees		–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Board Members of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Senior Managers of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–	–	–
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–

Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Other Staff of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–	–	–
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–

Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		32,070	34,091	33,481	38,052	36,801	36,801	39,484	41,419	43,65
% increase	4		6.3%	(1.8%)	13.7%	(3.3%)	–	7.3%	4.9%	4.7%
TOTAL MANAGERS AND STAFF	5,7	29,282	31,103	29,686	33,418	32,167	32,167	34,850	36,557	38,76

Table 41 MBRR SA23 – Salaries, allowances and benefits (political office bearers/councillors/senior managers

NC084 !Kheis - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4	1	515,882	–	173,371	–	–	689,253
Chief Whip		–	–	–	–	–	–	–

Executive Mayor		1	657,459	–	205,613	–	–	863,072
Deputy Executive Mayor		–	–	–	–	–	–	–
Executive Committee		–	–	–	–	–	–	–
Total for all other councillors		–	2,157,419	–	924,500	–	–	3,081,919
Total Councillors	8	2	3,330,760	–	1,303,484			4,634,244
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1,064,862	21,298	396,702	–	–	1,482,862
Chief Finance Officer		1	800,151	53,564	296,853	66,679	–	1,217,248
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
List of each offical with packages >= senior manager								
Director Community services		1	827,132	16,543	306,296	–	–	1,149,971

Director Technical services		1	800,149	26,696	296,852	66,679	–	1,190,377
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
Total Senior Managers of the Municipality	8,10	4	3,492,295	118,101	1,296,703	133,358		5,040,458
A Heading for Each Entity List each member of board by designation	6,7							
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–

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		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–

Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	6	6,823,055	118,101	2,600 ,187	133,358		9,674,702

Table 42 MBRR SA24 – Summary of personnel numbers

NC084 !Kheis - Supporting Table SA24
Summary of personnel numbers

Summary of Personnel Numbers	Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		11	–	11	11	–	11	11	–	11
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and	3	4	3	1	4	3	1	4	3	1

Senior Managers											
Other Managers	7	5	5	–	5	5	–	5	5		
Professionals		36	31	5	35	32	3	36	31		
Finance		35	30	5	34	31	3	35	30		
Spatial/town planning		–	–	–	–	–	–	–	–		
Information Technology		1	1	–	1	1	–	1	1		
Roads		–	–	–	–	–	–	–	–		
Electricity		–	–	–	–	–	–	–	–		
Water		–	–	–	–	–	–	–	–		
Sanitation		–	–	–	–	–	–	–	–		
Refuse		–	–	–	–	–	–	–	–		
Other		–	–	–	–	–	–	–	–		
Technicians		48	50	–	45	45	–	48	48		
Finance		–	–	–	–	–	–	–	–		
Spatial/town planning		–	–	–	–	–	–	–	–		
Information Technology		–	–	–	–	–	–	–	–		
Roads		–	–	–	–	–	–	–	–		
Electricity		1	1	–	1	1	–	1	1		

Water		25	25	–	25	25	–	25	25		
Sanitation		5	5	–	4	4	–	4	4		
Refuse		9	11	–	7	7	–	10	10		
Other		8	8	–	8	8	–	8	8		
Clerks (Clerical and administrative)		32	32	–	32	32	–	30	30		
Service and sales workers		–	–	–	–	–	–	–	–		
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–		
Craft and related trades		–	–	–	–	–	–	–	–		
Plant and Machine Operators		–	–	–	–	–	–	–	–		
Elementary Occupations		–	–	–	–	–	–	–	–		
TOTAL PERSONNEL NUMBERS	9	136	121	17	132	117	15	134	117		17
% increase					(2.9%)	(3.3%)	(11.8%)	1.5%	–	13.3%	
Total municipal employees headcount	6, 10	–	–	–	–	–	–	–	–		
Finance personnel headcount	8, 10	–	–	–	–	–	–	–	–		

Human Resources personnel headcount	8, 10	–	–	–	–	–	–	–	–	–	–

2.9 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 Budget and Treasury Office.

2.10 Capital expenditure details

Table 43 MBRR SA35 – Future Financial implications of capital budget

NC084 !Kheis - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
Capital expenditure	1							
Vote 1 - MUNICIPAL MANAGER		–	–	–				
Vote 2 - CORPORATE SERVICE		–	–	–				
Vote 3 - FINANCIAL MANAGEMENT SERVICES		–	–	–				
Vote 4 - COMMUNITY SERVICES		–	–	–				
Vote 5 - TECHNICAL SERVICES		21,331	23,590	24,678				
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–				
Vote 7 - STRATEGIC PLANNING		–	–	–				
List entity summary if applicable								

Total Capital Expenditure		21,331	23,590	24,678	–	–	–	–
Future operational costs by vote	2							
Vote 1 - MUNICIPAL MANAGER		3,457	3,627	3,797				
Vote 2 - CORPORATE SERVICE		8,217	8,620	9,233				
Vote 3 - FINANCIAL MANAGEMENT SERVICES		27,783	29,202	30,429				
Vote 4 - COMMUNITY SERVICES		4,785	4,906	5,136				
Vote 5 - TECHNICAL SERVICES		2,335	1,235	1,280				
Vote 6 - EXECUTIVE AND COUNCIL		8,034	8,428	8,824				
Vote 7 - STRATEGIC PLANNING		–	–	–				
List entity summary if applicable								
Total future operational costs		54,611	56,017	58,698	–	–	–	–
Future revenue by source	3							
Exchange Revenue		4,341	–	–				
Service charges - Electricity		–	–	–				
Service charges - Water		9,115	9,562	10,012				
Service charges - Waste Water Management		2,913	3,056	3,200				
Service charges - Waste Management		3,324	3,487	3,651				
Agency services		376	394	413				

List other revenues sources if applicable List entity summary if applicable								
Total future revenue		20,070	16,500	17,275	–	–	–	–
Net Financial Implications		55,872	63,107	66,101	–	–	–	–

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

Table 44 MBRR SA34e – Capital expenditure on upgrading of existing assets by asset class

Northern Cape: !Kheis(NC084) - Table SA34e Capital Expenditure on Upgrading of existing assets by Asset Class (All) for 4th Quarter ended 30 June 2023

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
Rand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
Capital Expenditure on Upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		4,081,201	8,412,481	1,523,873	5,000,000	5,421,000	5,421,000	9,450,000	9,875,000	10,315,000
Roads Infrastructure		234,500	774,480	(424,223)	-	421,000	421,000	-	-	-

Roads				350,257		421,000	421,000			
Road Structures		234,500	774,480	(774,480)						
Road Furniture										
Water Supply Infrastructure		548,898	5,177,166	1,981,816	5,000,000	5,000,000	5,000,000	9,450,000	9,875,000	10,315,000
Dams and Weirs										
Boreholes										
Reservoirs			303,480	33,720						
Pump Stations										
Water Treatment Works		548,898			5,000,000	5,000,000	5,000,000	9,450,000	9,875,000	10,315,000
Bulk Mains			4,873,686	1,948,096						
Sanitation Infrastructure		3,297,803	2,460,835	(33,720)	-	-	-	-	-	-
Pump Station										
Reticulation		3,297,803	2,460,835	(33,720)						
Waste Water Treatment Works										
Community Assets		-	(393,668)	-	-	-	-	-	-	-
Community Facilities		-	(393,668)	-	-	-	-	-	-	-

Libraries			(393,668)						
Cemeteries/Crematoria									
Police									
Other assets		-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-

Total Capital Expenditure on new assets		4,081,201	8,018,813	1,523,873	5,000,000	5,421,000	5,421,000	9,450,000	9,875,000	10,315,000

Table 45 MBRR SA35 – Future financial implications of the capital budget

NC084 !Kheis - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
Capital expenditure	1							
Vote 1 - MUNICIPAL MANAGER		–	–	–				
Vote 2 - CORPORATE SERVICE		–	–	–				
Vote 3 - FINANCIAL MANAGEMENT SERVICES		–	–	–				
Vote 4 - COMMUNITY SERVICES		–	–	–				
Vote 5 - TECHNICAL SERVICES		21,331	23,590	24,678				
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–				
Vote 7 - STRATEGIC PLANNING		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		21,331	23,590	24,678	–	–	–	–

Future operational costs by vote	2							
Vote 1 - MUNICIPAL MANAGER		3,457	3,627	3,797				
Vote 2 - CORPORATE SERVICE		8,217	8,620	9,233				
Vote 3 - FINANCIAL MANAGEMENT SERVICES		27,783	29,202	30,429				
Vote 4 - COMMUNITY SERVICES		4,785	4,906	5,136				
Vote 5 - TECHNICAL SERVICES		2,335	1,235	1,280				
Vote 6 - EXECUTIVE AND COUNCIL		8,034	8,428	8,824				
Vote 7 - STRATEGIC PLANNING		–	–	–				
List entity summary if applicable								
Total future operational costs		54,611	56,017	58,698	–	–	–	–
Future revenue by source	3							
Exchange Revenue		4,341	–	–				
Service charges - Electricity		–	–	–				
Service charges - Water		9,115	9,562	10,012				
Service charges - Waste Water Management		2,913	3,056	3,200				
Service charges - Waste Management		3,324	3,487	3,651				
Agency services		376	394	413				

List other revenues sources if applicable List entity summary if applicable								
Total future revenue		20,070	16,500	17,275	–	–	–	–
Net Financial Implications		55,872	63,107	66,101	–	–	–	–

2.11 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 had been a challenge for the municipality with the raw data not aligning with the actual expenditure on the data strings for mSCOA since the turn of the year. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes quarterly published financial performance on the municipality's website.

Internship Programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns, undergoing training in various divisions of the Budget and Treasury Office, as well as other divisions in the finance department. There are currently no vacancies for financial internship. The current interns had only be appointed during February 2016, after the former interns had been permanently employed in the finance department. At November 2015 five financial interns successfully completed their internship and had been permanently appointed in the financial department.

Budget and Treasury Office

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

Audit Committee

The Audit Committee had been established

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 and training is going.

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 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

The municipality's Property Rates Policy has also been reviewed to take into account views from stakeholders and other similar Forums. Other budget related policies in existence include the following:

Budget Policy;

Indigents Policy.

Tariff Policy

Credit Control and Debt Collection Policy

Asset Management Policy

Contract Management Policy

Cost Containment Policy

Financial Code Policy

Cash Management and Investment Policy; and

Borrowing Policy

2.12 Other supporting documents

Table 48 MBRR SA3 – Supporting detail to statement of financial position

Northern Cape: !Kheis (NC084) - Supporting Table SA3 Budgeted Financial Position (All) for 4th Quarter ended 30 June 2024

Description	Ref	2019/20	2020/21	2021/22	Current year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
Rand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
ASSETS											
Trade and other receivables from exchange transactions											
Electricity		-	(9,504,019)	-	-	-	-	-	(9,504,019)	(9,504,019)	(9,504,019)
Water		4,212,394	24,500,487	5,017,751	41,829,504	42,661,210	42,661,210	6,846,879	33,473,892	33,686,283	33,854,365
Waste		3,342,892	21,043,932	5,016,691	28,434,000	28,551,900	28,551,900	7,194,976	32,215,257	32,512,684	31,015,155
Waste Water		2,254,075	14,130,754	3,641,723	14,137,159	14,137,159	14,137,159	5,228,589	16,358,587	16,296,071	16,298,555
Other trade receivables from		215,296	(4,986,201)	220,157	22,521,508	22,521,508	22,521,508	355,796	1,598,399	1,859,146	2,125,630

exchange transactions											
Gross: Trade and other receivables from exchange transactions		10,024,657	45,184,953	13,896,322	106,922,171	107,871,777	107,871,777	19,626,240	74,142,116	74,850,165	73,789,686
Less: Impairment for debt		(4,904,211)	(21,679,118)	(11,120,244)	(40,591,978)	(40,591,978)	(40,591,978)	(11,120,244)	(42,805,033)	(42,805,033)	(42,805,033)
Impairment for Water		(1,699,545)	(249,139)	(3,795,874)	(9,762,719)	(9,762,719)	(9,762,719)	(3,795,874)	(7,460,430)	(7,460,430)	(7,460,430)
Impairment for Waste		(1,339,739)	(292,092)	(3,300,420)	(8,786,171)	(8,786,171)	(8,786,171)	(3,300,420)	(6,562,133)	(6,562,133)	(6,562,133)
Impairment for Waste Water		(901,782)	(146,207)	(2,248,291)	(5,740,413)	(5,740,413)	(5,740,413)	(2,248,291)	(4,417,445)	(4,417,445)	(4,417,445)
Impairment for other trade receivalbes from exchange transactions		(963,145)	(20,991,680)	(1,775,659)	(16,302,675)	(16,302,675)	(16,302,675)	(1,775,659)	(24,365,025)	(24,365,025)	(24,365,025)

Total net Trade and other receivables from Exchange Transactions		5,120,446	23,505,835	2,776,078	66,330,193	67,279,799	67,279,799	8,505,996	31,337,083	32,045,132	30,984,653
Receivables from non-exchange transactions											
Property rates		(3,407,881)	3,107,939	2,411,491	36,348,462	37,258,112	37,258,112	443,205	10,185,507	10,499,110	10,631,811
Less: Impairment of Property rates		-	(1,670,336)	(561,739)	(1,737,348)	(1,737,348)	(1,737,348)	(561,739)	(2,737,511)	(2,737,511)	(2,737,511)
Net Property rates		(3,407,881)	1,437,603	1,849,752	34,611,114	35,520,764	35,520,764	(118,534)	7,447,996	7,761,599	7,894,300
Other receivables from non-exchange transactions		-	8,360,427	-	9,301,146	9,301,146	9,301,146	-	8,667,793	8,682,854	8,698,009
Net other receivables from non-		-	8,360,427	-	9,301,146	9,301,146	9,301,146	-	8,667,793	8,682,854	8,698,009

exchange transactions											
Total net Receivables from non-exchange transactions		(3,407,881)	9,798,030	1,849,752	43,912,260	44,821,910	44,821,910	(118,534)	16,115,789	16,444,453	16,592,309
Inventory											
Water											
Closing balance - Consumables Zero Rated		-	-	-	-	-	-	-	-	-	-
Finished Goods											
Opening Balance		-	178,429	-	185,388	185,388	185,388	1,173	20,373	20,373	20,373
Acquisitions		-	-	1,173	-	-	-	-	-	-	-
Closing balance - Finished Goods		-	178,429	1,173	185,388	185,388	185,388	1,173	20,373	20,373	20,373

Materials and Supplies											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		-	-	-	-	-	-	-	-	-	-
Work-in-progress											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Closing balance - Work-in-progress		-	-	-	-	-	-	-	-	-	-
Closing Balance - Housing Stock		-	-	-	-	-	-	-	-	-	-
Land											
Closing Balance - Land		-	-	-	-	-	-	-	-	-	-

Closing Balance - Inventory and Consumables		-	178,429	1,173	185,388	185,388	185,388	1,173	20,373	20,373	20,373
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		4,260,721	267,817,341	8,822,664	301,693,200	303,294,200	303,294,200	11,913,231	424,958,719	425,717,719	426,505,719
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		(7,940,455)	(112,955,242)	(5,692,339)	(110,708,806)	(110,708,806)	(110,708,806)	(5,692,339)	(216,366,834)	(216,835,738)	(217,307,543)
Total Property, plant and equipment (PPE)	2	(3,679,734)	154,862,099	3,130,325	190,984,394	192,585,394	192,585,394	6,220,892	208,591,885	208,881,981	209,198,176
LIABILITIES											

Current liabilities - Borrowing											
Current portion of long-term liabilities		-	(4,012,882)	-	2,391,088	2,391,088	2,391,088	-	(4,012,882)	(4,012,882)	(4,012,882)
Total Current liabilities - Borrowing		-	(4,012,882)	-	2,391,088	2,391,088	2,391,088	-	(4,012,882)	(4,012,882)	(4,012,882)
Trade and other payables											
Trade and other payables from exchange transactions	5	(5,576,848)	28,233,902	11,220,106	50,978,164	52,596,666	52,596,666	31,364,364	60,186,396	60,806,882	63,880,625
Other trade payables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Trade payables from Non-exchange transactions:		335,973	11,996,618	(607,646)	14,040,000	14,040,000	14,040,000	(607,646)	10,410,971	10,364,971	10,314,971

Unspent conditional Grants											
Trade payables from Non-exchange transactions: Other		-	-	-	(929,726)	(929,726)	(929,726)	-	-	-	-
VAT		1,794,032	15,194,426	1,703,992	13,403,545	13,403,545	13,403,545	2,512,555	14,388,205	14,388,205	14,388,205
Total Trade and other payables	2	(3,446,843)	55,424,946	12,316,452	77,491,983	79,110,485	79,110,485	33,269,273	84,985,572	85,560,058	88,583,801
Non current liabilities - Financial liabilities											
Borrowing	4	-	1,559,748	-	1,620,578	1,620,578	1,620,578	-	1,559,748	1,559,748	1,559,748
Other financial liabilities		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Financial liabilities		-	1,559,748	-	1,620,578	1,620,578	1,620,578	-	1,559,748	1,559,748	1,559,748

Provisions - non-current											
Other		-	722,038	-	404,210	404,210	404,210	-	2,075,000	2,075,000	2,075,000
Total Provisions - non-current		-	722,038	-	404,210	404,210	404,210	-	2,075,000	2,075,000	2,075,000
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		-	146,328,114	-	177,335,338	177,335,338	177,335,338	(3,604,856)	117,135,995	117,135,995	117,135,995
GRAP adjustments		-	(130,000)	-	-	-	-	-	-	-	-
Restated balance		-	146,198,114	-	177,335,338	177,335,338	177,335,338	(3,604,856)	117,135,995	117,135,995	117,135,995
Surplus/(Deficit)		-	-	-	27,727,281	27,727,281	27,727,281	-	29,196,827	30,627,471	32,066,963

Accumulated Surplus/(Deficit)	1	-	146,198,114	-	205,062,619	205,062,619	205,062,619	(3,604,856)	146,332,822	147,763,466	149,202,958
Reserves											
TOTAL COMMUNITY WEALTH/EQUITY	2	-	146,198,114	-	205,062,619	205,062,619	205,062,619	(3,604,856)	146,332,822	147,763,466	149,202,958

Table 49 MBRR SA25 - Budgeted monthly revenue and expenditure

Northern Cape: !Kheis (NC084) - Table SA25 Budgeted Monthly Revenue and Expenditure (All) for 4th Quarter ended 30 June 2024

Description	Ref	2023/24											
Rand	1	M01 July	M02 Aug	M03 Sept	M04 Oct	M05 Nov	M06 Dec	M07 Jan	M08 Feb	M09 Mar	M10 Apr	M11 May	M12 June
Revenue													
Exchange Revenue													
Service charges - Water		759,618	759,618	759,618	759,618	759,618	759,618	759,618	759,618	759,618	759,618	759,618	759,632

Service charges - Waste Water Management		242,761	242,761	242,761	242,761	242,761	242,761	242,761	242,761	242,761	242,761	242,761	242,762
Service charges - Waste Management		277,036	277,036	277,036	277,036	277,036	277,036	277,036	277,036	277,036	277,036	277,036	277,047
Sale of Goods and Rendering of Services		104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,486
Agency services		31,334	31,334	31,334	31,334	31,334	31,334	31,334	31,334	31,334	31,334	31,334	31,346
Interest earned from Receivables		410,668	410,668	410,668	410,668	410,668	410,668	410,668	410,668	410,668	410,668	410,668	410,692
Interest earned from Current and Non Current Assets		45,163	45,163	45,163	45,163	45,163	45,163	45,163	45,163	45,163	45,163	45,163	45,171
Rent on Land		1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,728
Rental from Fixed Assets		152,210	152,210	152,210	152,210	152,210	152,210	152,210	152,210	152,210	152,210	152,210	152,242
Licence and permits		4,843	4,843	4,843	4,843	4,843	4,843	4,843	4,843	4,843	4,843	4,843	4,847
Operational Revenue		34,736	34,736	34,736	34,736	34,736	34,736	34,736	34,736	34,736	34,736	34,736	34,749

Non-Exchange Revenue													
Property rates		934,360	934,360	934,360	934,360	934,360	934,360	934,360	934,360	934,360	934,360	934,360	934,373
Fines, penalties and forfeits		26,325	26,325	26,325	26,325	26,325	26,325	26,325	26,325	26,325	26,325	26,325	26,325
Transfer and subsidies - Operational		3,262,499	3,262,499	3,262,499	3,262,499	3,262,499	3,262,499	3,262,499	3,262,499	3,262,499	3,262,499	3,262,499	3,262,511
Interest		102,667	102,667	102,667	102,667	102,667	102,667	102,667	102,667	102,667	102,667	102,667	102,673
Gains on disposal of Assets		38,585	38,585	38,585	38,585	38,585	38,585	38,585	38,585	38,585	38,585	38,585	38,595
Total Revenue (excluding capital transfers and contributions)		6,428,948	6,428,948	6,428,948	6,428,948	6,428,948	6,428,948	6,428,948	6,428,948	6,428,948	6,428,948	6,428,948	6,429,179
Expenditure													
Employee related costs		2,904,090	2,904,090	2,904,090	2,904,090	2,904,090	2,904,090	2,904,090	2,904,090	2,904,090	2,904,090	2,904,090	2,904,814
Remuneration of councillors		386,184	386,184	386,184	386,184	386,184	386,184	386,184	386,184	386,184	386,184	386,184	386,220
Inventory consumed		116,154	116,154	116,154	116,154	116,154	116,154	116,154	116,154	116,154	116,154	116,154	116,170

Debt impairment		1,060,420	1,060,420	1,060,420	1,060,420	1,060,420	1,060,420	1,060,420	1,060,420	1,060,420	1,060,420	1,060,420	1,060,436
Depreciation and amortisation		797,450	797,450	797,450	797,450	797,450	797,450	797,450	797,450	797,450	797,450	797,450	797,522
Contracted services		433,592	433,592	433,592	433,592	433,592	433,592	433,592	433,592	433,592	433,592	433,592	433,865
Transfers and subsidies		3,885	3,885	3,885	3,885	3,885	3,885	3,885	3,885	3,885	3,885	3,885	3,915
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		700,937	700,937	700,937	700,937	700,937	700,937	700,937	700,937	700,937	700,937	700,937	701,574
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		6,402,712	6,402,712	6,402,712	6,402,712	6,402,712	6,402,712	6,402,712	6,402,712	6,402,712	6,402,712	6,402,712	6,404,516
Surplus/(Deficit)	1	26,236	26,236	26,236	26,236	26,236	26,236	26,236	26,236	26,236	26,236	26,236	24,663
Transfers and subsidies - capital		1,777,750	1,777,750	1,777,750	1,777,750	1,777,750	1,777,750	1,777,750	1,777,750	1,777,750	1,777,750	1,777,750	1,777,750

(monetary allocations)													
Surplus/(Deficit) after capital transfers and contributions	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,802,413	
Surplus/(Deficit) after income tax	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,802,413	
Surplus/(Deficit) attributable to municipality	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,803,986	1,802,413	

Table 52 MBRR SA28 - Budgeted monthly capital expenditure (municipal)

NC084 !Kheis - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Multi-year expenditure to be appropriated	1															

Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	21,331	22,090	22,878
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	21,331	22,090	22,878

Single-year expenditure to be appropriated															
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	1,500	1,800
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	1,500	1,800

Total Capital Expenditure	2	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	21,331	23,590	24,678

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

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

2. Note the Total Revenue on this table includes capital revenues (Transfers recognised-capital) and so does not balance to the operating revenue on Table A4.

3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's structure.

2. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.
3. **MBRR**

Explanatory notes to Table A6- Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understand-ability for councillor 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. 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 47 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
   - Call investments deposits
   - Consumer debtors
   - Property, plant and equipment
   - Trade and other payables
   - Provisions non-current
   - Changes in net assets; and
   - Reserves

4. The municipal equivalent of equity is Community Wealth/ Equity. The justification is that ownership and the net assets of the municipality belong to the community

4. Any movement on the Budgeted Financial Performance or Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on 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.

Explanatory notes to Table A7- Budget Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2023/24 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

It should be noted that the amounts for transfers and grants (operational and capital) is incorrect. Due to system formulas the vendor is going to correct the link with the original budget of 2023/24. The correct amounts for transfers and grants – operational is R 38.270 mil and capitalR16.567mil.

6.2 Financial Recovery Plan

This section provides an overview of the !Kheis Municipality's 2022/2023 to 2024/25 MTREF. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of the municipality.

The municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and local governments. In essence, the spheres of government are partners in meeting the service delivery challenges faced in !Kheis. !Kheis Municipality alone cannot meet these challenges. It requires support from the other spheres of government through the direct allocation of resources, as well as the achievement of their own policies.

The process encompassed the following:

- Framework for and strategic direction of the budget;
- Forecast taking above direction into account.
- Departmental budget presentations to execute the Municipality's strategies, business improvement measures and implementation readiness of capital programmes.
- Utility Services presentations on their proposed budgets and tariff increases.
- Key Financial Drivers

Ensuring congruence between the Municipality's strategy and budget included alignment with the:

- IDP;
- Development Strategies;

- Core economic, financial and technical data obtained at local and national level; and
- Other issues, policies and strategies stemming deemed important in this regard.

6.3 Grants and Subsidies

DORA ALLOCATIONS 2024 25

GRANTS	2024-25	2025-2026	2025-2026
Name of grant	Budget	Budget	Budget
EPWP	- 1,200,000	-	-
FMG	- 3,000,000	- 3,000,000	- 3,000,000
WSIG	-	-	-
Intergrated National Electrification Programme (Municipal) Grant	-	- 1,188,000	- 1,073,000
MIG	- 21,662,000	- 12,010,000	12,658,000
LIBRARY	-	-	-

EQ	- 36,866,000	- 37,464,000	- 37,492,000
Total Grants	**- 62,728,000**	**- 53,662,000**	**- 28,907,000**

GRANTS 2024/2025

DORA ALLOCATIONS 2024-2025

	2024-25	2025-2026	2026-2027
Operational Grants			
Equitable shares	36,866,000	37,464,000	37,492,000
Financial Management Grant	3,000,000	3,000,000	3,000,000.00
Library Grant	1,090,000	-	-
Expanded Public Works Programme Intergrated Grant	1,200,000	-	-
Sub - Total Operational Grants	**42,156,000**	**40,464,000**	**40,492,000**
Capital Grants			

Municipal Infrastructure Grant	21,662,000	12,010,000	12,658,000
Intergrated National Electrification Programme (Municipal) Grant			
Sub - Total Infrastructure Grants	**21,662,000**	**12,010,000**	**12,658,000**
Total operational, inkind & Capital Grant	**63,818,000**	**52,474,000**	**53,150,000**