



nelson mandela bay
M U N I C I P A L I T Y

2024/25 ADJUSTMENTS BUDGET



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PART 1 – 2024/25 ADJUSTMENTS BUDGET

1.1 EXECUTIVE MAYOR'S REPORT

1.1.1 Summary of reasons for the 2024/25 Adjustments Budget

In accordance with section 28 of the Local Government: Municipal Finance Management Act (56 of 2003) (MFMA), a municipality may revise its approved annual budget through an Adjustments Budget, in the following circumstances:

- (i) To adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue.
- (ii) To appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for.
- (iii) To authorise the utilisation of projected savings in one vote towards spending under another vote.
- (iv) To authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected rollovers when the annual budget for the current year was approved by the Council; and
- (v) To correct any errors in the annual budget.

The Municipal Budget and Reporting Regulations (32141 of 2009) stipulate that one adjustments budget may be tabled in the Municipal Council during a financial year. The Adjustments Budget referred to herein must be approved by Council on or before the end of February of each year.

In line with the MFMA and the Municipal Budget and Reporting Regulations (MBRR), the 2024/25 approved Budget has been adjusted. The adjustment has been mainly necessitated because of, amongst others, the following:

- The need to appropriate additional revenues that may have become available over and above those anticipated in the approved 2024/25 Budget (inclusion of the National Treasury approved rollover for the Urban Settlements Development Grant (USDG) and additional Municipal Disaster Grants responding to the flood disasters of early June 2024.
- Accounting for all the budget amendments as approved by Council, which include, amongst others, the various amendments or virements approved for implementation, reductions in certain conditional grants due to performance (e.g. PTNG), incorporating all other budget amendments as approved by Council, or incorporating new projects resulting from the re-prioritisation, etc.
- The need to authorise the utilisation of projected savings in one vote towards spending under another vote/s (across the Directorates).

The original budgeted collection rate of 80.57% for the 2024/25 financial year could not be maintained at the same level in the preparation of the 2024/25 Adjustments Budget, as the collection rate has been an Achilles heel that is a huge challenge for the city. This can be demonstrated through the reductions made to the service charges as revenue sources.

The historic collection rate is demonstrated in the following Table: -

HISTORIC COLLECTION RATE												
Financial Year	August	September	October	November	December	January	February	March	April	May	June	July
2016-2017	88.5	92.4	94	98.6	96.8	87.3	89.8	98.1	85.7	100.8	85.7	117.1
Accumulate	88.5	91.5	92.1	93.2	93.7	92.9	92.5	93.1	92.4	93.1	92.6	94.3
2017-2018	100.5	79.4	101.9	104.4	89.5	78.9	99.7	87.6	91.9	90	99.5	98.8
Accumulate	100.5	89.1	93.2	95.5	94.5	91.9	92.8	92.3	92.2	92	92.6	93.1
2018-2019	107.1	78.8	104.8	98.7	92.2	87.7	81.9	89.6	98.3	108.6	91	104.1
Accumulate	107.1	90.8	95.3	96.1	95.4	94.1	92.5	92.1	92.8	94.1	93.9	94.7

HISTORIC COLLECTION RATE												
Financial Year	August	September	October	November	December	January	February	March	April	May	June	July
2019-2020	96.9	90.3	83.7	89.8	83	76.9	79	90.1	64.6	79.8	69.5	98.2
Accumulate	96.9	93.5	90	89.9	88.7	86.7	85.7	86.2	83.9	83.6	82.2	83.4
2020-2021	88.3	84.5	83.5	82.0	77.3	70.7	73.4	105.9	89.2	91.1	86.5	106.0
Accumulate	88.3	86.2	85.2	84.5	83.1	81.1	80.1	82.5	83.1	83.9	84.1	85.5
2021-2022	69.6	84.6	61.3	69.2	78.8	59.3	85.2	78.4	79.4	94.4	86.2	81.9
Accumulate	69.6	76.5	70.8	70.4	71.9	69.6	71.5	72.3	73.0	74.8	75.7	76.2
2022-2023	80.3	62.7	55.1	55.8	54.5	48.7	48.8	49.5	99.0	83.6	97.4	71.9
Accumulate	80.3	70.0	64.5	62.3	60.7	58.6	57.2	56.2	58.7	60.7	62.7	63.3
2023-2024	70.8	65.6	88.2	83.4	85.4	59.6	80.3	74.2	85.9	76.9	69.5	76.2
Accumulate	70.8	68.0	74.2	76.1	77.7	74.4	75.1	75.0	76.1	76.2	75.6	75.6
2024-2025	75.1	69.1	78.5	74.9	73.2							
Accumulate	75.1	71.8	74.1	74.3	74.1							

The above Table shows that for the six months of the 2024/25 financial year the NMBM has not been able to achieve an average collection of greater than 80.57%. This means that the city is relying more on its limited reserves to fund its operations, which is not financially sustainable.

The following Table demonstrates the escalating arrear debt as at end December 2024: -

OVERDUE AMOUNTS			
DETAIL	30 JUNE 2024	31 DECEMBER 2024	DIFFERENCE
Debtors Age Analysis By Revenue Source			
Trade and Other Receivables from Exchange Transactions - Water	R7,246,044,415.21	R8,387,571,313.23	R1,141,526,898.02
Trade and Other Receivables from Exchange Transactions - Electricity	R673,923,664.68	R759,584,641.40	R85,660,976.72
Receivables from Non-exchange Transactions - Property Rates	R1,518,353,061.22	R1,661,192,640.22	R142,839,579.00
Receivables from Exchange Transactions - Waste Water Management	R1,214,321,440.00	R1,347,378,945.00	R133,057,505.00
Receivables from Exchange Transactions - Waste Management	R609,844,504.92	R676,519,729.83	R66,675,224.91
Receivables from Exchange Transactions - Property Rental Debtors	R45,468,522.00	R57,195,959.00	R11,727,437.00
Interest on Arrear Debtor Accounts	R2,588,408,508.60	R3,187,981,869.96	R599,573,361.36
Other	R389,642,695.16	R412,729,007.16	R23,086,312.00
Total By Income Source	R14,286,006,811.79	R16,490,154,105.80	R2,204,147,294.01
Debtors Age Analysis By Customer Group			
Government	R231,521,681.79	R267,284,736.80	R35,763,055.01
Business	R1,899,268,104.00	R2,011,924,190.00	R112,656,086.00
Households	R12,100,517,510.00	R14,153,487,540.00	R2,052,970,030.00
Other (NMBM)	R54,699,516.00	R57,457,639.00	R2,758,123.00
Total By Customer Group	R14,286,006,811.79	R16,490,154,105.80	R2,204,147,294.01

The above Table indicates that for the period June 2024 to end December 2024 the debt book has increased by R2.2 billion from R14.3 billion to R16.5 billion. The biggest contributor for this situation is the water debt which has increased by R1.1 billion during the same period. This is because of the water punitive tariff charged due to water drought situation.

1.1.2 The Executive Mayor recommends that the Council approves the 2024/25 Adjustments Budget.

COUNCILLOR B LOBISHE
EXECUTIVE MAYOR

1.2 2024/25 ADJUSTMENTS BUDGET RESOLUTIONS

1.2.1 Approval of the 2024/25 Adjustments Budget

- (i) The Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the 2024/25 Consolidated Adjustments Budget as set-out in the following tables:
- Table B1 Adjustments Budget Summary: page 8 – 9;
 - Table B2 Adjustments Budget Financial Performance (revenue and expenditure by standard classification): page 9 – 10;
 - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote): page 10 – 12;
 - Table B4 Adjustments Budget Financial Performance (revenue by source and expenditure by type): page 12 - 15;
 - Table B5 Adjustments Budget Capital Expenditure by vote and standard classification and funding source: page 15 - 16;
 - Table B6 Adjustments Budget Financial Position: page 16 - 17;
 - Table B7 Adjustments Budgeted Cash Flows: page 18 - 19;
 - Table B8 Cash backed reserves/accumulated surplus reconciliation: page 19;
 - Table B9 Asset Management : page 19 – 25;
 - Table B10 Basic Service Delivery: page 25 – 27;
- (ii) That Council notes that the gazetted Municipal Disaster Recovery Grant (R89m) has been incorporated in this Adjustment Budget as a global figure (or without the final breakdown of projects linked to the amount), as the final listing of projects was not available by the time the Adjustments Budget was concluded & balanced in the accounting system.
- (iii) That based on the above Council authorises the Chief Financial Officer to incorporate the approved MDRG project listing amounting to R89m as approved by the National COGTA as follows: -

Item: Project description	Ward	GPS Coordinates and municipal wards	Total amount required	Proposed implementation period and submit a copy of the cashflow-projection in line with total amount requested
Construction & Rehabilitation of a washed pipelines in the Brakriver	Wards 42, 43,44,45, and 46	33° 52' 59" S 25° 16' 59" E	R 6,000,000	6 months
Construction and rehabilitation of Kelvin Jones Wastewater Treatment Works	42	33.7571° S, 25.4083° E	R 7,000,000	4 Months

Item: Project description	Ward	GPS Coordinates and municipal wards	Total amount required	Proposed implementation period and submit a copy of the cashflow-projection in line with total amount requested
Rehabilitation to bridge and associated road works (see attached SANRAL report)	43	33°48'25.24 S 25°25'23.51 E	R 25,500,000	10 Months
Rehabilitation to bridge and associated road works (see attached Sanral report)	43	33°48'25.24 S 25°25'23.51 E	R 25,000,000	10 Months
Partial Rehabilitation of 2.5 km of the Cat Canal	48	33°45'40 S 25°22'23.51 E	R 25,500,000	10 Months
TOTAL			R 89,000,000	

- (iv) Council approves the reprioritisation of the loan funded projects under Electricity and Energy Directorate, whose intention is to respond to revenue enhancement as well as cost savings to the City as originally intended.
- (v) That the Chief Financial Officer be authorised to implement any changes that may be identified after the tabling of the 2024/25 Adjustments Budget in Council for approval, prior to submission to National Treasury and publication on the municipal website.

1.3 EXECUTIVE SUMMARY

The 2024/25 Consolidated Adjustments Budget amounts to R19.962 billion, comprising of R18.028 billion for the Operating Budget and R1.934 billion for the Capital Budget. The Operating Adjustments Budget reflects a decrease of R87.771 million, compared to the originally approved 2024/25 Operating Budget, whilst the Adjustments Capital Budget reflects a decrease of R31.204 million, compared to the originally approved budget.

The reduction in the Operating Budget of R87.771 million, is made up as follows:

Operating Expenditure By Type	Original Budget (2024/25)	Adjusted Budget (2024/25)	(Increase)/ Reduction
-			
Employee related costs	4,752,685	4,586,235	166,450
Remuneration of councillors	94,452	94,675	(223)
Bulk purchases - electricity	6,338,216	6,457,166	(118,950)
Inventory consumed	355,361	381,872	(26,511)
Debt impairment	1,836,239	1,836,323	(83)
Depreciation and amortisation	1,049,902	1,018,442	31,459
Interest	111,217	111,217	-
Contracted services	1,751,625	1,630,699	120,926
Transfers and subsidies	84,452	93,972	(9,520)
Irrecoverable debts written off	582,995	652,995	(70,000)
Operational costs	905,934	911,711	(5,777)
Losses on disposal of Assets	-	-	-
Other Losses	252,982	252,982	-
Total Expenditure	18,116,062	18,028,291	87,771

In terms of funding the Capital Budget, the Municipality mainly relies on grant funding, comprising 66.49% of the total capital budget. The funding sources, supporting the Municipality's capital expenditure, are summarised in the below table:

Description	2024/25 Original Budget	2024/25 Adjustments Budget	Variance
	R'000	R'000	R'000
Total Capital Budget	1,965,394	1,934,190	31,204
Funded as follows:			
Grant funding	1,154,574	1,286,456	(131,882)
Internal funding	680,521	578,569	101,952
Borrowing	130,299	69,165	61,134
Total	1,965,394	1,934,190	31,204

It must be noted that the 2024/25 consolidated adjustments budget includes an allocation to the municipal entity, which amounts to R56.0 million for projects that are implemented by the entity as per agreement with the parent municipality.

1.4 CONSOLIDATED ADJUSTMENTS BUDGET TABLES

The ten main consolidated (i.e. Parent Municipality and its Entity) budget tables, as required in terms of the Municipal Budget and Reporting Regulations (MBRR), are included in this section. These tables set out the Municipality's 2024/25 Adjustments Budget to be considered for approval by Council. Each table is accompanied by *explanatory notes* summarising it.

Table B1 – Adjustments Budget Summary

R thousands	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
<u>Financial Performance</u>	A	F	G	H
Property rates	3,142,251	-	-	3,142,251
Service charges	10,017,708	185,712	185,712	9,831,995
Investment revenue	226,156	(50,699)	(50,699)	276,855
Transfers recognised - operational	2,639,328	188,427	188,427	2,450,902
Other own revenue	2,091,719	(234,569)	(234,569)	2,326,288
Total Revenue (excluding capital transfers and contributions)	18,117,062	88,771	88,771	18,028,291
Employee costs	4,752,685	166,450	166,450	4,586,235
Remuneration of councillors	94,452	(223)	(223)	94,675
Depreciation & asset impairment	2,886,141	31,376	31,376	2,854,765
Finance charges	111,217	-	-	111,217
Inventory consumed and bulk purchases	6,693,578	(145,461)	(145,461)	6,839,038
Transfers and grants	84,452	(9,520)	(9,520)	93,972
Other expenditure	3,493,537	45,149	45,149	3,448,388
Total Expenditure	18,116,062	87,771	87,771	18,028,291
Surplus/(Deficit)	1,000	1,000	1,000	(0)
Transfers and subsidies - capital (monetary allocations)	1,159,095	151	151	1,286,456
Transfers and subsidies - capital (in-kind - all)		-		
Surplus/(Deficit) after capital transfers & contributions	1,160,095	(126,361)	(126,361)	1,286,456
Share of surplus/ (deficit) of associate	-	-		
Surplus/ (Deficit) for the year	1,160,095	(126,361)	(126,361)	1,286,456
<u>Capital expenditure & funds sources</u>				
Capital expenditure	1,965,394	31,204	31,204	1,934,190
Transfers recognised - capital	1,154,574	(131,882)	(131,882)	1,286,456
Borrowing	130,299	61,134	61,134	69,165
Internally generated funds	680,521	101,952	101,952	578,569
Total sources of capital funds	1,965,394	31,204	31,204	1,934,190
<u>Financial position</u>				
Total current assets	10,188,246	1,908,051	1,908,051	8,280,195
Total non-current assets	21,750,990	(507,964)	(507,964)	22,258,954
Total current liabilities	5,825,141	2,126,775	2,126,775	3,698,366
Total non-current liabilities	11,644,518	2,739,694	2,739,694	8,904,824
Community wealth/Equity	19,180,622	(1,165,363)	(1,165,363)	20,345,985
<u>Cash flows</u>				
Net cash from (used) operating	3,003,531	(335,103)	(335,103)	3,338,634
Net cash from (used) investing	(2,173,593)	(112,893)	(112,893)	(2,060,700)
Net cash from (used) financing	(344,028)	-	-	(344,028)
Cash/cash equivalents at the year end	5,061,783	(447,996)	(447,996)	4,323,456

R thousands	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
<u>Cash backing/surplus reconciliation</u>				
Cash and investments available	5,061,783	738,327	738,327	4,323,456
Application of cash and investments	2,429,076	(260,317)	(260,317)	2,689,393
Balance - surplus (shortfall)	2,632,707	478,010	478,010	1,634,063
<u>Asset Management</u>				
Asset register summary (WDV)	21,604,171	684,364	684,364	20,919,807
Depreciation	1,049,902	31,459	31,459	1,018,442
Renewal and Upgrading of Existing Assets	696,488	(112,518)	(112,518)	809,006
Repairs and Maintenance	866,011	107,726	107,726	758,285
<u>Free services</u>				
Cost of Free Basic Services provided	483,942	-51,239	-51,239	535,181
Revenue cost of free services provided	395,582	-67,321	-67,321	462,903

Explanatory notes to Table B1 – Adjustments Budget Summary

The aim of the Adjustments Budget Summary is to provide a concise overview of the proposed Adjustments Budget from all the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the amounts to be approved by Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash, and funding compliance, as well as the Municipality's commitment to eliminating basic service delivery backlogs.

NB: It must be noted that the figures illustrated above are inclusive of the entity.

Table B2 – Adjustments Budget Financial Performance (revenue and expenditure by functional classification)

Standard Descriptions	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
R thousands	A	F	G	H
<u>Revenue - Functional</u>				
<i>Governance and administration</i>	4,710,753	(2,359)	(2,359)	4,713,112
Executive and council	1,194	(129)	(129)	1,322
Finance and administration	4,709,559	(2,230)	(2,230)	4,711,789
Internal audit		-	-	-
<i>Community and public safety</i>	1,573,823	117,254	117,254	1,456,569
Community and social services	41,898	(3,621)	(3,621)	45,519
Sport and recreation	29,322	203	203	29,119
Public safety	1,030,906	51,858	51,858	979,048
Housing	469,477	69,721	69,721	399,756
Health	2,220	(907)	(907)	3,127
<i>Economic and environmental services</i>	807,939	(70,566)	(70,566)	878,505
Planning and development	176,611	(18,136)	(18,136)	194,747
Road transport	587,730	(51,250)	(51,250)	638,979

Standard Descriptions	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
Environmental protection	43,598	(1,181)	(1,181)	44,779
Trading services	12,122,313	(105,622)	(105,622)	12,227,935
Energy sources	6,130,396	81,271	81,271	6,049,125
Water management	4,068,058	(119,218)	(119,218)	4,187,276
Waste water management	1,420,732	(25,015)	(25,015)	1,445,746
Waste management	503,128	(42,660)	(42,660)	545,787
Other	61,330	21,204	21,204	40,126
Total Revenue - Functional	19,276,158	(40,089)	(40,089)	19,316,247
Expenditure - Functional				
Governance and administration	2,060,586	(589,853)	(589,853)	2,650,439
Executive and council	416,008	116,527	116,527	299,480
Finance and administration	1,572,076	(706,167)	(706,167)	2,278,243
Internal audit	72,502	(213)	(213)	72,715
Community and public safety	2,597,632	332,959	332,959	2,264,674
Community and social services	384,216	(44,430)	(44,430)	428,645
Sport and recreation	680,761	128,025	128,025	552,736
Public safety	731,694	57,698	57,698	673,996
Housing	545,994	175,284	175,284	370,710
Health	254,968	16,381	16,381	238,587
Economic and environmental services	1,510,475	197,513	197,513	1,312,962
Planning and development	467,646	34,817	34,817	432,828
Road transport	956,244	129,015	129,015	827,230
Environmental protection	86,585	33,681	33,681	52,904
Trading services	11,818,822	109,047	109,047	11,709,775
Energy sources	7,343,288	(193,635)	(193,635)	7,536,923
Water management	2,711,096	63,930	63,930	2,647,166
Waste water management	1,093,987	130,221	130,221	963,766
Waste management	670,451	108,530	108,530	561,921
Other	128,547	38,105	38,105	90,442
Total Expenditure - Functional	18,116,061	87,770	87,770	18,028,291
Surplus/ (Deficit) for the year	1,160,097	(127,859)	(127,859)	1,287,956

Explanatory notes to Table B2 – Adjustments Budget Financial Performance (revenue and expenditure by functional classification)

The “standard classification” refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities. It should be noted that the revenue by vote as reflected in this table, includes revenue attributable to capital grants.

Table B3 - Consolidated Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	Budget Year 2024/25				
		Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
			7	8	9	10
R thousands		A	E	F	G	H
Revenue by Vote	1					
Vote 1 - Budget & Treasury		4,615,019	-	6,256	6,256	4,608,763
Vote 2 - Public Health		517,512	-	(44,809)	(44,809)	562,321
Vote 3 - Human Settlements		303,502	-	53,510	53,510	249,992
Vote 4 - Economic Development, Tourism & Agriculture		38,232	-	3,893	3,893	34,339
Vote 5 - Corporate Services		19,397	-	(11,510)	(11,510)	30,907
Vote 6 - Infrastructure & Engineering Unit - Rate & General		317,758	88,569		88,569	229,189
Vote 7 - Metro Water Service		3,734,347	-	(114,523)	(114,523)	3,848,870
Vote 8 - Sanitation - Metro		1,292,269	-	(14,539)	(14,539)	1,306,808
Vote 9 - Electricity & Energy		5,959,948	-	74,116	74,116	5,885,832
Vote 10 - Executive & Council		150,667	-	(3,940)	(3,940)	154,607
Vote 11 - Safety & Security		1,049,534	-	51,857	51,857	997,677
Vote 12 - Mandela Bay Stadium		72,278	-	-	-	72,278
Vote 13 - Special Projects and Programmes		22,684	-	-	-	22,684
Vote 14 - Recreational & Cultural Services		23,915	-	(108)	(108)	24,023
Total Revenue by Vote	2	18,117,062	88,569	203	88,771	18,028,291
Expenditure by Vote	1					
Vote 1 - Budget & Treasury		1,135,425	-	(64,500)	(64,500)	1,199,925
Vote 2 - Public Health		1,086,780	-	54,678	54,678	1,032,102
Vote 3 - Human Settlements		500,427	-	(5,248)	(5,248)	505,675
Vote 4 - Economic Development, Tourism & Agriculture		119,201	-	2,053	2,053	117,148
Vote 5 - Corporate Services		600,448	-	1,634	1,634	598,814
Vote 6 - Infrastructure & Engineering Unit - Rate & General		1,254,519	-	168,391	168,391	1,086,128
Vote 7 - Metro Water Service		2,939,602	-	219,264	219,264	2,720,338
Vote 8 - Sanitation - Metro		930,795	-	21,575	21,575	909,220
Vote 9 - Electricity & Energy		7,204,319	-	(324,879)	(324,879)	7,529,198
Vote 10 - Executive & Council		498,944	-	(2,516)	(2,516)	501,460
Vote 11 - Safety & Security		1,232,955	-	15,343	15,343	1,217,612
Vote 12 - Mandela Bay Stadium		71,498	-	(1,500)	(1,500)	72,998
Vote 13 - Special Projects and Programmes		24,161	-	430	430	23,731
Vote 14 - Recreational & Cultural Services		516,988	-	3,045	3,045	513,943
Total Expenditure by Vote	2	18,116,062	-	87,771	87,771	18,028,291

Vote Description	Ref	Budget Year 2024/25				
		Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
			7	8	9	10
R thousands		A	E	F	G	H
Surplus/ (Deficit) for the year	2	1,000	88,569	(87,568)	1,000	-

Explanatory notes to Table B3 – Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

The purpose of the format in which the Adjustments Budget is presented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, to assign responsibility for the revenue and expenditure recorded against these votes to the City Manager and Executive Directors concerned. Operating revenue and expenditure are thus presented by 'vote'. A 'vote' is defined in terms of Section 1 of the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003 as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table B4 - Consolidated Adjustments Budget Financial Performance (revenue and expenditure)

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
R thousands	A	F	G	H
<u>Revenue By Source</u>				
Exchange Revenue				
Service charges - Electricity	5,828,780	97,974	97,974	5,730,806
Service charges - Water	2,937,779	26,299	26,299	2,911,480
Service charges - Waste Water Management	920,612	39,551	39,551	881,062
Service charges - Waste Management	330,539	21,890	21,890	308,648
Sale of Goods and Rendering of Services	117,432	(3,986)	(3,986)	121,418
Agency services	4,064	-	-	4,064
Interest	-	-	-	-
Interest earned from Receivables	990,740	(80,062)	(80,062)	1,070,802
Interest earned from Current and Non-Current Assets	226,156	(50,699)	(50,699)	276,855
Dividends	-	-	-	-
Rent on Land	-	-	-	-
Rental from Fixed Assets	38,567	(3,470)	(3,470)	42,037
Licence and permits	20,137	(2,056)	(2,056)	22,193
Operational Revenue	32,550	(1,107)	(1,107)	33,657
Non-Exchange Revenue				
Property rates	3,142,251	-	-	3,142,251
Surcharges and Taxes	-			-
Fines, penalties and forfeits	64,223	5,139	5,139	59,084
Licences or permits		1		1

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
Transfer and subsidies - Operational	2,639,328	188,427	188,427	2,450,902
Interest	-	-	-	149,009
Fuel Levy	824,005	-	-	824,005
Operational Revenue	-	-	-	-
Gains on disposal of Assets	-	-	-	17
Other Gains	-	-	-	-
Discontinued Operations	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	18,117,164	88,873	88,873	18,028,291
Expenditure By Type				
Employee related costs	4,752,685	166,450	166,450	4,586,235
Remuneration of councillors	94,452	(223)	(223)	94,675
Bulk purchases - electricity	6,338,216	(118,950)	(118,950)	6,457,166
Inventory consumed	355,361	(26,511)	(26,511)	381,872
Debt impairment	1,836,239	(83)	(83)	1,836,323
Depreciation and amortisation	1,049,902	31,459	31,459	1,018,442
Interest	111,217	-	-	111,217
Contracted services	1,751,625	120,926	120,926	1,630,699
Transfers and subsidies	84,452	(9,520)	(9,520)	93,972
Irrecoverable debts written off	582,995	(70,000)	(70,000)	652,995
Operational costs	905,934	(5,777)	(5,777)	911,711
Losses on disposal of Assets	-	-	-	-
Other Losses	252,982	-	-	252,982
Total Expenditure	18,116,062	87,771	87,771	18,028,291
		-		
Surplus/(Deficit)	1,000	1,000	1,000	(0)
Transfers and subsidies - capital (monetary allocations)	1,159,095	(127,361)	(127,361)	1,286,456
Transfers and subsidies - capital (in-kind - all)	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions	1,160,097	(127,361)	(127,361)	1,286,456
Taxation	-	-	-	-
Surplus/(Deficit) after taxation	1,160,097	(127,361)	(127,361)	1,286,456
Attributable to minorities	-	-	-	-
Surplus/(Deficit) attributable to municipality	1,160,097	(127,361)	(127,361)	1,286,456
Share of surplus/ (deficit) of associate	1,160,097	(127,361)	(127,361)	1,286,456

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
Surplus/(Deficit) for the year	1,160,097	(127,361)	(127,361)	1,286,456

Explanatory notes to Table B4 – Adjustments Budget Financial Performance (revenue and expenditure)

Revenue

1. The Financial Performance Adjustments Budget is required to be approved concurrently by revenue source and expenditure type, to ensure consistency with the annual reporting format requirements. A key aim is to facilitate comparison between the annual results and the Adjustments Budget, to assess performance.
2. Total Operating Revenue amounts to R18.03 billion in the 2024/25 Consolidated Adjustments Budget, compared to the amount of R18.12 billion in the original 2024/25 Budget.
3. The significant variations in revenue, compared to the original budget (2024/25) are as follows:

3.1 Service Charges: Electricity Revenue

The Electricity revenue as projected in the 2024/25 Adjustment Budget was decreased by R97.9 million, in line with prevailing consumption patterns.

The Electricity Service is operating at a loss and requires urgent review, to ensure its financial sustainability. The total bulk purchases for the 2024/25 financial year are now exceeding the total electricity service charges, which means that, as reported in the Budget Report for the previous financial years, electricity service (a trading service) is being subsidised by Property Rates, which is an undesirable situation.

3.2 Service Charges: Water Revenue

The Water revenue as projected in the 2024/25 Adjustment Budget was reduced by R26.3 million, in line with prevailing consumption patterns.

3.3 Service Charges: Sanitation Revenue

The Sanitation revenue decreased by R39.6 million in line with the prevailing revenue trends.

3.4 Interest earned – Outstanding Debtors

This category has been adjusted upwards by an amount of R80.01 million due to the projected revenue to be realised at financial year-end).

Expenditure

4. Total Operating Expenditure amounts to R18.03 billion in the 2024/25 Adjustments Budget, compared to the amount of R18.12 billion in the original 2024/25 Budget.
5. The significant variations in expenditure, compared to the original budget, are as follows:
- 5.1 Employee Related Costs

Employee Related Costs decreased by R166.5 million, because of a review of vacancy budget provisions.

5.2 Contracted Services

Contracted services decreased by R120.9 million, compared to the original budget.

5.3 Depreciation and amortisation

Depreciation and amortisation have been reduced by R31.5 million, compared to the original budget due to a review of the useful lives of assets.

Table B5 - Consolidated Adjustment Capital Expenditure Budget by vote, standard classification, and funding source

Description	Budget Year 2023/24			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		10	11	12
R thousands	A	F	G	H
Capital Expenditure - Functional				
Governance and administration	216,622	60,787	60,787	155,835
Executive and council	-			
Finance and administration	216,622	60,787	60,787	155,835
Internal audit	-			-
Community and public safety	168,724	50,606	50,606	118,118
Community and social services	48,328	14,072	14,072	34,256
Sport and recreation	55,561	7,539	7,539	48,022
Public safety	62,235	30,995	30,995	31,240
Housing	1,200	-	-	1,200
Health	1,400	(2,000)	(2,000)	3,400
Economic and environmental services	510,619	(42,606)	(42,606)	553,225
Planning and development	60,561	4,521	4,521	56,040
Road transport	449,058	(48,127)	(48,127)	497,185
Environmental protection	1,000		-	1,000
Trading services	1,071,882	(33,130)	(33,130)	1,105,012
Energy sources	246,698	11,725	11,725	234,973
Water management	457,824	421,824	421,824	36,000
Wastewater management	331,360	(41,666)	(41,666)	373,026
Waste management	36,000	(425,013)	(425,013)	461,013
Other	2,000	-	-	2,000
Total Capital Expenditure - Functional	1,969,847	35,657	35,657	1,934,190
Funded by:				
National Government	1,116,095	(128,861)	(128,861)	1,244,956
Provincial Government				
District Municipality				
Other Transfers and Grants	43,000	1,500	1,500	41,500
Transfers recognised - capital	1,159,095	(127,361)	(127,361)	1,286,456

Description	Budget Year 2023/24			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		10	11	12
R thousands	A	F	G	H
Borrowing	130,229	61,064	61,064	69,165
Internally generated funds	680,523	101,954	101,954	578,569
Total Capital Funding	1,969,846	35,656	35,656	1,934,190

Explanatory notes to Table B5 – Adjustments Capital Expenditure Budget by vote, standard classification, and funding source

- Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; 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.

Table B6 - Consolidated Adjustments Budget Financial Position

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
R thousands	A	F	G	H
ASSETS				
Current assets				
Cash and cash equivalents	5,032,445	708,489	708,489	4,323,956
Trade and other receivables from exchange transactions	3,159,969	141,521	141,521	3,018,448
Receivables from non-exchange transactions	248,070	(139,583)	(139,583)	387,653
Current portion of non-current receivables				
Inventory	345,859	179,462	179,462	166,397
VAT	1,401,903	1,261,456	1,261,456	140,447
Other current assets		(243,294)	(243,294)	243,294
Total current assets	10,188,246	1,908,051	1,908,051	8,280,195
Non-current assets				
Investments				
Investment property	156,763	18,406	18,406	138,357
Property, plant and equipment	21,141,409	(487,589)	(487,589)	21,628,998
Biological assets				
Living and non-living resources				
Heritage assets	220,197	(6,244)	(6,244)	226,441
Intangible assets	71,801	57,862	57,862	13,939
Trade and other receivables from exchange transactions	115,638	(81,372)	(81,372)	197,010
Non-current receivables from non-exchange transactions	45,182	(9,029)	(9,029)	54,211
Other non-current assets				
Total non-current assets	21,750,990	(507,964)	(507,964)	22,258,954
TOTAL ASSETS	31,939,236	1,400,087	1,400,087	30,539,149

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
R thousands	A	F	G	H
LIABILITIES				
Current liabilities				
Bank overdraft				
Financial liabilities	188,490	(25,208)	(25,208)	213,698
Consumer deposits	180,779	2,781	2,781	177,998
Trade and other payables from exchange transactions	3,006,246	663,525	663,525	2,342,721
Trade and other payables from non-exchange transactions	313,007	(27,198)	(27,198)	340,205
Provision	396,155	(209,368)	(209,368)	605,523
VAT	1,740,464	1,740,464	1,740,464	
Other current liabilities				18,221
Total current liabilities	5,825,141	2,144,996	2,144,996	3,698,366
Non-current liabilities				
Financial liabilities	1,232,620	298,548	298,548	934,072
Provision	3,200,928	(270,356)	(270,356)	3,471,284
Long term portion of trade payables				-
Other non-current liabilities	1,385,829	584,727	584,727	801,102
Total non-current liabilities	5,819,377	612,919	612,919	5,206,458
TOTAL LIABILITIES	11,644,518	2,757,915	2,757,915	8,904,824
NET ASSETS	20,294,718	(612,919)	(612,919)	21,634,325
COMMUNITY WEALTH/EQUITY				
Accumulated surplus/(deficit)	18,595,493	(1,564,288)	(1,564,288)	20,159,781
Reserves and funds	585,129	398,926	398,926	186,203
Other				
TOTAL COMMUNITY WEALTH/EQUITY	19,180,622	(1,165,363)	(1,165,363)	20,345,985

Explanatory notes to Table B6 – Adjustments Budget Financial Position\

1. The table presents Assets Less Liabilities as Community Wealth. The order of items within each group is also aligned to the requirement of showing items in order of liquidity, i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.
2. Any movement on the Adjustments Budgeted Financial Performance or the Capital Adjustments Budget will invariably impact on the Adjustments Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year-end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. 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 directly informed by forecasting the statement of financial position.

Table B7 - Consolidated Adjustments Budgeted Cash Flow Statement

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
R thousands	A	F	G	H
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	2,828,026	471,338	471,338	2,356,688
Service charges	9,293,524	444,728	444,728	8,848,796
Other revenue	2,200,281	339,251	339,251	1,861,030
Transfers and Subsidies - Operational	2,138,293	(263,591)	(263,591)	2,401,884
Transfers and Subsidies - Capital	1,210,250	52,439	52,439	1,157,811
Interest	226,156	(50,699)	(50,699)	276,855
Dividends	-			
Payments		-		
Suppliers and employees	(14,697,330)	(1,338,089)	(1,338,089)	(13,359,241)
Finance charges	(111,217)	-	0	(111,217)
Transfers and Subsidies	(84,452)	9,520	9,520	(93,972)
NET CASH FROM/(USED) OPERATING ACTIVITIES	3,003,531	(335,103)	(335,103)	3,338,634
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	(1,347)	(1,347)	1,347
Decrease (Increase) in non-current debtors (not used)	-		-	-
Decrease (increase) in non-current receivables	(160,820)		-	(160,820)
Decrease (increase) in non-current investments	-		-	-
Payments				
Capital assets	(2,012,773)	(111,546)	(111,546)	(1,901,227)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2,173,593)	(112,893)	(112,893)	(2,060,700)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-		-	-
Borrowing long term/refinancing	(130,229)	-	-	(130,229)
Increase (decrease) in consumer deposits	-		-	
Payments				
Repayment of borrowing	(213,799)	-	-	(213,799)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(344,028)			(344,028)
NET INCREASE/ (DECREASE) IN CASH HELD	485,910	588,303	588,303	(102,393)
Cash/cash equivalents at the year begin:	4,575,873	149,524	149,524	4,426,349
Cash/cash equivalents at the year-end:	5,061,783	737,827	737,827	4,323,956

Explanatory notes to Table B7 – Adjustments Budget Cash Flow Statement

1. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
2. It reflects the expected cash in-flows versus the cash out-flows that is likely to result from the implementation of the Budget.
3. The cash position of the Municipality at 30 June 2025 is anticipated to be R4.4 billion.

Table B8 – Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
R thousands	A	F	G	H
Cash and investments available				
Cash/cash equivalents at the year end	5,061,783	4,145,592	4,145,592	916,191
Other current investments > 90 days		3,407,265	3,407,265	3,407,265
Non current assets - Investments				-
Cash and investments available:	5,061,783	738,327	738,327	4,323,456
Applications of cash and investments				
Unspent conditional transfers	156,238	8,920	8,920	147,318
Unspent borrowing	130,229	-	-	130,229
Statutory requirements	495,130	-	-	495,130
Other working capital requirements	(1,321,880)	418,891	418,891	(1,740,771)
Other provisions	2,384,230	(1,087,054)	(1,087,054)	3,471,284
Long term investments committed	-		-	-
Reserves to be backed by cash/investments	585,129	398,926	398,926	186,203
Total Application of cash and investments:	2,429,076	(260,317)	(260,317)	2,689,393
Surplus (shortfall) - Excl Non-Current Creditors Trfto Debt Relief Benefit				
Surplus(shortfall)	2,632,707	998,644	998,644	1,634,063

Explanatory notes to Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The table assesses 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.
2. It is to be noted that the 2024/25 Adjustments Budget reflects a funding surplus of R1.6 billion, which has slightly reduced from R2.6 billion in the 2024/25 Original Budget.

Table B9 – Consolidated Asset Management

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
R thousands	A	F	G	H
CAPITAL EXPENDITURE				
Total New Assets to be adjusted	1,268,837	163,652	163,652	1,105,184
<i>Roads Infrastructure</i>	380,180	26,140	26,140	354,040
<i>Storm water Infrastructure</i>	30,822	(8,780)	(8,780)	39,602

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
R thousands	A	F	G	H
<i>Electrical Infrastructure</i>	143,258	35,692	35,692	107,567
<i>Water Supply Infrastructure</i>	289,314	(2,732)	(2,732)	292,046
<i>Sanitation Infrastructure</i>	116,470	61,217	61,217	55,253
<i>Solid Waste Infrastructure</i>	2,000	-	-	2,000
<i>Rail Infrastructure</i>		-	-	
<i>Coastal Infrastructure</i>		-	-	
<i>Information and Communication Infrastructure</i>	2,000	-	-	2,000
Infrastructure	964,044	111,537	111,537	852,507
Community Facilities	7,848	(55,779)	(55,779)	63,627
Sport and Recreation Facilities	5,000	4,800	4,800	200
Community Assets	12,848	(50,979)	(50,979)	63,827
Heritage Assets				
Revenue Generating		-	-	
Non-revenue Generating		-	-	
Investment properties				
Operational Buildings	47,800	22,278	22,278	25,522
Housing		-	-	
Other Assets	47,800	22,278	22,278	25,522
Biological or Cultivated Assets				
Servitudes		-	-	
Licences and Rights	30,958	16,990	16,990	13,968
Intangible Assets	30,958	16,990	16,990	13,968
Computer Equipment	23,452	(6,206)	(6,206)	29,658
Furniture and Office Equipment	3,600	343	343	3,257
Machinery and Equipment	112,565	44,231	44,231	68,334
Transport Assets	72,070	25,457	25,457	46,613
Land	1,500	0	0	1,500
Zoo's, Marine and Non-biological Animals		0	0	
Mature				
Immature				
Living Resources	-	-	-	-
Total Renewal of Existing Assets to be adjusted	408,637	(167,057)	(167,057)	575,694
<i>Roads Infrastructure</i>	70,500	(30,627)	(30,627)	101,127
<i>Storm water Infrastructure</i>	9,000	(97,293)	(97,293)	106,293
<i>Electrical Infrastructure</i>	60,270	(1,300)	(1,300)	61,570
<i>Water Supply Infrastructure</i>	123,510	(12,044)	(12,044)	135,553
<i>Sanitation Infrastructure</i>	87,983	(31,754)	(31,754)	119,738
<i>Solid Waste Infrastructure</i>	13,543	-	-	13,543
<i>Rail Infrastructure</i>		-	-	
<i>Coastal Infrastructure</i>		-	-	
<i>Information and Communication Infrastructure</i>		-	-	

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
R thousands	A	F	G	H
Infrastructure	364,807	(173,018)	(173,018)	537,825
Community Facilities	25,130	12,100	12,100	13,030
Sport and Recreation Facilities	3,950	(2,450)	(2,450)	6,400
Community Assets	29,080	9,650	9,650	19,430
Heritage Assets	0	0	0	0
Revenue Generating				
Non-revenue Generating				
Investment properties	0	0	0	0
Operational Buildings	4,250	811	811	3,439
Housing		-	-	
Other Assets	4,250	811	811	3,439
Biological or Cultivated Assets	-	-	-	-
Servitudes	-	-	-	-
Licences and Rights	-	-	-	-
Intangible Assets	-	-	-	-
Computer Equipment	500	500	500	
Furniture and Office Equipment		-	-	
Machinery and Equipment		-	-	
Transport Assets	10,000	(5,000)	(5,000)	15,000
Land		0	0	
Zoo's, Marine and Non-biological Animals		0	0	
Mature				
Immature				
Living Resources	-	-	-	-
Total Upgrading of Existing Assets to be adjusted	287,851	34,539	34,539	253,312
<i>Roads Infrastructure</i>	39,628	(5,766)	(5,766)	45,393
<i>Storm water Infrastructure</i>	22,000	211	211	21,789
<i>Electrical Infrastructure</i>	39,970	(22,667)	(22,667)	62,636
<i>Water Supply Infrastructure</i>	28,000	838	838	27,162
<i>Sanitation Infrastructure</i>	55,750	28,626	28,626	27,124
<i>Solid Waste Infrastructure</i>	4,000	-	-	4,000
<i>Rail Infrastructure</i>		-	-	
<i>Coastal Infrastructure</i>		-	-	
<i>Information and Communication Infrastructure</i>	2,000	-	-	2,000
Infrastructure	191,347	1,243	1,243	190,104
Community Facilities	61,637	19,920	19,920	41,717
Sport and Recreation Facilities	16,215	4,957	4,957	11,258
Community Assets	77,852	24,877	24,877	52,975
Heritage Assets	0	0	0	0
Revenue Generating	0	0	0	0
Non-revenue Generating	0	0	0	0

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
R thousands	A	F	G	H
Investment properties	0	0	0	0
Operational Buildings	17,652	8,920	8,920	8,732
Housing		-	-	
Other Assets	17,652	8,920	8,920	8,732
Biological or Cultivated Assets	0	0	0	0
Servitudes	0	0	0	0
Licences and Rights				
Intangible Assets	0	0	0	0
Computer Equipment	1,000	(500)	(500)	1,500
Furniture and Office Equipment	0	0	0	0
Machinery and Equipment	0	0	0	0
Transport Assets	0	0	0	0
Land	0	0	0	0
Zoo's, Marine and Non-biological Animals	0	0	0	0
Mature				
Immature				
Living Resources	-	-	-	-
Total Capital Expenditure to be adjusted	1,965,324	31,134	31,134	1,934,190
<i>Roads Infrastructure</i>	490,308	(10,252)	(10,252)	500,560
<i>Storm water Infrastructure</i>	61,822	(105,862)	(105,862)	167,684
<i>Electrical Infrastructure</i>	243,498	11,725	11,725	231,773
<i>Water Supply Infrastructure</i>	440,824	(13,937)	(13,937)	454,761
<i>Sanitation Infrastructure</i>	260,203	58,088	58,088	202,115
<i>Solid Waste Infrastructure</i>	19,543	-	-	19,543
<i>Rail Infrastructure</i>	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-
<i>Information and Communication Infrastructure</i>	4,000	-	-	4,000
Infrastructure	1,520,198	(60,238)	(60,238)	1,580,436
Community Facilities	94,615	(23,759)	(23,759)	118,374
Sport and Recreation Facilities	25,165	7,307	7,307	17,858
Community Assets	119,780	(16,452)	(16,452)	136,232
Heritage Assets	0	0	0	0
Revenue Generating	-	-	-	0
Non-revenue Generating	-	-	-	0
Investment properties	0	0	0	0
Operational Buildings	69,702	32,009	32,009	37,693
Housing	-	-	-	-
Other Assets	69,702	32,009	32,009	37,693
Biological or Cultivated Assets	-	0	0	-
Servitudes	-	-	-	-
Licences and Rights	30,958	16,990	16,990	13,968

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
R thousands	A	F	G	H
Intangible Assets	30,958	16,990	16,990	13,968
Computer Equipment	24,952	(6,206)	(6,206)	31,158
Furniture and Office Equipment	3,600	343	343	3,257
Machinery and Equipment	112,565	44,231	44,231	68,334
Transport Assets	82,070	20,457	20,457	61,613
Land	1,500	-	-	1,500
Zoo's, Marine and Non-biological Animals	-	-	-	-
Mature				
Immature				
Living Resources	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	1,965,324	31,134	31,134	1,934,190
ASSET REGISTER SUMMARY - PPE (WDV)	21,968,338	925,962	925,962	20,919,807
<i>Roads Infrastructure</i>	3,363,352	241,058	241,058	3,122,294
<i>Storm water Infrastructure</i>	458,433	(78,625)	(78,625)	537,058
<i>Electrical Infrastructure</i>	2,070,486	141,721	141,721	1,928,765
<i>Water Supply Infrastructure</i>	3,031,589	143,213	143,213	2,888,376
<i>Sanitation Infrastructure</i>	1,324,452	190,898	190,898	1,133,554
<i>Solid Waste Infrastructure</i>	(18,327)	65,426	65,426	(83,752)
<i>Rail Infrastructure</i>	1,945,369	-	-	1,945,369
<i>Coastal Infrastructure</i>	-	-	-	-
<i>Information and Communication Infrastructure</i>	33,439	-	-	33,439
Infrastructure	12,208,793	703,690	703,690	11,505,104
Community Assets	646,027	(2,887)	(2,887)	526,344
Heritage Assets	226,441	0	0	226,441
Investment properties	138,352	5,313,246	5,313,246	133,038
Other Assets	8,102,348	60,524	60,524	8,041,824
Biological or Cultivated Assets	-	-	-	-
Intangible Assets	87,695	62,662	62,662	25,033
Computer Equipment	63,323	(6,206)	(6,206)	69,529
Furniture and Office Equipment	8,272	343	343	7,928
Machinery and Equipment	185,596	65,045	65,045	120,551
Transport Assets	248,420	37,477	37,477	210,942
Land	53,071	-	-	53,071
Zoo's, Marine and Non-biological Animals		-	-	-
Mature				
Immature				
Living Resources	0	0	0	0
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	21,968,338	925,962	925,962	20,919,807

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
R thousands	A	F	G	H
EXPENDITURE OTHER ITEMS				
Depreciation & asset impairment	1,049,902	31,455	31,455	1,018,447
Repairs and Maintenance by asset class	866,011	107,685	107,685	758,285
<i>Roads Infrastructure</i>	130,984	16,294	16,294	114,690
<i>Storm water Infrastructure</i>	17,711	2,203	2,203	15,508
<i>Electrical Infrastructure</i>	121,262	15,082	15,082	106,180
<i>Water Supply Infrastructure</i>	130,447	16,227	16,227	114,220
<i>Sanitation Infrastructure</i>	89,532	11,138	11,138	78,394
<i>Solid Waste Infrastructure</i>	-	-	-	-
<i>Rail Infrastructure</i>	2,913	362	362	2,551
<i>Coastal Infrastructure</i>	-	-	-	-
<i>Information and Communication Infrastructure</i>	1,325	165	165	1,160
Infrastructure	494,173	61,471	61,471	432,703
Community Facilities	19,516	2,428	2,428	17,088
Sport and Recreation Facilities	12,508	1,556	1,556	10,952
Community Assets	32,024	3,984	3,984	28,040
Heritage Assets	320	-235	-235	280
Revenue Generating	0	-	-	0
Non-revenue Generating	0	-	-	0
Investment properties	0	0	0	0
Operational Buildings	140,087	17,425	17,425	122,662
Housing	7,509	934	934	6,575
Other Assets	147,596	18,359	18,359	129,237
Biological or Cultivated Assets	0	0	0	0
Servitudes	-	-	-	-
Licences and Rights	5,930	738	738	5,192
Intangible Assets	5,930	738	738	5,192
Computer Equipment	5,994	746	746	5,248
Furniture and Office Equipment	4,251	529	529	3,722
Machinery and Equipment	59,532	7,406	7,406	52,127
Transport Assets	116,190	14,454	14,454	101,736
Land	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	0	0	-
Mature				
Immature				
Living Resources	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	1,915,913	139,140	139,140	1,776,732
Renewal and upgrading of Existing Assets as % of total capex	40.70%			36.70%
Renewal and upgrading of Existing Assets as % of deprecn"	51.50%			51.90%

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
R thousands	A	F	G	H
<i>R&M as a % of PPE</i>	3.20%			3.10%
<i>Renewal and upgrading and R&M as a % of PPE</i>	6.80%			6.60%

Explanatory notes to Table B9 - Asset Management

- The table provides a summarised version of the capital programme divided into new assets and renewal of existing assets, it also reflects the relevant asset categories, the associated repairs and maintenance as well as depreciation of assets.

It also provides an indication of the resources deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.

Table B10 –Consolidated Basic service delivery measurement

Description	Ref	Budget Year 2024/25					
		Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
			7	11	12	13	14
		A	A1	E	F	G	H
Household service targets	1						
<u>Water:</u>							
Piped water inside dwelling		370,000			18,100	18,100	386,341
Piped water inside yard (but not in dwelling)					-	-	-
Using public tap (at least min.service level)	2	36,341			188	188	44,000
Other water supply (at least min.service level)					-	-	
<i>Minimum Service Level and Above sub-total</i>		406,361			18	18	430,341
Using public tap (< min.service level)	3					-	-
Other water supply (< min.service level)	3,4						
No water supply							
<i>Below Minimum Service Level sub-total</i>					-	-	-
Total number of households	5	448,629			18	18	430,341
<u>Sanitation/sewerage:</u>							
Flush toilet (connected to sewerage)		370,000			-26,341	-26,341	396,341
Flush toilet (with septic tank)		3,802			0	0	3,802
Chemical toilet		3,000			166	166	2,834
Pit toilet (ventilated)		167			0	0	167
Other toilet provisions (> min.service level)		-					-
<i>Minimum Service Level and Above sub-total</i>		376,969			-26,175	-26,175	403,144
Bucket toilet		6,010					6,010
Other toilet provisions (< min.service level)							
No toilet provisions							
<i>Below Minimum Service Level sub-total</i>		6,010			-	-	6,010
Total number of households	5	382,979			4,034	4,034	409,154
<u>Energy:</u>							
Electricity (at least min. service level)		19,052			-1,207	-1,207	20,259
Electricity - prepaid (> min.service level)		395,644			45,880	45,880	349,764
<i>Minimum Service Level and Above sub-total</i>		414,696			44,673	44,673	370,023

Description	Ref	Budget Year 2024/25					
		Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
		A	7 A1	11 E	12 F	13 G	14 H
Electricity (< min.service level)							
Electricity - prepaid (< min. service level)							
Other energy sources							
<i>Below Minimum Servic Level sub-total</i>		-			-	-	
Total number of households	5	414,696					364,114
<u>Refuse:</u>							
Removed at least once a week (min.service)		237,382					237,382
Minimum Service Level and Above sub-total		235,644					235,644
Removed less frequently than once a week		-					-
Using communal refuse dump		44,090					44,090
Using own refuse dump		-					-
Other rubbish disposal		-					-
No rubbish disposal		16,702					16,702
<i>Below Minimum Servic Level sub-total</i>		60,792					60,792
Total number of households	5	296,436					296,436
<u>Households receiving Free Basic Service</u>	15						
Water (6 kilolitres per household per month)		90,626			17,258	17,258	73,368
Sanitation (free minimum level service)		92,156			21,295	21,295	70,861
Electricity/other energy (50kwh per household per month)		73,526			39,350	39,350	34,176
Refuse (removed at least once a week)		86,954			15,693	15,693	71,261
<u>Cost of Free Basic Services provided (R'000)</u>	16						
Water (6 kilolitres per indigent household per month)		150,070			29,417	29,417	120,653
Sanitation (free sanitation service to indigent households)		218,176			26,771	26,771	191,405
Electricity/other energy (50kwh per indigent household per month)		23,942			4,354	4,354	19,588
Refuse (removed once a week for indigent households)		91,754			-54,681	-54,681	146,435
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-					-
Total cost of FBS provided		483,942			5,861	5,861	535,181
<u>Highest level of free service provided</u>							
Property rates (R'000 value threshold)		130,000			-	-	130,000
Water (kilolitres per household per month)		8			-	-	8
Sanitation (kilolitres per household per month)		11			-	-	11
Sanitation (Rand per household per month)		137			-	-	137
Electricity (kw per household per month)		75			-	-	75
Refuse (average litres per week)		178			-	-	178
<u>Revenue cost of free services provided (R'000)</u>	17						
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)							-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		173,455			0	0	173,455
Water (more than 6 kilolitres per indigent household per month)		31,852			0	0	31,852

Description	Ref	Budget Year 2024/25					
		Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
			7	11	12	13	14
		A	A1	E	F	G	H
Sanitation (more than free sanitation service to indigent households)		21,565			0	0	21,565
Electricity/other energy (more than 50 kwh per indigent household per month)		29,534			0	0	29,534
Refuse (more than one removal a week for indigent households)		15,719			0	0	15,719
Municipal Housing - rental rebates							
Housing - top structure subsidies	6	123,457			437	437	123,020
Other						-	
Total revenue cost of subsidised services provided		395,582			437	437	462,903

Explanatory notes to Table B10 - Basic Service Delivery Measurement

- Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. The information provided in this table originates from the respective Directorates.

1.5 ADJUSTMENTS BUDGET TABLES – PARENT MUNICIPALITY (i.e. NMBM)

The ten main budget tables of the parent municipality (i.e., NMBM), as required in terms of the Municipal Budget and Reporting Regulations (MBRR), are included in this section. The purpose and form of these tables are the same as the consolidated tables that have already been discussed in the previous paragraph 1.4. As such this part of the report will not include any explanatory notes as they will be repetitive, for ease of reporting.

Table B1 – Budget Summary

R thousands	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
<u>Financial Performance</u>	A	F	G	H
Property rates	3,142,251	-	-	3,142,251
Service charges	10,017,608	185,613	185,613	9,831,995
Investment revenue	220,096	(54,759)	(54,759)	274,855
Transfers recognised - operational	2,639,328	188,427	188,427	2,450,902
Other own revenue	2,091,719	(229,569)	(229,569)	2,321,288
Total Revenue (excluding capital transfers and contributions)	18,111,003	89,712	89,712	18,021,291
Employee costs	4,708,314	163,343	163,343	4,544,971
Remuneration of councillors	94,452	(223)	(223)	94,675
Depreciation & asset impairment	2,886,141	32,626	32,626	2,853,515
Finance charges	111,217	-	-	111,217
Inventory consumed and bulk purchases	6,693,578	(145,461)	(145,461)	6,839,038
Transfers and grants	222,001	(7,520)	(7,520)	229,521
Other expenditure	3,456,399	47,007	47,007	3,409,392
Total Expenditure	18,172,103	89,772	89,772	18,082,331
Surplus/(Deficit)	(61,100)	(61)	(61)	(61,040)

R thousands	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
Transfers and subsidies - capital (monetary allocations)	1,159,095	151	151	1,286,456
Transfers and subsidies - capital (in-kind - all)		–		
Surplus/(Deficit) after capital transfers & contributions	1,160,097	(126,359)	(126,359)	1,286,456
Share of surplus/ (deficit) of associate	–	–		
Surplus/ (Deficit) for the year	1,160,097	(126,359)	(126,359)	1,286,456
<u>Capital expenditure & funds sources</u>				
Capital expenditure	1,965,394	87,243	87,243	1,878,151
Transfers recognised - capital	1,154,574	(131,882)	(131,882)	1,286,456
Borrowing	130,299	61,134	61,134	69,165
Internally generated funds	680,521	157,992	157,992	522,529
Total sources of capital funds	1,965,394	87,243	87,243	1,878,151
<u>Financial position</u>				
Total current assets	10,188,246	2,018,051	2,018,051	8,170,195
Total non-current assets	21,750,990	(493,964)	(493,964)	22,244,954
Total current liabilities	5,825,141	2,140,775	2,140,775	3,684,366
Total non-current liabilities	5,819,377	(3,071,447)	(3,071,447)	8,890,824
Community wealth/Equity	19,180,622	(1,165,363)	(1,165,363)	20,345,985
<u>Cash flows</u>				
Net cash from (used) operating	3,063,276	(133,809)	(133,809)	3,197,085
Net cash from (used) investing	(2,119,959)	(59,259)	(59,259)	(2,060,700)
Net cash from (used) financing	(344,028)	-	-	(344,028)
Cash/cash equivalents at the year end	5,270,166	(193,068)	(193,068)	4,323,456
<u>Cash backing/surplus reconciliation</u>				
Cash and investments available	5,067,445	743,989	743,989	4,323,456
Application of cash and investments	479,638	(2,209,755)	(2,209,755)	2,689,393
Balance - surplus (shortfall)	4,587,807	(1,465,766)	(1,465,766)	1,634,063
<u>Asset Management</u>				
Asset register summary (WDV)	21,604,171	684,364	684,364	20,919,807
Depreciation	1,049,902	32,626	32,626	1,017,276
Renewal and Upgrading of Existing Assets	696,488	(112,518)	(112,518)	809,006
Repairs and Maintenance	866,011	107,726	107,726	758,285
<u>Free services</u>				
Cost of Free Basic Services provided	483,942	-51,239	-51,239	535,181
Revenue cost of free services provided	220,951	220,488	220,488	462,903

Table B2 – Budget Financial Performance by Function

Standard Descriptions	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
R thousands	A	F	G	H
Revenue - Functional				
Governance and administration	4,710,753	(2,359)	(2,359)	4,713,112
Executive and council	1,194	(129)	(129)	1,322
Finance and administration	4,709,559	(2,230)	(2,230)	4,711,789
Internal audit		-	-	-
Community and public safety	1,573,823	117,254	117,254	1,456,569
Community and social services	41,898	(3,621)	(3,621)	45,519
Sport and recreation	29,322	203	203	29,119
Public safety	1,030,906	51,858	51,858	979,048
Housing	469,477	69,721	69,721	399,756
Health	2,220	(907)	(907)	3,127
Economic and environmental services	801,879	(76,626)	(76,626)	878,505
Planning and development	170,551	(24,196)	(24,196)	194,747
Road transport	587,730	(51,250)	(51,250)	638,979
Environmental protection	43,598	(1,181)	(1,181)	44,779
Trading services	12,122,313	(105,622)	(105,622)	12,227,935
Energy sources	6,130,396	81,271	81,271	6,049,125
Water management	4,068,058	(119,218)	(119,218)	4,187,276
Waste water management	1,420,732	(25,015)	(25,015)	1,445,746
Waste management	503,128	(42,660)	(42,660)	545,787
Other	61,330	21,204	21,204	40,126
Total Revenue - Functional	19,270,098	(46,149)	(46,149)	19,316,247
Expenditure - Functional				
Governance and administration	2,060,586	(643,893)	(643,893)	2,704,479
Executive and council	416,008	62,487	62,487	353,520
Finance and administration	1,572,076	(706,167)	(706,167)	2,278,243
Internal audit	72,502	(213)	(213)	72,715
Community and public safety	2,597,632	332,959	332,959	2,264,674
Community and social services	384,216	(44,430)	(44,430)	428,645
Sport and recreation	680,761	128,025	128,025	552,736
Public safety	731,694	57,698	57,698	673,996
Housing	545,994	175,284	175,284	370,710
Health	254,968	16,381	16,381	238,587
Economic and environmental services	1,566,515	253,553	253,553	1,312,962
Planning and development	523,686	90,858	90,858	432,828
Road transport	956,244	129,015	129,015	827,230
Environmental protection	86,585	33,681	33,681	52,904
Trading services	11,818,822	109,047	109,047	11,709,775

Standard Descriptions	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
Energy sources	7,343,288	(193,635)	(193,635)	7,536,923
Water management	2,711,096	63,930	63,930	2,647,166
Waste water management	1,093,987	130,221	130,221	963,766
Waste management	670,451	108,530	108,530	561,921
Other	128,547	38,105	38,105	90,442
Total Expenditure - Functional	18,172,102	89,771	89,771	18,082,331
Surplus/ (Deficit) for the year	1,097,996	(135,920)	(135,920)	1,233,916

Table B3 – Budget Financial Performance by Vote

Vote Description	Budget Year 2024/25				
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
		7	8	9	10
R thousands	A	E	F	G	H
<u>Revenue by Vote</u>					
Vote 1 - Budget & Treasury	4,615,019	-	6,256	6,256	4,608,763
Vote 2 - Public Health	517,512	-	(44,809)	(44,809)	562,321
Vote 3 - Human Settlements	303,502	-	53,510	53,510	249,992
Vote 4 - Economic Development, Tourism & Agriculture	38,232	-	3,893	3,893	34,339
Vote 5 - Corporate Services	19,397	-	(11,510)	(11,510)	30,907
Vote 6 - Infrastructure & Engineering Unit - Rate & General	317,758	88,569		88,569	229,189
Vote 7 - Metro Water Service	3,734,347	-	(114,523)	(114,523)	3,848,870
Vote 8 - Sanitation - Metro	1,292,269	-	(14,539)	(14,539)	1,306,808
Vote 9 - Electricity & Energy	5,959,948	-	74,116	74,116	5,885,832
Vote 10 - Executive & Council	144,607	-	(10,000)	(10,000)	154,607
Vote 11 - Safety & Security	1,049,534	-	51,857	51,857	997,677
Vote 12 - Mandela Bay Stadium	72,278	-	-	-	72,278
Vote 13 - Special Projects and Programmes	22,684	-	-	-	22,684
Vote 14 - Recreational & Cultural Services	23,915	-	(108)	(108)	24,023
Total Revenue by Vote	18,111,002	88,569	(5,857)	82,711	18,028,291
<u>Expenditure by Vote</u>					
Vote 1 - Budget & Treasury	1,135,425	-	(64,500)	(64,500)	1,199,925
Vote 2 - Public Health	1,086,780	-	54,678	54,678	1,032,102
Vote 3 - Human Settlements	500,427	-	(5,248)	(5,248)	505,675
Vote 4 - Economic Development, Tourism & Agriculture	119,201	-	2,053	2,053	117,148
Vote 5 - Corporate Services	600,448	-	1,634	1,634	598,814

Vote Description	Budget Year 2024/25				
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
Vote 6 - Infrastructure & Engineering Unit - Rate & General	1,254,519	-	168,391	168,391	1,086,128
Vote 7 - Metro Water Service	2,939,602	-	219,264	219,264	2,720,338
Vote 8 - Sanitation - Metro	930,795	-	21,575	21,575	909,220
Vote 9 - Electricity & Energy	7,204,319	-	(324,879)	(324,879)	7,529,198
Vote 10 - Executive & Council	554,985	-	53,525	53,525	501,460
Vote 11 - Safety & Security	1,232,955	-	15,343	15,343	1,217,612
Vote 12 - Mandela Bay Stadium	71,498	-	(1,500)	(1,500)	72,998
Vote 13 - Special Projects and Programmes	24,161	-	430	430	23,731
Vote 14 - Recreational & Cultural Services	516,988	-	3,045	3,045	513,943
Total Expenditure by Vote	18,172,103	-	143,812	143,812	18,028,291
Surplus/ (Deficit) for the year	(61,101)	88,569	(149,669)	(61,101)	-

Table B4 – Budget Financial Performance Revenue and Expenditure

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
R thousands	A	F	G	H
Revenue By Source				
Exchange Revenue				
Service charges - Electricity	5,828,780	97,974	97,974	5,730,806
Service charges - Water	2,937,779	26,299	26,299	2,911,480
Service charges - Waste Water Management	920,511	39,449	39,449	881,062
Service charges - Waste Management	330,539	21,890	21,890	308,648
Sale of Goods and Rendering of Services	117,432	(3,986)	(3,986)	121,418
Agency services	4,064	-	-	4,064
Interest	-	-	-	-
Interest earned from Receivables	990,740	(80,062)	(80,062)	1,070,802
Interest earned from Current and Non-Current Assets	222,156	(52,699)	(52,699)	274,855
Dividends	-	-	-	-
Rent on Land	-	-	-	-
Rental from Fixed Assets	38,017	(4,020)	(4,020)	42,037
Licence and permits	20,137	(2,056)	(2,056)	22,193
Operational Revenue	31,040	2,383	2,383	28,657
Non-Exchange Revenue				
Property rates	3,142,251	-	-	3,142,251
Surcharges and Taxes	-	-	-	-
Fines, penalties and forfeits	64,223	5,139	5,139	59,084
Licences or permits	1	-	-	1
Transfer and subsidies - Operational	2,639,328	188,427	188,427	2,450,902

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
Interest	-	-	-	149,009
Fuel Levy	824,005	-	-	824,005
Operational Revenue	-	-	-	-
Gains on disposal of Assets	-	-	-	17
Other Gains	-	-	-	-
Discontinued Operations	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	18,111,003	89,712	89,712	18,021,291
Expenditure By Type				
Employee related costs	4,708,314	163,343	163,343	4,544,971
Remuneration of councillors	94,452	(223)	(223)	94,675
Bulk purchases - electricity	6,338,216	(118,950)	(118,950)	6,457,166
Inventory consumed	355,361	(26,511)	(26,511)	381,872
Debt impairment	1,836,239	-	-	1,836,239
Depreciation and amortisation	1,049,902	32,626	32,626	1,017,276
Interest	111,217	-	-	111,217
Contracted services	1,737,762	119,928	119,928	1,617,834
Transfers and subsidies	222,001	(7,520)	(7,520)	229,521
Irrecoverable debts written off	582,995	(70,000)	(70,000)	652,995
Operational costs	882,660	(2,921)	(2,921)	885,581
Losses on disposal of Assets	-	-	-	-
Other Losses	252,982	-	-	252,982
Total Expenditure	18,172,103	89,772	89,772	18,082,331
		-		
Surplus/(Deficit)	(61,100)	(60)	(60)	(61,040)
Transfers and subsidies - capital (monetary allocations)	1,097,997	(188,459)	(188,459)	1,286,456
Transfers and subsidies - capital (in-kind - all)	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions	1,097,997	(188,459)	(188,459)	1,225,416
Taxation	-	-	-	-
Surplus/(Deficit) after taxation	1,097,997	(188,459)	(188,459)	1,225,416
Attributable to minorities	-	-	-	-
Surplus/(Deficit) attributable to municipality	1,097,997	(188,459)	(188,459)	1,225,416
Share of surplus/ (deficit) of associate	1,160,097	(188,459)	(188,459)	1,225,416
Surplus/(Deficit) for the year	1,160,097	(188,459)	(188,459)	1,225,416

Table B5 – Budget Capital Expenditure – Standard Classification

Description	Budget Year 2023/24			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		10	11	12
R thousands	A	F	G	H
Capital Expenditure - Functional				

Description	Budget Year 2023/24			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		10	11	12
R thousands	A	F	G	H
Governance and administration	216,622	60,787	60,787	155,835
Executive and council	-			
Finance and administration	216,622	60,787	60,787	155,835
Internal audit	-			-
Community and public safety	168,724	50,606	50,606	118,118
Community and social services	48,328	14,072	14,072	34,256
Sport and recreation	55,561	7,539	7,539	48,022
Public safety	62,235	30,995	30,995	31,240
Housing	1,200	-	-	1,200
Health	1,400	(2,000)	(2,000)	3,400
Economic and environmental services	454,579	(42,606)	(42,606)	497,185
Planning and development	4,521	4,521	4,521	
Road transport	449,058	(48,127)	(48,127)	497,185
Environmental protection	1,000		-	1,000
Trading services	1,071,882	(33,130)	(33,130)	1,105,012
Energy sources	246,698	11,725	11,725	234,973
Water management	457,824	421,824	421,824	36,000
Wastewater management	331,360	(41,666)	(41,666)	373,026
Waste management	36,000	(425,013)	(425,013)	461,013
Other	2,000	-	-	2,000
Total Capital Expenditure - Functional	1,913,807	35,657	35,657	1,878,150
Funded by:				
National Government	1,116,095	(128,861)	(128,861)	1,244,956
Provincial Government				
District Municipality				
Other Transfers and Grants	43,000	1,500	1,500	41,500
Transfers recognised - capital	1,159,095	(127,361)	(127,361)	1,286,456
Borrowing	130,229	61,064	61,064	69,165
Internally generated funds	624,483	101,954	101,954	522,529
Total Capital Funding	1,913,807	35,656	35,656	1,878,150

Table B6 – Budget Financial Position

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
R thousands	A	F	G	H
ASSETS				
Current assets				
Cash and cash equivalents	5,032,445	708,489	708,489	4,323,956

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
Trade and other receivables from exchange transactions	3,159,969	231,521	231,521	2,928,448
Receivables from non-exchange transactions	248,070	(119,583)	(119,583)	367,653
Current portion of non-current receivables				
Inventory	345,859	179,462	179,462	166,397
VAT	1,401,903	1,261,456	1,261,456	140,447
Other current assets		(243,294)	(243,294)	243,294
Total current assets	10,188,246	2,018,051	2,018,051	8,170,195
Non-current assets				
Investments				
Investment property	156,763	18,406	18,406	138,357
Property, plant and equipment	21,141,409	(476,589)	(476,589)	21,617,998
Biological assets				
Living and non-living resources				
Heritage assets	220,197	(6,244)	(6,244)	226,441
Intangible assets	71,801	60,862	60,862	10,939
Trade and other receivables from exchange transactions	115,638	(81,372)	(81,372)	197,010
Non-current receivables from non-exchange transactions	45,182	(9,029)	(9,029)	54,211
Other non-current assets				
Total non-current assets	21,750,990	(493,964)	(493,964)	22,244,954
TOTAL ASSETS	31,939,236	1,524,087	1,524,087	30,415,149
LIABILITIES				
Current liabilities				
Bank overdraft				
Financial liabilities	188,490	(25,208)	(25,208)	213,698
Consumer deposits	180,779	2,781	2,781	177,998
Trade and other payables from exchange transactions	3,006,246	675,525	675,525	2,330,721
Trade and other payables from non-exchange transactions	313,007	(27,198)	(27,198)	340,205
Provision	396,155	(207,368)	(207,368)	603,523
VAT	1,740,464	1,740,464	1,740,464	
Other current liabilities				18,221
Total current liabilities	5,825,141	2,158,996	2,158,996	3,684,366
Non-current liabilities				
Financial liabilities	1,232,620	298,548	298,548	934,072
Provision	3,200,928	(270,356)	(270,356)	3,471,284
Long term portion of trade payables				-
Other non-current liabilities	1,385,829	584,727	584,727	801,102
Total non-current liabilities	5,819,377	612,919	612,919	5,206,458
TOTAL LIABILITIES	11,644,518	2,771,915	2,771,915	8,890,824
NET ASSETS	20,294,718	(612,919)	(612,919)	21,524,325

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
COMMUNITY WEALTH/EQUITY				
Accumulated surplus/(deficit)	18,595,493	(1,564,288)	(1,564,288)	20,159,781
Reserves and funds	585,129	398,926	398,926	186,203
Other				
TOTAL COMMUNITY WEALTH/EQUITY	19,180,622	(1,165,363)	(1,165,363)	20,345,985

Table B7 – Budgeted Cash Flows

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
R thousands	A	F	G	H
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	2,828,026	471,338	471,338	2,356,688
Service charges	9,293,524	444,728	444,728	8,848,796
Other revenue	2,200,281	343,251	343,251	1,857,030
Transfers and Subsidies - Operational	2,138,293	(263,591)	(263,591)	2,401,884
Transfers and Subsidies - Capital	1,210,250	52,439	52,439	1,157,811
Interest	224,156	(50,699)	(50,699)	274,855
Dividends	-			
Payments		-		
Suppliers and employees	(14,635,585)	(1,276,344)	(1,276,344)	(13,359,241)
Finance charges	(111,217)	-	0	(111,217)
Transfers and Subsidies	(84,452)	145,069	145,069	(229,521)
NET CASH FROM/(USED) OPERATING ACTIVITIES	3,063,276	(133,809)	(133,809)	3,197,085
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	(1,347)	(1,347)	1,347
Decrease (Increase) in non-current debtors (not used)	-		-	-
Decrease (increase) in non-current receivables	(160,820)		-	(160,820)
Decrease (increase) in non-current investments	-		-	-
Payments				
Capital assets	(1,959,139)	(57,912)	(57,912)	(1,901,227)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2,119,959)	(59,259)	(59,259)	(2,060,700)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-		-	-
Borrowing long term/refinancing	(130,229)	-	-	(130,229)
Increase (decrease) in consumer deposits	-		-	-

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
Payments				
Repayment of borrowing	(213,799)	-	-	(213,799)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(344,028)			(344,028)
NET INCREASE/ (DECREASE) IN CASH HELD	599,289	651,682	651,682	(52,393)
Cash/cash equivalents at the year begin:	4,670,877	294,528	294,528	4,376,349
Cash/cash equivalents at the year-end:	5,270,166	946,210	946,210	4,323,956

Table B8 – Cash backed Reserves

Description	Budget Year 2024/2025			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		8	9	10
R thousands	A	F	G	H
Cash and investments available				
Cash/cash equivalents at the year end	5,061,783	4,145,592	4,145,592	916,191
Other current investments > 90 days		3,407,265	3,407,265	3,407,265
Non-current assets - Investments				-
Cash and investments available:	5,061,783	738,327	738,327	4,323,456
Applications of cash and investments				
Unspent conditional transfers	156,238	8,920	8,920	147,318
Unspent borrowing	130,229	-	-	130,229
Statutory requirements	495,130	-	-	495,130
Other working capital requirements	(1,321,880)	418,891	418,891	(1,740,771)
Other provisions	2,384,230	(1,087,054)	(1,087,054)	3,471,284
Long term investments committed	479,638		-	-
Reserves to be backed by cash/investments	585,129	398,926	398,926	186,203
Total Application of cash and investments:	2,908,714	219,321	219,321	2,689,393
Surplus (shortfall) - Excl Non-Current Creditors Trf to Debt Relief Benefit	479,638			
Surplus(shortfall)	2,153,069	519,006	519,006	1,634,063

Table B9 – Asset Management

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
R thousands	A	F	G	H
CAPITAL EXPENDITURE				
Total New Assets to be adjusted	1,268,837	219,692	219,692	1,049,145
Roads Infrastructure	380,180	26,140	26,140	354,040
Storm water Infrastructure	30,822	(8,780)	(8,780)	39,602
Electrical Infrastructure	143,258	35,692	35,692	107,567
Water Supply Infrastructure	289,314	(2,732)	(2,732)	292,046

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
R thousands	A	F	G	H
<i>Sanitation Infrastructure</i>	116,470	61,217	61,217	55,253
<i>Solid Waste Infrastructure</i>	2,000	-	-	2,000
<i>Rail Infrastructure</i>		-	-	
<i>Coastal Infrastructure</i>		-	-	
<i>Information and Communication Infrastructure</i>	2,000	-	-	2,000
Infrastructure	964,044	111,537	111,537	852,507
Community Facilities	7,848	261	261	7,587
Sport and Recreation Facilities	5,000	4,800	4,800	200
Community Assets	12,848	5,061	5,061	7,787
Heritage Assets				
Revenue Generating		-	-	
Non-revenue Generating		-	-	
Investment properties				
Operational Buildings	47,800	22,278	22,278	25,522
Housing		-	-	
Other Assets	47,800	22,278	22,278	25,522
Biological or Cultivated Assets				
Servitudes		-	-	
Licences and Rights	30,958	16,990	16,990	13,968
Intangible Assets	30,958	16,990	16,990	13,968
Computer Equipment	23,452	(6,206)	(6,206)	29,658
Furniture and Office Equipment	3,600	343	343	3,257
Machinery and Equipment	112,565	44,231	44,231	68,334
Transport Assets	72,070	25,457	25,457	46,613
Land	1,500	0	0	1,500
Zoo's, Marine and Non-biological Animals		0	0	
Mature				
Immature				
Living Resources	-	-	-	-
Total Renewal of Existing Assets to be adjusted	408,637	(167,057)	(167,057)	575,694
<i>Roads Infrastructure</i>	70,500	(30,627)	(30,627)	101,127
<i>Storm water Infrastructure</i>	9,000	(97,293)	(97,293)	106,293
<i>Electrical Infrastructure</i>	60,270	(1,300)	(1,300)	61,570
<i>Water Supply Infrastructure</i>	123,510	(12,044)	(12,044)	135,553
<i>Sanitation Infrastructure</i>	87,983	(31,754)	(31,754)	119,738
<i>Solid Waste Infrastructure</i>	13,543	-	-	13,543
<i>Rail Infrastructure</i>		-	-	
<i>Coastal Infrastructure</i>		-	-	
<i>Information and Communication Infrastructure</i>		-	-	
Infrastructure	364,807	(173,018)	(173,018)	537,825
Community Facilities	25,130	12,100	12,100	13,030

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
R thousands	A	F	G	H
Sport and Recreation Facilities	3,950	(2,450)	(2,450)	6,400
Community Assets	29,080	9,650	9,650	19,430
Heritage Assets	0	0	0	0
Revenue Generating				
Non-revenue Generating				
Investment properties	0	0	0	0
Operational Buildings	4,250	811	811	3,439
Housing		-	-	
Other Assets	4,250	811	811	3,439
Biological or Cultivated Assets				
Servitudes	-	-	-	-
Licences and Rights	-	-	-	-
Intangible Assets				
Computer Equipment	500	500	500	
Furniture and Office Equipment		-	-	
Machinery and Equipment		-	-	
Transport Assets	10,000	(5,000)	(5,000)	15,000
Land		0	0	
Zoo's, Marine and Non-biological Animals		0	0	
Mature				
Immature				
Living Resources				
	-	-	-	-
Total Upgrading of Existing Assets to be adjusted	287,851	34,539	34,539	253,312
<i>Roads Infrastructure</i>	39,628	(5,766)	(5,766)	45,393
<i>Storm water Infrastructure</i>	22,000	211	211	21,789
<i>Electrical Infrastructure</i>	39,970	(22,667)	(22,667)	62,636
<i>Water Supply Infrastructure</i>	28,000	838	838	27,162
<i>Sanitation Infrastructure</i>	55,750	28,626	28,626	27,124
<i>Solid Waste Infrastructure</i>	4,000	-	-	4,000
<i>Rail Infrastructure</i>		-	-	
<i>Coastal Infrastructure</i>		-	-	
<i>Information and Communication Infrastructure</i>	2,000	-	-	2,000
Infrastructure	191,347	1,243	1,243	190,104
Community Facilities	61,637	19,920	19,920	41,717
Sport and Recreation Facilities	16,215	4,957	4,957	11,258
Community Assets	77,852	24,877	24,877	52,975
Heritage Assets	0	0	0	0
Revenue Generating	0	0	0	0
Non-revenue Generating	0	0	0	0
Investment properties	0	0	0	0
Operational Buildings	17,652	8,920	8,920	8,732

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
R thousands	A	F	G	H
Housing		-	-	
Other Assets	17,652	8,920	8,920	8,732
Biological or Cultivated Assets	0	0	0	0
Servitudes	0	0	0	0
Licences and Rights				
Intangible Assets	0	0	0	0
Computer Equipment	1,000	(500)	(500)	1,500
Furniture and Office Equipment	0	0	0	0
Machinery and Equipment	0	0	0	0
Transport Assets	0	0	0	0
Land	0	0	0	0
Zoo's, Marine and Non-biological Animals	0	0	0	0
Mature				
Immature				
Living Resources	-	-	-	-
Total Capital Expenditure to be adjusted	1,965,324	87,174	87,174	1,878,151
Roads Infrastructure	490,308	(10,252)	(10,252)	500,560
Storm water Infrastructure	61,822	(105,862)	(105,862)	167,684
Electrical Infrastructure	243,498	11,725	11,725	231,773
Water Supply Infrastructure	440,824	(13,937)	(13,937)	454,761
Sanitation Infrastructure	260,203	58,088	58,088	202,115
Solid Waste Infrastructure	19,543	-	-	19,543
Rail Infrastructure	-	-	-	-
Coastal Infrastructure	-	-	-	-
Information and Communication Infrastructure	4,000	-	-	4,000
Infrastructure	1,520,198	(60,238)	(60,238)	1,580,436
Community Facilities	94,615	32,280	32,280	62,334
Sport and Recreation Facilities	25,165	7,307	7,307	17,858
Community Assets	119,780	39,588	39,588	80,192
Heritage Assets	0	0	0	0
Revenue Generating	-	-	-	0
Non-revenue Generating	-	-	-	0
Investment properties	0	0	0	0
Operational Buildings	69,702	32,009	32,009	37,693
Housing	-	-	-	-
Other Assets	69,702	32,009	32,009	37,693
Biological or Cultivated Assets	-	0	0	-
Servitudes	-	-	-	-
Licences and Rights	30,958	16,990	16,990	13,968
Intangible Assets	30,958	16,990	16,990	13,968
Computer Equipment	24,952	(6,206)	(6,206)	31,158

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
R thousands	A	F	G	H
Furniture and Office Equipment	3,600	343	343	3,257
Machinery and Equipment	112,565	44,231	44,231	68,334
Transport Assets	82,070	20,457	20,457	61,613
Land	1,500	-	-	1,500
Zoo's, Marine and Non-biological Animals	-	-	-	-
Mature				
Immature				
Living Resources	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	1,965,324	87,174	87,174	1,878,151
ASSET REGISTER SUMMARY - PPE (WDV)	21,969,388	44,699	44,699	21,882,214
<i>Roads Infrastructure</i>	3,363,611	(10,252)	(10,252)	3,373,863
<i>Storm water Infrastructure</i>	458,461	(105,862)	(105,862)	564,323
<i>Electrical Infrastructure</i>	2,070,620	11,725	11,725	2,058,895
<i>Water Supply Infrastructure</i>	3,031,751	(13,937)	(13,937)	3,045,688
<i>Sanitation Infrastructure</i>	1,324,589	58,088	58,088	1,266,501
<i>Solid Waste Infrastructure</i>	(18,259)	-	-	(18,259)
<i>Rail Infrastructure</i>	1,945,369	-	-	1,945,369
<i>Coastal Infrastructure</i>	-	-	-	-
<i>Information and Communication Infrastructure</i>	33,439	-	-	33,439
Infrastructure	12,209,582	(60,238)	(60,238)	12,269,820
Community Assets	646,167	(2,887)	(2,887)	606,580
Heritage Assets	226,441	0	0	226,441
Investment properties	138,357	0	0	138,357
Other Assets	8,102,378	32,009	32,009	8,070,369
Biological or Cultivated Assets	-	-	-	-
Intangible Assets	87,742	16,990	16,990	70,752
Computer Equipment	63,323	(6,206)	(6,206)	69,529
Furniture and Office Equipment	8,272	343	343	7,928
Machinery and Equipment	185,618	44,231	44,231	141,387
Transport Assets	248,437	20,457	20,457	227,980
Land	53,071	-	-	53,071
Zoo's, Marine and Non-biological Animals		-	-	-
Mature				
Immature				
Living Resources	0	0	0	0
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	21,969,388	44,699	44,699	21,882,214
EXPENDITURE OTHER ITEMS				
<u>Depreciation & asset impairment</u>	1,049,902	31,455	31,455	1,018,447

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
R thousands	A	F	G	H
Repairs and Maintenance by asset class	866,011	107,685	107,685	758,285
<i>Roads Infrastructure</i>	130,984	16,294	16,294	114,690
<i>Storm water Infrastructure</i>	17,711	2,203	2,203	15,508
<i>Electrical Infrastructure</i>	121,262	15,082	15,082	106,180
<i>Water Supply Infrastructure</i>	130,447	16,227	16,227	114,220
<i>Sanitation Infrastructure</i>	89,532	11,138	11,138	78,394
<i>Solid Waste Infrastructure</i>	-	-	-	-
<i>Rail Infrastructure</i>	2,913	362	362	2,551
<i>Coastal Infrastructure</i>	-	-	-	-
<i>Information and Communication Infrastructure</i>	1,325	165	165	1,160
Infrastructure	494,173	61,471	61,471	432,703
Community Facilities	19,516	2,428	2,428	17,088
Sport and Recreation Facilities	12,508	1,556	1,556	10,952
Community Assets	32,024	3,984	3,984	28,040
Heritage Assets	320	-235	-235	280
Revenue Generating	0	-	-	0
Non-revenue Generating	0	-	-	0
Investment properties	0	0	0	0
Operational Buildings	140,087	17,425	17,425	122,662
Housing	7,509	934	934	6,575
Other Assets	147,596	18,359	18,359	129,237
Biological or Cultivated Assets	0	0	0	0
Servitudes	-	-	-	-
Licences and Rights	5,930	738	738	5,192
Intangible Assets	5,930	738	738	5,192
Computer Equipment	5,994	746	746	5,248
Furniture and Office Equipment	4,251	529	529	3,722
Machinery and Equipment	59,532	7,406	7,406	52,127
Transport Assets	116,190	14,454	14,454	101,736
Land	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	0	0	-
Mature				
Immature				
Living Resources	0	0	0	0
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	1,915,913	139,140	139,140	1,776,732
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	40.70%			36.70%
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>	51.50%			51.90%
<i>R&M as a % of PPE</i>	3.20%			3.10%
<i>Renewal and upgrading and R&M as a % of PPE</i>	6.80%			6.60%

Table B10 – Basic Service Delivery Measurement

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
	A	F	G	H
Household service targets				
<u>Water:</u>				
Piped water inside dwelling	370,000	18,100	18,100	386,341
Piped water inside yard (but not in dwelling)		-	-	-
Using public tap (at least min.service level)	36,341	188	188	44,000
Other water supply (at least min.service level)		-	-	
<i>Minimum Service Level and Above sub-total</i>	406,361	18	18	430,341
Using public tap (< min.service level)			-	-
Other water supply (< min.service level)				
No water supply				
<i>Below Minimum Service Level sub-total</i>		-	-	-
Total number of households	448,629	18	18	430,341
<u>Sanitation/sewerage:</u>				
Flush toilet (connected to sewerage)	370,000	-26,341	-26,341	396,341
Flush toilet (with septic tank)	3,802	0	0	3,802
Chemical toilet	3,000	166	166	2,834
Pit toilet (ventilated)	167	0	0	167
Other toilet provisions (> min.service level)	-			-
<i>Minimum Service Level and Above sub-total</i>	376,969	-26,175	-26,175	403,144
Bucket toilet	6,010			6,010
Other toilet provisions (< min.service level)				
No toilet provisions				
<i>Below Minimum Service Level sub-total</i>	6,010	-	-	6,010
Total number of households	382,979	4,034	4,034	409,154
<u>Energy:</u>				
Electricity (at least min. service level)	19,052	-1,207	-1,207	20,259
Electricity - prepaid (> min.service level)	395,644	45,880	45,880	349,764
<i>Minimum Service Level and Above sub-total</i>	414,696	44,673	44,673	370,023
Electricity (< min.service level)				
Electricity - prepaid (< min. service level)				
Other energy sources				
<i>Below Minimum Service Level sub-total</i>	-	-	-	-
Total number of households	414,696			364,114
<u>Refuse:</u>				
Removed at least once a week (min.service)	237,382			237,382
<i>Minimum Service Level and Above sub-total</i>	235,644			235,644
Removed less frequently than once a week	-			-
Using communal refuse dump	44,090			44,090
Using own refuse dump	-			-
Other rubbish disposal	-			-

Description	Budget Year 2024/25			
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget
		12	13	14
	A	F	G	H
No rubbish disposal	16,702			16,702
<i>Below Minimum Servic Level sub-total</i>	60,792			60,792
Total number of households	296,436			296,436
Households receiving Free Basic Service				
Water (6 kilolitres per household per month)	90,626	17,258	17,258	73,368
Sanitation (free minimum level service)	92,156	21,295	21,295	70,861
Electricity/other energy (50kwh per household per month)	73,526	39,350	39,350	34,176
Refuse (removed at least once a week)	86,954	15,693	15,693	71,261
Cost of Free Basic Services provided (R'000)				
Water (6 kilolitres per indigent household per month)	150,070	29,417	29,417	120,653
Sanitation (free sanitation service to indigent households)	218,176	26,771	26,771	191,405
Electricity/other energy (50kwh per indigent household per month)	23,942	4,354	4,354	19,588
Refuse (removed once a week for indigent households)	91,754	-54,681	-54,681	146,435
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	-			-
Total cost of FBS provided	483,942	5,861	5,861	535,181
Highest level of free service provided				
Property rates (R'000 value threshold)	130,000	-	-	130,000
Water (kilolitres per household per month)	8	-	-	8
Sanitation (kilolitres per household per month)	11	-	-	11
Sanitation (Rand per household per month)	137	-	-	137
Electricity (kw per household per month)	75	-	-	75
Refuse (average litres per week)	178	-	-	178
Revenue cost of free services provided (R'000)				
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)			-	
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	173,455	0	0	173,455
Water (more than 6 kilolitres per indigent household per month)	31,852	0	0	31,852
Sanitation (more than free sanitation service to indigent households)	21,565	0	0	21,565
Electricity/other energy (more than 50 kwh per indigent household per month)	29,534	0	0	29,534
Refuse (more than one removal a week for indigent households)	15,719	0	0	15,719
Municipal Housing - rental rebates				
Housing - top structure subsidies	123,457	437	437	123,020
Total revenue cost of subsidised services provided	395,582	437	437	462,903

PART 2 – SUPPORTING DOCUMENTATION

2.1 Adjustments to Budget Assumptions

The original collection rate of 80.57% has been reduced to around 75%, taking into account the revenue collection performance during the first six months of the 2024/25 financial year.

2.2 Adjustments to Budget Funding

2.2.1 Funding the Adjustments Budget

2.2.1.1 Funding of Operating Expenditure

The Municipality's operating expenditure is mainly funded from sources such as property rates, service charges and government grants. The table below reflects the various funding sources:

<u>Operating Revenue By Type</u>	2023/24 Actuals "R"	2024/2025 Budget "R"	% Allocation vs Total	Revised Budget "R"	% Allocation vs Total	Variance	% Allocation vs Total
Service charges - Electricity	4,956,605	5,828,780	32.2%	5,730,806	31.8%	97,974	110.24
Service charges - Water	3,048,561	2,937,779	16.2%	2,911,480	16.1%	26,299	29.59
Service charges - Waste Water Management	807,631	920,612	5.1%	881,062	4.9%	39,551	44.50
Service charges - Waste Management	290,783	330,539	1.8%	308,648	1.7%	21,890	24.63
Sale of Goods and Rendering of Services	78,046	117,432	0.6%	121,418	0.7%	(3,986)	-4.49
Agency services	3,902	4,064	0.0%	4,064	0.0%	-	0.00
Interest earned from Receivables	1,009,287	990,740	5.5%	1,070,802	5.9%	(80,062)	-90.09
Interest earned from Current and Non-Current Assets	385,770	226,156	1.2%	276,855	1.5%	(50,699)	-57.05
Rental from Fixed Assets	34,019	38,567	0.2%	42,037	0.2%	(3,470)	-3.90
Licence and permits	21,519	20,137	0.1%	22,193	0.1%	(2,056)	-2.31
Operational Revenue	35,968	32,550	0.2%	33,657	0.2%	(1,107)	-1.25
Gains on disposal of Assets		-		17	0.0%	(17)	
Non-Exchange Revenue							
Property rates	2,875,600	3,142,251	17.3%	3,142,251	17.4%	-	0.00
Fines, penalties and forfeits	97,507	64,223	0.4%	59,084	0.3%	5,139	5.78
Licences or permits	1	1	0.0%	1	0.0%	-	0.00
Transfer and subsidies - Operational	2,844,217	2,639,328	14.6%	2,450,902	13.6%	188,427	212.02
Interest	199,673	-		149,009	0.8%	(149,009)	-167.67
Fuel Levy	783,478	824,005	4.5%	824,005	4.6%	-	0.00
Total Revenue	17,472,568	18,117,164	100%	18,028,291	100%	88,873	

2.2.2 Adjustments to estimated collection levels

The 2024/25 Original Operating Budget was based on a debtors' collection rate of 80.57% and in terms of this adjustments budget has been reduced to about 75% due to the poor performance or no improvement in the collection rate during the first six months of the 2024/25 financial year.

2.2.3. Summarised funding sources of the NMBM's Capital Budget

Below is a summarised version of the funding sources for the 2024/25 adjusted Capital Budget:

Funding Sources	Approved 2024/25 Capital Budget	Council Approved Budget Amendments	Carry Overs	Transfers to and from Operating Budget	Budget deferred to the 2025/26 Financial Year	Other Adjustments	2024/25 Draft Capital Adjustments Budget
Total CRR - 901	226,322,702	-	-	-	78,781,350	77,967	147,619,319
Total Levies Replacement Grant Funding - 959	398,160,000	-	-	3,100,000	20,150,000	-	374,910,000
Total Public Contributions Funding - 923	43,000,000	-	-	-	-	1,500,000	41,500,000
Urban Settlements Development Grant - 951	536,007,661	-	23,050,000	4,700,000	-	-	563,757,661
Informal Settlements Upgrading Partnership Grant - 972	279,341,726	10,391,954	-	-	-	-	268,949,772
IPTS Grant - 918	62,299,750	-	-	11,374,460	-	-	50,925,290
Neighbourhood Development Grant - 919	14,967,826	-	-	-	-	-	14,967,826
External Finance Fund - 962	130,228,574	-	-	-	60,500,000	563,600	69,164,974
Regional Bulk Infrastructure Grant - 973	217,391,300	-	-	-	-	-	217,391,300
European Union - 965	-	-	-	-	-	-	-
Energy Efficiency & Demand Side Management Grant - 976	6,086,957	-	-	1,469,565	-	-	4,617,392
Municipal Disaster Response Grant - 975	-	46,955,651	-	-	-	-	46,955,651
Municipal Disaster Recovery Grant - 977	-	-	-	-	-	77,391,300	77,391,300
Total Capital Budget Funding	1,913,806,496	36,563,697	23,050,000	11,244,025	159,431,350	75,405,667	1,878,150,485

The relevant details, reflecting the capital projects in question, are attached as a separate Annexure to this Budget Report.

2.3 Adjustments to expenditure on allocations and grant programmes

2.3.1 The adjustments made to planned capital expenditure of allocations and grants received.

The adjustments made to planned capital expenditure, including the capital projects in question, are attached as a separate Annexure to this report.

2.4 Consolidated Adjustments to Councillors and Employee benefits

Below is a summary of the adjustments made to Councillor's Remuneration and Employee Related Costs (Parent Municipality and Entity):

Description R'000	Budget Year 2024/25		
	Original Budget	Adjusted Budget	Variance
Employee related costs	4,719,455	4,586,235	(133,220)
Remuneration of councillors	94,452	94,675	233

2.5 Adjustments to Service Delivery and Budget Implementation Plan (SDBIP)

In accordance with the MFMA, adjustments to the SDBIP will be tabled, by the Chief Operating Officer's (COO) office, in Council after the adoption of the 2024/25 Adjustments Budget.

2.6 Re-prioritisation of some loan funded capital projects under Electricity & Energy Directorate

The Electricity and Energy Directorate has requested to re-prioritise the remaining unspent portion of the loan to the value of around **R22 million**. This re-prioritisation is necessitated by other demands which also respond to cost savings as well as revenue enhancement, as per the original intention of the **R750.6 million** loan. Upon Council approval Budget and Treasury will alert National Treasury for information, inform the bank (Nedbank) and make a public statement to this effect.

2.7 Incorporation of the recently gazetted Disaster Grants & amended ISUP-G and USDG

The 2024/25 Adjustments Budget incorporates changes that are necessitated by the additional funding resulting from the two disaster grants of R53.9 million (i.e. Municipal Disaster Response Grant) and R89 million (i.e. Municipal Disaster Recovery Grant). It will be remembered that the amount of R53.9 million was already transferred to the bank account of the NMBM in late November 2024.

The amount of R89 million has been gazetted but not yet transferred to the NMBM's bank account by the time of finalising this budget report. It must also be noted that the breakdown of the various projects linked to this funding source were not finalised by the time the adjustment budget (2024/25) was finalised, hence a recommendation is made for Council to approve their incorporation, as per the approval letter attached as Annexure to this report.

The breakdown of the projects to be funded from the Municipal Disaster Recovery Grant amounting to R89 million is as follows: -

Item: Project description	Ward	GPS Coordinates and municipal wards	Total amount required	Proposed implementation period and submit a copy of the cashflow-projection in line with total amount requested
Construction & Rehabilitation of a washed pipelines in the Brakriver	Wards 42, 43,44,45, and 46	33° 52' 59" S 25° 16' 59" E	R 6,000,000	6 months
Construction and rehabilitation of Kelvin Jones Wastewater Treatment Works	42	33.7571° S, 25.4083° E	R 7,000,000	4 Months
Rehabilitation to bridge and associated road works (see attached SANRAL report)	43	33*48*25.24 S 25*25*23.51 E	R 25,500,000	10 Months
Rehabilitation to bridge and associated road works (see attached Sanral report)	43	33*48*25.24 S 25*25*23.51 E	R 25,000,000	10 Months
Partial Rehabilitation of 2.5 km of the Cat Canal	48	33*45*40 S 25*22*23.51 E	R 25,500,000	10 Months
TOTAL			R 89,000,000	

Council must note that this Adjustments Budget also includes all the changes necessitated by the recent amendments of the Informal Settlement Upgrading Partnership Grant (ISUP-G) and Urban Settlements Development Grant (USDG).

2.8 Acquisition of vehicles for the Executive Mayor & Chief Whip

This Adjustments Budget also incorporates the request for the acquisition of the Executive Mayor's vehicle and the Chief Whip's vehicle. The acquisition of vehicles for the political office bearers are governed by the Upper Limits Gazette and the Cost Containment Regulations.

Regulation 6 of the Cost Containment Regulations (Gazette 42514 dated 7th June 2019) relating to the vehicles used for political office-bearers inter-alia states the following: -

*"6. (1) The threshold limit for vehicle purchases relating to official use by political office-bearers **must** not exceed R700 000 or 70% (VAT inclusive) of the total annual remuneration package for the different grades of municipalities, as defined in the Public Office Bearers Act and the notices issued in terms thereof by the Minister of Cooperative Governance and Traditional Affairs, whichever is lower.*

*(2) The procurement of vehicles in sub -regulation (1) **must** be undertaken using the national government transversal contract mechanism, unless it may be procured at a lower cost through other procurement mechanisms.*

*(3) Before deciding to procure a vehicle as contemplated in sub -regulation (2), the accounting officer or delegated official **must provide the Council** with information relating to the following criteria which must be considered:*

(a) status of current vehicles;

(b) affordability of options including whether to procure a vehicle as compared to rental or hire thereof, provided that the most cost-effective option is followed and the cost is equivalent to or lower than that contemplated in sub -regulation (1);

(c) extent of service delivery backlogs;

(d) terrain for effective usage of the vehicle; and

(e) any other policy of council.

*(4) If the rental referred to in sub -regulation (3) is preferred, the accounting officer **must** review the costs incurred regularly to ensure that value for money is obtained.*

*(5) Regardless of their usage, vehicles for official use by political office bearers **may** only be replaced after completion of 120 000 kilometres.*

*(6) Notwithstanding sub -regulation (5), a municipality or municipal entity **may** replace a vehicle for official use by political office bearers before the completion of 120 000km only in instances where the vehicle has a serious mechanical problem and is in a poor condition and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.*

*(7) An accounting officer **must** ensure that there is a policy that addresses the use of municipal vehicles for official purposes.*

All the above will be taken into consideration by the acting City Manager when the actual acquisitions of both vehicles are made upon approval of the Adjustments Budget by Council.

2.9 Adjustments to Capital Expenditure

Attached as a separate Annexure to this report is the listing of all the adjusted capital programmes and projects of the Municipality, per Directorate (Vote), as well as the Ward Allocation that is informed or formulated together with respective Directorates.

2.9.1 Capital Budget Highlights per Directorate

The following paragraphs summarise some Capital Budget highlights per Directorates: -

2.9.1.1. Budget & Treasury Directorate

(a) Construction of new offices at Supply Chain Management (20182605)

This project had an approved Capital Budget of R23 million in the original 2024/25 budget. The procurement process is still underway, and it is likely that it may only be considered for award in the fourth quarter of this financial year, after which there is still the 21-day cool off period to consider. Based on these timelines and projected cashflow, it is anticipated that a maximum of only R4 million will be spent by 30 June 2025.

It must also be noted that while preparing the Adjustments Budget (2024/25), an emergency request was made to urgently provide security measures at the Harrower Road Cable Yard. The estimated cost to properly enclose and secure this facility is estimated at R2.5 million. Funds were then identified to be moved from the SCM offices project to attend to this as a matter of urgency. The remaining budget for the SCM Offices has been deferred to the 2025/26 Financial Year.

(b) Acquisition of Budgeting & Financial Management Software (20240242)

This project was planned to start in the 2025 Financial Year and was to start the procurement process in during the second quarter. An urgent request was made via the Office of the CFO to avail funding as a matter of urgency to restore connectivity to multiple High Sites to operationalize various Customer Care Centers (e.g. KwaMagxaki Customer Care Centre etc.) that have been without connectivity for an extended period due to vandalism.

The non-operations of these Customer Care Centres have a direct negative impact on the NMBM's ability to facilitate account payments at these centres, resulting in a significantly reduced Collection Rate. The decision was made to divert the entire budget originally planned for the Budgeting Software, and that the budget be moved to the MIS Sub Directorate under Corporate Services' Directorate.

2.9.1.2. Corporate Services Directorate

(a) Installation of New Lifts: Mfanasekhaya Gqobose Building & Lillian Diedericks Building (20240157 & 20240159)

It must be noted that these projects are both currently still in the procurement stage and an item will be presented to the Bid Specification Committee (BSC) in the third quarter of the 2024/25 financial year. Based on the anticipated timelines to get the contract awarded, a contractor may only be appointed in June / July 2025, resulting in the total budget of R4.150 million remaining unspent.

It is critical that the funding be availed as according to a safety report presented by Facilities Management (Corporate Services), the current lifts are long past their expiration date and are in a "*dilapidated state*", thus requiring more frequent repairs & maintenance call-outs due to the carts often getting stuck. A request was then made by the Project Manager to defer these funds to the 2025/26 Financial Year to ensure that the work can immediately commence as soon as a contract is awarded.

(b) Algoa House-Installation of Smoke/Fire Detection System (20190262)

The Directorate originally requested a budget of R550,000 to replace the current vandalised smoke detection system. Subsequently a condition assessment was undertaken at the building, and it was reported that the existing system could be "resuscitated" and be fully functional via a process of repairing and maintaining the existing system.

This type of work is classified as an operational expense and can therefore not be capitalised. The Directorate has further confirmed that they already have an operating budget allocation for this purpose, and therefore they have requested to re-direct the funds to the following projects that require attention: -

- Purchase Of Furniture for Ward Councillors Offices: Ward 45 & 46;
- Ward 29 Councilor office: Installation of Anti Climb Fence; and
- Upgrade of Fidelity Building.

(c) City Hall-Evacuation System (20210184)

An assessment of the existing firefighting equipment has been done, and the result of the assessment is that the work that was needed to be done was the servicing of existing equipment and replacing of damaged panels. This type of work falls into the category of repairs and maintenance and can therefore not be capitalized. All repairs and maintenance must be done through Operational budget. The Directorate has therefore requested to re-direct these capital funds towards the installation of a new roof at Babs Madlakane Community Hall.

2.9.1.3. Sports, Recreation, Arts & Culture (SRAC) Directorate

The Directorate has requested to defer the following Capital project's budgets to the 2025/26 Financial Year:

- SRAC: Upgrade and restoration of libraries – Zwide (20190158)
- Construction of New lifeguard house at Sardinia Bay Beach (20210217)
- Upgrade and Restoration of Main Library - Phase 2 (20230251)
- Upgrade of Raymond Mhlaba (20220099)

The reason for this request is due to long delays in the procurement processes relating to the affected projects. The respective Project Managers have determined that due to the remaining time in the 2025 Financial Year, they will be unable to timeously award any contracts or have the goods / services procured by 30 June 2025.

B&T is raising a concern regarding these amendments as the specific project budgets were already deferred from the 2024 Financial Year to the current 2025 Financial Year. Some of these projects have been deferred repeatedly for the past number of years.

Additional projects were also identified in terms of the current year 2025 Budget allocation to be deferred to the 2025/26 Financial Year which totals R20.150 million. This brings the total value of deferred projects to R39.550 million which represents 55% of the total SRAC Capital Budget.

(a) Rehabilitation of Langa Memorial (20250084)

The Directorate has advised that the Langa Memorial Heritage Site is currently in a state of disrepair because of vandalism. According to information provided to B&T, the total rehabilitation cost required is R12 million to complete the project.

A request has been made by the Directorate to re-prioritise their Capital Budget and avail R5 million immediately to initiate Phase 1 of the rehabilitation. This request was made on an urgency basis prior the Council's approval of the 2024/25 Adjustments Budget. This comes at the cost of reducing the Reconstruction of KwaNobuhle Library Capital Project to zero, with R7 million of that budget being deferred to the 2025/26 Financial Year. As reported by the Directorate, the purpose of this change is to accommodate the 30-year Commemoration Celebrations in March 2025.

Consideration must be given in terms of security to prevent repeated theft and vandalism of this asset as this is not the first time that NMBM has had to continuously identify funding to rehabilitate the site, which comes at the cost of other planned service delivery projects.

2.9.1.4. Human Settlements Directorate

The following amendments were effected under Human Settlements Directorate: -

(a) ISUPG Projects:

McCarthy Land, Afghanistan and Allanridge West were identified to assist with availing funds to other Directorates to accelerate expenditure, which would reduce the risk of the grant funding being reduced and

rollover non-approval. The total of these project amendments amounted to R16.086 million and therefore the total Human Settlements Capital Budget will be reduced by this amount.

(b) Walmer Airport Valley Projects (20230122 & 20230123):

The Directorate identified a risk of non-expenditure of these projects due to a delay in the relocation of families from Walmer Airport Valley to assist with the de-densification process to allow the contractor to work productively. A delayed start with the sewer and water operations will have a direct effect on the start of the roads and stormwater services. The funds have therefore been re-prioritized within the other Human Settlements Capital Projects.

(c) Nkatha/Seyisi (20170088):

This project is being reduced from R13 million to R6.9 million, due to a risk of non-expenditure of the budget and other accompanying implications. This is caused by a delay in the final design of civil engineering services because of clashes with existing services in the area. The Directorate also reported that the project was also delayed due to safety and security issues on site.

2.9.1.5. Electricity & Energy Directorate

The following amendments were effected under Electricity & Energy Directorate: -

(a) Gas Turbine Refurbishment (20210095)

The approved Capital Budget for this project was R3 million. When reviewing this project for implementation, it was realised that the work to be undertaken was in fact not able to be capitalized, meaning that the budget needs to be transferred to the Operating Budget for the work to continue. The Project Manager has also confirmed that no Capital refurbishment work will be undertaken on the Gas Turbine in the 2024/25 Financial Year.

(b) Energy Efficient Public Lighting (20210372)

The approved Capital Budget for this project was R6,087 million, which is fully funded by the Energy Efficiency and Demand Side Management Grant (a conditional grant). It was communicated by the Project Manager that a portion of these funds were earmarked for assessments to be undertaken at various municipal sites. Unfortunately, this type of expenditure cannot be capitalized and therefore the Capital Budget needs to be transferred to the Operating Budget.

(c) Electrification of State Subsidised Houses (20200188)

This is a fully funded USDG Capital Project that was approved by Council for an amount of R26.8 million. During the preparation of the 2025 Draft Capital Adjustments Budget, Budget and Treasury Directorate was informed by the Office of the COO that the budget for this project would be reduced by around 50% and re-allocated to other Capital projects resulting to the R6 million of the R26.8 million being re-allocated to the Refurbishment of Power Transformers Capital Project. The balance has moved to other Directorates as agreed with the Directorate. These changes are to also be included in the revised USDG Business Plan.

2.9.1.6. Roads & Stormwater Sub Directorate

The following amendments were effected under Electricity & Energy Directorate: -

(a) IPTS-related Projects

The Public Transport Facilities (20060229) and the Automated Fare Collection System (20190175) have been significantly reduced by an amount of R23.850 million to prioritize funding for the Kariega Pilot route

which is anticipated to be implemented in March 2025. The Bus Rapid Transit Capital Project (20200213) had an original approved budget of R14.290 million. This was requested for the purchase of new busses.

Subsequently, the Directorate has transferred R11.374 million budget to the Operating Budget, whilst the remaining funds have been taken to the above mentioned Kariega projects.

(b) Municipal Disaster Response Grant

NMBM was allocated an amount of R53.999 million in late November 2024 by National Treasury to deal with the refurbishment / renewal of infrastructure that was damaged / destroyed by the June and October 2024 Floods that occurred within the NMBM. Most of these funds have been approved to deal with Road & Stormwater Infrastructure and these projects have been included in the 2025 Draft Capital Adjustments Budget.

(c) Municipal Disaster Recovery Grant

NMBM was allocated an amount of R89 million by National Treasury to be included in the 2025 Draft Capital Adjustments Budget. These funds also deal with the refurbishment / renewal of infrastructure that was damaged / destroyed by the June and October 2024 Floods that occurred within the NMBM.

Unfortunately, at the time of concluding the 2025 Draft Capital Adjustments Budget, there were no approved project listings to provide a detailed breakdown of the work that will be undertaken. The preliminary information received from the Directorate seems to indicate that all the funds will be directed towards Roads & Stormwater projects.

2.9.1.7. *Water Services Sub Directorate*

The following amendments were effected under Water Services Sub Directorate: -

(a) USDG Re-prioritization

Various Capital Projects under Water Services were significantly re-prioritized due to delays experienced in approving a PSP Framework Contract. This reprioritization was done to maximize performance on various USDG-funded Capital Projects. All movements are limited to within the Water Services Capital Budget.

(b) National Treasury approved roll-overs

NMBM received confirmation in October 2024 that the following projects had been approved for roll-over:

- Purchase of Telemetry Equipment (20190241)
- Rehabilitation of Water Pump Stations (20190235)

The total of the roll-over for Water Services is R4.261 million and has been incorporated in this Adjustments Budget.

2.9.1.8. *Sanitation Services Sub Directorate*

The following amendments were effected under Sanitation Services Sub Directorate:

(a) Fishwater Flats WWTW: Grit and Sludge Treatment Facility (20182431)

This project has effectively been removed from the 2025 Capital Budget, reducing the budget from R27 million to R250 000. The Project Manager has advised that due to delays in the procurement process, the original planned cashflow for 2024/25 had to be amended. It is currently anticipated that a Contractor will only be on site in September 2025.

Budget and Treasury Directorate has repeatedly provided financial comments to advise that the Directorate has insufficient budget to commence with this project. The BAC then made a recommendation to the City Manager to award contract SCM/1152/C: Construction of the sewage grit & screenings treatment facility the tendered amount of R92,249,133 (VAT Excl) and subject to escalation.

The project therefore requires, over a period of 18 months, an excluding VAT budget as follows:

- Construction contract: R 92 249 133 ex VAT
- PSP contract: R 15 563 716 ex VAT
- Total Budget Required: R 107 812 849 ex VAT

By reducing the adjustments budget to R250,000, the Directorate is then left with an approved budget of R52,250 million over the remaining MTREF which only caters for 48% of the awarded contract. When considering the total cost and including the PSP remaining contract value, the Directorate will still have to prioritise an additional amount of R55,5 million in the 2026-2028 MTREF.

(b) Loan Funding

The Sanitation directorate has had an approved budget for various projects involving Loan Funding. Since the inception of the loan of R150 million for Sanitation projects, only R59,633 million has been spent, leaving a balance of R90.367 million to be spent in the 2025 Financial Year. After engagements with the Project Manager/s, the Directorate has confirmed that they are only likely to spend R31.631 million by 30 June 2025. A request was then made by the Directorate to defer the remaining balance of R60.5 million to the 2025/26 Financial Year.

The loan as a funding source will become an issue to National Treasury as this funding has already exceeded the original period of the Loan, meaning that it technically should not be recognized as a funding source.

(c) National Treasury approved roll-overs

NMBM received confirmation in October 2024 that the following projects had been approved for roll-over:

- Kelvin Jones WWTW Upgrading (20190248)
- Upgrading of Rocklands WWTW (20190249)
- Rehabilitation of Pump Stations (20190257)
- Fishwater Flats WWTW Upgrade (20190278)
- Renewal of Mechanical Equipment at Driftsands WWTW (20200159)
- Rehabilitation of Kwanobuhle WWTW (20240058)

The total of the roll-over for Sanitation Services is R18,788 million and is incorporated in this Adjustment Budget (2024/25). It should be noted that the scope of work for the above-mentioned sanitation projects will be carried out by Plant Maintenance Sub Directorate to either Renew / Upgrade mechanical and electrical infrastructure at various facilities.

2.9.1.9. Public Health Directorate

The following amendments were effected under Public Directorate:

(a) Construction of Greenhouse at Buxton Avenue Nursery (20210229)

This project was not part of the approved Capital projects in terms of the current 2025-2027 approved MTREF. Budget and Treasury Directorate requested the Directorate to provide information with regards to the procurement process that they will following and the necessary cashflows. The Directorate has advised

that an existing contract will be used, and the project will be completed during the current financial year. An amount of R500,000 was identified to be reduced from an existing project (Construction of new greenhouse at Peter Gibbs Nursery) to Buxton Avenue Nursery.

2.9.1.10. Safety & Security Directorate

The following amendments were effected under Safety and Security Directorate:

(a) Deferring of Approved Capital Budgets

The Directorate has requested to reduce the following Capital project budgets to zero and defer the budgets to the 2025/26 Financial Year:

- Purchase of Firefighting Vehicle - Rescue Pump (20170154)
- Purchase of Hydraulic Platform for Fire & Emergency Services (20190141)
- PURCHASE OF OFF-ROAD VEHICLES FOR FIRE & EMERGENCY SERVICES (20190232)
- Purchase of Fire Appliance/ Engine (20190233)
- Purchase & Install Law Enforcement Equipment (20230173)

The reason for this request is due to long delays in the procurement processes relating to the affected projects. The respective Project Managers have determined that due to the remaining time in the 2025 Financial Year, they will be unable to award any contracts or have the goods / services procured by 30 June 2025.

Budget and Treasury Directorate has raised concerns regarding these amendments, as the specific project budgets were already deferred from the 2024 Financial Year to the current 2025 Financial Year. Some of these projects have been deferred repeatedly for the past 4 years. The combined sum of these Capital Project totals R30.956 million which is approximately 44% of the total 2024/25 Approved Capital Budget.

Additional projects were also identified in terms of the current financial year 2025 Budget allocation to be deferred to the 2025/26 Financial Year:

(b) Purchase of Radios for Safety and Security Directorate (20190228)

Safety & Security Directorate has advised Budget and Treasury Directorate that SAPS SCM division had requested the Directorate to reapply for permission to participate in the existing Tetra radio contracts.

Since a similar process is required to be followed with NMBM SCM directorate, it is highly unlikely that the requested equipment will be delivered before the end of the current financial year (2024/25). It is for this reason that the Directorate requests these funds (R6 million) to be deferred to the 2025/26 Financial Year.

2.10 Attachments to the Budget Report

Attached to this Adjustment Budget report are the following documents:

- Revised 2024/25 Capital Budget Works Plan
- Revised 2024/25 Ward Budget
- Letter Dated 18th February 2025 – Approved MDRG priority projects

2.11 Acting City Manager's Quality Certification

I, **Mr Sizwe Mvunelwa**, Acting City Manager of the Nelson Mandela Bay Metropolitan Municipality, hereby certify that the adjustments budget and supporting documentations have been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and the Municipal Budget and Reporting Regulations (32141 dated 17 April 2009) made under that Act.

Print Name : **Mr Sizwe Mvunelwa**

Acting City Manager of Nelson Mandela Bay Municipality (EC000)

Signature : _____

Date : _____