

Ubuntu Municipality



*menswaardigheid • hoop • erfenis
ubuntu • ithemba • izithethe
humanity • hope • heritage*

DRAFT 2024/2025 MTREF Budget Report (Sections 16, 17 and 21 of the MFMA)

March 2024

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1. EXECUTIVE SUMMARY

- 1.1 The 2024/2025 MTREF Budget Report commences with a discussion on the legislative requirements to which the Municipality must comply with; the Budget Circulars containing directives published by the National and Provincial Treasury's; as well as the key budget projections for the next three financial years.
- 1.2 The process of developing the Municipality's annual budget is mainly guided by the strategic thrusts and operational priorities of Ubuntu Municipality's Integrated Development Plan (IDP), as well as the MTREF that outlines the projected annual revenue and expenditure for the budget year under consideration and the two outer financial years.
- 1.3 The Final 2024/2025 Medium Term Revenue and Expenditure Framework (MTREF) Budget Report addresses the operating budget and tariff proposals, as well as the capital budget and funding source proposals, to ensure that Ubuntu Municipality renders services to the local community in a financially sustainable manner.
- 1.4 The 2024/2025 MTREF Budget report is based on these documents, as well as forecasted economic trends. A high-level summary of the operating and capital budgets.

2. LEGISLATION

- 2.1 Sections 15 to 24 of the Local Government: Municipal Finance Management Act, no 56 of 2003 (MFMA), read in conjunction with Regulations 9 to 20 of the Municipal Budget and Reporting Regulations (MBRR) legislates the processes for the compilation and approval of the municipal budget. The MFMA determines that:

Appropriation of funds for expenditure

A municipality may, except where otherwise provided in this Act, incur expenditure only –

- (a) In terms of an approved budget; and*
- (b) Within the limits of the amounts appropriated for the different votes in an approved budget.*

Annual budgets

- (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.*
- (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days [31 March annually] before the start of the budget year.*

- (3) *Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.*

Contents of annual budgets and supporting documents

- (4) *An annual budget of a municipality must be a schedule in the prescribed format –*
- (a) *Setting out realistically anticipated revenue for the budget year from each revenue source;*
 - (b) *Appropriating expenditure for the budget year under the different votes of the municipality;*
 - (c) *Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;*
 - (d) *Setting out –*
 - (i) *Estimated revenue and expenditure by vote for the current year; and*
 - (ii) *Actual revenue and expenditure by vote for the financial year preceding the current year; and*
 - (e) *A statement containing any other information required by section 215(3) of the Constitution or as may be prescribed.*
- (5) *An annual budget must generally be divided into a capital and an operating budget in accordance with international best practice, as may be prescribed.*
- (6) *When an annual budget is tabled in terms of section 16(2), it must be accompanied by the following documents –*
- (a) *Draft resolutions –*
 - (i) *Approving the budget of the municipality;*
 - (ii) *Imposing any municipal tax and setting any municipal tariffs as may be required for the budget year; and*
 - (iii) *Approving any other matter that may be prescribed;*
 - (b) *Measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's integrated development plan;*
 - (c) *A projection of cash flow for the budget year by revenue source, broken down per month;*
 - (d) *Any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act [addressed in a separate item/report];*
 - (e) *Any proposed amendments to the budget-related policies of the municipality;*
 - (f) *Particulars of the municipality's investments;*

- (g) Any prescribed budget information on municipal entities under the sole or shared control of the municipality **[not applicable to Ubuntu Municipality]**;
- (h) Particulars of all proposed new municipal entities which the municipality intends to establish or in which the municipality intends to participate **[not applicable to Ubuntu Municipality]**;
- (i) Particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements **[not applicable to Ubuntu Municipality as no service providers render services (water, electricity, sanitation, refuse) on behalf of the Municipality]**;
- (j) Particulars of any proposed allocations or grants by the municipality to –
 - (i) Other municipalities **[not applicable]**;
 - (ii) Any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers **[not applicable]**;
 - (iii) Any other organs of state **[not applicable]**;
 - (iv) Any organisations or bodies referred to in section 67(1) **[not applicable]**;
- (k) The proposed cost to the municipality for the budget year of the salary, allowances and benefits of –
 - (i) Each political office-bearer of the municipality;
 - (ii) Councilors of the municipality; and
 - (iii) The municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager;
- (l) The proposed cost for the budget year to a municipal entity under the sole or shared control of the municipality of the salary, allowances and benefits of **[not applicable]** –
 - (i) Each member of the entity's board of directors; and
 - (ii) The chief executive officer and each senior manager of the entity; and
- (m) Any other supporting documentation as may be prescribed.

Publication of annual budgets

Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must –

- (a) In accordance with Chapter 4 of the Municipal Systems Act –
 - (i) Make public the annual budget and the documents referred to in section 17(3); and
 - (ii) Invite the local community to submit representations in connection with the budget; and

- (b) *Submit the annual budget [to be executed immediately following the tabling of the annual budget and within 10 working days following Council approval of the annual budget]–*
- (i) *In both printed and electronic formats to the National Treasury and the relevant provincial treasury; and*
- (ii) *In either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.*

2.2 Regulations 9 to 20 of the MBRR in essence confirm the contents of Sections 15 to 24 of the MFMA in detail with regards to the Budget process.

2.3 The compilation of the annual budget, in terms of legislation, must also take into consideration the Budget Circulars released by both National and Provincial Treasury.

3. BUDGET CIRCULARS

3.1 National Treasury published two budget circulars for the 2024/2025 MTREF. MFMA Municipal Budget Circular No 126 published on 07 December 2023 as well as MFMA Municipal Budget Circular No 128 published on 08 March 2024.

3.2 The National Treasury Circulars mainly address the South African economy and inflation targets; key focus areas for the 2024/2025 budget process; Local Government conditional grant allocations; overview of the Revenue Management; latest released version 6.8 Municipal Standard Chart of Accounts (*mSCOA*); maximising funding choices and management issues in relation to employee-related costs and remuneration of councilors; conditional grant transfers to municipalities; municipal budget and reporting regulations; and, the budget process and submissions for the 2024/2025 MTREF.

3.3 NERSA circular dated 17 November 2023 issued a letter informing electricity distributors that the guideline and benchmarks that had been supplied in the past will no longer be published for annual electricity distributor tariff price increases, each distributor's tariff increase will be based on its costs.

Each distributor is expected to complete a revenue requirement tool in order to motivate the increase with regards to service charges – electricity for the 2024-25 MTREF period.

The circular provides guideline of the Eskom bulk purchases increase projected at 12.72% in 2024/2025 and the CPI projections for the remainder of the MTREF and these has been implemented as guided by NERSA.

3.4 Provincial Treasury issued Municipal Budget Circular No 06/2024 released on 17 March 2024.

- 3.5 The Provincial Treasury Circulars mainly provide an overview of the current fiscal and economic context and key highlights from the 2023 National Budget as well as the 2023 Provincial Budget, guidance to municipalities with the finalisation of the 2023/24 MTREF Budget and Brief municipalities on the 2023 Strategic Integrated Municipal Engagements (SIME) process and the impact of the Provincial and National Elections.
- 3.6 All factors affecting the compilation of the budget were taken into consideration to ensure that the anticipated revenue streams and funding sources are affordable and sustainable for funding both the operating and capital budgets.

4. BUDGET PROJECTIONS

4.1.1 Property Rates

Property Rates General Valuation will be implemented in the new financial year.

Council tabled Property Rates income at R20,638,608 on the implementation of 6% average increase from the adjusted budget of R19,470,392.

The rebates will continue as provided by Council in the current year as follows:

- R15,000 to all Households,
- The indigent threshold is R4500-00 per Households.

4.1.2 Water:

Ubuntu Local Municipality has been fortunate to have a natural supply of water that it can extract to provide water to the community. However, over the years a need to augment our bulk water arose, which we have started, with the MIG grant. Parts of South Africa has been declared disaster areas due to drought, with water being a scarce resource, Ubuntu Local Municipality was no exception, the need to preserve our water resource became imperative. We are also faced with a new challenge which is losses of water in our distribution network, we are committed to curb water losses and ensuring there is sufficient water supply for its residence. With the replacement of asbestos pipes with PVC will ensure that we reduce these losses, to ensure that the price of water is fair and provide access to all.

Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs 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, which Ubuntu Local Municipality is working towards. Maintenance of infrastructure and cost-reflective tariffs will ensure that the supply is managed in future to ensure sustainability. This has also prompted the municipality look implement prepaid meters. With the introduction of prepaid meters, community members will be more aware of their water usage and reduce excessive water usage and losses. The municipality has not started with creating cost reflective tariffs exercise as yet.

The 6 kℓ free water per 30-day period has since 2014 only been granted to registered indigents. Our informal settlement making use of communal taps.

4.1.3 **Electricity**

Though Electricity tariffs are regulated by NERSA, where Municipality were strictly guided in what they increase their tariffs to their customers by, this has however changed for the first time in this budget process where Municipalities attended weekly workshops in the month of March to complete the Revenue Requirement Tool designed by NERSA that will guide the projected increases for the 2024-25 MTREF.

The template was completed and projected a 15 per cent increase for the service charges electricity. This percentage is 2 per cent more than the projected bulk purchases increase of 12.72% NERSA.

This increase is not addressing the radical decline of the electricity revenue at least the past three years but will address the increased maintenance of the Electrical infrastructure requested.

Council will embark in another study since there are other considerable factors that needs to be considered such as Load Shedding as well as significant roll-out implementation of installing smart prepaid boxes to our Informal areas that will yield additional revenues, and the impact on Electricity Infrastructure.

4.2.4 **Refuse**

Services relevant to refuse removal, refuse dumps and solid waste disposal mechanisms must comply with stringent legislative requirements such as the National Environmental Management: Waste Act, No 59 of 2008. This service will receive further revision of the solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The municipality does not have a license for the current landfill site in use.

5. HIGH LEVEL OPERATING BUDGET

The Municipality's operating budget, lists the planned operating expenditure and income, for the delivery of all core services to its community.

5.1 Operating Revenue per Category

5.1.1 The high-level operating revenue budget per category for the 2024/2025 MTREF is presented in Table below:

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	16,126	17,530	8,082	23,757	24,796	24,796	25,441	26,284	27,861	29,532
Service charges - Water	2	5,501	11,464	12,316	17,040	17,040	17,040	18,994	18,063	19,146	20,295
Service charges - Waste Water Management	2	3,091	3,837	5,634	4,447	4,447	4,447	7,315	4,714	4,997	5,297
Service charges - Waste Management	2	3,047	4,392	6,244	3,885	5,439	5,439	8,438	5,765	6,111	6,478
Sale of Goods and Rendering of Services		(701)	81	69	65	86	86	86	91	97	103
Agency services		-	451	197	575	843	843	843	893	947	1,003
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		8,108	13,185	14,385	9,861	8,675	8,675	8,675	9,196	9,748	10,332
Interest earned from Current and Non Current Assets		360	602	1,266	425	1,543	1,543	1,543	1,635	1,734	1,838
Dividends		-	4	-	-	-	-	-	-	-	0
Rent on Land		-	119	11	408	416	416	416	441	468	496
Rental from Fixed Assets		299	529	526	553	553	553	553	586	622	659
Licence and permits		581	-	208	460	460	460	460	488	517	548
Operational Revenue		228	134	175	2,118	2,118	2,118	2,118	2,245	2,380	2,523
Non-Exchange Revenue											
Property rates	2	-	-	-	26,259	27,107	27,107	27,107	28,734	30,458	32,285
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1	10	53	19,470	19,470	19,470	19,470	20,639	21,877	23,190
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		47,361	33,301	55,047	54,933	54,933	54,933	54,933	58,016	61,229	64,561
Interest		3,045	(0)	6,900	-	-	-	-	-	-	0
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		1,149	-	(174)	-	-	-	-	-	-	(0)
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		88,195	85,638	110,941	164,258	167,927	167,927	176,393	177,790	188,189	199,139

5.1.2 The operating revenue budget equates to R 177,790 million for the 2024/2025 tabled MTREF.

5.1.3 An overall increase of R9,863 million when compared to 2024 February adjusted budget.

5.1.4 In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit. Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. The increase in revenue represents the tariff increase for rates, water, sanitation and refuses and electricity.

5.1.5 During the 2023/24 financial year, there has been several corrective actions undertaken that directly affected billing accuracy. There has been a reduction in estimates being billed which

were usually higher than the actual readings.

5.2 Operating Expenditure per Category

5.2.1 The high-level operating expenditure budget per category for the 2023/2024 MTREF is presented in Table below:

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Employee related costs	2	37,442	38,575	34,941	48,726	48,726	48,726	48,726	53,930	57,165	60,585
Remuneration of councillors		2,842	4,330	4,359	4,466	4,466	4,466	4,466	4,864	5,111	5,374
Bulk purchases - electricity	2	19,822	22,421	24,495	25,770	21,670	21,670	21,670	22,970	24,348	25,809
Inventory consumed	8	458	1,809	3,842	3,654	3,211	3,211	3,211	3,404	3,608	3,824
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		29,558	-	16,203	25,961	25,961	25,961	25,961	27,518	29,169	29,169
Interest		4,453	2,733	6,877	611	5,452	5,452	5,452	5,779	6,126	6,494
Contracted services		4,240	5,107	12,805	16,561	17,832	17,832	17,832	18,388	19,243	14,978
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		18,440	-	37,508	20,000	20,000	20,000	20,000	21,200	22,472	23,820
Operational costs		26,043	20,270	24,886	17,314	18,729	18,729	18,729	19,624	20,801	22,049
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	(218)	-	-	-	-	-	-	(0)
Total Expenditure		143,297	95,244	165,698	163,062	166,047	166,047	166,047	177,676	188,044	192,112

5.2.2 The operating expenditure budget equates to R 177 676 million for the 2024/2025 financial year in comparison with the adjusted budget of R166 047 million for the 2023/2024 adjusted budget.

5.2.3 An overall increase of R11 million when compared to 2024 February adjusted budget as a result of the below items:

- Overall R5 million increases in Employee Costs due to the 6 per cent increase implemented.

- Bulk purchases increase of R1.3 million as guided by the NERSA circular that Municipalities to increase Eskom charges in line with the guidelines.
- Contracted services and operational cost went up by overall R556 000-00 and R895 000 respectively to cover request mainly in the Service Delivery departments.

5.2.3 An overall increase of 5.9 per cent on operating expenditure budget for the 2024/2025 financial year compared to the 2023/2024 adjusted budget.

5.3 Operating Revenue and Expenditure Summary

5.3.1 The high-level draft operating budget summary for the 2024/2025 MTREF is presented in Table below:

High Level Summary of Tabled Budget 2024-25									
Description	2022-23 Audited	2023-24 Original	Adjustment		Actuals YTD		Draft Budget	Draft Budget	Draft Budget
	Figures	Budget	Budget 2023-24	Percentage %	2023-24	Percentage %	2024/2025	2025/2026	2026/2027
Operating Expenditure	165 697 522.01	163 062 159.00	166 046 518.00	2%	79 523 597.70	7%	177 675 540.00	188 043 542.00	192 112 399.00
Operating Revenue	110 940 932.87	164 257 682.00	167 926 977.00	2%	110 227 201.00	6%	177 789 624.00	188 189 378.00	199 138 975.00
Surplus/(Deficit) Excl Capital Revenue	- 54 756 589.14	1 195 523.00	1 880 459.00		30 703 603.30		114 084.00	145 836.00	7 026 576.00
Capital Revenue	28 795 448.63	35 459 000.00	33 920 000.00	-5%	22 668 242.00	-10%	30 872 004.00	32 724 320.00	34 687 781.00
Surplus/(Deficit) Excl Capital Revenue	- 25 961 140.51	36 654 523.00	35 800 459.00		53 371 845.30		30 986 088.00	32 870 156.00	41 714 357.00

5.3.2 The operating budget surplus excluding capital grants equates to R114 084-00 for the 2024/2025.

5.3.3 The operating budget surplus equates to R 30 986 088-00 for the 2024/2025 financial year this takes into account all capital projects funded through grants.

Narratives:

In financial year 2023-24, the adjusted budget increased with 2% between operational expenditure and operational revenue. This was also accompanied by a 5% decrease in capital revenue. The Draft Budget 2024-25 increased by 7% and 6% on the operational expenditure and operational revenue respectively from the Adjusted Budget 2023-24. The Capital Revenue allocated to the municipality has decreased by 10% in the Draft Budget 2024-25, from the Adjusted Budget 2023-24.

5.4 Summary per departments

5.4.1 The below table depicts Council- Councilors:

Row Labels	Sum of Draft Budget_2024-25	Sum of Draft Budget_2025-26	Sum of Draft Budget_2026-27
Expenditure	6,667,394.00	7,023,251.12	7,400,459.67
Inventory Consumed	10,596.00	11,231.76	11,905.67
Consumables	10,596.00	11,231.76	11,905.67
Operational Cost	2,701,932.00	2,864,047.92	3,035,890.80
Remuneration of Councillors	3,954,866.00	4,147,971.44	4,352,663.21
Executive Committee/Mayoral Committee	815,172.00	864,082.32	915,927.26
Total for All Other Councillors	2,403,252.00	2,547,447.12	2,700,293.95
Speaker	736,442.00	736,442.00	736,442.00
Grand Total	6,667,394.00	7,023,251.12	7,400,459.67

The above table depicts an overview of Council Directorate

5.4.2 The below table depicts Council- Mayor:

Row Labels	Sum of Draft Budget_2024-25	Sum of Draft Budget_2025-26	Sum of Draft Budget_2026-27
Expenditure	1,706,964.00	1,809,381.84	1,917,944.75
Employee Related Cost	209,724.00	222,307.44	235,645.89
Municipal Staff	209,724.00	222,307.44	235,645.89
Operational Cost	588,444.00	623,750.64	661,175.68
Remuneration of Councillors	908,796.00	963,323.76	1,021,123.19
Executive Mayor/Mayor	908,796.00	963,323.76	1,021,123.19
Allowances and Service Related Benefits	908,796.00	963,323.76	1,021,123.19
Social Contributions	-	-	-
Grand Total	1,706,964.00	1,809,381.84	1,917,944.75

The above table depicts an overview of the mayor.

5.4.3 The below table depicts MM office:

Row Labels	Sum of Draft Budget_2024-25	Sum of Draft Budget_2025-26	Sum of Draft Budget_2026-27
Expenditure	10,524,241.12	11,205,395.00	6,241,060.07
Contracted Services	6,056,106.00	6,469,171.78	1,220,663.45
Consultants and Professional Services	800,004.00	848,004.24	898,884.49
Legal Cost	800,004.00	848,004.24	898,884.49
Outsourced Services	5,256,102.00	5,621,167.54	321,778.96
Catering Services	63,600.00	67,416.00	71,460.96
Clearing and Grass Cutting Services	-	-	-
Security Services	5,192,502.00	5,553,751.54	250,318.00
Employee Related Cost	2,294,573.56	2,432,247.97	2,578,182.85
Municipal Staff	1,005,276.00	1,065,592.56	1,129,528.11
Senior Management	1,289,297.56	1,366,655.41	1,448,654.73
Municipal Manager (MM)	1,289,297.56	1,366,655.41	1,448,654.73
Inventory Consumed	990,756.00	1,050,201.36	1,113,213.44
Operational Cost	1,182,805.56	1,253,773.89	1,329,000.33
Advertising, Publicity and Marketing	-	-	-
Communication	-	-	-
Printing, Publications and Books	10,596.00	11,231.76	11,905.67
Professional Bodies, Membership and Subscription	542,724.00	575,287.44	609,804.69
Skills Development Fund Levy	18,949.56	20,086.53	21,291.73
(blank)	18,949.56	20,086.53	21,291.73
Travel and Subsistence	610,536.00	647,168.16	685,998.25
Vehicle Tracking	-	-	-
Grand Total	10,524,241.12	11,205,395.00	6,241,060.07

The above table depicts an overview of the Municipal Manager.

5.4.4 The below table depicts Corporate Services Admin and IT:

Row Labels	Sum of Draft Budget_2024-25	Sum of Draft Budget_2025-26	Sum of Draft Budget_2026-27
Expenditure	23,657,750.32	25,077,215.34	26,581,848.26
Contracted Services	662,496.00	702,245.76	744,380.51
Consultants and Professional Services	105,996.00	112,355.76	119,097.11
Business and Advisory	105,996.00	112,355.76	119,097.11
Contractors	185,496.00	196,625.76	208,423.31
Outsourced Services	371,004.00	393,264.24	416,860.09
Depreciation and Amortisation	5,171,496.00	5,481,785.76	5,810,692.91
Employee Related Cost	13,009,648.47	13,790,227.38	14,617,641.02
Municipal Staff	11,810,564.44	12,519,198.31	13,270,350.20
Senior Management	1,199,084.03	1,271,029.07	1,347,290.82
Designation	1,199,084.03	1,271,029.07	1,347,290.82
Interest, Dividends and Rent on Land	-	-	-
Interest Paid	-	-	-
Inventory Consumed	37,500.00	39,750.00	42,135.00
Consumables	37,500.00	39,750.00	42,135.00
Operating Leases	908,304.00	962,802.24	1,020,570.37
Furniture and Office Equipment	169,440.00	179,606.40	190,382.78
Machinery and Equipment	738,864.00	783,195.84	830,187.59
(blank)	738,864.00	783,195.84	830,187.59
Operational Cost	3,868,305.85	4,100,404.20	4,346,428.45
Revenue	- 23,343,588.00 -	- 24,744,203.28 -	- 26,228,855.48
Exchange Revenue	- 3,341,688.00 -	- 3,542,189.28 -	- 3,754,720.64
Agency Services	- 893,088.00 -	- 946,673.28 -	- 1,003,473.68
Interest, Dividend and Rent on Land	- 264,996.00 -	- 280,895.76 -	- 297,749.51
Licences or Permits	- 487,608.00 -	- 516,864.48 -	- 547,876.35
Operational Revenue	- 1,695,996.00 -	- 1,797,755.76 -	- 1,905,621.11
Sales of Goods and Rendering of Services	-	-	-
Non-exchange Revenue	- 20,001,900.00 -	- 21,202,014.00 -	- 22,474,134.84
Fines, Penalties and Forfeits	- 20,001,900.00 -	- 21,202,014.00 -	- 22,474,134.84
Grand Total	314,162.32	333,012.06	352,992.78

The above table depicts an overview of Corporate Services admin and IT

5.4.5 The below table depicts Corporate Services Traffic:

Row Labels	Sum of Draft Budget_2024-25	Sum of Draft Budget_2025-26	Sum of Draft Budget_2026-27
Expenditure	7,678,584.75	8,139,299.83	8,627,657.82
Contracted Services	-	-	-
Contractors	-	-	-
Outsourced Services	-	-	-
Employee Related Cost	7,119,702.15	7,546,884.28	7,999,697.33
Municipal Staff	7,119,702.15	7,546,884.28	7,999,697.33
Inventory Consumed	10,596.00	11,231.76	11,905.67
Consumables	10,596.00	11,231.76	11,905.67
Standard Rated	10,596.00	11,231.76	11,905.67
Operational Cost	548,286.60	581,183.80	616,054.82
Revenue	21,647,592.00	22,946,447.52	24,323,234.37
Exchange Revenue	1,645,692.00	1,744,433.52	1,849,099.53
Agency Services	893,088.00	946,673.28	1,003,473.68
Interest, Dividend and Rent on Land	264,996.00	280,895.76	297,749.51
Licences or Permits	487,608.00	516,864.48	547,876.35
Non-exchange Revenue	20,001,900.00	21,202,014.00	22,474,134.84
Fines, Penalties and Forfeits	20,001,900.00	21,202,014.00	22,474,134.84
Fines	20,001,900.00	21,202,014.00	22,474,134.84
Grand Total	13,969,007.25	14,807,147.69	15,695,576.55

The above table depicts an overview of Corporate Services Traffic department.

5.4.6 The below table depicts Financial Services operating budget:

Row Labels	Sum of Draft Budget_2024-25	Sum of Draft Budget_2025-26	Sum of Draft Budget_2026-27
Expenditure	54,943,072.84	58,239,657.21	61,734,036.64
Contracted Services	6,890,868.00	7,304,320.08	7,742,579.28
Consultants and Professional Services	6,639,696.00	7,038,077.76	7,460,362.43
Business and Advisory	6,639,696.00	7,038,077.76	7,460,362.43
Contractors	-	-	-
Outsourced Services	251,172.00	266,242.32	282,216.86
Depreciation and Amortisation	1,762,620.00	1,868,377.20	1,980,479.83
Employee Related Cost	12,060,226.51	12,783,840.10	13,550,870.51
Municipal Staff	10,860,228.51	11,511,842.22	12,202,552.76
Senior Management	1,199,998.00	1,271,997.88	1,348,317.75
Chief Financial Officer	1,199,998.00	1,271,997.88	1,348,317.75
Interest, Dividends and Rent on Land	5,779,308.00	6,126,066.48	6,493,630.47
Interest Paid	5,779,308.00	6,126,066.48	6,493,630.47
Inventory Consumed	15,900.00	16,854.00	17,865.24
Consumables	15,900.00	16,854.00	17,865.24
Finished Goods	-	-	-
Irrecoverable Debts Written Off	21,200,004.00	22,472,004.24	23,820,324.49
Exchange	21,200,004.00	22,472,004.24	23,820,324.49
Electricity	21,200,004.00	22,472,004.24	23,820,324.49
Operational Cost	7,234,146.32	7,668,195.10	8,128,286.81
Surplus / Deficit	-	-	-
Revenue	151,057,920.00	160,121,395.20	169,728,678.91
Exchange Revenue	66,401,640.00	70,385,738.40	74,608,882.70
Interest, Dividend and Rent on Land	10,998,660.00	11,658,579.60	12,358,094.38
Operational Revenue	549,204.00	582,156.24	617,085.61
Sales of Goods and Rendering of Services	28,476.00	30,184.56	31,995.63
Service Charges	54,825,300.00	58,114,818.00	61,601,707.08
Electricity	26,283,600.00	27,860,616.00	29,532,252.96
Waste Management	5,765,016.00	6,110,916.96	6,477,571.98
Waste Water Management	4,714,152.00	4,997,001.12	5,296,821.19
Water	18,062,532.00	19,146,283.92	20,295,060.96
Non-exchange Revenue	84,656,280.00	89,735,656.80	95,119,796.21
Fines, Penalties and Forfeits	633,528.00	671,539.68	711,832.06
Interest	-	-	-
Property Rates by Usage	28,733,748.00	30,457,772.88	32,285,239.25
Transfers and Subsidies	55,289,004.00	58,606,344.24	62,122,724.89
Grand Total	96,114,847.16	101,881,737.99	107,994,642.27

The above table depicts an overview of Financial Services Directorate which is vote 2 financial performances.

This directorate comprises of five main service Department: The BTO, Revenue Management, Supply Chain Management, Payroll division as well as Expenditure Management.

An overall revenue increase of R 1.1 million mainly on property rates which is purely as a result of the 6 % increase.

5.4.7 The below table depicts Community Service Library:

Row Labels	Sum of Draft Budget_2024-25	Sum of Draft Budget_2025-26	Sum of Draft Budget_2026-27
Expenditure	1,925,063.80	2,040,567.62	2,163,001.68
Contracted Services	-	-	-
Contractors	-	-	-
Employee Related Cost	1,883,107.84	1,996,094.31	2,115,859.96
Municipal Staff	1,883,107.84	1,996,094.31	2,115,859.96
Operating Leases	-	-	-
Furniture and Office Equipment	-	-	-
Operational Cost	41,955.96	44,473.32	47,141.72
Revenue	1,530,180.00	1,621,990.80	1,719,310.25
Non-exchange Revenue	1,530,180.00	1,621,990.80	1,719,310.25
Fines, Penalties and Forfeits	3,180.00	3,370.80	3,573.05
Transfers and Subsidies	1,527,000.00	1,618,620.00	1,715,737.20
Operational	1,527,000.00	1,618,620.00	1,715,737.20
Grand Total	394,883.80	418,576.82	443,691.43

The above table depicts an overview of Community Services library.

5.4.8 The below table depicts Technical Department:

Row Labels	Sum of Draft Budget_2024-25	Sum of Draft Budget_2025-26	Sum of Draft Budget_2026-27
Expenditure	9,889,581.44	10,482,956.32	11,111,933.70
Contracted Services	5,240,772.00	5,555,218.32	5,888,531.42
Contractors	5,240,772.00	5,555,218.32	5,888,531.42
Maintenance of Equipment	839,052.00	889,395.12	942,758.83
Maintenance of Unspecified Assets	4,401,720.00	4,665,823.20	4,945,772.59
Depreciation and Amortisation	-	-	-
Employee Related Cost	4,507,668.32	4,778,128.41	5,064,816.12
Municipal Staff	4,507,668.32	4,778,128.41	5,064,816.12
Inventory Consumed	37,560.00	39,813.60	42,202.42
Consumables	37,560.00	39,813.60	42,202.42
Operational Cost	103,581.12	109,795.99	116,383.75
Communication	-	-	-
Municipal Services	-	-	-
Registration Fees	5,304.00	5,622.24	5,959.57
Skills Development Fund Levy	34,677.12	36,757.75	38,963.21
Travel and Subsistence	-	-	-
Wet Fuel	63,600.00	67,416.00	71,460.96
Revenue	8,736.00	9,260.16	9,815.77
Exchange Revenue	8,736.00	9,260.16	9,815.77
Sales of Goods and Rendering of Services	8,736.00	9,260.16	9,815.77
Grand Total	9,880,845.44	10,473,696.16	11,102,117.93

The above table depicts an overview of Technical

5.4.9 The below table depicts Technical Electrical Services Department:

Row Labels	Sum of Draft Budget_2024-25	Sum of Draft Budget_2025-26	Sum of Draft Budget_2026-27
Expenditure	27,837,552.13	29,507,805.26	31,278,273.57
Bulk Purchases	22,969,704.00	24,347,886.24	25,808,759.41
Electricity	22,969,704.00	24,347,886.24	25,808,759.41
Contracted Services	31,800.00	33,708.00	35,730.48
Contractors	31,800.00	33,708.00	35,730.48
Depreciation and Amortisation	1,348,668.00	1,429,588.08	1,515,363.36
Employee Related Cost	3,146,707.92	3,335,510.39	3,535,641.02
Municipal Staff	1,947,623.89	2,064,481.32	2,188,350.20
Senior Management	1,199,084.03	1,271,029.07	1,347,290.82
Designation	1,199,084.03	1,271,029.07	1,347,290.82
Inventory Consumed	10,596.00	11,231.76	11,905.67
Consumables	10,596.00	11,231.76	11,905.67
Irrecoverable Debts Written Off	-	-	-
Exchange	-	-	-
Electricity	-	-	-
Operational Cost	330,076.21	349,880.78	370,873.63
Revenue	-	-	-
Non-exchange Revenue	-	-	-
Transfers and Subsidies	-	-	-
Grand Total	27,837,552.13	29,507,805.26	31,278,273.57

The above table depicts an overview of Electrical Services Department

5.4.10 The below table depicts Technical Water:

Row Labels	Sum of Draft Budget 2024-25	Sum of Draft Budget 2025-26	Sum of Draft Budget 2026-27
Expenditure	11,814,860.83	12,523,752.48	13,275,177.63
Contracted Services	710,196.00	752,807.76	797,976.23
Contractors	710,196.00	752,807.76	797,976.23
Maintenance of Equipment	-	-	-
Maintenance of Unspecified Assets	-	-	-
Prepaid Water Vendors	710,196.00	752,807.76	797,976.23
Depreciation and Amortisation	2,370,204.00	2,512,416.24	2,663,161.21
Employee Related Cost	4,719,884.11	5,003,077.16	5,303,261.79
Municipal Staff	4,719,884.11	5,003,077.16	5,303,261.79
Inventory Consumed	2,288,544.00	2,425,856.64	2,571,408.04
Consumables	37,104.00	39,330.24	41,690.05
Water	2,251,440.00	2,386,526.40	2,529,717.98
Irrecoverable Debts Written Off	-	-	-
Operating Leases	763,200.00	808,992.00	857,531.52
Machinery and Equipment	763,200.00	808,992.00	857,531.52
Operational Cost	962,832.72	1,020,602.68	1,081,838.84
Revenue	- 10,872,000.00 -	- 11,524,320.00 -	- 12,215,779.20
Non-exchange Revenue	- 10,872,000.00 -	- 11,524,320.00 -	- 12,215,779.20
Transfers and Subsidies	- 10,872,000.00 -	- 11,524,320.00 -	- 12,215,779.20
Grand Total	942,860.83	999,432.48	1,059,398.43

The above table depicts an overview of Technical water.

5.4.11 The below table depicts Technical Refuse:

Row Labels	Sum of Draft Budget 2024-25	Sum of Draft Budget 2025-26	Sum of Draft Budget 2026-27
Expenditure	6,627,806.37	7,025,474.75	7,447,003.24
Contracted Services	53,004.00	56,184.24	59,555.29
Consultants and Professional Services	53,004.00	56,184.24	59,555.29
Business and Advisory	53,004.00	56,184.24	59,555.29
Contractors	-	-	-
Maintenance of Unspecified Assets	-	-	-
Depreciation and Amortisation	112,356.00	119,097.36	126,243.20
Employee Related Cost	5,750,998.29	6,096,058.19	6,461,821.68
Municipal Staff	5,750,998.29	6,096,058.19	6,461,821.68
Inventory Consumed	-	-	-
Irrecoverable Debts Written Off	-	-	-
Operating Leases	371,004.00	393,264.24	416,860.09
Machinery and Equipment	371,004.00	393,264.24	416,860.09
Operational Cost	340,444.08	360,870.72	382,522.97
Achievements and Awards	37,104.00	39,330.24	41,690.05
Skills Development Fund Levy	43,636.08	46,254.24	49,029.50
Travel and Subsistence	15,900.00	16,854.00	17,865.24
Warrantees and Guarantees	-	-	-
Wet Fuel	243,804.00	258,432.24	273,938.17
Revenue	- 20,001,000.00 -	- 21,201,060.00 -	- 22,473,123.60
Exchange Revenue	- 996.00 -	- 1,055.76 -	- 1,119.11
Sales of Goods and Rendering of Services	- 996.00 -	- 1,055.76 -	- 1,119.11
Non-exchange Revenue	- 20,000,004.00 -	- 21,200,004.24 -	- 22,472,004.49
Transfers and Subsidies	- 20,000,004.00 -	- 21,200,004.24 -	- 22,472,004.49
Grand Total	- 13,373,193.63 -	- 14,175,585.25 -	- 15,026,120.36

The above table depicts an overview of Technical refuse.

6. HIGH LEVEL CAPITAL BUDGET

6.1 Capital Budget per Directorate

6.1.1 The high-level capital expenditure budget per directorate for the 2024/2025 MTREF is presented below:

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Total Capital Expenditure - Vote		-	21,853	26,129	37,819	36,280	36,280	36,280	30,872	32,724	34,688
Capital Expenditure - Functional											
<i>Governance and administration</i>		-	-	713	600	600	600	600	-	-	0
Executive and council		-	-	307	300	300	300	300	-	-	0
Finance and administration		-	-	407	300	300	300	300	-	-	0
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	0
Community and social services		-	-	-	-	-	-	-	-	-	0
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	0
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	0
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	18,711	25,362	37,219	35,680	35,680	35,680	30,872	32,724	34,688
Energy sources		-	8,483	8,898	4,530	4,530	4,530	4,530	-	-	0
Water management		-	10,228	15,332	32,689	31,150	31,150	31,150	5,137	5,445	5,772
Waste water management		-	-	246	-	-	-	-	25,735	27,279	28,916
Waste management		-	-	886	-	-	-	-	-	-	0
Other		-	3,142	54	-	-	-	-	-	-	0
Total Capital Expenditure - Functional	3	-	21,853	26,129	37,819	36,280	36,280	36,280	30,872	32,724	34,688

6.1.2 The total capital expenditure budget equates to R 30,872 million for the 2024/2025 financial year in comparison with the February 2023/24 tabled budget of R36,280 million.

Capital budget has decreased from the February 2023/24 adjusted budget of R36.280 million to R30,872 million which translates to 10 per cent reduction overall across departments.

6.2 Capital Budget per Funding Source

6.2.1 The high-level capital expenditure budget per funding source for the 2024/2025 MTREF is presented below:

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funded by:											
National Government		-	18,711	23,175	35,459	33,920	33,920	33,920	30,872	32,724	34,688
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	18,711	23,175	35,459	33,920	33,920	33,920	30,872	32,724	34,688
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds	7	-	3,142	2,954	2,360	2,360	2,360	2,360	-	-	0
Total Capital Funding	7	-	21,853	26,129	37,819	36,280	36,280	36,280	30,872	32,724	34,688

6.2.2 Capital Replacement Reserve CRR (Internally Generated Funds) decreased from the R2,360 million from the February 2024 adjusted amount to R0.00.

6.2.3 Government grants was decreased to R30,872 million from R33,920 million mainly due to reduced allocation by National Treasury.

6.3 Capital Budget Summary

6.3.1 In consideration of the limited availability of financial resources, and to render acceptable levels of service delivery, the Municipality capital projects are limited to R30,872 million for the 2024/2025. See below project listing.

UBUNTU LM 2024/25 PROJECT LISTING	
Name of Project	Allocation
MUNICIPAL INFRASTRUCTURE GRANT (MIG)	R 10,872,000.00
1. Victoria West: Augmentation of Groundwater Supply	R 10,872,000.00
WATER SERVICES INFRASTRUCTURE GRANT (WSIG)	R 20,000,000.00
1. Richmond: Upgrading of Bulk Water	R 5,137,149.32
2. Victoria West: Refurbishment of existing oxidation ponds	R 14,862,850.68

7. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE INTEGRATED DEVELOPMENT PLAN (IDP)

- 7.1 The Constitution mandates local government with the responsibility to exercise local developmental and co-operative governance functions. The eradication of imbalances in the South African society can only be realized through a credible participative integrated development planning process.
- 7.2 Municipalities in South Africa are required to utilise integrated development planning as an approach to plan future development in their respective municipal areas, and accordingly determine the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at establishing short, medium and long term strategic and budget priorities to create a developmental platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and capabilities of the Municipality to the overall development aims, which guide the municipal budget. The IDP further enables municipalities to make the best use of scarce resources to accelerate service delivery goals. An IDP is therefore a key instrument utilised by municipalities to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area.
- 7.3 The Constitution requires local government to ensure that management, budgeting and planning functions comply with the objectives of the Constitution. This provides a clear indication of the intended purposes of municipal integrated development planning. Legislation further stipulates that a municipality must not only give effect to the IDP, but must also conduct the affairs in a manner that is consistent with the IDP.
- 7.4 This budget is based on the following six strategic objectives however, the budget might be revised during the adjustment period in February 2025 to address changes to the new strategic objectives where applicable.
- (a) Strategic Objective 1: To improve and maintain current basic service delivery through specific infrastructural development projects;
 - (b) Strategic Objective 2: To create an enabling environment for social development and economic growth;
 - (c) Strategic Objective 3: To promote a safe and healthy environment through the protection of our natural resources;

- (d) Strategic Objective 4: To grow the revenue base of the municipality;
- (e) Strategic Objective 5: To structure and manage the municipal administration to ensure efficient service delivery; and
- (f) Strategic Objective 6: To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication.

8. OVERVIEW OF BUDGET FUNDING INCLUDING FUNDING COMPLIANCE

- 8.1 National Treasury requires that the Municipality assess the financial sustainability against fourteen different funding measures, which monitor various aspects of the financial health of the municipality.

The respective information is extracted directly from the annual budgeted statements of financial performance, financial position and cash flow. The funding compliance measurement table in essence measures the degree to which the proposed budget complies with the funding requirements of Section 18 of the MFMA.

In compliance with the requirements of Section 18 of the MFMA, the revenue budget was based on the following principles:

- Realistically anticipated revenue to be collected.
- Actual revenue of previous years was taken into account.
- Grant funded Capital projects were only included if funding confirmation was received, either by means of the DORA allocations as promulgated or by means of commitment from funding institutions.

9. EXPENDITURE ON GRANT ALLOCATIONS MADE TO THE MUNICIPALITY

Financing of the Grant Funded Projects

The below table depicts total grants gazetted for the Municipality for the 2024-25 MTREF

There is a decline in number of grants we used to receive as the Municipality when comparing with allocations of five years plus ago and a decrease in some other grants.

This is as a result of various factors such as low spending and non-approval of roll- overs as well as compressed grants of three to one.

High level Summary of Total Grant Gazetted 2024/2025 MTREF				
Description	Adjustment Budget 2023-24	Draft Budget 2024/2025	Draft Budget 2025/2026	Draft Budget 2026/2027
Grants: National Government				
Expanded Public Works Programme Integrated Grant	978 000.00	1 200 000.00	1 200 000.00	1 200 000.00
Local Government Financial Management Grant	2 900 000.00	2 900 004.00	2 900 000.00	2 900 000.00
Integrated National Electrification Programme Grant	3 000 000.00	-	-	1.00
Municipal Infrastructure Grant	21 470 000.00	10 872 000.00	11 524 320.00	12 215 779.00
Water Services Infrastructure Grant	9 450 000.00	20 000 004.00	21 200 000.00	22 472 000.00
	37 798 000.00	34 972 008.00	36 824 320.00	38 787 780.00
Grants: Provincial Government				
Northern Cape Arts and Cultural	1 460 000.00	1 527 000.00	1 597 000.00	1 597 001.00
	1 460 000.00	1 527 000.00	1 597 000.00	1 597 001.00
Total Grants	39 258 000.00	36 499 008.00	38 421 320.00	40 384 781.00

The total grants decreased from R39 million prior year to R36 million mainly in INEP Grant.

10. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

- 10.1 The Municipality closely monitors the debtor collection rates, which equated to 60% in the 2023/2024.

11. MSCOA PROGRESS TO DATE

- 11.1 The Municipal Regulations on the Standard Chart of Accounts (*mSCOA*), promulgated on 22 April 2014, required all municipalities to be *mSCOA* compliant with effect from 1 July 2017. The relevant *mSCOA* segments, as prescribed by the regulations, were implemented on the financial reporting system by Ubuntu municipality on 01 July 2022. National Treasury has since the inception of *mSCOA* released several *mSCOA* version updates consequently resulting in continuous account code re-mapping functions and amendments to the system-generated financial statement reporting tools.
- 11.2 As per MFMA Budget Circular 123, Version 6.8 of the *mSCOA* chart was uploaded onto the financial system and the 2024-25 budget will be transacted on this new version released.

Despite the significant changes by NT from version 6.6.1 to 6.7 Ubuntu Municipality is ready to continue to run the budget directly from the system with no manual intervention on running of data strings to the NT portal.

12. LEGISLATIVE COMPLIANCE STATUS

The Municipal Finance Management Act brought about uniformity, accountability and control measures to local government in terms of financial reporting and budgeting. The Act required a high level of transformation financial disciplines and planning.

New budget regulations were published in Gazette nr. 32141 on 17 April 2009. The object of these regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process. The 2024/2025 budgets for all municipalities need to comply with these regulations.

12.1 In-Year Reporting

Monthly, Quarterly and Bi-annual reporting to National Treasury and Provincial Treasury, in electronic format, is fully complied with. reports, submitted to the Executive Mayor, has progressively improved.

12.2 Internship Programme

The Municipality has participated in the Municipal Financial Management Internship programme. Since the introduction of the Internship programme the Municipality has appointed or absorbed some of the interns permanently through the recruitment process.

12.3 Budget and Treasury Office

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

12.4 Audit Committee

The Municipality has an Audit Committee, which is fully capacitated and functional.

12.5 Service Delivery and Budget Implementation Plan

The Municipality's business and service delivery priorities was reviewed as part of this year's planning and budget process. The top-level service delivery and budget implementation plan will be submitted to the Executive Mayor within 14 days of approval of the Annual Budget and the IDP for approval by the Executive Mayor within 28 days as per section 69 and section 53 of the Municipal Finance Management Act. The SDBIP will be submitted to Council after approval by the Executive Mayor for information purposes.

12.6 Policies

Various budget-related policies were reviewed but will be workshop during the budget consultations with relevant stakeholders.

12.7 Procurement Plan

Municipal Budget Circular No 94 highlights the slow spending of capital budgets by most municipalities, and the associated negative impact on service delivery. It therefore became necessary to compile a draft procurement plan to address a weak planning process. The procurement plan will be included in the final budget. The timeframes and other relevant information will be finalised when Final budget is approved by end May 2023.

13. RECOMMENDATIONS

13.1 It is recommended that:

- [a] Council approves the Tabled 2024/2025 Medium Term Revenue and Expenditure Framework (MTREF) Report.
- [b] Council approves the revenue budget of R 177.790 million for the 2024/2025 financial year as set out in 5.1 of the MTREF Report
- [c] Council approves the operating expenditure budget of R177,676 million for the 2024/2025 financial year as set out in 5.2 of the MTREF Report
- [d] Council takes note of the operating budget surplus of R30,986 million for the 2024/2025 financial year as set out in 5.3 of the MTREF Report.
- [e] Council approves the capital expenditure budget of R30,872 million for the 2024/2025 financial year as set out in 6.1 of the MTREF Report.
- [f] Council approves the capital expenditure budget funding sources of R 30 872 for the 2024/2025 financial year as set out in 6.2 of the MTREF Report.
- [g] Council approves the following revenue increases for the main tariffs with effect from 1 July 2024 –

Main Service	% Increase
Property Rates tariff (All)	4.9%
Service Charges: Electricity tariff	15.0%
Service Charges: Water tariff	4.9%
Service Charges: Sanitation tariff	4.9%
Service Charges: Refuse tariff	4.9%
Other	4.9%

- [h] Council approves the annual budget of Ubuntu Municipality for the 2024/2025 financial year as well as the indicative budgets for the two outer financial years, as presented in the new mSCOA version 6.8 Schedules A1 to A10 and Supporting Schedules SA1 to SA38.
- [i] Council takes note of Directorate budget performance provided.
- [j] Council approves following reviewed budget-related policies of Ubuntu Municipality for the 2024/2025 financial year, attached.

