INTEGRATED DEVELOPMENT PLAN (Updated) 2025/2026

ELUNDINI LOCAL MUNICIPALITY
No. 01 Seller Street
Nqanqarhu
5480

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A. FOREWORD FROM THE MAYOR

Having been elected to office in 2021, as this council we are almost at the end of our term of office. As we reflect on the past Four years of our term, we note a mixture of challenges and attainments. For each of the past years and in accordance with the legislative prescripts, we developed and adopted, together with our communities and stakeholders integrated development plan (IDP) as a strategic plan to act as a single guide document for the development of our area.

This strategic plan has constantly been annually reviewed to align our developmental priorities with the ever-changing circumstances. We have been registering progress in our developmental work despite a decline in the grant funding from the national fiscus which is our main source of funding for our development goals.

It should however be registered that the effects of the climate change have affected our plans negatively. The recent torrential rains and floods in the previous years destroyed work in progress in the rehabilitation of bridges, road maintenance works as well as housing. This, not only provided challenges to our road network, but depicted the reality of the challenges of poverty in our area as many people had their houses destroyed and were left with nothing. Strides have, however been made in the construction and rehabilitation of access roads, building of ECDCs, construction of sports fields as well as household electrification.

For the next financial year, we have again committed ourselves in the development of our vision 2050 which is a long-term plan for the municipality, and we will also continue to support ward-based development planning.

We commit to improve our financial health as it seems to be not good, due to various reasons including, poor revenue collection as a result the municipality is depending on grants. As the ELM we were also affected by the delays of National budget approval and budget allocation, which also delayed our budget development processes and negatively affected our budget allocation to service delivery projects.

We commit to strengthen our public participation mechanisms to ensure that all our plans are well communicated and influenced by community views and needs.

May I take this opportunity to thank all the people of Elundini and all Sector Departments as well as Government Agencies who contributed during the review of this development guiding document.

_____

Cllr. M.P.S.S Leteba
The Mayor
30 May 2025

B. OVERVIEW BY THE MUNICIPAL MANAGER

The 2025/2026 IDP review process mark the 4th review of the 2022/27 IDP adopted by the Council as prescribed by Chapter 5 and Section 25 of Municipal Systems Act, (Act 32 of 2000), "that the municipal council must within a prescribed period after the start of its elected term, adopt a single all-inclusive and strategic plan for the development of the municipality". The IDP is not just a document; it is a blueprint for transformation. It outlines our vision of a vibrant, prosperous, and resilient municipality where every resident can thrive. It prioritizes key areas such as infrastructure development, service delivery, economic empowerment, social cohesion, and environmental sustainability.

The review process of 2025/26 IDP took into consideration the word-based plans as reviewed in 2022, the community needs collected in November 2024, through the consultation of community and community structures, National, Provincial and District developmental policy frameworks to ensure alignment and intergovernmental composition of service delivery in Elundini Municipality area of jurisdiction. The review process of the IDP/Budget process ensured that communities are given platform to participate in the review process as it is stipulated in chapter 4 of the Municipal Systems Act. ELM communities were able to hold the municipality accountable on issues of service delivery, performance of the municipal service providers and management, monitoring and evaluations issues amongst others. ELM is therefore obliged by the law to account to communities and ensure transparency in its processes to maintain the relevance of objects of local government and uphold its constitutional mandate.

The implementation of this IDP is facing challenges of natural disasters, budget constraints which may affect the effectiveness and efficiency of service delivery if not attended. These are mentioned in the light of the delays in the allocation of budget by National which subsequently affect this municipality as a rural and grant dependent municipality. The development of the municipal budget was evident to this, as the process was not the easy one due to difficulties with revenue collection. Despite the above-mentioned challenges, ELM objectives are to change the livelihood of its communities for the better, hence the strategies are developed to ensure progress in all areas of service delivery to all its communities in an equitable and sustainable manner. The municipality will always ensure the implementation of the IDP as a top priority.

_____

J.T Mdeni
Municipal Manager
30 May 2025

C. BACKGROUND

Section 34 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, provides for the annual review of the IDP in accordance with an assessment of its performance measurements and to the extent that changing circumstances so demands. This is the fourth IDP document for the five-year term of the council 2022-2027. The strategic objectives and targets contained in this document were reached subsequent to extensive systematic and structured internal and external consultation through various public participation mechanisms with the community and stakeholders within the Elundini Municipal area of jurisdiction.

The ELM is a Category B municipality located within the Joe Gqabi District in the north-eastern portion of the Eastern Cape Province, the municipality consist of three towns namely, Nqanqarhu, Tlokoeng, and Ugie. The ELM is bounded by the Alfred Nzo District in the north, Chris Hani District in the south, OR Tambo District in the east, and Lesotho and Senqu in the west. It is the smallest of three municipalities in the district, making up a quarter of its geographical area (refer to map below). The ELM is one of the most scenic and attractive areas of the province, with considerable potential lying in its deep, fertile soils and high rainfall. Compared to the other municipalities in the Joe Gqabi District, Elundini has prospects of significant growth and upliftment in the quality of life for its residents due to its relative abundance of natural resources. The urban areas and commercial farming district are the highest employers, where people have found employment in the agriculture, commercial and service sectors.

1. CHAPTER ONE: LEGISLATION AND POLICY ALIGNMENT

1.1. Introduction

Elundini Local Municipality (ELM) developed its IDP and Budget in accordance with the requirements as set out in the Local Government: Municipal Systems Act (MSA) 32 of 2000, the Local Government: Municipal Planning and Performance Management Regulations 2001 and the Local Government: Municipal Finance Management Act 56 of 2003. In terms of the Local Government: Municipal Systems Act, Chapter 5, Section 25 (1) each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:

a) links, integrates and co-ordinates plans and considers proposals for the development of the municipality;
b) aligns the resources and capacity of the municipality with the implementation of the plan;
c) forms the policy framework and general basis on which annual budgets must be based;
d) complies with the provisions of this Chapter; and
e) is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation

Section 35 of the MSA clearly states that an Integrated Development Plan adopted by the Council of a municipality: (a) is the principal strategic planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality; (b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's Integrated Development Plan and national or provincial legislation, in which case such legislation prevails; and (c) binds all other persons to the extent that those parts of the IDP that impose duties or affect the rights of those persons have been passed as a by-law.

Section 36 furthermore stipulates that a municipality must give effect to its integrated development plan and conduct its affairs in a manner that is consistent with its integrated development plan. The IDP is the key instrument to achieve developmental local governance for decentralized, strategic, participatory, implementation orientated, coordinated and integrated development. Preparing an IDP is not only a legal requirement in terms of the legislation but it is actually the instrument for realizing municipalities‟ major developmental responsibilities to improve the quality of life of citizens".

It seeks to speed-up service delivery by securing a buy-in of all relevant role-players and provides government departments and other social partners with a clear framework of the municipality's development trajectory to harness implementation efforts. Integrated Development Planning also promotes intergovernmental co-

ordination by facilitating a system of communication and co-ordination between local, provincial and national spheres of government. Local development priorities, identified in the IDP process, constitute the backbone of the local government's budgets, plans, strategies and implementation activities. Hence, the IDP forms the policy framework on which service delivery, infrastructure development, economic growth, social development, environmental sustainability and poverty alleviation rests.

The IDP therefore becomes a local expression of the government's plan of action as it informs and is informed by the strategic development plans at national and provincial spheres of government. In terms of Section 26 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, the core components of an IDP are:

- The municipal Council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- The Council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- The Council's development strategies which must be aligned with any national or provincial sector plans and planning requirements binding on the municipality in terms of legislation;
- A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- The Council's operational strategies;
- Applicable disaster management plans;
- A financial plan, which must include a budget projection for at least the next three years; and
- The key performance indicators and performance targets determined in terms of the Performance Management System.

1.1.1. Guiding Parameters

Within the multitude of government policy frameworks, legislation, guidelines and regulations that seek to advocate for the path, pace and direction for the country's socio-economic development agenda, the section below focuses on National Development Plan Vision 2030; Popular Mandate across Spheres of Government; Government Outcomes; Medium Term Strategic Framework (MTSF); the National Spatial Development Perspective (NSDP); National Growth Path; the Joe Gqabi Growth and Development Strategy; Millennium Development Goals; State of the Nation Address (SONA); and State of the Province Address (SOPA).

1.1.2. National Development Plan, Vision 2030

The RDP formed the basis of government's attempt to attack poverty and deprivation, and to build a united, non-racial and non-sexist South Africa. Informed by the principles of inclusivity, government translated the RDP

into policies, programs and budgets. The Diagnostic Report of the National Planning Commission, released in June 2011, sets out South Africa's achievements and its shortcomings since 1994. The Vision Statement of the NDP is a step in the process of charting a new path for our country. The NDP has the following objectives:

- Seeks to eliminate poverty and reduce inequality;
- Seeks a country wherein all citizens have the capabilities to grasp the ever-broadening opportunities available;
- Plans to change the life chances of millions of our people, especially the youth; life chances that remain stunted by the apartheid history

1.1.3. Priority Programs of The District

Based on a comprehensive analysis of the District and the Strategic Goals and Objectives, the District has adopted eight "Priority Programs" listed in the table below to drive growth and development in the District. These priority programs were endorsed by all the social partners at the Growth and Development Summit. The Strategic IDP objectives presented in chapter 3 are aligned to the eight priority programs, MTAS and the 12 Outcomes of Government as well as the Millennium Development targets.

PRIORITY	OBJECTIVE
Agriculture	Aims to improve livelihoods of emerging and subsistence farmers
Timber	Aims to create new jobs through new afforestation and timber processing
Tourism	Aims to grow the tourism industry
Water and Sanitation	Aims to eradicate backlogs in line with the national targets
Municipal Services Upgrading	Aims to improve municipal services to create sustainable human settlements, particularly in the seven new rural nodes
Social Safety Net	Aims to support the poorest, through EPWP, home gardens, etc.
Access and Linkages	Access aims to improve roads and access to electricity and ICT, to support economic development
Governance	Aims to improve Government's performance, particularly in supporting economic development and improving service delivery (co-ordination, health, education, etc.)

1.1.4. Elundini Local Municipality Priorities

PRIORITY PROGRAM	OBJECTIVES OF THE PROGRAM
SMME DEVELOPMENT	Aims to stimulate local economy and create sustainable enterprises
MANUFACTURING	Aims to stimulate and create vibrant local economy
MINING	Aims to stimulate and create vibrant local economy
AGRICULTURE	Aims to improve livelihoods of emerging and subsistence
TIMBER	Aims to create new jobs through new afforestation and timber processing
TOURISM	Aims to grow the tourism industry
ROADS AND STORMWATER	Aims to eradicate backlogs in line with national targets
RURAL ELECTRIFICATION	Aims to improve municipal services to create sustainable human settlements, particularly in rural nodes
SMALL TOWN REGENERATION	The program focuses on Commercial, Institutional and residential property development
TOWNSHIP ESTABLISHMENT	Access Aims to improve roads and access to electricity and ICT, to support Economic development
GOVERNANCE	Aims to improve Government's performance, particularly in supporting economic development and improving service delivery (coordination, health, education, etc.)
ENVIRONMENTAL AND WASTE MANAGEMENT	Aims to protect the environment
SOCIAL INFRASTRUCTURE (PUBLIC AMENITIES)	Aims to create a conducive environment for social activities
COMMUNITY SKILLING	Aims to develop community capacity to champion their own development

1.1.5. Municipal Policies

No.	Title	Status and Date	Next Review
1.	Employee Assistance Policy	Approved – January 2025	
2.	Recruitment and Selection Policy	Approved – January 2025	2024
3.	Subsistence and travel Policy	Approved – December 2022	
4.	Training and Development Policy	Approved – January 2025	
5.	Code of conduct and Induction Policy	Approved – January 2025	

No.	Title	Status and Date	Next Review
6.	Travel /Car Allowance Policy	Approved - June 2018	2024
7.	Performance Management Policy	Approved – January 2025	
8.	Conditions of Employment Policy (Remuneration & Termination Policies)	Approved – January 2025	
9.	Sexual and Racial Harassment Policy	Approved – January 2025	
10.	Induction Policy (content to include Orientation, Code of conduct, DPCC)	Approved - June 2018	2024
11.	Probation Policy	Last Approved before 2018	2024
12.	Acting Allowance Policy	Approved – January 2025	
13.	Smoking Policy	Last Approved before 2018	2024
14.	Night Work & Shift Policy (reviewed in the Conditions of Employment Policy)	Approved – December 2022	
15.	HIV-AIDS POLICY-	Approved – January 2025	2024
16.	Standby Allowance Policy (Reviewed in the Overtime Policy)	Approved – December 2022	
17.	Overtime and Emergency Work	Approved – January 2025	
18.	Employee Housing Scheme Policy	Last Approved before 2018	2024
19.	Job Evaluation Policy	Approved – January 2025	
20.	Elundini Municipality Private Work Policy	Last Approved before 2018	2024
21.	Bereavement & Funeral Assistance Policy	Approved – January 2025	
22.	Reward & Recognition Policy	Last Approved before 2018	2024
23.	Occupational Health & Safety Policy	Approved – January 2025	
24.	Elundini Staff Movement Policy	Last approved before 2018	2024
25.	Attraction and Retention Policy and Strategies	Last Approved before 2018	2024
26.	Leave Management Policy	Approved – January 2025	2024
27.	Cell-phone allowance	Approved – January 2025	
28.	Dress Code Policy	Approved – December 2022	
29.	Customer Care Policy	Draft	2024

No.	Title	Status and Date	Next Review
30.	Customer Care Strategy	Draft	2026
31.	Risk Committee Charter,	Approved 2024	2025
32.	Risk Management Policy	Approved 2024	2025
33.	Risk Management Strategy	Approved 2024	2025
34.	Anti-Fraud & Corruption Risk Management Policy	Approved 2024	2025
35.	Anti-Fraud & Corruption Risk Management Strategy	Approved 2024	2025
36.	Whistle Blowing Policy	Approved 2024	2025
37.	Reviewed Communication Strategy	2018	2024
38.	First Social Media Policy	2018	2024
39.	First Communication and Media Policy	2018	2024
40.	First Branding Manual	2019	2024
41.	Draft Litigation Management Strategy and Standard Operating procedures	Draft	2026
42.	Public Participation Policy	2018	2024
43.	Draft Petition Management Policy & by-law	2018	2024
44.	Telephone Usage Policy for Councillors and Employees	Approved - June 2018	2024
45.	Termination of Service Policy	Approved - June 2018	2024
46.	Migration and Placement Policy	Last Approved before 2018	2024
47.	ELM POLICY = CORMOBIDITIES	Last Approved before 2018	2024
48.	TASK Job Evaluation Policy	Last Approved before 2018	2024
49.	Abscondment Policy	Last Approved before 2018	2024
50.	Container Traders Policy	2020	2025
51.	Land Use Scheme	2022	2027
52.	Land Use Bylaw	2016	Unknown as yet
53.	Spatial Development Framework	2019	2024
54.	Draft Building Control Bylaw	Pending Council adoption	

No.	Title	Status and Date	Next Review
55.	LED Strategy	2020	2024
56.	Tourism Plan	2019	2024
57.	Informal traders' policy	Pending Council adoption	2025
58.	Fixed Asset Policy (Land disposal policy)	Pending Council adoption	2027
59.	Staff Movement Placement and Relocation	Approved – January 2025	
60.	General Conditions of Contract for construction works Third Edition of 2015	Pending Council adoption	TBC
61.	Budget Policy	Approved	2026
62.	Virement Policy	Approved	2026
63.	Bank and Investment Policy	Approved	2026
64.	Borrowing Policy	Approved	2026
65.	Indigent Policy	Approved	2026
66.	Electricity Token policy	Approved	2026
67.	Writing off Irrecoverable policy	Approved	2026
68.	Debt management & Credit control policy	Approved	2026
69.	Petty Cash policy	Approved	2026
70.	Property Rates policy	Approved	2026
71.	Tariff policy	Approved	2026
72.	Asset management policy	Approved	2026
73.	Supply chain management policy	Approved	2026
74.	Contract management policy	Approved	2026
75.	Expenditure policy	Approved	2026
76.	Transport/Fleet policy	Approved	2026
77.	UIFW policy	Approved	2026
78.	LGFIPDM policy	Approved	2026
79.	Draft Revenue Enhancement Strategy	Approved	2026
80.	UIFW Reduction strategy	Approved	2026
81.	Cost containment strategy	Approved	2026
82.	Cost reduction & consultancy reduction plan	Approved	2026
83.	Policy For Bulk Infrastructure Development Charges	Approved - June 2022	
84.	Policy for Prevention of Land Invasion		
85.	Policy framework for the erection of backyard accommodation structures in township and urban housing areas	Approved - March 2022	
86.	Indigent and Pauper Burial policy	Approved by Council in in 2024 and is being implemented	25/26
87.	Green Procurement Strategy	Approved	26/27
88.	Environmental Management Policy	Approved	26/27
89.	Waste Management bylaw	Under review	26/27
90.	Cemetery and Crematorium bylaw	Under review	26/27
91.	Keeping of animals bylaw	Under review	26/27
92.	Pound Management bylaw	Under review	26/27
93.	Elundini fine schedule	Under review	26/27
94.	Liquor bylaw	Under review	26/27
95.	Gatherings bylaw	Under review	26/27
96.	Fire Safety bylaw	Under review	25/26

No.	Title	Status and Date	Next Review
97.	General Conditions of Contract for construction works Third Edition of 2015	Pending Council adoption	TBC
98.	SSEG Policy	New	2026
99.	Electricity By-laws	2008	2026
100.	Energy Management Policy	2021	2026

1.1.6. Compulsory sector plans to be included in IDPs

No	Sector Plans	ELM Status	Custodian	Comment	Timeframes
1	Spatial Development Framework	✓	PED	Requires review	2025/2026
2	Financial Plan	✓	CFO	In good standing	
3	Applicable Disaster Management Plan	X	Community Services	This plan exists at a district level	2025/2026
4	Integrated Transport Plan	✓	IP&D	In good standing	
5	Housing Sector Plan/Strategy	✓	IPD	Reviewed in 2014/2015	2025/2026
6	Environmental Management Plan	✓	Community Services	ELM uses the District EMP	2025/2026
7	Water Services Development Plan	✓	JGDM	This plan only exists at district level	
8	(Integrated) Waste Management Plan	✓	Community Services	To be reviewed	2025/2026
9	Public Participation Strategy/Plan (Stakeholder Engagement Strategy/Plan)	✓	MM's Office	Requires reviewal	
10	Communication Strategy/Plan	✓	MM's Office	Requires reviewal	
11	Workplace Skills Development Plan	✓	Corporate Services	In good standing	2025/2026
12	Employment Equity Plan	✓	Corporate Services	In good standing	2025/2026
13	Human Resources Plan	✓	Corporate Services	In good standing	2025/2026
14	Human Resource Development Strategy	✓	Corporate Services	In good standing	2025/2026
15	Performance Management Framework and Policy	✓	Corporate Services	In good standing	2025/2026

16	Recruitment and Selection Strategy	X	Corporate Services	In good standing	2025/2026
17	Scarce Skills Attraction and Retention Strategy	X	Corporate Services	In good standing	2025/2026
18	Succession Plan Need to reconsider whether ELM needs it or not. Research further with institutions such as SALGA, etc.	X	Corporate Services	Planned to be developed together with HRD Plan and Strategy	2025/2026
19	Occupational Health And Safety Management System	X	Corporate Services	In good standing	2025/2026
20	Anti-corruption and Anti-fraud Strategy	✓	MM's Office	In good standing	2025/2026
21	LED Strategy	✓	SP&ED	Requires review	2025/2026
22	Comprehensive Infrastructure Plan • Storm-water Master Plan • 3 Year MIG Capital Plan • 3 Year INEP Capital Plan • 3 Year Roads Maintenance Plan	✓	IP&D	The plan is developed and broken down into different plans	2025/2026
23	Electricity master plan				
24	**Electricity Contingency Plan**				**2025/26**
25	Delegations Framework	✓	MM's Office	Reviewed	2025/2026
26	Air Quality Management Plan	X	Community Services	Not in Place	2025/2026
27	Ward Based Plans		OMM	2022-2026	2027

1.2. Purpose of the IDP

An Integrated Development Plan (IDP), once adopted by the Municipal Council, is a key strategic planning tool for the municipality. It is described in the Municipal Systems Act (MSA) 32 of 2000 as:

> *35(1) (a) "…the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality"; (b) "…binds the municipality in the exercise of its executive authority…;*

1.2.1. IDP Contents

The IDP development and content is informed by legislative framework; situational analysis; National, Provincial and District plans and policies such as the National Development Plan (NDP), the Medium-term Strategic Framework, the National Spatial Development Perspective (NSDP), the Eastern Cape Provincial Spatial Development Plan (ECPSDP), the Eastern Cape Provincial Growth and Development Plan (ECPGDP), the Joe Gqabi District Growth and Development Summit (GDS), the Elundini 5-year Strategy, Ward-based Plans; State of Nation Address (SONA) and State of Provincial Address (SOPA). The IDP also contains performance management system, service delivery and budget implementation plan and financial plan

1.3 Adoption of the Municipal Process Plan

In terms of Section 28 of the Local Government: Municipal Systems Act, 32 of 2000:

(1) each municipality Council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan;

(2) the municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process;

(3) a municipality must give notice to the local community of particulars of the process it intends to follow.

1.3.1 IDP/Budget Process Plan for 2025/2026 IDP Review

The ELM 2025/2026 IDP and Budget Process Plan was adopted by Council on 26 June 2024 Council Resolution No. CON/136/24. The Draft IDP and Budget for 2025/2026 financial year was noted by the Council on the 28th March 2025, Council Resolution No. CONA/065/25. The IDP Process as depicted in the figure below is a continuous cycle of planning, implementation and evaluation. The IDP/Budget Process Plan guided the development of this IDP as all activities in the plan were performed within the specified timeframes.

Table 1: IDP Process Flow

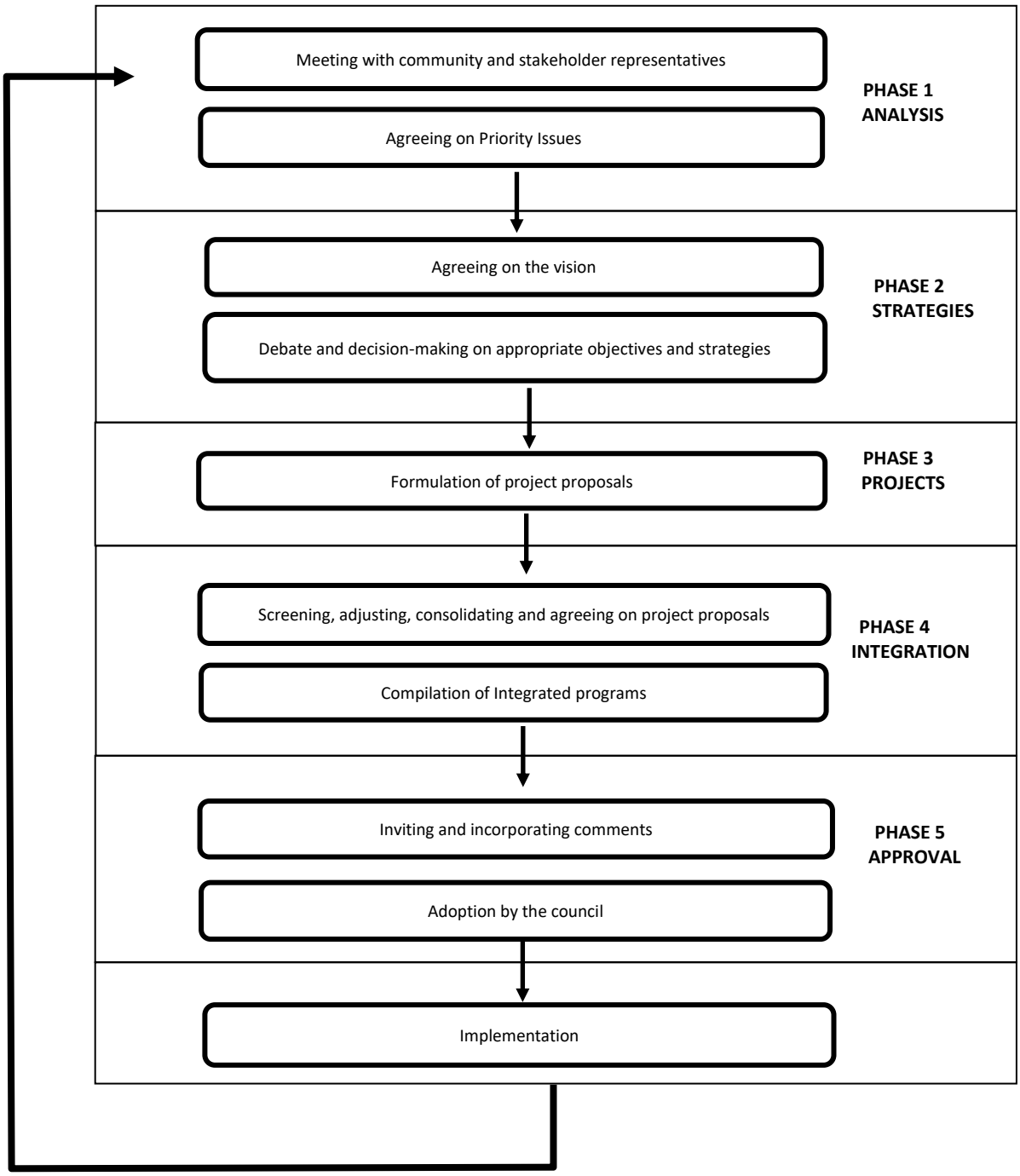


Table 2 : Key Deadlines for Process Plan

Mayor to Table in Council 10 Months Prior to Start of Budget Year		
Month	Mayor and Council / Entity Board	Administration - Municipality and Entity
July 2025	Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process MFMA s 53 Planning includes review of the previous year's budget process and completion of the Budget Evaluation Checklist	Accounting officers and senior officials of municipality and entities begin planning for next three-year budget MFMA s 68, 77 Accounting officers and senior officials of municipality and entities review options and contracts for service delivery MSA s 76-81
September 2025	Council through the IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans	Budget offices of municipality and entities determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc)
October 2025		Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials MFMA s 35, 36, 42; MTBPS
November 2025		Accounting officer reviews and drafts initial changes to IDP MSA s 34
December 2025		

	Council finalises tariff (rates and service charges) policies for next financial year MSA s 74, 75	Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year considering previous years performance as per audited financial statements
January 2026	Entity board of directors must approve and submit proposed budget and plans for next three-year budgets to parent municipality at least 150 days before the start of the budget year MFMA s 87(1)	Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January) MFMA s 36
February 2026	Council considers municipal entity proposed budget and service delivery plan and accepts or makes recommendations to the entity MFMA s 87(2)	Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets considering the recent mid-year review andany corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year MFMA s 37(2)
March 2026	Mayor tables municipality budget, budgets of entities, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year MFMA s 16, 22, 23, 87; MSA s 34	Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed MFMA s 22 & 37; MSA Ch 4 as amended Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March MFMA s 42

April 2026	Public hearings on the budget, and council debate. Council consider views of the local community, NT, PT, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30 days before start of budget year. MFMA s 23, 24; MSA Ch 4 as amended Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc MFMA s 21	Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and considering the results from the third quarterly review of the current year
May 2026	Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year MFMA s 16, 24, 26, 53	Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year considering consultative processes and any other new information of a material nature
June 2026	Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval. MFMA s 53; MSA s 38-45, 57(2) Council must finalise a system of delegations. MFMA s 59, 79, 82; MSA s 59-65	Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1) (b) of the MSA. MFMA s 69; MSA s 57 Accounting officers of municipality and entities publishes adopted budget and plans MFMA s 75, 87
Abbreviations: IDP - Integrated Development Plan; MFMA - Local Government: Municipal Finance Management Act, No. 56 of 2003; MSA - Local Government: Municipal Systems Act, No. 32 of 2000, as amended; MTBPS - National Treasury annual publication, Medium Term Budget and Policy Statement; NT - National Treasury; PT - Provincial Treasuries; SDBIP - Service Delivery and Budget Implementation Plan		

1.3.1.1 Programmes and Time Frames

Below is a table of the proposed programme that summarizes the overall time frames for various phases and highlights some of the key events and activities:

Table 3 : 2026-2027 Process Plan Timeframes

PHASES	PERIOD	KEY EVENTS/ACTIVITIES	PLANNED DATE
Phase 1: Present Process Plan	July 2025 – September 2025	▶ Prepare IDP and Budget Process Plan ▶ **Submit IDP and Budget and Process Plan to EXCO and Council for approval**	25 June 2025
		▶ Draft annual report preparation and annual financial statements	July –August 2025
		▶ Submission of AFS and APR	30 August 2025
		▶ 1st IDP & Budget Rep Forum	04 September 2025
Phase 2 : Presentation of Situation Analysis	October 2025- December 2025	▶ 1st quarter assurance	14 October 2025
		▶ IDP & Budget Steering Committee	02 October 2025
		▶ Outreach to get priorities	07-14 October 2025
		▶ IDP & Budget Rep Forum	13 November 2025
Phase 3 : Objectives, Strategies, Projects & Programmes	Nov 2025– March 2026	▶ Departmental Strategic Planning Sessions	18- 21 November- 2025
		▶ 2nd quarter assurance	06-08 January 2026
		▶ EXCO Retreat on Sec 72 Mid-year Budget and Performance Assessment Report 2025/26 ▶ Annual Report 2024/25	21-22 January 2026 27 January 2026
		▶ Mid-year Budget and Performance Engagements/Assessments with PT	05 February 2026
		▶ Mayoral Strategic Planning Session	23-27 February 2026
		▶ SDBIP and Budget Adjustments 2025/26	27 February 2026
		▶ IDP Rep Forum for IDP and Budget 2025/26	19 March 2026
		▶ IDP Steering Committee to present Draft IDP and Budget 2025/26	25 March 2026

		▶ Submit Draft SDBIP 2025/26	26 March 2026
		▶ Council approve draft IDP & Budget	26 March 2026
Consolidate IDP	April 2026- June 2026	▶ 3rd quarter Assurance 2024/25	14 April 2026
		▶ Advertise draft IDP & Budget for comments & public participation	04 April 2026
		▶ Submit the draft IDP & Budget to MEC for Local Government and to National & Provincial Treasury for commenting	04 April 2026
		▶ 2025/2026 Municipal Budget and Benchmark Engagements with Provincial Treasury	09 April 2026
		▶ IDP & Budget Steering Committee to present inputs from the communities	13 May 2026
		▶ Public Consultation (Mayoral Outreach)	07 – 09 April 2026
		▶ 4th IDP & Budget Rep Forum	15 May 2026
		▶ Final IDP & Budget submitted to Council for adoption	30 May 2026
		▶ Submit the final IDP & Budget to MEC for Local Government and to National & Provincial Treasury for commenting	09 June 2026
		▶ Develop final SDBIP 2025/26	02 – 13 June 2026
		▶ MM to Submit SDBIP to the Mayor	17 June 2025
		▶ Mayor to review and finalize SDBIP and MM and directors' performance plans/agreements ▶ Council approval of final SDBIP 2025/26	26-27 June 2026 30 June 2026
		▶ Submit the SDBIP to Provincial Treasury	07 July 2026
		▶ Submit MM and directors' signed performance agreements to MEC for Local Government	31 July 2026

1.3.2 Alignment between the District and Local Municipalities

Alignment is the instrument that syntheses and integrates the top-down and the bottom-up planning process between different spheres of government. Not only is alignment between the District and the Local Municipalities important, but also between the Local Municipalities within the jurisdiction of the District Municipality. The alignment procedures and mechanisms should be incorporated in the process plans of the Municipalities, while the responsibility for alignment rests with the District Municipalities. Elundini Local Municipality ensures the alignment of its IDP with the Joe Gqabi District Municipality IDP by involving the district municipality in the processes of developing the IDP, such as, representation in the IDP Representative Forums of both local and district municipality, participation in IDP Roadshows by both municipalities and the integrated planning on services rendered by the district municipality to the ELM communities such as water and sanitation services, disaster and fire management services.

2. CHAPTER TWO: SITUATIONAL ANALYSIS

2.1. Ward Information

The information below shows villages or towships that constitute the ward; scoail and economic infrastructure that exists in each ward.

Table 4: Ward Information

Ward	Number and Name of Villages	Name and Number of Schools	Health Facilities	Electricity Supply (Estimated Households	Sanitation (Households Estimates)	No of Community Halls	Most criminal activities	Community Projects	Common Development and Experienced Challenges
01	Nkalweni; Sihlehleni; Cicirha; Luthuthu; Ncembu; Nyibiba; Maplotini; Montgomery; Umnga farms; Lunyaweni; Trustin; Phalisa; Ntendeleshe; Lalini	Genga ncwazi SPS; Lututu JSS; Ncembu JSS; Dinizulu SSS ; Nyibiba JSS. Witlands JSS, Montgomery JSS; Daluxolo JSS; Nkalweni JSS; Dalibango JSS; Enyaweni JSS	2clinics (umnga flats ;Ncembu clinic) mobile clinic comes every 7,8 and 9 of the month	Total households =283 Total electrified =2795	2848	2 Nkalweni community Hall, Ncembu SASSA Hall	Assault, House breaking and stock theft, rape	Zamulwazi HCBC Ncembu; Phanduncedo HCBC at Elunyaweni; family preservation at Lunyaweni ; Imibongo old age home project, Vukuzele old age home project; Buyambo V.E.P at Nkalweni; luniko food security project	Access roads; mobile clinic; Phalisa and paypoint at Phalisa and Luthuthu

Ward	Number and Name of Villages	Name and Number of Schools	Health Facilities	Electricity Supply (Estimated Households	Sanitation (Households Estimates)	No of Community Halls	Most criminal activities	Community Projects	Common Development and Experienced Challenges
02	6 Ntokozweni; Land Camp; J K Bokwe; Mandela Park; Extension 3; Ugie Park	2 Sibabale S. S. S; E. T. Thabane Primary School	1. Empilisweni Clinic	3080 house holds	Pit Toilets= 1223 Flushing = 1833	1 Ntokozweni Comm. Hall	Assault; Rape; GBV; Murder	1. Masibambisane 2. Bread making business 3. Vegetable garden	Lack of funding and buildings to continue with business
03	12 Old Location; Sonwabile; Maxhegweni; Zakhele Newrest; Phola Park; Sithole; Tivi Park; Peter Mkhaba; Clearview; Garden Blocks; Town	5 Maclear High School Maclear Methodist Primary School Umtha-Welanga High School Nolufefe Primary School Maclear Public School.	Nqanqarhu Town clinic; Sonwabile Clinic; Nqnqarhu General Hospital; Mobile clinics visits all preschools on monthly basis and during outbreaks.	Total households=2381 Total electrified=2220	2220	2 Nqanqarhu Town Hall and Sonwabile Community Hall.	Burglary at residential premises, offences under drug trafficking act and selling of drugs	Nqanqarhu Safe Home (home provides shelter to the homeless, it also provides counseling for physically, emotionally and sexually abused people) Ntonjane Sewing project(They sew and also doing hand work like beads)	Road maintenance, No electricity at Garden Blocks High rate of unemployment and drug abuse. Over flowing toilets.

Ward	Number and Name of Villages	Name and Number of Schools	Health Facilities	Electricity Supply (Estimated Households	Sanitation (Households Estimates)	No of Community Halls	Most criminal activities	Community Projects	Common Development and Experienced Challenges
04	24 villages. Saquthe, Ngqwaneni, Mlamla, Mission, Ephowulini, Tsikarong, Namba, Matugulu Qobeni, Khohlomoriti, Diphini Sigoga, Komkhulu, Famini, Ndingeni, Mabalane, Elandsheight Farms, Joelshoek farms, Popcornvalley, Topblocks, Nqanqarhu Town, Lenge, Nonkohlongo, Bethule	6. Henry Faltein SPS; UpperTsitsana JSS; Lower Tsitsana JSS, Mdeni SPS; Joelshoek SPS and Tsitsana Comprehensive SSS.	Tsitsana clinic	Total household 2336 Total electrified=1797	2086	1(Tsitsana Community hall	Assault,GBVand Stock theft and housebreaking	Lithalethu agricultural project	Toilets,lack of employment Bursaries to further studies,Child headed household,Spring water was protected but some are vandalized at Diphini and Ephowulini.
05	14 Mbonisweni; Khwatsha; Ntushu-ntushu; Lower Ngxaza; St Augustine; Lower Ntywenka; Mtshezi; Mountain; Zwelitsha; Sithana; Hopedale; Ntabelanga; Mcwangele; Mpukone	14 Mcwangele JSS; Nontatyana SPS; Mbonisweni JSS; Sithana JSS; Zwelidumile LPS; Ngxaza JSS; Thomas Ntaba; Ntaba JSS; Mabandla JSS; Goniwe SPS; Inxu JSS; Zandise JSS; Lower Ngxaza LPS; Ntushuntushu JSS	Mbonisweni Clinic; Mobile Clinic visits	Total Households = 2 712 Total electrified = 2 348	2 328	0	Unlawful possession of firearms; housebreaking; drug abuse; rape	Vegetation project, specifically Cabbage.	Early Childhood Development Centre in (Mountain & Mtshezi); Scholar Transport (Mbonisweni-Diphini)

Ward	Number and Name of Villages	Name and Number of Schools	Health Facilities	Electricity Supply (Estimated Households	Sanitation (Households Estimates)	No of Community Halls	Most criminal activities	Community Projects	Common Development and Experienced Challenges
06	10 Nkolosane Ngcele down Ngcele Ntywenka Sommerville Siqhunqwini Lower sinxako Upper sinxako Mqokolweni Ngxotho	Sobantu SPS Ngcele SPS Jamangile sss Magwaxaza SPS Ntywenka SPS Sommerville SPS QURHANA SPS Siqhunqwini spa Mirnad SIgidi Lower sinxako Upper sinxako Mqokolweni Ngxotho	2 Mqokolweni clinic; Queen Noti clinic;						Stock theft; mobile clinic; network; water; drug abuse; unemployement; unqualified skilled young
07	25 Ramatee; Ramlane; Hlangalane; Golomane; Sigcwabeni; Katkop; Etyeni; Lalini; Khohlopong; Platina; Magwaca; Upper Nxaxa; Rodesia; Zwelitsha; Germiston; Marhombe; Tshikitsha; Jojweni; Gamakhulu; Lower Khohlopong; Mfabantu; Nxanxa George; Diphini; Phamomg; Botsabelo	14 Etyeni J.S.S; Botsabelo J.S.S; Ngqayi J.S.S; Mpindweni J.S.S; Hlangane J.S.S; Khohlopong J.S.S; Lower Khohlopong J.S.S; Nkahlolo J.S.S; Tshikitsha J.S.S; Ntaboduli J.S.S; Nxaxa George J.S.S; Sophonia S.S.S; Kuyasa S.S.S; Malamlela J.S.S	3 Hlangalane Clinic; Katkop Clinic; Khungisizwe Clinic	Total households= 3 378; Total electrified= 3 100	Estimated= 2 967	Botsabelo Community Hall	Stocktheft; House break-ins	**Youth Owned Projects** Success Internet Cafe- Ramatee; Nosango Agric Projects- Ramatee; Incebisoyethu Pimary Cooperative- Ramatee **Women Projects** Focused Women Project- Ramatee; TSNA NPC- Ngqayi;	Roads; Bridges; Water taps; RDP houses

Ward	Number and Name of Villages	Name and Number of Schools	Health Facilities	Electricity Supply (Estimated Households	Sanitation (Households Estimates)	No of Community Halls	Most criminal activities	Community Projects	Common Development and Experienced Challenges
								Khohlopong Ncedisizwe Primary Cooperative-Khohlopong; Bk 24 Trading PTY LTD; Ilungelolethu Shearing-shed-Ramatee	
08	17 Sekoting; Umfanta; Lithuteñg; Nkamane; Mokhalong; Makhatlanyeng; Moroka; Luzie drift; Luzie poort; Pitseng; Pitseng farms; Lahlangubo; Nkobongo ; Pitoli; Moreneng; Batlokoa; Jojweni	15 Moroka JPS; Thembeni JPS; Mokhalong JPS; Claude Makeng JPS; Mbizeni JPS; Nkamane JPS; Natlane Sekonyela JPS; Lower Ketekete; Batlokoa JPS; Luzie Poort JPS; Luzie drift JPS; Luzie drift SSS; Thakabanna SSS; Umfanta JPS; Lukhanyisweni JPS	Mobile Clinic	All villages have electricity, but there also infills	All villages	Umfanta pay point	House breaking; Stock theft; Killing of people	Shearing sheds; food security; pig farming	Shortage of water taps; Poor access roads; Clinic

Ward	Number and Name of Villages	Name and Number of Schools	Health Facilities	Electricity Supply (Estimated Households	Sanitation (Households Estimates)	No of Community Halls	Most criminal activities	Community Projects	Common Development and Experienced Challenges
09	06 Khalankomo, Thembeni, Ilisolomzi,Katlehong, Eiphanette Mbeki, Tlokoeng town,	03 Lehana SSS, Mount Fletcher SPS, Ilingelethu SPS; **03 ECDCs** Bongani preschool; Vuyolwethu preschool; Assembly of God preschool.	02 Taylor Bequest clinic and Taylor Bequest Hospital.	2354 previously recorded electrified Households; 48 new Household need electricity.		02 halls belong to municipality, i.e Ilisolomzi and town hall. 01 hall belong to COGTA.	Burglary; robbery; assault; substance abuse,		Bulk sanitation infrastructure, Unbearable urban roads, non-existence of RDP houses,
10	15 Silindini; Xaxazana; Mathafeni 1; Skote; Westhoek; Mathafeni 2; Nkalweni; Zingonyameni; Siyalwini; Mjika; Mbambangwe; Mpharane; Madzura; Tsolobeng; Mahemeng	9 (Tsolobeng JSS; Zamuxolo JSS; Mahemeng JSS; St Thomas JSS; Silindini SPS; Mbambangwe JSS; Sondaba SPS; Jongisizwe SPS; Zingonyameni JSS	The mobile clinic does not really have a specific date but comes every month	Total Households = 3 962 Total electrified = 3 162	3 596	0	Business Buglary, Assauly GBH	HCBCs from Department of Health looking after disabled people Vegetation project	Water, community hall, toilets for churches, Opening and closing hours of the clinic notsuitable for emergencies Non-attendance of important meetings by other government department

Ward	Number and Name of Villages	Name and Number of Schools	Health Facilities	Electricity Supply (Estimated Households	Sanitation (Households Estimates)	No of Community Halls	Most criminal activities	Community Projects	Common Development and Experienced Challenges
11	16, Dengwane; Thambekeni; Tinana; Mjikelweni; Ntatyana; Gobho; Fletcherville; Likonyeleng; Farview; Ligcadweni; Mafusini; Lubisini; Xaxazana; Khalazembe; Ngoliloe No2; Matshoane	12, Sidinane SSS; Farview JSS; Ntsasa SPS; Lubisini JSS; Dengwane JSS; Tinana JSS; Fletcherville JSS; Matshoana JSS; Edward Zibi SSS; Khulanathi JSS; Sixhotyeni SPS; Ngaqangana JSS	There are no clinics at Ward 11, they are dependent on the one at Ward 12, Mangoloaneng clinic	Total Households = 3 065 Total electrified = 3 054	3 042	0	Assault; Murder; Burglary in residential and business properties	Vegetation project HCBCs	Bridges; New toilets; Mobile Clinic; No Community Development Worker (CDW) for the ward. Soil erosion Community Hall renovations
12	16, Setaka; Moleeko; Thabatlala; Popopo; Mahanyaneng; Mangoloaneng ; Ngoliloe; Ntabayikhonjwa; Kinira Poort; Polokoe; Lehlakaneng	8, Morulane JSS; Setaka JSS; Phaphama SPS; Popopo JSS; Polokoe SPS; Ngoliloe JSS; Mangoloaneng JSS; Mahanyaneng JSS	Mangoloaneng clinic; Mobile clinic comes once in a while	Total Households = 4 430 Total electrified = 4 420	4 397	Mangoloaneng East Comm Hall	Bluglary; Robbery; Substance / Drug Abuse; Assualt	None in the meantime	Bridges; New Toilets; Project for rehabilitation of dongas/ soil erosion the community members once benefited from that project
13	10 Lower Nxotshana; Mokoatlane; Phirintsu; Koebung; Mohoabatsane; Ntoko; Maluti; Sethathi; Mashata; Seqhobong	9 (Khorong SSS; Ntoko SPS; Koebung JSS; Seqhobong JSS; Mohoabatsane JSS; Hlanganisa JSS; Maluti JSS; Makoetlane JSS; Mosana JSS)	Siqhobong Clinic Mobile Clinic comes every month but does not have a specific date	Total Households = 2 773 Total electrified = 2 456	2 264	1 Mohoabatsane Community Hall	Stock Theft; Murder; Drug Abuse; Assualt	Kopanang Based Club-Sewing project Koebong shearing shed	Toilets and electricity for new households, RDP Houses

Ward	Number and Name of Villages	Name and Number of Schools	Health Facilities	Electricity Supply (Estimated Households	Sanitation (Households Estimates)	No of Community Halls	Most criminal activities	Community Projects	Common Development and Experienced Challenges
14	10 Refele; Litaung; Makgoaseng; Sathube; Thabakgubedu; Lehana Pass; Vuvu; Phuthing; Phirintshu; Ndabelanga; Sethabathaba.	11 schools. Mamontwedi S.P.S.; Boithatelo S.P.S; Bethania J.S.S; Bethania S.S.S; Matsheneng S.P.S; Thabakgubedu S.P.S; Lehana Pass S.P.S; Vuvu J.S.S; Phiritshu S.P.S; Ndabelanga S.P.S; Zanyang J.S.S and Khanya S.S.S	I clinic Bethania Clinic.	All villages are electrified and working.	10 villages they have sanitation only new household that do not have sanitation	1 Bethania Comm. Hall	Murder and rape	Sharing sheds; household siyazodla and farming for crops.	House disaster and no access roads in the villages. No Network for communication in all villages.
15	10 Makhoaseng; Liphakoeng; Liphofung; Lower Tokoana; Basieng; Makhuleng; Khalatsu; Tsekong; Kutloanong; Nkululekweni	13 Mamontoeli JSS; Lower Thokoana JSS; Lehana SSS; Bethania SSS; Liphofung SPS; Boithatelo SPS; Upper Thokoana SPS; Liphakoeng SPS; Khalatsu SPS; Remang Motheo SPS; Tswelopele SPS; Tsekong JSS; Makhuleng SPS	There are no clinics at Ward 15	Total Households = 8 071 Total electrified = 7520	7 919	0	Rape; Assault; House and Business Burglary	Sewing project; Agricultural project	Toilets; Water; Network pole; Electricity infills; Renovation of damaged toilets; Gravel for EPWP workers; High Mast lights may assist in reduction of crime

Ward	Number and Name of Villages	Name and Number of Schools	Health Facilities	Electricity Supply (Estimated Households	Sanitation (Households Estimates)	No of Community Halls	Most criminal activities	Community Projects	Common Development and Experienced Challenges
16	25 Tsekong; Lubalweni; No 5; Ntatyaneni; Karadokhwe; Njaboya; Zwelitsha; Msasangeni; Chavy Chase; Mfengwini; Qolweni; Bhantini; Koloni; Mlube; Ndingo; Mcambalala; Sekgutlong; Ntabamkhitha; Magedla; Taung; Nondyandya; Sihom; Zinkumbini; Drayini; Kete-kete	10 Solomzi PS; Taung PS; Tlokoeng PS; Mcambalala PS; Magedla PS; Koloni PS; Thembalethu PS; Kete-Kete PS; Melisizwe PS; Chavy Chase PS; Frank Moshoeshoe PS; Mhlontlo PS; Mhlontlo SS	Hlankomo clinic	Total Households = 3 960 Total electrified = 3800	3 617	0	Assault; GBV; Stock theft; Rape and Drug Abuse	2HCBCs- provides counselling to the abused members of the community, 2 Old age care center looking after elderly, 1 disability center for the people living with disability,	Bridges; access roads; water; Housing in particular for destitute and temporal structures that stays longer that required; Community Hall; available educational projects that lacks stakeholder recognition; Ambulances not responding when called; non-availability of clinic in Mdeni even Mobile clinic no longer comes; sporting field
17	10 Gqaqhala; Mbidlana; Takalane; Robben; Greenfield, Vincent Park; Ncotha farm; Vipan farm; Bhodi; Prentjiesberg	6 Ugie high school; Samuel Nombewu; Gqaqhala JSS; Msobomvu JSS; Mbidlana JSS; Chebenca SPS	Gqaqhala Clinic	Total households 2866 Total electrified 2689 In Mbidlana the are 100 new RDP Houses	2734	1 Kruger Hall	Murder; Drug abuse; Domestic violence; House breaking; Rape	Masibambisane survivor Project; Siyakha HCBC	Water tap in household cutting of wattle trees DRDAR must assist with seedling and other projects maintenance of Thaleni access road, bridge

2.2. Elundini Local Municipality Profile

The Elundini Local Municipality (ELM) is a Category B municipality located within the Joe Gqabi District in the north-eastern portion of the Eastern Cape Province. The municipality is bounded by the Alfred Nzo District in the north, Chris Hani District in the south, OR Tambo District in the east, Lesotho and Senqu in the west. It is the smallest of three municipalities in the district, making up a quarter of Joe Gqabi district geographical area.

The municipality covers an area of 5,064 km² and has 17 Wards and according to the recent Census of 2022 released by Stats SA, the Elundini Local Municipality is the second populous municipality in the Joe Gqabi district with an estimated population of 141 762 an increase of 3 621 people, amounting to 2,55%, from the Census 2011 figures of 138 141 people. The largest population of Elundini is made up of females which constitute 51,5% (72 994) of the total population and males constitute 48,5% (68 768) of the total population.

The Elundini Local Municipality is one of the most scenic and attractive areas of the province, with considerable potential lying in its deep, fertile soils and high rainfall. Compared to the other municipalities within the district area, Elundini has prospects of significant growth and upliftment in the quality of life for its residents due to its relative abundance of natural resources.

MAP SHOWING LOCALITY AND SETTLEMENT DISTRIBUTION

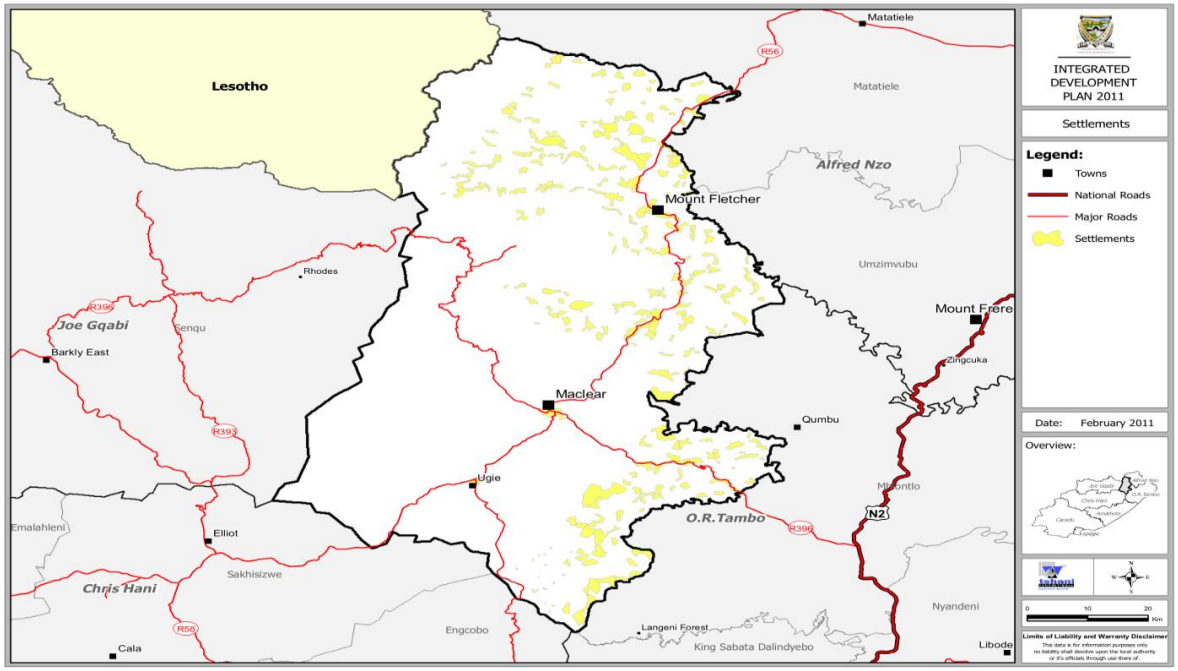


Figure 1: Map showing settlement distribution

2.3. Elundini Local Municipality Demographic Profile

According to the Census 2022 figures, the JGDM total population has increased by 44 375 people from the Census 2011 figures of 348 673 to 393 048 of the Census 2022. This represents a 11,3% increase between 2011 and 2022. From the JGDM total population increase, the ELM has seen a significant increase of 4 717 people representing an increase of 3,4% between 2011 and 2022 as compared to an increase of 0, 5% between 2001 and 2011. Household number increased by

26 823 which represents 27,5% in Joe Gqabi district municipality between 2011 and 2022, and the ELM household increased by 3 659 which represents 9,7%.

The table below depicts the changes in the total numbers of households between JGDM and ELM from 2011, 2016 to 2022:

Table 5: Population Changes

Population size			% growth	Number of households		% growth
Municipality	2011	2022	2011 – 2022	2011	2022	2011-2022
JGDM	348 673	393 048	11.3%	97 471	124 294	27.5%
Elundini	137 045	141 762	3,4%	37 551	41 210	9.7%

Source: Census 2011, CS 2016 and Census 2022

2.3.1. Distribution of Total Population by Age and Gender

The graph below depicts the distribution of population by age and gender:

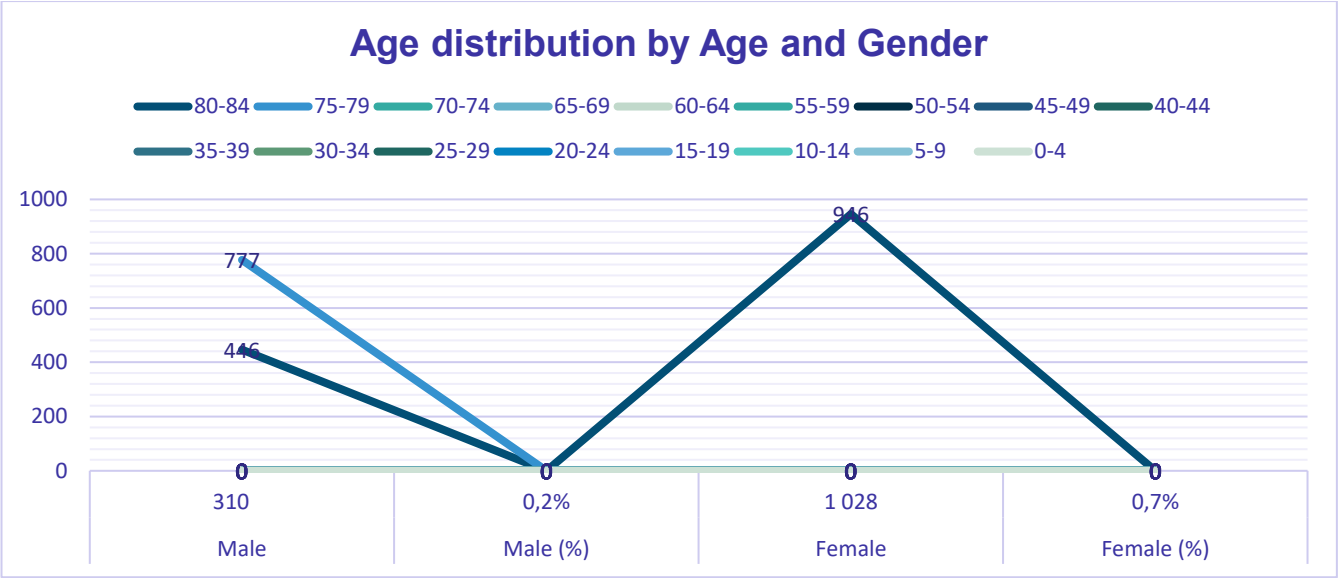


Figure 2: Source: Census 1996, Census 2001, Census 2011, CS 2016 and Census 2022;

Age group	Males	% Males	Females	% Females
85+	310	0.2	1028	0.7
80-84	446	0.3	946	0.7
75-79	777	0.5	1275	0.9
70-74	1334	0.9	2067	1.5
65-69	1919	1.4	2945	2.1
60-64	2349	1.7	3648	2.6
55-59	2344	1.7	3727	2.6
50-54	2457	1.7	3318	2.3
45-49	2932	2.1	3606	2.5
40-44	3588	2.5	3773	2.7
35-39	4506	3.2	4332	3.1
30-34	4918	3.5	4539	3.2
25-29	5357	3.8	5106	3.6
20-24	5755	4.1	5077	3.6
15-19	7385	5.2	6144	4.3
10-14	7498	5.3	6955	4.9
5-9	7109	5	6691	4.7

0-4	7779	5.5	7816	5.5

Although there has been an overall increase of 3,4% in the total population in Elundini, there has been a increase of 0,5% of the female population and an increase of 5% of the male population between 2011 and 2022. The female population in Elundini makes 51.5% of the total population and males constitute 48, 5% of the total population. In terms of the demographic distribution of the Elundini population, a younger population, between the ages of 0-4, comprises the largest population with 15 595 followed by 10-14 with 14 453, 05-09 with 13 800 and 15-19 with 13 529.

The pyramid below provides a clear depiction of age and sex distribution of the ELM population. In terms of the stages of demographic transition model, the ELM pyramid appears to be at the third stage, which shows stationary growth and mortality particularly in the 25 to 75+ years cohorts. It is clear how many people of each age range and sex are found within the municipality. Moreover, the pyramid shows that the population is generally older on average.

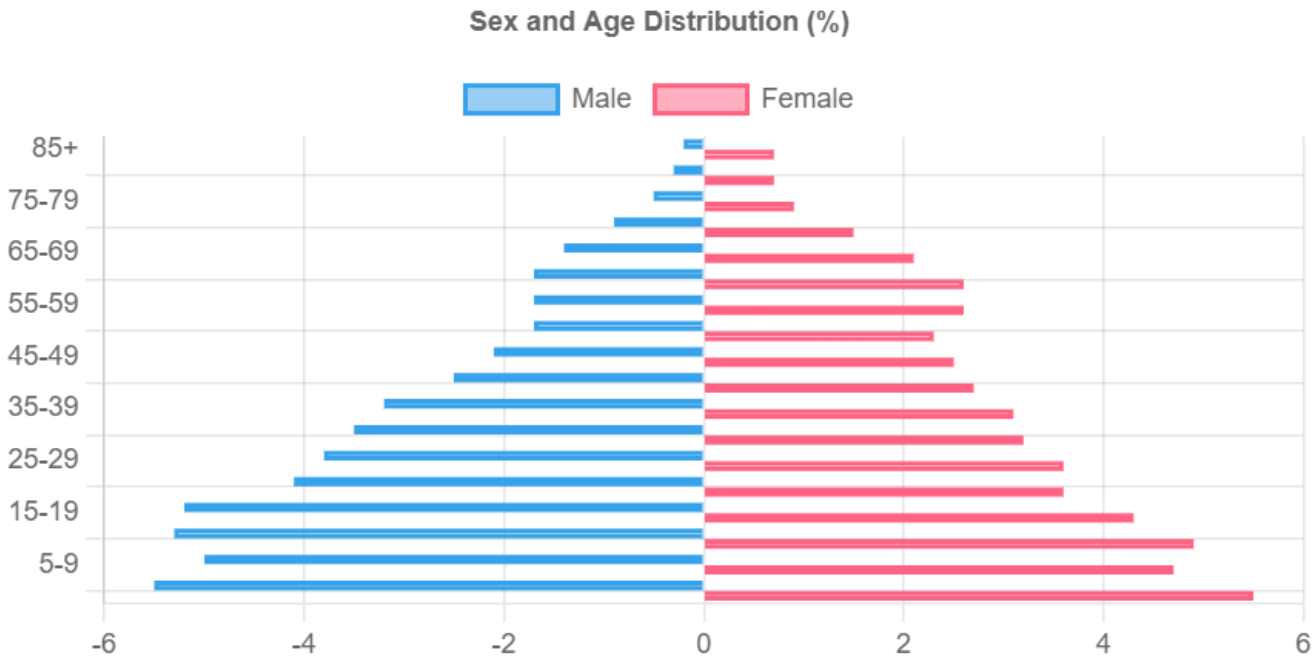
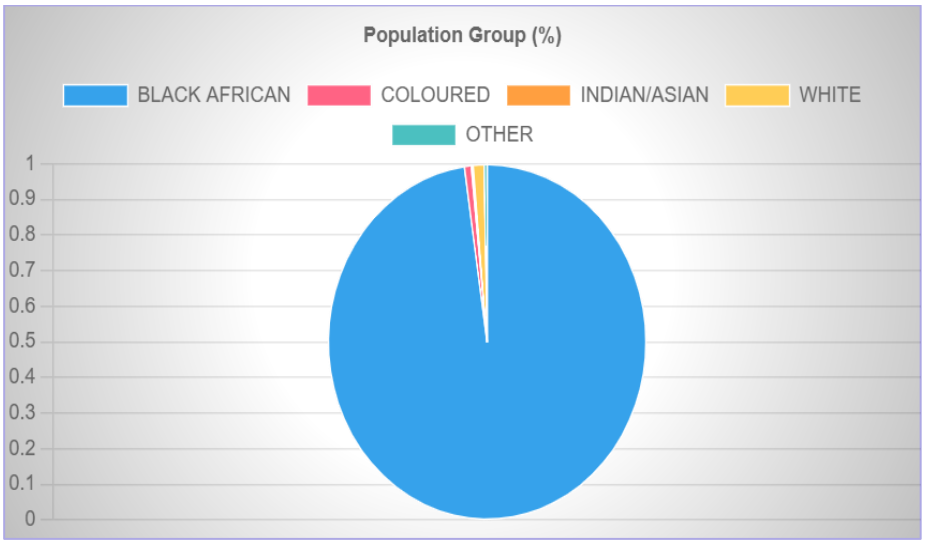


Figure 3: Population Pyramid Source: Stats 2022

2.3.2. Population by Race

According to Census 2022, a large part of Elundini's population is made up of Black Africans (138 436) this figure translates to 97.7% of the entire population. The remaining 2.3% (3 316) is made up of 1 005 Coloureds (0.7%); 349 Indians/Asians (0.2%) 1561 Whites comprising (1.1%) in the other category there are 401 inhabitants contributing (0.3%) of the entire population. (2022 Statistics SA). The table below is the presentation of the racial distribution in Elundini:

Figure 4: Racial Distribution



Source: Statistics 2022

2.3.3. Distribution of Population by Language

As per the Community Survey 2016, the most spoke languages by households in the district including Elundini are isiXhosa, seSotho, Afrikaans and English as depicted by the table below:

Table 6: Table showing language distribution

Languages	Number of People		
	JGDM	ELUNDINI	%
IsiXhosa	275 521	104 581	38%
SeSotho	66 419	34 152	52%
Afrikaans	18 889	1 905	10%
English	2 514	673	27%
Others	9 571	3 620	38%

2.3.4. Distribution of household by income

Census 2022 has not released any updated information on household income and therefore the Census 2011 were used which showed that 28, 4% of the families earn between R 9 600 – R 38 200 per annum which is R 800 - R 3 183 per month whilst 19, 1% of the households earning R38 200 - R76 400 which is R 3183- 6367. 38% of the households fall in the category which earns less than 800 per month or no income at all. The table below depicts the income levels of households within Elundini Municipality:

Table 7: Table showing income levels

Income	Percentage
No income	5,4%
R1 - R4,800	2,7%
R4,801 - R9,600	9,5%
R9,601 - R19,600	17,6%
R19,601 - R38,200	24,3%
R38,201 - R76,400	35,1%
R76,401 - R153,800	4,1%
R153,801 - R307,600	1,4%
R307,601 - R614,400	0%
R614,001 - R1,228,800	0%
R1,228,801 - R2,457,600	0%
R2,457,601+	0%

2.3.5. Literacy Levels

Census 2022 indicates that there has been an increase of 0.5% in the levels of education in Elundini for those between 20 years and above from 2011 to 2016 from 11.9% to 16.6% of the entire population having completed Grade 12 but there has been a slight decrease of 0.4% between 2011 and 2016 from 4.9% in 2011 to 4.5% in 2016 of the population who has studied further than Grace 12. Community Survey 2016 also revealed that 10.7% has no schooling at all, 20.7% has some primary education, 7.4% has completed some primary education and 44% has completed some secondary education. The table below depicts the percentage levels of education as provided by Census 2022.

Table 8 : Levels of Education against the District

ELM EDUCATION LEVELS			JGDM EDUCATION LEVELS		
Description	**Number**	**Percentage**	**Description**	**Number**	**Percentage**
No Schooling	7106	8.9	No Schooling	21000	9.4
Some Primary	15725	19.8	Some Primary	38397	17.3
Completed Primary	5687	7.2	Completed Primary	14054	6.3
Some Secondary	30538	38.4	Some Secondary	81687	36.7
Grade 12/Std10	15700	19.7	Grade 12/Std10	51009	22.9
Higher Education	4481	5.6	Higher Education	15098	6.8
Other	286	0.4	Other	1123	0.5

The table overleaf depicts the highest level of education as per 2022 Census of Elundini population as against that of the district:

Table 9: Literacy Levels

	No schooling		Some primary		Completed primary		Some secondary		Matric		Higher	
	2011	2022	2011	2022	2011	2022	2011	2022	2011	2022	2011	2022
JGDM	14,7%	9,4%	24,4%	17,3%	7,2%	6,3%	33,2%	36,7%	14,3%	22,9%	5,85	6,8%
ELM	14,6%	8,9%	26,3%	19,8%	7,6%	7,2%	52,9%	38,4%	11,9%	19,7%	4,9%	5,6%

2.3.6. People with Disability

ELM established partnerships with two Non-Governmental Organizations (NGOs) – Cheshire Home and Siyamthanda Home. These partnerships are renewed annually based on satisfactory performance of these NGOs and financial support is provided to support the running of the centers and care-givers. A service level agreement is signed with each NGO annually with terms of reference and outputs. Below is the presentation of the categories of disabilities by people in the Elundini municipal area:

DISABILITY STATUS	NUMBER
Seeing	3 716
Hearing	1 694
Communication	457
Walking	2 262
Remembering	2 506
Self-care	1 088
TOTAL	**11 723**

Source: Census 2022

2.3.7. Unemployment

Stats SA has not released any new or updated employment statistics and therefore figures used in the analysis of employment for ELM are those that were released in April 2024 by South Africa Regional eXplorer v2473.

Definition:

The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

Unemployment (Official Definition) - Elundini, Joe Gqabi, Eastern Cape And National Total, 2013-2023

Table 10

	Elundini	Joe Gqabi	Eastern Cape	National Total	Elundini as % of district municipality	Elundini as % of province	Elundini as % of national
2013	8,940	22,500	540,000	4,850,000	*39.8%*	*1.66%*	*0.18%*
2014	9,500	23,600	565,000	5,060,000	*40.2%*	*1.68%*	*0.19%*
2015	9,870	24,400	583,000	5,300,000	*40.4%*	*1.69%*	*0.19%*
2016	11,000	27,200	636,000	5,670,000	*40.6%*	*1.74%*	*0.19%*
2017	12,900	31,800	718,000	5,990,000	*40.6%*	*1.80%*	*0.22%*
2018	14,400	35,500	782,000	6,100,000	*40.5%*	*1.84%*	*0.24%*
2019	16,900	41,500	885,000	6,450,000	*40.7%*	*1.91%*	*0.26%*
2020	18,800	46,800	964,000	6,710,000	*40.1%*	*1.95%*	*0.28%*
2021	21,400	53,400	1,070,000	7,470,000	*40.0%*	*1.99%*	*0.29%*
2022	21,600	53,700	1,080,000	7,810,000	*40.2%*	*2.00%*	*0.28%*
2023	20,700	51,200	1,040,000	7,880,000	*40.4%*	*1.99%*	*0.26%*
Average Annual growth							
2013-2023	***8.75%***	***8.58%***	***6.77%***	***4.96%***			

Source: South Africa Regional eXplorer v2473.
Data compiled on 22 Apr 2024.
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In 2023, there were a total number of 20 700 people unemployed in Elundini, which is an increase of 11 800 from 8 940 in 2013. The total number of unemployed people within Elundini constitutes 40.40% of the total number of unemployed

people in Joe Gqabi District Municipality. The Elundini Local Municipality experienced an average annual increase of 8.75% in the number of unemployed people, which is worse than that of the Joe Gqabi District Municipality which had an average annual increase in unemployment of 8.58%.

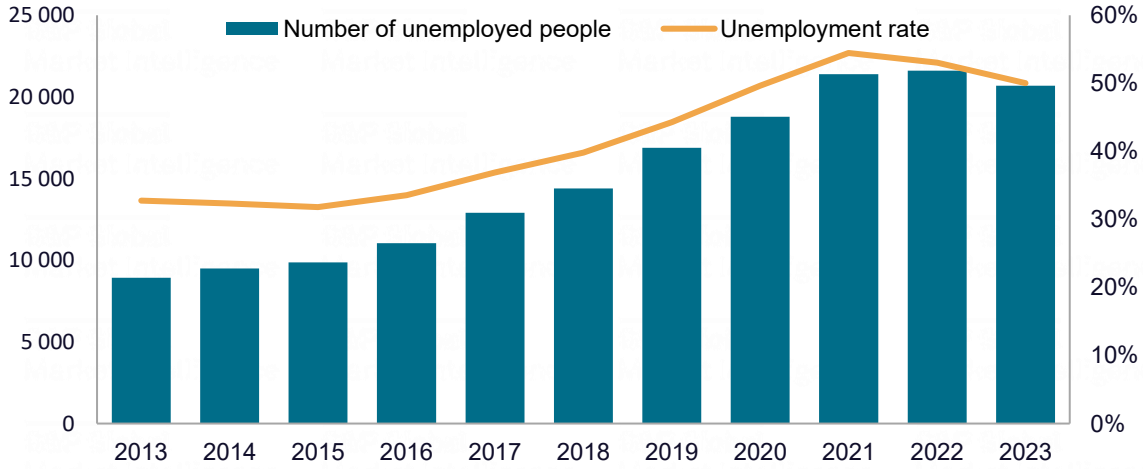
Unemployment rate (official definition) - Elundini, Joe Gqabi, Eastern Cape and National Total, 2013-2023
Table 11

	Elundini	Joe Gqabi	Eastern Cape	National Total
2013	32.8%	25.9%	29.6%	25.2%
2014	32.4%	25.4%	29.4%	25.2%
2015	31.8%	24.9%	29.2%	25.5%
2016	33.6%	26.4%	30.5%	26.4%
2017	36.9%	29.4%	32.9%	27.2%
2018	39.8%	31.9%	35.0%	27.4%
2019	44.3%	35.7%	38.0%	28.4%
2020	49.7%	40.7%	41.5%	30.3%
2021	54.5%	45.1%	44.9%	33.6%
2022	53.0%	43.7%	43.8%	33.7%
2023	50.0%	40.8%	41.3%	32.6%

Source: South Africa Regional eXplorer v2473.
Data compiled on 22 Apr 2024.
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In 2023, the unemployment rate in Elundini Local Municipality (based on the official definition of unemployment) was 50.03%, which is an increase of 17.2 percentage points. The unemployment rate in Elundini Local Municipality is higher than that of Joe Gqabi. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Elundini Local Municipality was higher than that of Eastern Cape which was 41.32%. The unemployment rate for South Africa was 32.64% in 2023, which is a increase of -7.49 percentage points from 25.15% in 2013.

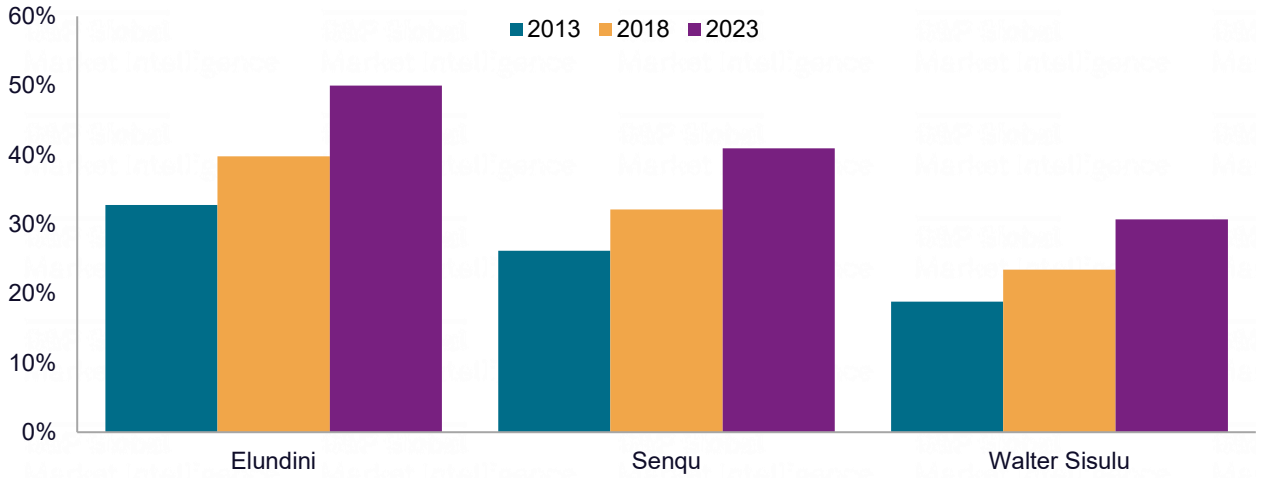
CHART 1. **Unemployment and Unemployment Rate**



Source: South Africa Regional eXplorer v2473.
Data compiled on 22 Apr 2024.
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When comparing unemployment rates among regions within Joe Gqabi District Municipality, Elundini Local Municipality has indicated the highest unemployment rate of 50.0%, which has increased from 32.8% in 2013. It can be seen that the Walter Sisulu Local Municipality had the lowest unemployment rate of 30.7% in 2023, this increased from 18.9% in 2013.

CHART 2. Unemployment Rate - Elundini and the rest of Joe Gqabi, 2013, 2018 and 2023



Source: South Africa Regional eXplorer v2473.
Data compiled on 22 Apr 2024.
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2.3.8. Labour

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

TABLE 1. Working Age Population in Elundini, Joe Gqabi, Eastern Cape and National

	Elundini		Joe Gqabi		Eastern Cape		National Total	
	2013	2023	2013	2023	2013	2023	2013	2023
15-19	16,100	16,100	37,700	37,100	702,000	718,000	4,870,000	5,300,000
20-24	15,900	12,700	40,800	31,000	769,000	596,000	5,390,000	4,590,000
25-29	12,200	12,500	33,800	33,600	655,000	635,000	5,370,000	5,060,000
30-34	8,240	13,200	24,600	39,100	471,000	701,000	4,400,000	5,590,000
35-39	5,610	11,500	16,400	33,100	325,000	602,000	3,550,000	5,380,000
40-44	4,550	7,560	12,800	21,500	277,000	435,000	3,030,000	4,260,000
45-49	4,620	5,170	12,500	14,200	264,000	299,000	2,630,000	3,330,000
50-54	5,110	4,580	12,900	11,700	267,000	254,000	2,290,000	2,800,000
55-59	5,140	4,930	12,900	12,400	240,000	240,000	1,910,000	2,380,000
60-64	4,770	6,020	11,600	14,500	198,000	236,000	1,530,000	2,020,000
Total	**82,300**	**94,300**	**216,000**	**248,000**	**4,170,000**	**4,720,000**	**35,000,000**	**40,700,000**

Source: South Africa Regional eXplorer v2473.
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The working age population in Elundini in 2023 was 92 400, increasing at an average annual rate of 1.37% since 2010. For the same period the working age population for Joe Gqabi District Municipality increased at 1.30% annually, while that of Eastern Cape Province increased at 1.13% annually. South Africa's working age population has increased annually by 1.60% from 33.3 million in 2010 to 39 million in 2020. The graph below combines all the facets of the labour force in the Elundini Local Municipality into one compact view. The chart is divided into "place of residence" on the left, which is measured from the population side, and "place of work" on the right, which is measured from the business side.

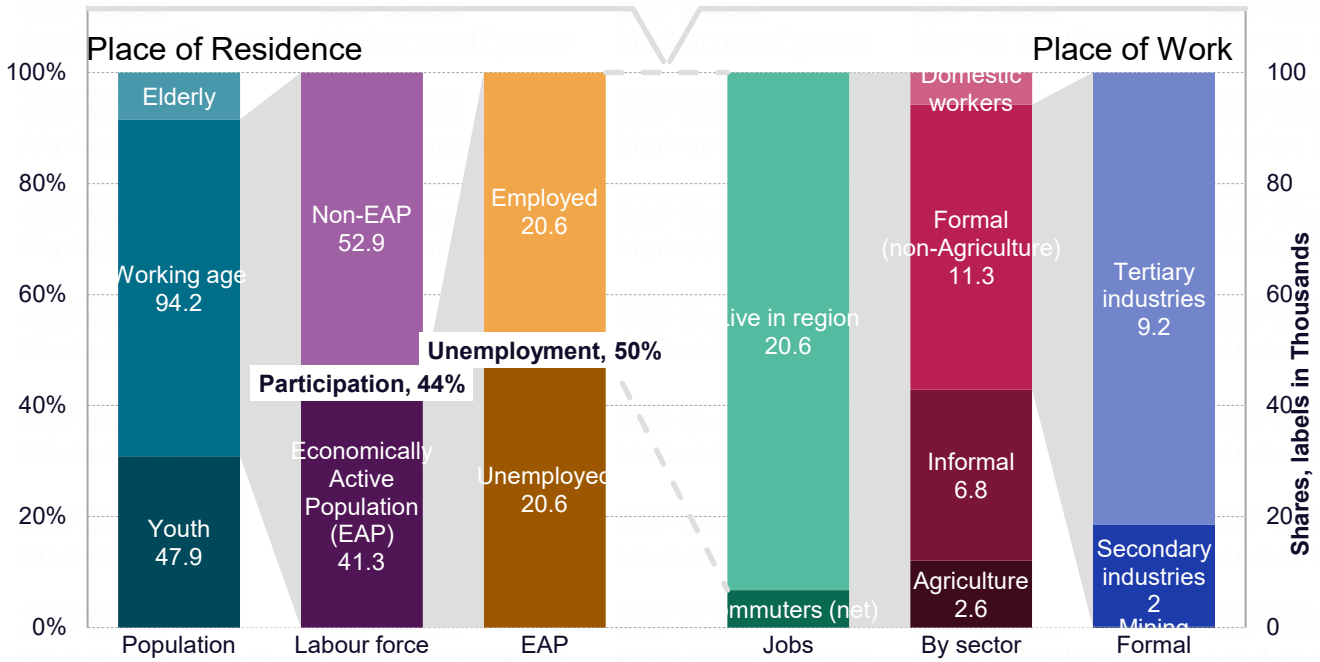


Figure 5: Labour Glimpse
Source: South Africa Regional eXplorer v2473.
Data compiled on 22 Apr 2024.
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Reading the chart from the left-most bar, breaking down the total population of the Elundini Local Municipality (155 000) into working age and non-working age, the number of people that are of working age is about 94 300. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 43.9% are participating in the labour force, meaning 41 300 residents of the local municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the local municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 52 900 people. Out of the economically active population, there are 20 700 that are unemployed, or when expressed as a percentage, an unemployment rate of 50.0%. Up to here all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Elundini, broken down by the primary (mining), secondary and tertiary industries. The majority of the formal employment lies in the Tertiary industry, with 9 260 jobs. When including the informal, agricultural and domestic workers, we have a total number of 22 200 jobs in the area. Formal jobs make up 51.4% of all jobs in the Elundini Local Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that commute every day into the local municipality.

2.4. Economic Indicators

The economic state of Elundini Local Municipality is put in perspective by comparing it on a spatial level with its neighbouring locals, Joe Gqabi District Municipality, Eastern Cape Province and South Africa.The Elundini Local Municipality does not function in isolation from Joe Gqabi, Eastern Cape Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that

will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

2.4.1. Gross Domestic Product

The Gross Domestic Product (GDP), is an important indicator of economic performance, it is used to compare economies and economic states. GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year. With a GDP of R 6 billion in 2023 (up from R 3.66 billion in 2013), the Elundini Local Municipality contributed 31.52% to the Joe Gqabi District Municipality GDP of R 19 billion in 2023 increasing in the share of the Joe Gqabi from 32.79% in 2013. The Elundini Local Municipality contributes 1.13% to the GDP of Eastern Cape Province and 0.09% the GDP of South Africa which had a total GDP of R 6.97 trillion in 2023 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2013 when it contributed 0.09% to South Africa, but it is lower than the peak of 0.09% in 2014.

Table 12 : Gross Domestic Product (Gdp) - Elundini, Joe Gqabi, Eastern Cape And National Total, 2013-2023 [R Billions, Current Prices]

	Elundini	Joe Gqabi	Eastern Cape	National Total	Elundini as % of district municipality	Elundini as % of province	Elundini as % of national
2013	3.7	11.1	309.6	3,868.6	*32.8%*	*1.18%*	*0.09%*
2014	3.9	12.0	330.8	4,133.9	*32.7%*	*1.19%*	*0.09%*
2015	4.2	12.9	354.1	4,420.8	*32.5%*	*1.18%*	*0.09%*
2016	4.5	13.9	379.0	4,759.6	*32.3%*	*1.18%*	*0.09%*
2017	4.7	14.7	403.4	5,078.2	*32.2%*	*1.17%*	*0.09%*
2018	4.9	15.3	420.9	5,363.2	*32.0%*	*1.17%*	*0.09%*
2019	5.1	15.9	437.2	5,625.2	*32.0%*	*1.16%*	*0.09%*
2020	5.0	15.7	430.3	5,568.0	*31.8%*	*1.16%*	*0.09%*
2021	5.4	17.2	472.9	6,208.8	*31.7%*	*1.15%*	*0.09%*
2022	5.7	18.0	501.0	6,628.6	*31.5%*	*1.14%*	*0.09%*
2023	6.0	19.0	531.9	6,970.2	*31.5%*	*1.13%*	*0.09%*

Source: South Africa Regional eXplorer v2473 (Apr 2024).

Table 13: Gross Domestic Product (GDP) - Elundini, Joe Gqabi, Eastern Cape and National Total, 2013-2023 [Annual percentage change, Constant 2010 prices]

	Elundini	Joe Gqabi	Eastern Cape	National Total
2012	1.3%	2.3%	1.9%	2.4%
2013	0.4%	0.9%	1.4%	2.5%
2014	1.6%	1.8%	0.8%	1.4%
2015	1.4%	1.4%	0.9%	1.3%
2016	0.7%	0.7%	0.8%	0.7%
2017	0.2%	1.1%	0.5%	1.2%
2018	0.2%	1.0%	1.1%	1.6%
2019	-0.7%	-0.1%	0.1%	0.3%
2020	-6.4%	-5.8%	-5.8%	-6.0%
2021	3.4%	4.1%	4.9%	4.7%
2022	0.7%	1.1%	2.1%	1.9%
Average Annual growth 2013-2023	***0.09***%	***0.54***%	***0.56***%	***0.73***%

Source: South Africa Regional eXplorer v2473 (Apr 2024).

In 2023, the Elundini Local Municipality achieved an annual growth rate of 0.70% which is a significantly lower GDP growth than the Eastern Cape Province's 2.08%, but is lower than that of South Africa, where the 2023 GDP growth rate was

1.91%. Similar to the short-term growth rate of 2023, the longer-term average growth rate for Elundini (0.09%) is also significantly lower than that of South Africa (0.73%). The economic growth in Elundini peaked in 2021 at 3.44%.

2.4.2. Gross Value Added

The Elundini Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

Definition: **Gross value added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.**

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Elundini Local Municipality.

TABLE 2. Gross Value Added (GVA) By Broad Economic Sector - Elundini Local Municipality, 2023 [R Billions, Current Prices]

	Elundini	Joe Gqabi	Eastern Cape	National Total	Elundini as % of district municipality	Elundini as % of province	Elundini as % of national
Agriculture	0.2	0.9	10.6	176.1	*18.6%*	*1.62%*	*0.10%*
Mining	0.0	0.0	1.3	440.8	*46.3%*	*1.35%*	*0.00%*
Manufacturing	0.2	1.4	71.9	900.6	*17.3%*	*0.34%*	*0.03%*
Electricity	0.0	0.2	10.3	216.2	*14.2%*	*0.25%*	*0.01%*
Construction	0.2	0.5	12.3	155.0	*36.4%*	*1.33%*	*0.11%*
Trade	1.3	3.1	81.8	877.4	*41.9%*	*1.59%*	*0.15%*
Transport	0.2	0.8	25.7	487.2	*26.8%*	*0.81%*	*0.04%*
Finance	0.3	1.9	85.1	1,462.0	*16.6%*	*0.38%*	*0.02%*
Community services	3.2	8.8	183.6	1,563.1	*35.9%*	*1.72%*	*0.20%*
Total Industries	**5.6**	**17.6**	**482.6**	**6,278.4**	***31.8%***	***1.16%***	***0.09%***

Source: South Africa Regional eXplorer v2473.

Data compiled on 22 Apr 2024.

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In 2023, the community services sector is the largest within Elundini Local Municipality accounting for R 3.15 billion or 56.2% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Elundini Local Municipality is the trade sector at 23.2%, followed by the finance sector with 5.8%. The sector that contributes the least to the economy of Elundini Local Municipality is the mining sector with a contribution of R 18 million or 0.32% of the total GVA.

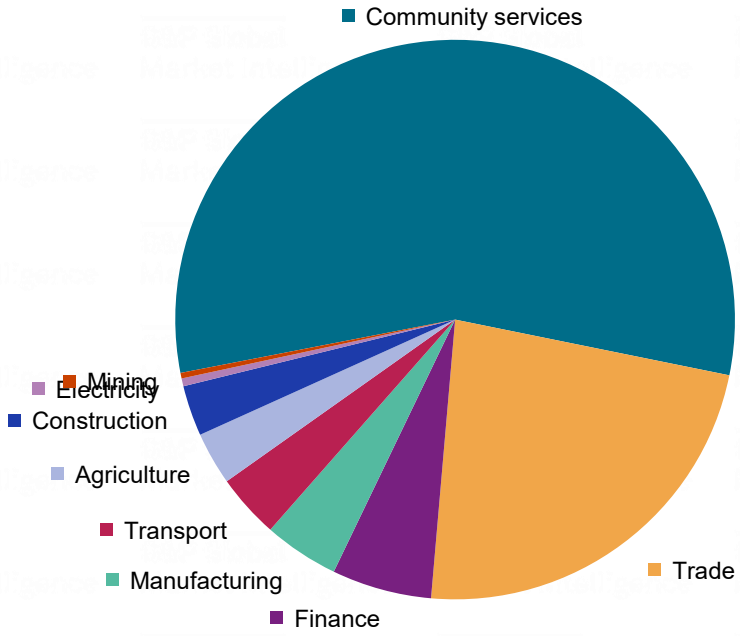


Figure 6 : Gross Value Added (GVA) by Broad Economic Sector - Elundini Local Municipality, 2023 [Percentage Composition]

Source: South Africa Regional eXplorer v2473.
Data compiled on 22 Apr 2024.
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The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the Joe Gqabi District Municipality, it is clear that the Elundini contributes the most community services towards its own GVA, with 35.86%, relative to the other regions within Joe Gqabi District Municipality. The Elundini contributed R 5.6 billion or 31.83% to the GVA of Joe Gqabi District Municipality. The region within Joe Gqabi District Municipality that contributes the most to the GVA of the Joe Gqabi District Municipality was the Walter Sisulu with a total of R 7.05 billion or 40.08%.

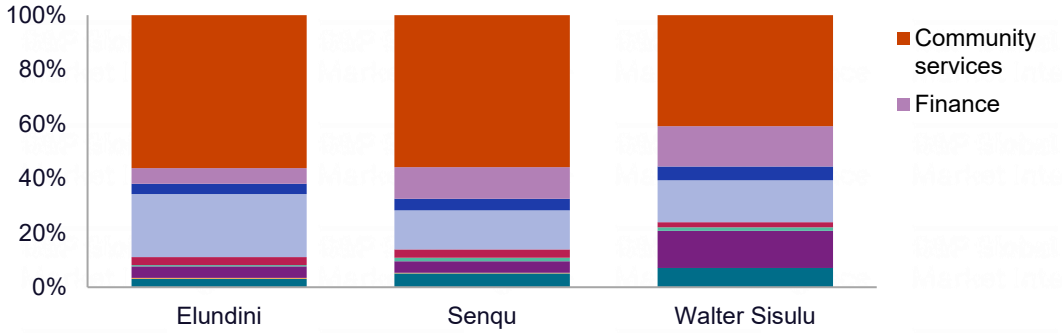


Figure 7 : Gross Value Added (Gva) By Broad Economic Sector - Elundini, Senqu And Walter Sisulu, 2023 [Percentage Composition]

Source: South Africa Regional eXplorer v2473.
Data compiled on 22 Apr 2024.
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2.4.2.1. Household Income by Income Catergory

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold,

old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution. Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

Table 14: Households by income category - Elundini, Joe Gqabi, Eastern Cape and National Total, 2020 [NUMBER PERCENTAGE]

	Elundini	Joe Gqabi	Eastern Cape	National Total	Elundini as % of district municipality	Elundini as % of province	Elundini as % of national
0-2400	4	9	139	1,240	*43.2%*	*2.8%*	*0.32%*
2400-6000	38	87	1,390	11,400	*43.5%*	*2.7%*	*0.33%*
6000-12000	255	577	9,100	71,000	*44.3%*	*2.8%*	*0.36%*
12000-18000	831	1,870	29,000	222,000	*44.5%*	*2.9%*	*0.37%*
18000-30000	3,010	6,820	104,000	761,000	*44.1%*	*2.9%*	*0.40%*
30000-42000	4,560	10,500	160,000	1,140,000	*43.4%*	*2.9%*	*0.40%*
42000-54000	4,780	11,200	169,000	1,210,000	*42.6%*	*2.8%*	*0.39%*
54000-72000	6,580	16,000	242,000	1,740,000	*41.2%*	*2.7%*	*0.38%*
72000-96000	6,560	16,500	257,000	1,950,000	*39.7%*	*2.5%*	*0.34%*
96000-132000	5,480	14,500	238,000	1,960,000	*37.9%*	*2.3%*	*0.28%*
132000-192000	4,910	13,600	232,000	2,060,000	*36.2%*	*2.1%*	*0.24%*
192000-360000	4,630	13,900	261,000	2,630,000	*33.4%*	*1.8%*	*0.18%*
360000-600000	1,890	6,360	138,000	1,580,000	*29.7%*	*1.4%*	*0.12%*
600000-1200000	1,210	4,880	122,000	1,560,000	*24.8%*	*1.0%*	*0.08%*
1200000-2400000	291	1,410	40,200	558,000	*20.7%*	*0.7%*	*0.05%*
2400000+	33	216	7,390	112,000	*15.3%*	*0.4%*	*0.03%*
Total	45,100	118,000	2,010,000	17,600,000	*38.1%*	*2.2%*	*0.26%*

Source : South Africa Regional eXplorer v2473 (April 2024)

It was estimated that in 2023 9.18% of all the households in the Elundini Local Municipality, were living on R30,000 or less per annum. In comparison with 2013's 29.92%, the number is more than half. The 54000-72000 income category has the highest number of households with a total number of 6 580, followed by the 72000-96000 income category with 6 560 households. Only 4 households fall within the 0-2400 income category.

2.5. SOCIAL INDICATORS

2.5.1. Grant Dependency

As of April 2024, data from SASSA indicated that the total value of state support in the form of grants, e.g. care dependency, child support, disability grant, foster care, grant in aid and old age to the Elundini population amounted to the value of R 67 721 820 per annum in the three (3) towns of the municipality. The table below depicts the distribution of grants in Elundini:

Table 15 : Investments on Social Grants

Grant Type	No of Beneficiaries	No of Children	Actual No of Social Grants	Invested Amount
Care Dependency Grant	454	466	466	R1, 020, 540. 00
Child Support Grant	22, 841	40, 967	40, 967	R21, 712, 510. 00
Disability Grant	3, 234		3, 234	R7, 082, 460. 00
Foster Care Grant	772	990	990	R1, 168, 200. 00
Grant-In-Aid	4, 227		4, 227	R2, 240, 310. 00
Old Age Grant	15, 712		15, 712	R34, 497, 800. 00
Local Municipality Totals	**47, 240**	**42, 423**	**65, 596**	**R67, 721, 820. 00**

2.5.2. Education

The Department of Education has 164 schools in Elundini, 36 Senior primary schools, 76 Junior secondary schools, 51 Senior Seconday Schools and 1 FET. The tables below reflects the Elundini matric performance during 2024 exams period.

Table 16: Matric Performance 2024

	Centre Name	Total Wrote	Bachelor	Bachelour%	Diploma	Diploma%	H-Cert	H-Cert %	Total Achieved	% Achived
1	BETHANIA SENIOR SECONDARY SCHOOL	112	85	75.9	20	17.9	5	4.5	110	98.2
2	JAMANGILE SENIOR SECONDARY SCHOOL	64	41	64.1	19	29.7	3	4.7	63	98.4
3	TSITSANA COMP S S SCHOOL	67	41	61.2	17	25.4	1	1.5	60	89.6
4	KUYASA SENIOR SECONDARY SCHOOL	32	18	56.3	9	28.1	2	6.3	29	**90.6**
5	UMTHAWELANGA S S SCHOOL	122	68	55.7	31	25.4	12	9.8	111	**91.0**
6	MACLEAR HIGH SCHOOL	26	14	53.8	9	34.6	2	7.7	25	**96.2**
7	EDWARD ZIBI SENIOR SECONDARY SCHOOL	216	113	52.3	56	25.9	16	7.4	185	**85.6**
8	TLOKWENG SENIOR SECONDARY SCHOOL	194	100	51.5	55	28.4	15	7.7	170	**87.6**
9	LUZIE DRIFT SENIOR SECONDARY SCHOOL	128	65	50.8	42	32.8	14	10.9	121	**94.5**
10	THAKABANNA SENIOR SECONDARY SCHOOL	60	29	48.3	20	33.3	7	11.7	56	**93.3**
11	UGIE HIGH SCHOOL	51	24	47.1	21	41.2	4	7.8	49	**96.1**
12	SIBABALE SENIOR SECONDARY SCHOOL	97	45	46.4	30	30.9	8	8.2	83	**85.6**
13	KHORONG SENIOR SECONDARY SCHOOL	103	45	43.7	41	39.8	11	10.7	97	**94.2**
14	THOMAS NTABA SENIOR SECONDARY SCHOOL	83	32	38.6	24	28.9	16	19.3	72	**86.7**
15	DINIZULU SENIOR SECONDARY SCHOOL	52	20	38.5	27	51.9	5	9.6	52	**100.0**
16	MHLONTLO SENIOR SECONDARY SCHOOL	51	18	35.3	9	17.6	5	9.8	32	**62.7**
17	LEHANA SENIOR SECONDARY SCHOOL	255	80	31.4	60	23.5	44	17.3	184	**72.2**
18	SIDINANE SENIOR SECONDARY SCHOOL	231	69	29.9	64	27.7	41	17.7	174	**75.3**
19	FRANK ZIBI AGRICULTURAL HIGH SCHOOL	92	26	28.3	23	25.0	24	26.1	73	**79.3**
20	SAMUEL NOMBEWU SENIOR SECONDARY SCHOOL	62	15	24.2	16	25.8	9	14.5	40	**64.5**
21	KHANYA SENIOR SECONDARY SCHOOL	261	61	23.4	60	23.0	52	19.9	173	**66.3**

Table 17 : 2024 Top Achievers in Elundini

Position	Circuit	School	Average %	Category Pass	No of level 7
1.	Solomzi	Thakabanna	92%	Bachelor	7
2.	Maclear	Umthawelanga	91%	Bachelor	7
3.	Farview	Sidinane	87%	Bachelor	7
4.	Ngxaza	Jamangile	86%	Bachelor	7

2.5.2.1 Challenges that affect learning

The following are the challenges within the area that affect the learning which require all affected stakeholders to work together to improve the learning conditions.

- Poor gravel road in far afield areas (Schools- Kuyasa Ngxaxa, Mbidlana, Bethania, between Maynard Sigidi and Lower Esinxaku, Thomas Ntaba, Khanya, Montgomery, low bridges at Gqaqhala and Edward Zibi roads).
- Poor signal and impossible connectivity.
- No maintenance of sport fields to schools.
- During rainy days leaners are not going to school due to poor infrastructure of bridges to cross.

- 06 schools were reported to have been affected by disaster
- Security challenges at schools
- Shortage of water in the schools identified for camping e.g. Khanya SS, Luzie Drift and others
- Bridge in Tsitsa Falls accessing schools
- Ugie offices- electricity and water connection
- Kwasa site- Ugie
- Ngxaxa George road to school
- Drugs and alcohol

2.5.2.2 School Rationalisation and Re-alignment Programme

This is a regulation that is intended to rationalise and re-align the small, unviable and nonconforming schools in order to efficiently re-organise, utilise and equitably allocate the financial and human resources. The norms state that for a primary school to be functional it must at least have a minimum of 135 learners for it to be deemed a viable school and similarly, a secondary school should at least have 200 learners. There are 17 primary schools within the municipal area that are candidates for closure due to not conforming to the above norm, eight of these school will be realigned.

2.5.2.3 Early Childood Development Centres (ECDCs)

The Early Childood Development Centres play a crucial role in laying the foundation for a child's future development by focusing on physical, cognitive, emotional, and social growth. In Elundini, there are 73 functional ECDCs that are compliant in terms of set standards, 27 are registered and funded in Tlokoeng and 35 in Ugie/Nqanqarhu which are also registered and funded. In Tlokoeng there are 6 ECDs and 5 in Ugie/Nqanqarhu are registered but not funded.

2.5.3. Health

Elundin Health sub district is comprised of Mt. Fletcher, Nqanqarhu, Ugie and parts of (Tsolo and Qumbu) and is serving a population: 141 762 (Census) and 128001 (DHIS). The ELM has only two (2) hospitals and twenty-one (21) clinics and four (5) mobile clinics in its area of jurisdiction. Areas that are normally serviced by the mobile clinics are usually those that are hard to reach areas due to either population size and mostly due to poor access roads.Both hospitals has functional Hospital boards and 18 out of 19 Clinic committees are functional. The Emergency Medical Services are also found in Nqanqarhu, Ugie and Mt Fletcher. The two tables below depict the number of health facilities found in Elundini:

Table 18: PHC Facilities per Sub-District

Sub-Districts	Mobiles	Satellites	Clinics
Elundini Sub District	4	0	21
Maletswai Sub District	5	2	11
Senqu Sub District	8	2	20
District total	17	4	52

ELM Health Care Facilities

Table 18: The following is the list of health care facilities and their locations

Ward	Clinic	Ward	Clinic
1	Ncembu and Umnga Flats	11	
2	Empilisweni and Ugie Town	12	Mangoloaneng

3	Sonwabile and Nqanqarhu Town	13	Seqhobong
4	Tsitsana and Ulundi	14	Bethania
5	St. Augustine and Ngxaza	15	
6	Mqokolweni and Queen Noti	16	Hlankomo
7	Katkop, Hlangalane and Khungisizwe	17	Gqaqhala
8			
9	Taylor Bequest PHC		
10			

Poor acces roads make it difficult for Mobile clinics to get to their treatment points. There are on-going District Health Council (DHC) meetings which are held monthly in order to discuss plans to roll out primary health care facilities for better and equitable access. Possible extensions to the Ugie Clinic with a view to transforming it to a 24-hour facility/health center are as reportedly being considered by the provincial Government. Park homes are to be erected in Ugie Town as a temporary measure to accommodate space needed in clinic.

Challenges that characterize the functioning of some health facilities in Elundini include, but not limited to, the following:

- Shortage of staff especially Operation Managers (to take leadership in clinics) and Post Basic Pharmacists (Only 10 out of 21 clinics has Post Basic Pharmacists)
- Lack of running water;
- Poor connectivity
- Poor access roads;
- Lack of electricity – Load shedding, clinics have no backup

Conditions of health care facilities

a. Maclear Hospital

- Maclear Hospital has 48 Gazzeted beds
- Infrastructural this institution is not conducive for the clients as Casuality and OPD are too small.
- Security is so compromised in terms of fencing
- Wards were reduced to accommodate COVID 19 clients

b. Taylor Bequest Hospital

- TBH has Gazzeted 141 beds but usable 146 beds
- This is an old hospital and infrastructural is not in a good condition.
- No staff accommodation as they use caravans to accommodate themselves and some doctors are using private accommodation in Tlokoeng and others in Matatiele.
- Road in the hospital is damaged and that cause difficulties even in ambulances and wheel chairs to be driven properly.

c. Clinics

- Umnga Flats
- Ugie Town
- Mqokolweni
- Mangoloaneng

- Maclear Town
- Taylor Bequest PHC
- Queen Noti

The above mentioned facilities are too small to a accommodate their population as during busy day other clients wait outside regardless of the weather conditions.

d. Most prevalent diseases in the Sub-District

- Diabetes
- Hypertension
- Teenage pregnancy is also a problem although it is not a medical condition

e. Challenges in rendering Health Services

- The small facilities cannot accommodate all the clients as social distance still needs to be practiced.
- Some wards in the area do not have health facilities and they depend on Mobile Services which don't meet turnaround time due to the vastness of the Sub-District and the conditions of roads but this matter is usually communicated with Traditional Leaders & Ward Councilors.
- There is no space to accommodate transfer whom have to be transported to Nelson Mandela Academic in Mthatha but they normally sleep over in OPD in chairs depending on the condition and the age of a patient.
- Maclear Hospital is not accredited for 72 hour observation for Mental Health Care patients.
- Taylor Bequest PHC, Ugie Town Clinic and Nqanqarhu Town Clinic structural does not cope to the client's load as they have to wait outside as the waiting areas are not accommodative.
- Ulundi Clinic does not have electricity and that pose challenge as other equipment cannot be used.
- Shortage of staff for Outreach services.

2.5.4. HIV and TB

HIV/AIDS and TB undermine economic productivity, exacerbate poverty and strain health care systems, making them critical for municipal planning. The municipality has to tailor interventions to local needs, addressing high risk groups such as youth for an example. Effective HIV/AIDS and TB require collaboration across health, education, social services and economic development sectors all coordinated in intergovernmental platforms.

2.5.4.1 Municipal Mandate on HIV/AIDS

Elundini local municipality has the responsibility of playing a role in addressing HIV/AIDS, this mandate is based in their broader constitutional and legislative responsibilities for promoting public health, social services and community well-being. Section 154 of the Constitution assigns municipalities the responsibility to provide basic services and promote safe and healthy environment. This includes supporting public health initiatives, such as those addressing HIV/AIDS and TB Municipal Systems Act, mandated municipalities to develop Integrated Development Plans, which must address community needs, including HIV and AIDS programs, including strategies to tackle HIV prevalence, awareness, and support for affected communities.

2.5.4.2 Elundini municipal response to HIV&AIDS

The municipality set aside budget to ensure coordinated response to HIV/AIDS through the ELundini Local Aids Council. The Elundini Local Aids Council is a multisectoral platform created to ensure an integrated response to the pandemic and it meets quarterly. All relevant stakeholders in the fight against HIV/AIDS and TB are represented in the LAC. Furthermore,

the municipality financially and functionally supports 17 Home Community Based Care organisations (HCBC's) on a quarterly basis.

The HCBCs are expected to deliver the following services:

- Conduct education and awareness programs at ward level targeting different sectors and door to door.
- Disseminate information during community events including sport.
- Act as information centres at ward level for HIV/AIDS and related issues.
- Keep records of all activities happening at ward level.
- Provide care and support for orphans and vulnerable children.
- Develop database for OVCs
- Make referrals to relevant institutions including clinics and departments.
- Shall take all the necessary steps to ensure that People living with HIV/AIDS have access to treatment, care and support they deserve.
- Create a support system for people living with the virus.
- Establish and strengthen the support groups for the infected and that affected.
- Enhance the image and status of the infected and affected within the communities.
- Facilitate provision of social relief systems to support OVCs
- Facilitate the establishment of Ward Based- Child care forums to provide care and support to OVCs.
- Mobilize and educate communities to ensure support and care for the OVCs.
- Educate communities about the availability and accessibility of services catering for OVCs.

Joe Gqabi is currently at 91-73-73 in terms of performance against 90-90-90 across its total population. The District is ranked 3rd out of the 8 districts in the province against 90-90-90. Results for each of the sub-populations vary, with adult females at 93-78-76, adult males at 89-67-68, and children at 77-52-52. For adult males and females, focus must be placed not only on initiation onto ART, but also on ensuring that clients are retained in care. There is a growing number of adults who have been previously diagnosed, but are not on ART.

This includes those who had started ART and defaulted, as well as those who were never initiated. The results do show, that for women who remain on ART, suppression rates are higher.

There are gaps across the cascade for children under 15 years. Case finding, ART initiation and retention have all underperformed and should be addressed through focused interventions. To achieve 90-90-90 targets, the district must increase the number of adult men on ART by 2019, the number of adult women on ART by 2131, and the number of children on ART, by 969, by December 2020.

2.5.5. Safety and Security

The fight against crime remains a challenge in the municipality and this is exacerbated by a very few numbers of police stations found in our area. Even those that are available, accessing them remain a challenge because of poor road infrastructure and poor telecommunication.

There is an integrated Community Safety Forum chaired by Political Head responsible for Community Services which sits quarterly 1st quarter June 2025, 2nd quarter September 2025 3rd quarter November 2025 and 4th quarter February 2026. The municipality is intending to develop the safety audit plan for 2025/2026. The social crime prevention audit plan will

assist or focuses on addressing the root causes of crime, such as poverty and social exclusion by understanding the underlying factors, we will develop effective strategies to prevent crime and build a safer community. Under this crime prevention program Ugie, Nqanqarhu and Tlokoeng the affected area through relevant stakeholder will nominate a leading police station that will be informed by a safety audit. During the year under review Department of Community Safety saw a need of workshopping all ELM stakeholders that constitute the community. By introducing safety audit plan, the municipality is building trust and relationships between law enforcement and the community that will assist in reducing crime, create a safer environment for everyone and benefit of reducing crime can lead to economic growth and development.

Currently ELM does not have an Integrated Safety audit Plan, however in response to the Integrated Safety Plan the municipality works with SAPS and other stakeholders to perform the following operations:

- Traffic department conduct Roadblocks with Saps and provincial traffic department.
- Traffic department conduct road safety awareness campaigns with the following stakeholders, Saps, provincial traffic department, road safety, public transport compliance and other sector departments.
- Home affairs conduct foreign screening through public safety operations with police officials, ELM law enforcement and environmental health practitioners etc and these joint operations are continuing for the next financial year 2025/ 2026.

There are only eight (8) police stations in Elundini as indicated by the table below:

Table 19: Ward with police stations

Police Station/Community Service Centre	Area
Ugie	Ward 2
Nqanqarhu	Ward 3
Elands' Height	Ward 4
Katkop	Ward 7
Mbizeni	Ward 8
Tlokoeng	Ward 9
Tabase	Ward 13
Zamuxolo	Ward 14

2.5.5.1 Crime statistics in Elundini

As reported by Department of Community Safety, out of the eight (8) police stations, four (4) stations experience highest crime statistics as shown in the table below.

Table 20: Crime Statistics

AREA	CRIME CATERGORY	TYPE OF CRIME	PERCENTAGE
Tlokoeng	Contact Crimes	Murder	29%
		Rape	42%
		Sexual Assault	12%
		Assault GBH	33%
		Assault Common	
		Robbery Common	30%
		Robbery AGG	34%
	Property Crimes	Burglary Residential	31%
		Burglary Business	62%
		Stock Theft	41%
		Theft out of M/V	69%
	Trio Crimes	Business Robbery	40%

		House Robbery	
Nqanqarhu	Contact Crime	Murder	12%
		Attempted Murder	33%
		Rape	38%
		Sexual Assault	50%
		Assault GBH	35%
		Assault Common	24%
		Robbery Common	60%
		Robbery AGG	38%
	Property Crimes	Burglary Residential	60%
		Burglary Business	26%
		Stock Theft	20%
		Theft out of M/V	15%
	Trio Crimes	House Robbery	28%
		Car Hijacking	67%
		Cash in Transit	50%
Ugie	Contact Crimes	Murder	42%
		Attempted Murder	50%
		Rape	8%
		Sexual Assault	38%
		Assault GBH	23%
		Assault Common	27%
		Robbery Common	10%
		Robbery AGG	29%
	Property Crimes	Burglary Residential	67%
		Burglary Business	6%
		Stock Theft	10%
		Theft out of M/V	8%
	Trio Crimes	Business Robbery	60%
		House Robbery	43%
		Car Hijacking	33%
		Cash in Transit	50%
Ngqayi	Contact Crimes	Murder	17%
		Attempted Murder	17%
		Rape	12%
		Assault GBH	9%
		Assault Common	6%
	Property Crimes	Burglary Residential	2%
		Burglary Business	6%
		Stock Theft	29%
		Theft out of M/V	8%

Source : Extract from the JGDM IDP REP Forum presentation (13 March 2025)

2.5.5.2 Strategies To Combat Crime

- Weekly Zone Operations (Vuthu hawe/ Sikhona) headed by zone commanders are conducted in high crime stations.
- Weekly High-Density operations (Shanela) are conducted in high crime stations by the Acting District Commissioner.
- Stop and search operations are conducted to ensure that firearms and dangerous weapons are confiscated.
- Liquor operations are intensified to ensure compliance in legal liquor outlets and closing of illegal liquor outlets.
- Increase compliance inspections on all Spaza shops and Foreign Nationals owned shops and Integrated Joint operations with all disciplines and departments.
- Community Engagements, Community Outreach/ Imbizo and door to door campaigns are conducted in hot spot areas.

- Intensify visits at schools, churches and elderly woman/ vulnerable people to reduce incidents of GBV and crimes against woman and children.
- Proper docket analysis in all registered robbery cases and proper crime scene management in order to determine date, time and place for maximum impact during deployment, identify trends, modus operandi & groups/ syndicate involved.
- Conduct intelligence led operations with specialized units in hot spot areas to apprehension of suspects where crimes occurred.

2.6 Basic Service and Infrastructure Development

2.6.1 Road infrastructure Overview

The Elundini Local Municipality (ELM) has a road network extending approximately 2,336.4 km, comprising national, provincial, municipal, and private (farm) roads.

Table 21: Composition of Road Network in Elundini

Road Authority	Road Length (km)
Municipal Roads	780,1
Provincial Roads	1183,8
National Roads	175,7
Private Roads (farms)	196,7
Municipal Roads	780,1
Provincial Roads	1183,8
TOTAL	**2336.4**

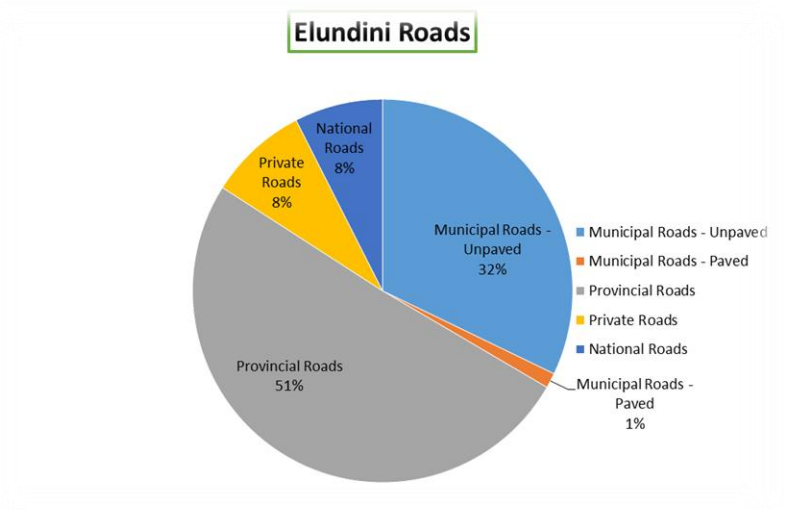


Figure 8: Elundini Roads

Elundini Municipality is responsible for 750.4 km of municipal unpaved roads and 29.8 km of municipal paved roads.

2.6.2 Municipal Road Network Composition

The Elundini Local Municipal Road network is comprised of 780.13km of road infrastructure varying from block paved (0,5%), concrete (0.3%), Tarred (3%), Earth and track roads (28.9%) and mostly gravel access roads (67.3%). Categorised as follows:

Surface types of municipal roads

Road Type	Category	Length (km)	Percentage	Backlog in km (As of June 2025)
Tar	Surfaced	23.441	3%	225 km (Earth & Track Roads)
Block Paved	Surfaced	4.145	0.5%	
Concrete	Surfaced	2.153	0.3%	
Gravel	Un-Surfaced	525.04	67.3%	
In Situ/ Earth		39.87	5.1%	
Tracks		185.48	23.8%	
Total		780.13 km		225 (28.9%)

2.6.3 Municipal Paved Roads

Paved roads account for approximately 3.8% of the municipal network, mostly located within towns and townships.

Table 22: Number of paved roads

Type of Road	Number of Kilometers
Tar	23.441 km
Block pave	4,145 km
Concrete	2,153 km
Total	29.7 km

Many tar roads have exceeded their useful life, exacerbated by increased heavy-duty traffic and adverse weather. In response, the municipality is prioritizing the use of block paving for new road surfacing due to its durability and lower maintenance needs.

2.6.4 Municipal Unpaved Roads

These roads account for 67.3% of the roads under the municipality's authority. These are the primary roads that connect our villages to the district roads and national roads.

The table below depicts the number of Elundini's unpaved roads:

Table 23: Municipal unpaved roads

Type of Road	Number of Kilometres	Backlog
Gravel roads	525.04	225 km
Earth/Insitu	39.87	
Tracks	185.48	
TOTAL	750.4 Km	

The last comprehensive road assessment was conducted in 2017 under the RRAMS initiative. A new assessment is underway via a Roads and Stormwater Master Plan implemented by the ELM PMU, expected for Council adoption in FY 2025/26.

2.6.5 National Roads

These roads are used by heavy freight vehicles and the timber haulage vehicles which have a significant impact in the deterioration of the road pavement design. Historically, funding constraints limited road rehabilitation on national routes. However, the South African National Roads Agency (SANRAL) now maintains these roads.

Elundini Local Municipality has community development project that is implemented by SANRAL from Maclear Public School to Chebenca SPS. The municipality, under the Welisizwe Program, is implementing two bridges in partnership with the National Department of Public Works (NDPW).

Significant upgrades have been undertaken on the R56, which traverses the municipality from south to north, linking Ugie, Nqanqarhu, and Tlokoeng. Further maintenance on the R396 (connecting Nqanqarhu to Tsolo) is anticipated.

2.6.6 Provincial Roads

Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads), DR (District) roads and MM (Minor) roads. In 2024/2025 financial year the Department of Transport implemented the following road maintenance projects: -

Grading and Re-gravelling: DR08074 (Mount Fletcher – Tabachicha – Xaxazana), DR02867 (Ugie – Gqaqala), DR08474 (Mount Fletcher – Katkop), DR08414 (Mount Fletcher – Chevy Chase), and DR08204 (Maclear – St. Augustine).

Bridge and Stormwater Maintenance: DR08018 (Mbizeni), DR08075 (Tinana Bridge), DR08204 (St. Augustine).

P**lant Hire for Re-gravelling**: Implemented on DR08074.

Blading: Carried out across various ELM roads.

No funding has been provided for the maintenance of Minor Roads.

Table 24 : Length of Provincial Road newtworks

	National Roads	Surface Trunk Roads	Surfaced Main Roads	Unsurfaced Main Roads	Surfaced District Roads	Unsurfaced District Roads	Minor Roads	Municipal and Access Roads	LM Total Length (km)
Elundini	138.89	-	51.98	96.46	37.45	593.49	526.49	671.38	2 166.14
District Total	653.80	46.40	184.84	737.32	138.09	3 190.98	2 985.47	2 886.91	10 823.82

Source : Extract from the JGDM IDP REP Forum presentation (13 March 2025)

2.6.6 Road mantainance

A number of 980 km of gravel roads was maintained and reshaped in various wards of Elundini Local Municipality and 15 897.5 m^2 of surfaced road. Also, a total of 29 000m of Stormwater drainage was maintained. A number of 717, 94 km of District roads were constructed by Department of Transport. Target for 2023/24 was 150km, in 2024/25 the target was 90 kms and in 2025/2026 the planned target is 100kms.

a. Condition of Gravel Roads Assessed

Results from the road assessment in 2017 the municipality received a second set of roads assessment. It must be understood that another assessment is required to establish current road conditions. As the budget for assessment of our roads is with the district municipality, we are expecting our roads to be assessed either in this financial year.

b. Documentation which Influences the Construction and Maintenance of Roads

There are a number of documents which set guidelines to both the PMU Section and the Roads Section when constructing or maintaining roads. They are: -

2.6.7 Local Integrated Transport Plan (LITP)

The Local Intergrated Transport Plan currently needs to be reviewed to include all stakeholders involved.

Minimum contents for a Local Municipality's Integrated Transport Plan:

- The ELM Local Integrated Transport Plan (LITP) is prepared for every five years and submitted to the district municipality. The plan should be updated annually where appropriate;
- The plan has been prepared as an input to the District Integrated Transport Plan (DITP) and synchronised with the timing of the preparation of the DITP. The LITP must consist of the chapters as indicated below:
    I. Introduction
    II. Transport Status Quo (Inventory and condition of transport infrastructure)
    III. Transport Needs Assessment
    IV. Transport Improvement Proposals
    V. Implementation budget and program
    VI. The LITP is a working document in which changes are made and updated on an annual basis.
    VII. The LITP is a comprehensive document and it identifies a number of projects that are required to be completed internally.
    VIII. The LITP incorporates the Roads Master Plan which is linked to the municipality's LED Strategy.

2.6.8 Storm Water Master Plan (SMP)

The master plan was developed in conjunction with Aurecon who was contracted to develop the municipal stormwater management plan. This is being utilised during the construction and upgrades of the roads network will continue in all future roads and stormwater projects. The municipality in the 2024/25 financial year embarked on a project to update the Road and stormwater master plan which is envisaged to be submitted to council in the 2025/26 FY.

The main aims of developing the R&SMP are, among others are:

i. Update the existing records of infrastructure assets
ii. Manage roads and storm water assets
iii. Identify problems or problematic areas within the roads and storm water systems
iv. Develop a rational basis from which to implement improvements
v. Develop roads and storm water guidelines and standards for future work

c. Roads Asset Management Policy

The roads asset management policy was adopted by council of Elundini, the municipality is in the process of reviewing the policy. The document strives to address the issues identified in ISO 55001 that need to be addressed in an Asset Management Policy namely:

i. are appropriate to the purpose of the organization
ii. provide a framework for setting asset management objectives
iii. include a commitment to satisfy applicable requirements
iv. Include a commitment to continual improvement of the asset management system.

The road infrastructure asset management policy shall:

i. be consistent with the organizational strategic plan(s)
ii. be consistent with other relevant organizational policies
iii. be appropriate to the nature and scale of the organization's assets and operations
iv. be available as documented information
v. be communicated within the organization
vi. be available to stakeholders, as appropriate
vii. be implemented and be periodically reviewed and updated.

The goal of our road infrastructure asset management policy is: *"To ensure that the Elundini Access Roads provide the best possible level of sustainable service to users and optimal economic growth of the ELUNDINI LOCAL MUNICIPALITY, subject to budget constraints."*

2.6.9 Road Maintenance Plan

The Elundini Local Municipality has recognised the need to develop a comprehensive Roads and Storm Water Maintenance Plan that provides a structure within the municipality to strategically budget for maintenance of its roads and storm water infrastructure. The purpose of the Maintenance Plan is to provide the Municipality with a broad overview of the Maintenance Strategy and how this is accommodated within the allocated budget. This plan is done on an annual basis taking into consideration available funds and infrastructure condition in critical areas. The following are the main items that are taken into consideration when developing the Maintenance Plan:

i. Assessing the road network in order to quantify the required road maintenance activities,
i. Developing a preliminary road maintenance strategy,
ii. Develop a priority list of work to be conducted which is acceptable to all stake holders to suite the available budget, and
iii. Social requirements of the community.

Activities of Road Maintenance are listed below: -

(i) Paved (Tar) Roads: -
   a) Pot Hole Patching
   b) The application of a slurry to the road to seal cracks
   c) Maintenance of associated storm water

(ii) Gravel Roads (these roads have existing storm water infrastructure):
   a) Dry Blading
   b) Wet Blading
   c) Special Blading
   d) Patch Gravelling
   e) Maintenance of associated storm water

f) Rehabilitation of the road by rip, reshape, compact and add a new gravel wearing course to the road

Any roads where there is no gravel on the road and requires the design of storm water infrastructure should be accepted as roads which require construction.

2.6.9.1 Funding for Road Maintenance

Rural access road maintenance funding remains a challenge. Previously, support was obtained through a Service Level Agreement (SLA) with the Department of Transport (DoT). However, this was discontinued from FY 2020/21. As per the revised Division of Revenue Bill, local municipalities must utilize RRAMS data for prioritizing road infrastructure investments. ELM is finalizing its updated Roads and Stormwater Master Plan, allowing for partial funding from the Municipal Infrastructure Grant (MIG).

d. Status Quo in the Roads Section

ELM operates a fully functional Roads Construction Unit equipped with plant machinery. However, operational and equipment challenges persist:

Table 25: Review Findings on assessment of the roads section

	Finding	Performance Area	Management Response Plan
1	Insufficient reserves built up for replenishing of the fleet	Financial performance	This remains a challenge majority of our plant is 15 years old, we are required to start replacing plant, we have planned to purchase Front end Loader and a new Excavator in 2025/26 financial year but additional plant will need to be replaced in future.
2	Deficiencies in preventative maintenance processes	Plant Productivity	In order to ensure preventative measures our mechanic and artisan aids check all plant on a fortnightly basis and reports are submitted to the Manager.
3	Duties and responsibilities on personnel involved in running the plant	Staffing	All operators are given a refresher course on the operating of plant every alternative year. The Foreman is to ensure that operators operate the plant according to the standard operating procedures.
4	Inefficient Records Management	Operations and Management	. The municipality is developing a system to record all maintenance activities and expenditure on site through the use of tablets linked to our GIS system. The section plans to take the technical staff to a refresher training for the use of GIS system and easyRAMS management system.
5	Deficiencies in completion of identified road maintenance plan and unrecorded deviations	Operations and Management	The department and the section are in the process of updating the roads Aseet management policy so to serve as a guiding document on the process roads maintenance and deviation approval process

e. Service Level Agreement between ELM and Dept of Transport (DoT)

Currently the municipality is utilising the public participation platform such as IDP Outreaches, IDP Rep Forums and community meeting to plan and report on transport facilities. There is also on-going consultation between the municipality and DoT regarding the implementation of roads projects in Elundini area. Previously, an SLA with the

Department of Roads and Public Works (DRPW) facilitated quarterly Roads Forum meetings and the use of EASyRAMS for maintenance planning, with the DRPW dissolved, and all district roads now under the DoT, the SLA was terminated in FY 2020/21.

2.6.10 Electrification

The municipality is distributing electricity to two of the three towns namely Ugie and Nqanqarhu in the south, with the whole of rural and Tlokoeng area to the north being supplied by Eskom. Access to electricity has progressively improved since the last financial years because there have been some areas around the municipality that have been electrified. This is an annual implementation of the Integrated National Electrification Programme INEP funded by Department of Mineral Resources and Energy (DMRE). INEP implementing agencies are Eskom, municipality and non-grid service providers. ELM bills its urban consumers of electricity on a monthly basis. ELM is in progress of implementing the Electricity Master Plan for both Ugie and Nqanqarhu towns.

a. Household Access to Electricity

The statistics as per Census 2022 for access to energy is as follows:

Table 26: Access to electricity

Type of Energy or fuel for cooking		Energy for lighting
Electricity from mains	17 042	37 218
Other source of electricity	200	99
Gas	15 693	182
Paraffin	4 373	864
Wood	18 373	-
Coal	70	-
Animal Dung	93	-
Solar	114	810
Other	49	30
Candles	-	1 941
Total		

Source: Census 2022

b. Electricity Distribution Licence

The municipality holds a distribution license issued by NERSA for various townships in Ugie Town, the town of Ugie itself, Nqanqarhu Town, and its surrounding townships. The municipality is solely responsible for public lighting in Tlokoeng Town. The municipality has also approved the implementation of the Solar Water Heating Systems (Solar Geysers) for low income households.

Over the years, the municipality has experienced distribution losses that exceed the acceptable norms. To address this issue, one of the key interventions being implemented is the installation of smart meters, aimed at reducing these losses.

c. Electricity Backlogs

ELM is about to declare a universal access in terms of electrifation, the total number of housesholds is 58 564, the total number of electrified households is 54 469 with a number of 4 095 that are not yet electirified. The total backlog for electrification is at 6%, the backlog is caused by the infills as the most households have been electrified. In partnership with Eskom, the municipality is actively working to eliminate the electrification backlog within the Elundini Local Municipality. As part of this collaboration, the municipality undertakes the electrification of villages and subsequently

hands over the completed projects to Eskom for operation and maintenance. The table below depicts the status quo of the electricity in the Elundini area per ward:

Table 27: Electricity backlog

Ward	Number of Villages	Total Households	Electrified	Not Electrified	% Not Electrified	
						Elundini LM
1	12	2 823	2 635	188	7%	
2	7	3 275	3 275	0	0%	
3	12	2 381	2 220	161	7%	
4	21	2 336	1 797	539	23%	
5	15	2 712	2 348	364	13%	
6	10	4 968	4 132	836	17%	
7	24	3 378	3 100	278	8%	
8	21	2 502	2 499	3	0%	
9	6	2 354	2 354	0	0%	
10	15	3 962	3 470	492	12%	308
11	16	3 065	3 054	11	0%	
12	12	4 430	4 420	10	0%	
13	10	2 773	2 456	317	11%	
14	15	2 708	2 700	8	0%	
15	10	8 071	7 520	551	7%	
16	25	3 960	3 800	160	4%	
17	16	2 866	2 689	177	6%	
TOTAL	**247**	**58 564**	**54 469**	**4 095**	**6%**	**308**

Eskom Electricity Backlog

Municiplaity	Eskom electrified	Historical Backlog	New Extensions (based on current and 10yr projection)	Total Backlog (based on current and 10yr projection)
Elundini LM	33634	0	7774	7774

d. Solar Water Heater Geysers

The municipality has also approved the implementation of the Solar Water Heating Systems (Solar Geysers) for low income households in the following areas:

Table 27: Installation of Solar Heating System

Township	No of Beneficiaries Submitted
Bhekela	343
Takalane & Robben Island	370
Mandela Park	273
Ntokozweni	460
Old Location Ugie	255
Ugie Park	1 212
Vincent Park	270
Nqanqarhu	19
Ugie	2

Greenfields	410
Ntokozweni (Ugie)	460
Landcamp (Ugie)	382
Clearview (Nqanqarhu)	29
Soccerfield (Ugie)	74
Sithole Park (Nqanqarhu)	151
Sonwabile (Nqanqarhu)	542
Ugie Town	2
Tlokoeng	284
JK Bokwe (Ugie)	72
TOTAL	5 610

2.6.10.1 Energy Efficiency and Demand Side Management

The municipality benefited from the Energy Efficiency Demand Side Management (EEDSM) Grant, funded by the Department of Mineral Resources and Energy, from the 2018/19 to 2021/22 financial years. Currently, the municipality is not receiving funding through this grant. However, it intends to submit a proposal for energy efficient projects during the next application window for the 2025/26 financial year.

a. Enrolment of Small-Scale Embedded Generation (SSEG) Transition in our Municipality

Due to increases in the price of electricity from the national grid and a steady decline in the price of decentralised generation options such as solar PV small-scale embedded generation (i.e. 'rooftop' type systems), decentralised generation sources such as SSEGs are becoming financially more attractive in South Africa. Increasingly such systems are being installed by businesses and residences. It is therefore important that approval procedures are established and standards are adhered to by municipal distributors to regularise this fast-changing situation. Considering these dynamics, municipalities are compelled to re-define their role in the electricity value chain and adapt their funding and operating models. The South African – German Energy Programme (SAGEN) in cooperation with the Department of Energy (DOE) and the South African Local Government Association (SALGA) is providing technical support to municipalities on aspects of this transition. The Council for Scientific and Industrial Research (CSIR) and Sustainable Energy Africa NPC (SEA) are implementing partners on the SAGEN programme and are focusing on the safe integration of Small-Scale Embedded Generators (SSEG) into municipal infrastructure as well as the development of sustainable business models for municipal utilities. In this regard, our municipality has been granted support among other municipalities in the Eastern Cape in this transition. The SSEG policy and application procedure has been developing, pending Council approval for financial year 2024/25.

b. Support to Municipal Energy Management System

Since municipalities in South Africa differ widely in terms of their size, capacity and resources as well as their levels of awareness and implementation of energy efficiency measures. The project accommodated this by identifying three different "categories" of municipalities (Innovators – Aspirants – Beginners) and will implement different and adapted approaches of support suited to the needs of each. In this light, the South African-German Energy Programme (SAGEN)

GIZ and its partners, the Department of Energy and South African Local Government Association (SALGA) is supporting selected municipalities to enable them to implement municipal energy management systems (MEMS) within the operational structures of the municipality, with the aim to reduce their own consumption of electricity.

In this context, an Energy Management System (EMS) refers to a structured approach for identifying energy cost centres, measuring energy consumption, identifying opportunities for savings, planning and implementing energy-saving interventions, and monitoring and reporting their impact.

The Municipal Energy Management Systems (MEMS) programme provides dedicated support to Elundini Local Municipality in developing and implementing an effective EMS. The MEMS tool is designed to help municipalities systematically manage and reduce their energy usage. It enables the monitoring, control, and analysis of energy consumption across municipal buildings, street lighting, and other facilities—ultimately contributing to cost savings and improved sustainability.

Renewable Energy

As part of its commitment to exploring alternative energy sources, the municipality is in the process of conducting a feasibility study to determine the most suitable type of renewable energy for the Elundini Local Municipality. Although a bid for this study was advertised during the 2023/24 financial year, the evaluation and appointment process could not be completed due to financial constraints.

However, the municipality has since received a proposal from an Independent Power Producer (IPP) for the development of a wind farm intended to supply electricity to the licensed areas within Elundini Local Municipality. This proposal is currently pending approval from the relevant local authority.

Municipal Network

Elundini Local Municipality is committed to ensuring a continuous and reliable electricity supply within its licensed areas, in compliance with all relevant electricity regulations. To support this, the municipality undertakes quarterly and annual network strengthening and maintenance projects.

These capital and maintenance initiatives are funded through the Equitable Share (EQS) allocation. The table below outlines the capital expenditure incurred by the Electricity Division during the financial year 2023/24.

2.6.11 Water Services and Sanitation

WATER SOURCES	NUMBER
Regional / local water scheme (operated by the municipality / other service provider	14 738 578
Borehole	817 647
Spring	98 961
Rain-water tank	351 781
Dam / Pool / stagnant water	160 021
Flowing water / river / stream	337 093
Water vendor	316 720
Water tanker	712 066
Other	295 912

Source : Census 2022

It is clear from the statistics presented above that there are significant challenges in terms of ensuring that access to water for all households in Elundini is realized, some of the challenges include the following:

- Many areas in Elundini Local Municipality do not have access to piped water;
- Most urban areas in Elundini have access to water, but shortages are occasionally experienced in Ugie and Nqanqarhu;
- In Tlokoeng a borehole is being utilized which also results in occasional water shortages;
- Along with the issue of poor access to potable water is the need to improve water resource management;
- In the IDP ward analysis of needs identified that 50% of wards indicated that access to water or water supply was a service delivery issue.

The growth of towns such as Ugie is placing increased strain on the existing water infrastructure. Future growth will need to be supported by additional bulk water infrastructure. The insufficient bulk water and purification infrastructure is a significant constraint to future growth as any new residential, office or industrial development in Nqanqarhu, Ugie or Tlokoeng will require additional infrastructure investment. The situation within Tlokoeng is critical due to the current borehole system being unable to supply for the demand. Since the municipality is busy with the rollout of the Ward based Planning program in all its wards, more accurate figures of people with access to water will be available. The District has embarked on a process of formulating a District Water Forum which is responsible for the monitoring of the implementation of the Water Services Master Plan.

2.6.11.1 Sanitation

Elundini Local Municipality had a total number of 16 701 flush toilets (21.15% of total households), 14 868 Ventilation Improved Pit (VIP) (55.46% of total households) and 4 772 (15.66%) of total household's pit toilets, according to Census 2022, there is a backlog of 1 427 households with no toilet,

Table 28: Household type of Sanitation

Municipality	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	No toilet	Other	Total
Elundini	16 701	14 868	4 772	1 427	548	38 316
Total Joe Gqabi	67 124	30 508	15 411	4 254	968	118 265

Source: Census 2022

2.7 LOCAL ECONOMIC DEVELOPMENT

The LED Strategy was reviewed and adopted by Council in 2020. The revised Elundini LM's Local Economic Development Strategy 2019-2024 seeks to set out a strategic path and trajectory for local economic development over the next 5 years from 2019 – 2024. The model that has been utilised to review the strategy has six pillars such as implementation review of 2012-2017 LED strategy, the situational analysis which includes socio economic factors of the area including the sector based analysis in terms of its GGP contribution, Strength, weakness, opportunities and threats (SWOT) analysis for key economic sectors which are the focus on the future strategic framework for 2019-24, the strategic framework review, program and project focus implementation plan for the next five years and the institutional arrangement of the strategy implementation and monitoring and evaluation. The LED Strategy is being reviewed internally in the 2024/25 financial year. The review process is meant to ensure that the document incorporates recent developments in the economy and the country that might impact the local economy. This means it has objectives and strategies to reduce the unacceptably

high levels of poverty 75%, unemployment 40% and inequality as measured by the Gini Coefficient which is 0,60 for Elundini.

The review process of the strategy wil considered the key guiding principles of Local Economic Development set up by National Local Economic Development Framework with emphasis of a development approach, which works with National and Provincial Governments, Private sector, regional institutions, faith-based institutions, civil society and many others to fulfil a local vision of Economic Development hence the sources of information is not a result of only the LED unit but a:

- Consultative sessions with local stakeholders
- Statistics available (Formal publications & Reports)
- Previous implementation reports
- Consultative session with National and Provincial Department
- Interaction with all Municipal Department

The main strategic goal of the Elundini Local Economic Development Strategy is to attain a sustainable economic growth, with a growth rate of 1% which is characterised by increase in output, employment growth and increase in household income in urban and rural areas in the next five years. In order to change the present economic outlook of the local economies of Elundini, ten strategic issues have been highlighted:

1) The sector-based plans should be developed and be aligned to the local Economic Development Strategy.
2) Appropriate options for institutional arrangement of the implementation of the LED strategy should be recommended and implemented.
3) The focus of the strategy should be on labour absorbing sectors with potential to create more jobs
4) Programs with linkages with neighbour municipalities to take advantage of opportunities and encourage economies of scale should be encouraged.
5) The existing LED projects which were not fully implemented should be strengthened
6) and proper models and governance framework be encouraged, and new potential LED projects be initiated
7) Economic Infrastructure Development should focus on key infrastructure development programs which will link the local urban areas to the bigger towns and create conducive environment to local investors.
8) Private Public Partnership with National, Provincial, International partners should be strengthened
9) SMME development should be encouraged through tailor made programs of support and development
10) The skills development plan for Elundini Municipality is very critical tool to be developed to tackle the skills shortage in local areas.
11) A five-year project implementation plan which will yearly be reviewed with all contributing stakeholders should be developed.

The revised strategy is expected to keep its original 7 strategic goals strategic objectives which will be underpinned by various programs and projects such as follows:

1) Strengthen the contribution of the primary sector with the GGP of 1 % by 2029.
2) Increase local manufacturing sector contribution through Agro processing
3) Grow (Agri and Forestry) by 2 % by 2029
4) Increase local investment in economic infrastructure, land and property development by 2029
5) Strengthen the SMME development support programs to benefit individual businesses and cooperatives by 2029
6) Create enabling environment for retention, attraction and expansion of business through policy, by laws development and implementation by 2029
7) Develop and implement institutional arrangement for strategy implementation, monitoring and evaluation.

The successful implementation of the Revised LED Strategy will be underpinned by a commitment of both financial and non-financial resources by Local and District municipality, Provincial and National Government and Private sector. The ELM's Local Economic Development program focusses on the following areas:

2.7.1 Available Economic Infrastrucuture

Infrastructure affects growth through several supply and demand-side channels. Investments in energy, telecommunications, and transport networks directly impact growth, as all types of infrastructure represent an essential input in any production of goods and services. In addition, infrastructure can also reduce the cost of delivered goods, facilitate the physical mobility of people and products, remove productivity constraints, and increase competitiveness. The R56 National Road which connects the Eastern Cape to KwaZulu Natal Province through the towns of Ugie, Maclear and Tlokoeng. This road is generally in a good condition especially from Maclear to Tlokoeng.

The portion of this road from Elliot through to Maclear is currently underwent major refurbishments by the South African National Roads Agency (SANRAL). This road connects Ugie to the regional economic hub of Mthatha and also provides access linking the major economic hub of Mthatha to other major economic nodes like Bloemfontein and Gauteng. As previously articulated, the availability of these good roads facilitates access of goods and services through the Elundini, as well as other neighbouring areas. There are however lots of other gravel roads which are provincial and municipal roads which are not always in good condition because of constant rains and floods which have characterised the area of the last few years.

There is also a planned major infrastructure investment in the area as well as in the neighbouring Mhlontlo Municipality in the form of the Ntabelanga Dam on the Tsitsa River. The dam is expected is expected to be a multibillion. Major developments like this one tend to have multiplier effects into other economic sectors such as housing, accommodation, food, catering and agriculture. This investment is also expected to create hundreds of jobs for locals during the construction phase. After construction the government will be able to supply much needed basic services like water and sanitation services to villages in the area. The agricultural sector is also expected to benefit from the availability of water for irrigation services from a stable and reliable source.

2.7.2 Mechanisms for business attraction and retention

Elundini is one of the small and rural municipalities in the Eastern Cape with a low GDP and the government is the major provider of employment. There is a challenge in the attraction of investments as most of the land is privately owned, however some mechanisms can be put into action by ensuring that the municipalities utilise the resources that available. The Elundini Municipality can achieve this through the implementation of the following projects

- Community skills development- Local Economic Development to work with the SETAs to implement additional skills development programmes for the community. Where possible, this is to be informed by a community skills development plan.
- Locally biased procurement – The municipality is already targeting that 50 percent of its procurement for construction should be on local contractors as part of its Sub Construction Plan. Ideally this targeting of local SMMEs should be applicable to other sectors such as manufacturing of clothing and textiles to be used by the municipality.
- Review of Informal Sector Policy. The municipality does have a Container Traders Policy in place. However, this policy needs to be reviewed to ensure that it captures the current dynamics of the informal trader's market. Local Economic Development needs to spearhead this process. The department has also developed a Street Trading By Law so as to enable the municipality to enforce compliance by local street traders, This By Law is expected to be implemented in the 2025/26 financial year after it has undergone approval by the relevant structures.
- Business Compliance. Business Licencing is already coordinated by the SMME Division within LED. However, it is important that the critical stakeholders within the municipality LED, FIRE, BUILDING REGULATIONS as well as external stakeholders HEALTH (District) and IMMIGRATION (Home Affairs) and South African Police Services need to hold regular operations to enforce compliance by local businesses.
- Land Audit of municipal properties. An audit of municipal land was already completed in 2020/21. However, this information now needs to be packaged and advertised for commercial and residential buyers. This will enable development to occur in the local municipal area.
- The municipality also needs viable business formation for engagement of issues that affect businesses in general or sector-based forums that cater for the needs of a particular sector.

2.7.3 Formal and Informal Trade Development

ELM recognizes the key role that informal trading plays in poverty alleviation, income generation and entrepreneurial development and, in particular, the positive impact that informal trading has on historically disadvantaged individuals and communities. The Municipality will continue playing its central role in supporting the employment and economic initiatives of micro-enterprises, and prioritize the informal economy in its local economic development strategies. In the next five years the municipality will be developing guidelines to adopt a more developmental approach towards the informal economy and review the by law which related to street trading/ informal trading. The Formal & Informal Business Regulations Compliance which focuses on ensuring that businesses have the necessary permits and licenses to conduct their operations within the legal framework will remain as a focus in trade management. The municipality is also contributing in the sector by ensuring that the three towns have the main street trading zones in place and also provides infrastructure to the traders.

2.7.4 SMME and Cooperative Development

The National Business Act defines the small business as a separate and distinct business entity including cooperatives and the non-governmental organization's managed by one or more owners. As per the act they are categorized into four such as the micro enterprises, very small enterprises, small enterprise and medium enterprises. Presently the SMME sector is not sustainable, it operates on a survival basis rather than growing the enterprises to create sustainable employment opportunities. ELM has begun a process of creating a necessary infrastructure to support SMMEs to operate on a platform that will grow their businesses to enter the formal sector of business. Furthermore, the ELM will work on providing programs to equip SMMEs with critical skills to become more competitive and sustainable.

This will concentrate on:

- Programs for separate segments as per the act;
- Policy development and review;
- Nonfinancial entrepreneurial support initiatives with a particular focus on entrepreneurial training;
- Research on specific sectors and the role of SMMEs in building partnerships
- Business network development and support;
- Capacity building initiatives;
- Public private partnerships for sector development

The municipality has committed itself to sustainable and meaningful socio-economic transformation of the construction sector, it has put in place a construction procurement strategy to implement in the next five years which is aiming at growing the local construction grades. A local association has also been established which serves as a voice of the sector to the municipality. The local contractor development programs developed by the municipality is being implemented and it has been also embraced by other government institutions who are working with the municipality to support the local contractors. The municipality will do the sector analysis report to reflect on the impact that is made by government as a whole in the growth of the sector.

2.7.5 Property Development

Property development aims to increase value of the Elundini Municipality land portfolio and generate long term recurring income for Elundini, by facilitating development of Council owned land by third party private sector developers, through private partnerships. Discussion are underway between ELM and the Department of Public Works to develop land owned by the state within Elundini. Development facilitation includes project packaging, project preparation, development contracting & actual development. The municipality will:

- Brand strategic municipal and state-owned land;
- Acquire tittle deeds for all municipal owned land that has been identifies for strategic development to expedite property development transactions;
- Revenue maximisation;
- Leveraging of private sector investment

The municipality has enhanced this function with the appointment of a skilled Project Officer in property development. The intention of the municipality going forward is also to empower municipal personnel within the LED section to effectively manage and develop municipal-owned properties. The municipality is facilitating, through its supply chain

process, commercial developments in Tlokoeng and Nqanqarhu. It is also focusing on housing development programs through the department of housing, JoGeda whilst some are directly facilitated by the municipality.

2.7.6 Industrial Development

Rural industrialization means focus on promoting the rural based industries by involving local people, resources and expertise or exploring the new business opportunity related with available resources in that particular rural area or cluster in a professional way. Primary beneficiary must be local farmer, artisan and labour in small or medium enterprise establishment in the rural areas and also support the local eco-system and economy. The basic purpose of rural industrialization is to create alternate model for overall development of rural society to avoid over dependency on farming by utilizing available opportunities to establish small and medium industries.

ELM will concentrate on a three-way approach which will help in exploring the rural industrialization, and they are:

i. Agriculture diversification by exploring the opportunities by farming a completely new range of grains, fruits or vegetables;
ii. Establish agro-food processing initiatives; and
iii. Non-farm product business establishment by promoting suitable rural enterprises

2.7.7 Types of Rural Industry available in Elundini (Competitive and the Comparative Advantages)

There are various types of rural industrial possibilities present in Elundini rural areas such as:

2.7.7.1 Agro Based Industries

This industry is related with the processing of agro products such as wool, fruit, oil from oil seeds and other related processing from raw agro products.

2.7.7.2 Forest Based Industries

There are possibilities to establish industries related to wood products, bamboo products, honey, preparing manure from plant leaves, herbal medicines production and others.

2.7.7.3 Mineral Based Industries

Minerals identified in the rural areas should be primarily processed in the nearby villages and therefor creating industries within the rural areas.

2.7.7.4 Arts and Craft Industry

Industries like handloom, handicraft and other local artisan product manufacturing have immense potential to become professionally managed as a small and medium industry. There is a considerable high demand in the market for traditional handloom and handicraft products and a tie-up in between local artisan and private SMEs can create a scope for small or medium scale industry in the rural areas for better growth. ELM has developed a Craft and Art Centre in Tlokoeng which started its operation in 2016 as a centre of support to the Art and Craft industry.

2.7.7.5 Renewable Energy Industry

Rural areas can be converted into industry hub for producing renewable energy by setting up of commercial alternative energy plant. The municipality will develop a renewable energy strategy which will guide the municipality of the enterprises that it should pursue in the sector.

2.7.7.6 Agriculture Development

ELM intends to use the partnership it has with Chris Hani CDC and Joe Gqabi Development Agency to attract a direct foreign investment with Argentinians and other countries. The investment aims at both extensive and intensive farming as well as livestock development. ELM and the local farmers will enter into partnership agreements that will allow large

scale production which will include local processing as well. Estimated total hectares to be planted in the next five years is 30 000 for the district of Joe Gqabi and 15 000 for Elundini municipality. The Ugie Industrial park will serve as a processing site for the commercial production. The intention of the municipality, though, is to have Industrial development site in each of the three towns. Whilst the municipality supports the strategic initiatives which aims in promotion of commercial agriculture, with the aim to increase its local production and creating better jobs in the sector (RAFI), it has also partnered with the National Department of Rural Development on the programs that will sustain the food security which will also be integrated into the bigger production (1HA/1 Household).

The municipality will through its political leadership champion rural development programs that seek to alleviate poverty by targeting rural household leaving below the poverty levels. The program will concentrate on development of Farmer Support Centres that serve economic and social needs of the community as well as extensive and intensive agricultural activities. The table below depicts number of stock ownership and the type of agricultural activity undertaken in Elundini according to Community Survey 2016:

Table 29: Stock ownership

Agriculture	2016	
	Number	Percent
Agricultural households	15 209	42.5%
CATTLE		
1 – 10	5 547	75.5%
11 – 100	1 708	23.3%
100+	89	1.2%
TOTAL	7 344	100%
SHEEP		
1 – 10	1 778	30.2%
11 – 100	3 841	65.2%
100+	271	4.6%
TOTAL	5 890	100%
GOAT		
1 – 10	2 776	55%
11 – 100	2 226	44.1%
100+	46	0.9%
Total	5 048	100%
TYPE OF AGRICULTURAL ACTIVITY		
Livestock production	11 518	84.5%
Poultry production	10 549	81.1%
Vegetable production	4 730	52.3%
Other	5 145	15.3%

2.7.8 Tourism Development

Tourism as an economic sector has a potential to grow the local economy and create sustainable jobs and entrepreneurial opportunities. The municipal LED section has created internship posts to provide students who studied Tourism to get the necessary experience required for their studies and this in turn gives the municipality the necessary resources to keep the Tourism Information Centre on weekends opened. ELM in partnership with Elundini Tour guides are in the process of conducting awareness's in all the wards with attractions that were identified during the ward-based plan outreach.

Various other programs offered by IDC through the national department of tourism will be introduced to the owners of the hospitality facilities.

During the process of developing ward based plans, a number of tourist attractions sites were identified and the Tourism Unit with LED Section is engaging with ward councillors to identify even more attractions that will be used in the tourism marketing material. The LED section will resource itself through the budgeting process to enable it to empower start-up entrepreneurs and community-based organisations within the tourism industry. ELM also provides financial and non-financial support to community initiatives that are tourism related and have a potential to empower local communities. ELM plans to actively participate in the tourism routes like R56 Route, Madiba Corridor, Maluti Route and any other initiatives in partnership with neighbouring municipalities and the district municipality that have been established.

ELM is also looking at exploring other funding opportunities that made available by various government departments and agencies in order to address the following challenges:

- Limited funding from municipal resources for tourism;
- Tourism education, training and awareness;
- Protection of the environment;
- Tourism infrastructure, particularly in rural areas;
- Marketing material

The Municipality has renovated its Tourism information Centre and resourced it to be able to respond to the tourists coming into the area from national international. The National Department of Tourism

2.7.9 Local Economic Development Forum

At the moment the LED Forum for Elundini Local Municipality is not functional. However, the LED Strategy does recommend the revival of such a forum to monitor the implementation of LED programmes and projects. The municipality however does have functional sectoral forums like the Contractors Forum, the Agricultural Forum, the Local Tourism Organisation, the Informal Traders Forum, and the Business Chamber. These forums provide an opportunity for the various economic sectors to engage with the municipality on pertinent issues relating to the specific sector. The Joe Gqabi District Municipality is in the process of resucitating the District Support Team, which is a forum of LED Practitioners from the district that meets quarterly or when the need arises to discuss the monitor the implementation of LED Projects and Programmes across the District. Amongst the support to be provided to the municipalities will be the establishment of LED Forums for the Local Municipalities across the District.

2.7.10 Level of Economic Growth

The economic state of Elundini Local Municipality is put in perspective by comparing it on a spatial level with its neighbouring locals, Joe Gqabi District Municipality, Eastern Cape Province and South Africa.

The Elundini Local Municipality does not function in isolation from Joe Gqabi, Eastern Cape Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning.

Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

2.7.10.1 Gross domestic product by region (GDP-R)

The gross domestic product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

Definition: Gross domestic product by region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

TABLE 7. Gross domestic product (GDP) - Elundini, Joe Gqabi, Eastern Cape and National Total, 2013-2023 [R billions, Current prices]

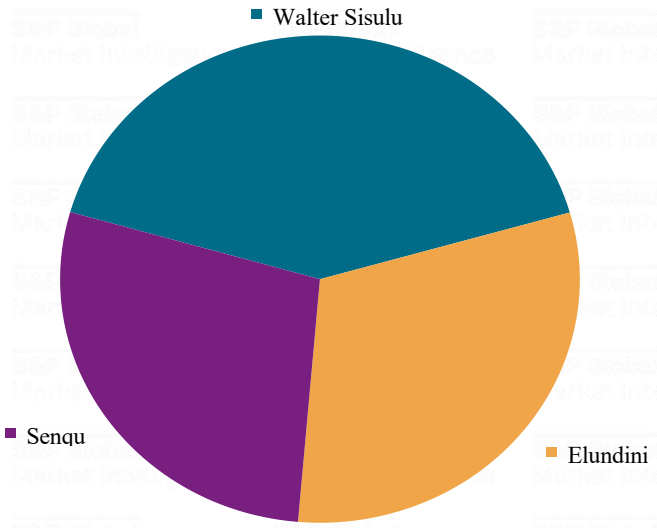
Elundini	Joe Gqabi		Eastern Cape	National Total	Elundini as % of district municipality	Elundini as % of province	Elundini as % of national
2013	3.6	11.2	309.6	3,868.6	*32.4%*	*1.17%*	*0.09%*
2014	3.9	12.1	330.8	4,133.9	*32.2%*	*1.18%*	*0.09%*
2015	4.2	13.0	354.1	4,420.8	*32.0%*	*1.17%*	*0.09%*
2016	4.4	13.9	379.0	4,759.6	*31.8%*	*1.17%*	*0.09%*
2017	4.7	14.8	403.4	5,078.2	*31.6%*	*1.16%*	*0.09%*
2018	4.9	15.4	420.9	5,363.2	*31.4%*	*1.15%*	*0.09%*
2019	5.0	16.0	437.2	5,625.2	*31.4%*	*1.15%*	*0.09%*
2020	4.9	15.7	427.0	5,562.8	*31.2%*	*1.15%*	*0.09%*
2021	5.4	17.4	474.8	6,220.2	*31.1%*	*1.14%*	*0.09%*
2022	5.6	18.2	501.1	6,655.5	*30.9%*	*1.12%*	*0.08%*
2023	6.0	19.3	537.4	7,024.0	*30.8%*	*1.11%*	*0.08%*

Source: South Africa Regional eXplorer v2571. Data compiled on 13 Dec 2024.
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With a GDP of R 5.95 billion in 2023 (up from R 3.62 billion in 2013), the Elundini Local Municipality contributed 30.76% to the Joe Gqabi District Municipality GDP of R 19.3 billion in 2023 increasing in the share of the Joe Gqabi from 32.38% in 2013. The Elundini Local Municipality contributes 1.11% to the GDP of Eastern Cape Province and 0.08% the GDP of South Africa which had a total GDP of R 7.02 trillion in 2023 (as measured in nominal or current prices).

It's contribution to the national economy stayed similar in importance from 2013 when it contributed 0.09% to South Africa, but it is lower than the peak of 0.09% in 2014.

CHART 8. Gross domestic product (GDP) - Elundini Local Municipality and the rest of Joe Gqabi, 2023 [Percentage]



Source: South Africa Regional eXplorer v2571.
Data compiled on 13 Dec 2024.
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Table 8. Gross domestic product (GDP) - Elundini, Joe Gqabi, Eastern Cape and National Total, 2013-2023 [Annual percentage change, Constant 2010 prices]

Elundini	Joe Gqabi	Eastern Cape	National Total
2013	0.3%	1.1%	1.4%	2.5%
2014	1.6%	1.9%	0.8%	1.4%
2015	1.3%	1.5%	0.9%	1.3%
2016	0.7%	0.8%	0.8%	0.7%
2017	0.2%	1.1%	0.5%	1.2%
2018	0.4%	1.1%	1.1%	1.6%
2019	-0.8%	-0.1%	0.1%	0.3%
2020	-6.6%	-6.0%	-6.0%	-6.2%
2021	4.5%	5.0%	5.3%	5.0%
2022	0.6%	1.0%	2.1%	1.9%
2023	0.9%	0.9%	0.8%	0.7%
Average Annual growth 2013-2023	***0.24%***	***0.69%***	***0.60%***	***0.74%***

Source: South Africa Regional eXplorer v2571. Data compiled on 13 Dec 2024.
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In 2023, the Elundini Local Municipality achieved an annual growth rate of 0.90% which is a very similar GDP growth than the Eastern Cape Province's 0.80%, but is higher than that of South Africa, where the 2023 GDP growth rate was 0.70%. Contrary to the short-term growth rate of 2023, the longer-term average growth rate for Elundini (0.24%) is slightly lower than that of South Africa (0.74%). The economic growth in Elundini peaked in 2021 at 4.52%. The Elundini Local Municipality had a total GDP of R 5.95 billion and in terms of total contribution towards Joe Gqabi District Municipality the Elundini Local Municipality ranked second relative to all the regional economies to total Joe Gqabi District Municipality GDP. This ranking in terms of size compared to other regions of Elundini remained the same since 2013. In terms of its share, it was in 2023 (30.8%) significantly smaller compared to what it was in 2013 (32.4%). For the period 2013 to 2023, the average annual growth rate of 0.2% of Elundini was the lowest relative to its peers in terms of growth in constant 2010 prices.

Table 9. Gross domestic product (GDP) - Regions within Joe Gqabi District Municipality, 2013 to 2023, share and growth

2023 (Current prices)		Share of district municipality	2013 (Constant prices)	2023 (Constant prices)	Average Annual growth
Elundini	5.95	*30.76%*	4.02	4.12	***0.24%***
Senqu	5.44	*28.10%*	3.52	3.87	***0.94%***
Walter Sisulu	7.96	*41.14%*	5.08	5.54	***0.87%***

Source: South Africa Regional eXplorer v2571.
Data compiled on 13 Dec 2024.
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Senqu had the highest average annual economic growth, averaging 0.94% between 2013 and 2023, when compared to the rest of the regions within Joe Gqabi District Municipality. The Walter Sisulu Local Municipality had the second highest average annual growth rate of 0.87%. Elundini Local Municipality had the lowest average annual growth rate of 0.24% between 2013 and 2023.

2.7.11 Economic growth forecast

It is expected that Elundini Local Municipality will grow at an average annual rate of 1.14% from 2023 to 2028. The average annual growth rate in the GDP of Joe Gqabi District Municipality and Eastern Cape Province is expected to be 1.34% and 1.89% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.95%, which is higher than that of the Elundini Local Municipality.

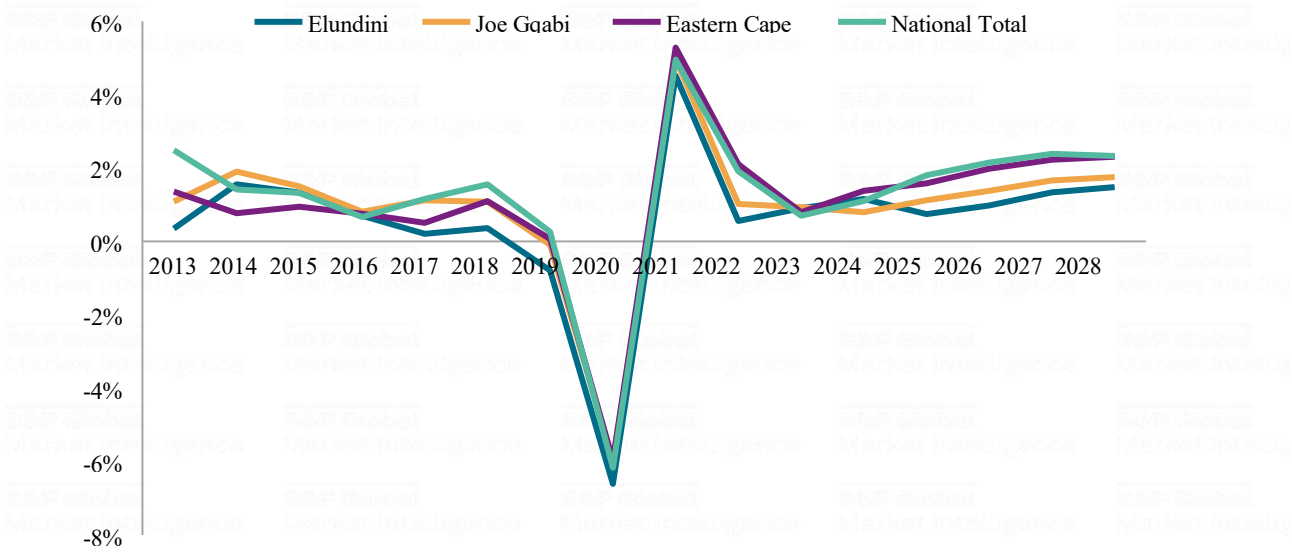


CHART 9. Gross domestic product (GDP) - Elundini, Joe Gqabi, Eastern Cape and National Total, 2013-2028 [Average annual growth rate, constant 2010 prices]

Source: South Africa Regional eXplorer v2571. Data compiled on 13 Dec 2024.
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In 2028, Elundini's forecasted GDP will be an estimated R 4.36 billion (constant 2010 prices) or 30.2% of the total GDP of Joe Gqabi District Municipality. The ranking in terms of size of the Elundini Local Municipality will remain the same between 2023 and 2028, with a contribution to the Joe Gqabi District Municipality GDP of 30.2% in 2028 compared to the 30.5% in 2023. At a 1.14% average annual GDP growth rate between 2023 and 2028, Elundini ranked the lowest compared to the other regional economies.

Table 10. Gross domestic product (GDP) - regions within Joe Gqabi District Municipality, 2013 to 2028, share and growth

2028 (Current prices)		Share of district municipality	2013 (Constant prices)	2028 (Constant prices)	Average Annual growth
Elundini	8.02	*30.69%*	4.02	4.36	***0.54%***
Senqu	7.34	*28.06%*	3.52	4.11	***1.04%***
Walter Sisulu	10.78	*41.24%*	5.08	5.99	***1.10%***

Source: South Africa Regional eXplorer v2571. Data compiled on 13 Dec 2024.
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2.8 Gross value added by region (GVA-R)

The Elundini Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

Definition: Gross value added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Elundini Local Municipality.

Table 11. Gross value added (GVA) by broad economic sector - Elundini Local Municipality, 2023 [R billions, current prices]

Elundini		Joe Gqabi	Eastern Cape	National Total	Elundini as % of district municipality	Elundini as % of province	Elundini as % of national
Agriculture	0.2	1.0	11.6	183.8	*17.8%*	*1.57%*	*0.10%*
Mining	0.0	0.0	1.3	444.2	*46.9%*	*1.39%*	*0.00%*
Manufacturing	0.2	1.4	71.4	910.5	*16.9%*	*0.34%*	*0.03%*
Electricity	0.0	0.2	11.0	219.4	*14.2%*	*0.25%*	*0.01%*
Construction	0.2	0.5	12.3	155.2	*35.9%*	*1.32%*	*0.10%*
Trade	1.2	3.0	79.3	877.7	*41.3%*	*1.56%*	*0.14%*
Transport	0.2	0.8	26.9	495.0	*26.7%*	*0.81%*	*0.04%*
Finance	0.3	2.1	87.6	1,471.8	*16.2%*	*0.38%*	*0.02%*
Community services	3.1	8.7	181.3	1,553.2	*35.5%*	*1.71%*	*0.20%*
Total Industries	**5.5**	**17.8**	**482.8**	**6,310.8**	***31.1%***	***1.15%***	***0.09%***

Source: South Africa Regional eXplorer v2571.
Data compiled on 13 Dec 2024.
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In 2023, the community services sector is the largest within Elundini Local Municipality accounting for R 3.11 billion or 56.2% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Elundini Local Municipality is the trade sector at 22.4%, followed by the finance sector with 6.1%. The sector that contributes the least to the economy of Elundini Local Municipality is the mining sector with a contribution of

R 18.1 million or 0.33% of the total GVA.

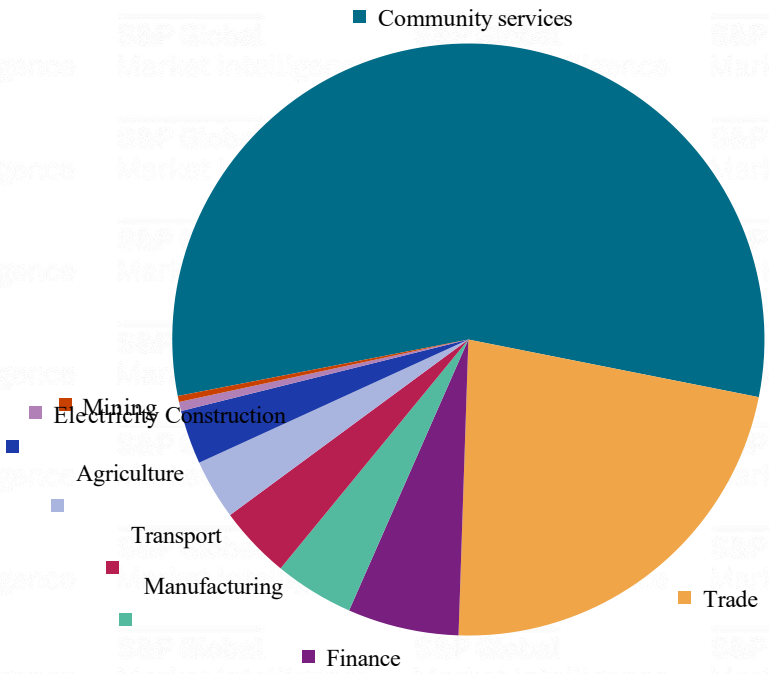


CHART 10. Gross value added (GVA) by broad economic sector - Elundini Local Municipality, 2023 [percentage composition]

Source: South Africa Regional eXplorer v2571. Data compiled on 13 Dec 2024.
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The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the Joe Gqabi District Municipality, it is clear that the Elundini contributes the most community services towards its own GVA, with 35.50%, relative to the other regions within Joe Gqabi District Municipality. The Elundini contributed R 5.53 billion or 31.13% to the GVA of Joe Gqabi District Municipality. The region within Joe Gqabi District Municipality that contributes the most to the GVA of the Joe Gqabi District Municipality was the Walter Sisulu with a total of R 7.23 billion or 40.72%.

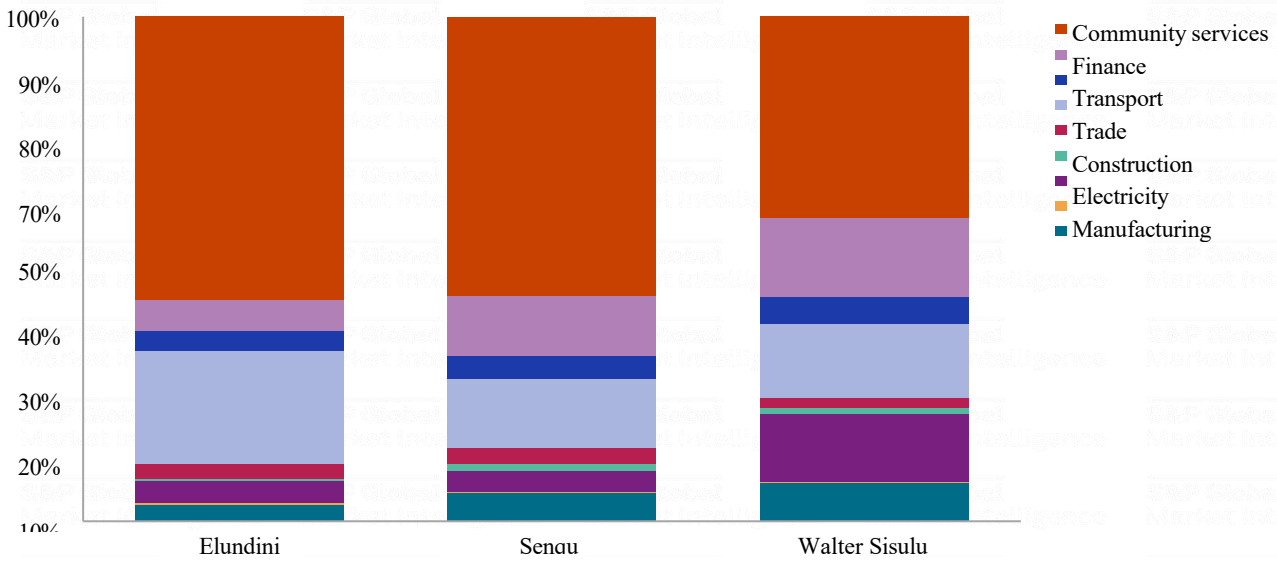


CHART 11. Gross value added (GVA) by broad economic sector - Elundini, Senqu and Walter Sisulu, 2023 [percentage composition]

Source: South Africa Regional eXplorer v2571. Data compiled on 13 Dec 2024.
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2.8.1 Historical economic growth

For the period 2023 and 2013, the GVA in the finance sector had the highest average annual growth rate in Elundini at 2.28%. The industry with the second highest average annual growth rate is the transport sector averaging at 1.29% per year. The mining sector had an average annual growth rate of -3.76%, while the construction sector had the lowest average annual growth of -3.89%. Overall a positive growth existed for all the industries in 2023 with an annual growth rate of 0.64% since 2022.

Table 12. Gross value added (GVA) by broad economic sector - Elundini Local Municipality, 2013, 2018 and 2023 [R millions, 2010 constant prices]

2013	2018	2023	Average Annual growth	
Agriculture	96.0	88.5	90.9	***-0.55***%
Mining	12.7	13.1	8.7	***-3.76***%
Manufacturing	157.2	159.3	140.0	***-1.15***%
Electricity	14.2	12.7	11.1	***-2.39***%
Construction	168.6	160.7	113.4	***-3.89***%
Trade	842.0	872.7	795.3	***-0.57***%
Transport	155.7	173.1	177.0	***1.29***%
Finance	198.5	219.2	248.8	***2.28***%
Community services	2,122.2	2,210.2	2,254.5	***0.61***%
Total Industries	**3,767.2**	**3,909.4**	**3,839.7**	***0.19%***

Source: South Africa Regional eXplorer v2571. Data compiled on 13 Dec 2024.
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The tertiary sector contributes the most to the Gross Value Added within the Elundini Local Municipality at 88.6%. This is significantly higher than the national economy (69.7%). The secondary sector contributed a total of 7.8% (ranking second), while the primary sector contributed the least at 3.6%.

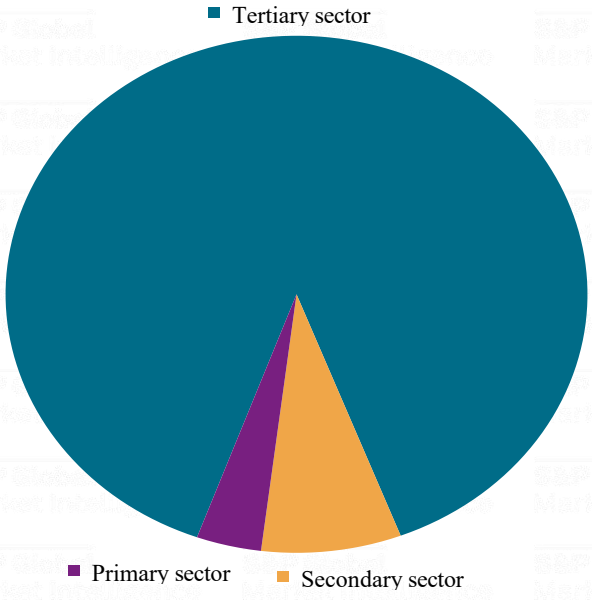


CHART 12. Gross value added (GVA) by aggregate economic sector - Elundini Local Municipality, 2023 [percentage]

Source: South Africa Regional eXplorer v2571. Data compiled on 13 Dec 2024.
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The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

2.8.1.1 Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in Elundini Local Municipality from 2013 to 2023.

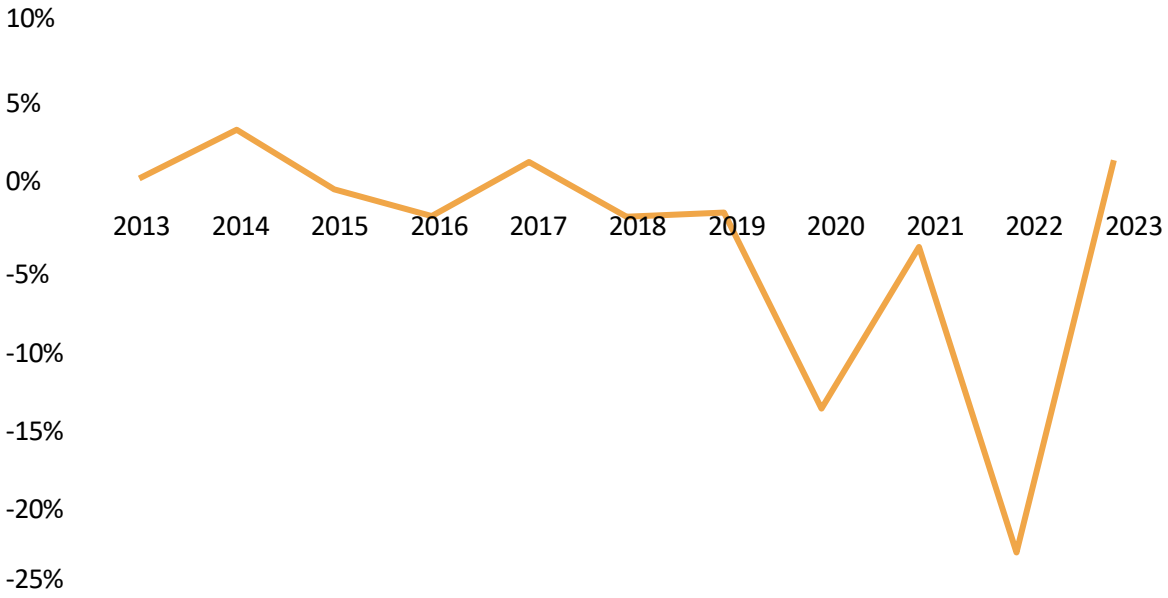


CHART 13. Gross value added (GVA) by primary sector - Elundini, 2013-2023 [Annual percentage change]

Source: South Africa Regional eXplorer v2571.
Data compiled on 13 Dec 2024.
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Between 2013 and 2023, the agriculture sector experienced the highest positive growth in 2021 with an average growth rate of 11.6%. The mining sector reached its highest point of growth of 3.8% in 2014. The agricultural sector experienced the lowest growth for the period during 2016 at -11.0%, while the mining sector reaching its lowest point of growth in 2022 at -21.9%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

2.8.1.2 Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Elundini Local Municipality from 2013 to 2023.

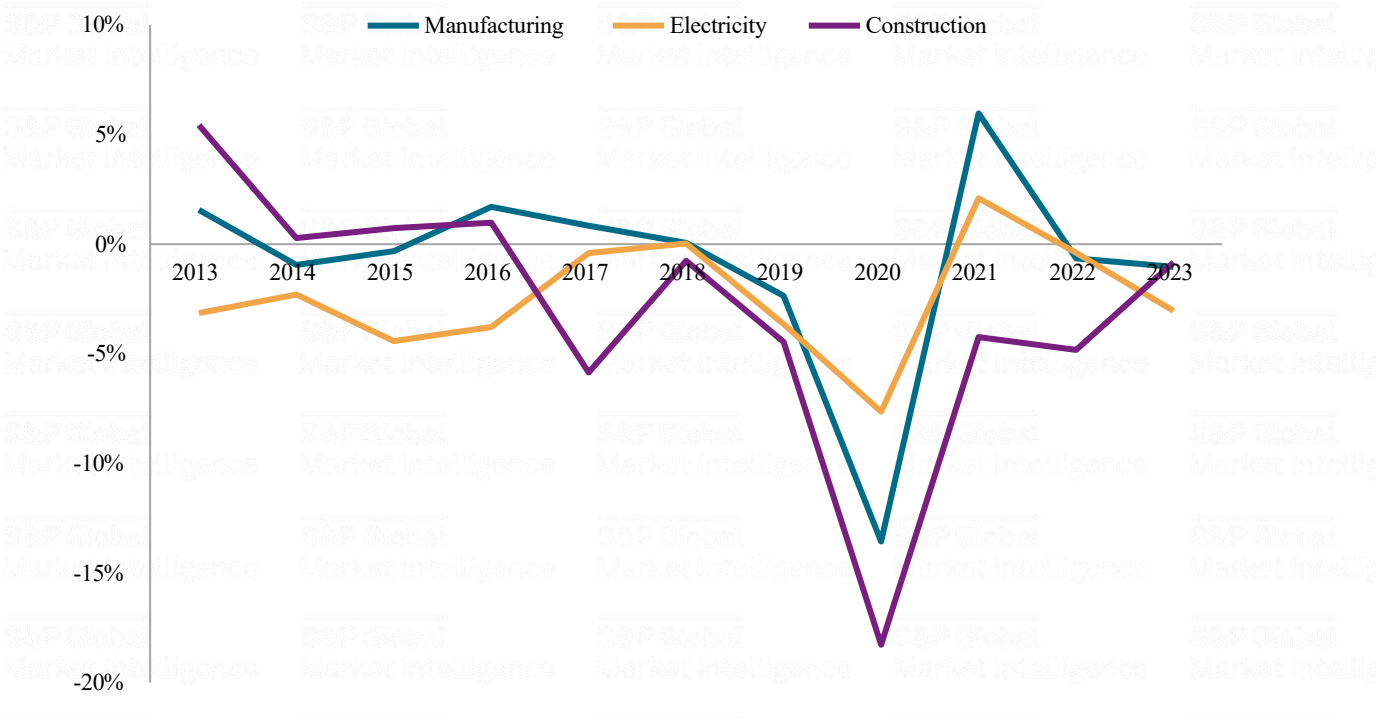


CHART 14. Gross value added (GVA) by secondary sector - Elundini, 2013-2023 [Annual percentage change]

Source: South Africa Regional eXplorer v2571.
Data compiled on 13 Dec 2024.
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Between 2013 and 2023, the manufacturing sector experienced the highest positive growth in 2021 with a growth rate of 6.0%. The construction sector reached its highest growth in 2013 at 5.4%. The manufacturing sector experienced its lowest growth in 2020 of -13.6%, while construction sector also had the lowest growth rate in 2020 and it experiences a negative growth rate of -18.3% which is higher growth rate than that of the manufacturing sector.

The electricity sector experienced the highest growth in 2021 at 2.1%, while it recorded the lowest growth of -7.6% in 2020.

2.8.1.3 Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Elundini Local Municipality from 2013 to 2023.

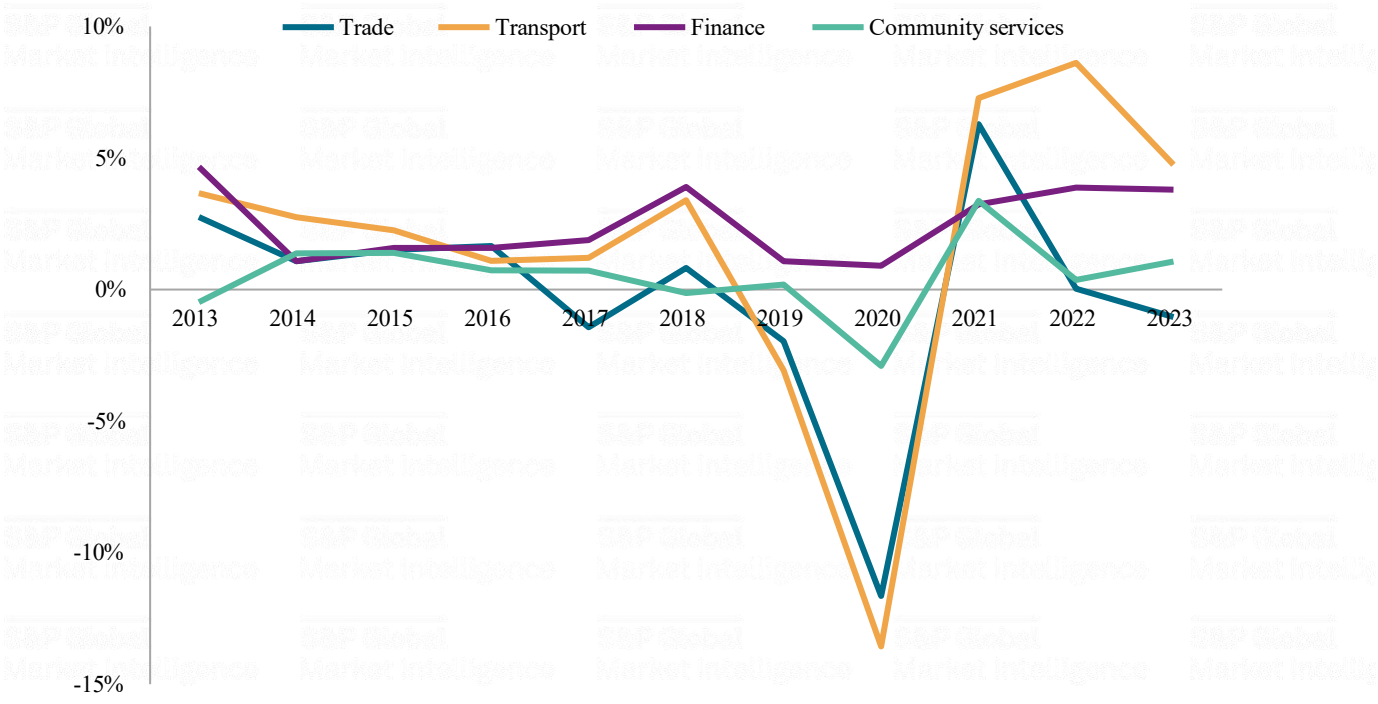


CHART 15. Gross value added (GVA) by tertiary sector - Elundini, 2013-2023 [Annual percentage change]

Source: South Africa Regional eXplorer v2571.
Data compiled on 13 Dec 2024.
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The trade sector experienced the highest positive growth in 2021 with a growth rate of 6.3%. The transport sector reached its highest point of growth in 2022 at 8.6%. The finance sector experienced the highest growth rate in 2013 when it grew by 4.7% and recorded the lowest growth rate in 2020 at 0.9%. The Trade sector also had the lowest growth rate in 2020 at -11.6%. The community services sector, which largely consists of government, experienced its highest positive growth in 2021 with 3.4% and the lowest growth rate in 2020 with -2.9%.

2.8.2 Sector growth forecast

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and

telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

Table 13. Gross value added (GVA) by broad economic sector - Elundini Local Municipality, 2023-2028 [R millions, constant 2010 prices]

	2023	2024	2025	2026	2027	2028	Average Annual growth
Agriculture	90.9	84.9	89.1	90.9	92.4	93.6	***0.58***%
Mining	8.7	8.7	8.5	8.5	8.6	8.7	***0.04***%
Manufacturing	140.0	146.1	147.6	149.1	150.6	152.4	***1.70***%
Electricity	11.1	11.1	10.6	10.8	11.0	11.2	***0.19***%
Construction	113.4	107.6	109.8	111.7	113.7	115.6	***0.38***%
Trade	795.3	783.7	798.6	806.6	816.8	833.6	***0.94***%
Transport	177.0	183.5	186.1	189.7	193.4	196.8	***2.15***%
Finance	248.8	258.7	264.4	271.2	278.2	284.7	***2.73***%
Community services	2,254.5	2,304.1	2,298.0	2,309.8	2,334.7	2,360.5	***0.92***%
Total Industries	**3,839.7**	**3,888.2**	**3,912.7**	**3,948.2**	**3,999.3**	**4,056.9**	***1.11%***

Source: South Africa Regional eXplorer v2571.
Data compiled on 13 Dec 2024.
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The finance sector is expected to grow fastest at an average of 2.73% annually from R 249 million in Elundini Local Municipality to R 285 million in 2028. The community services sector is estimated to be the largest sector within the Elundini Local Municipality in 2028, with a total share of 58.2% of the total GVA (as measured in current prices), growing at an average annual rate of 0.9%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of 0.04%.

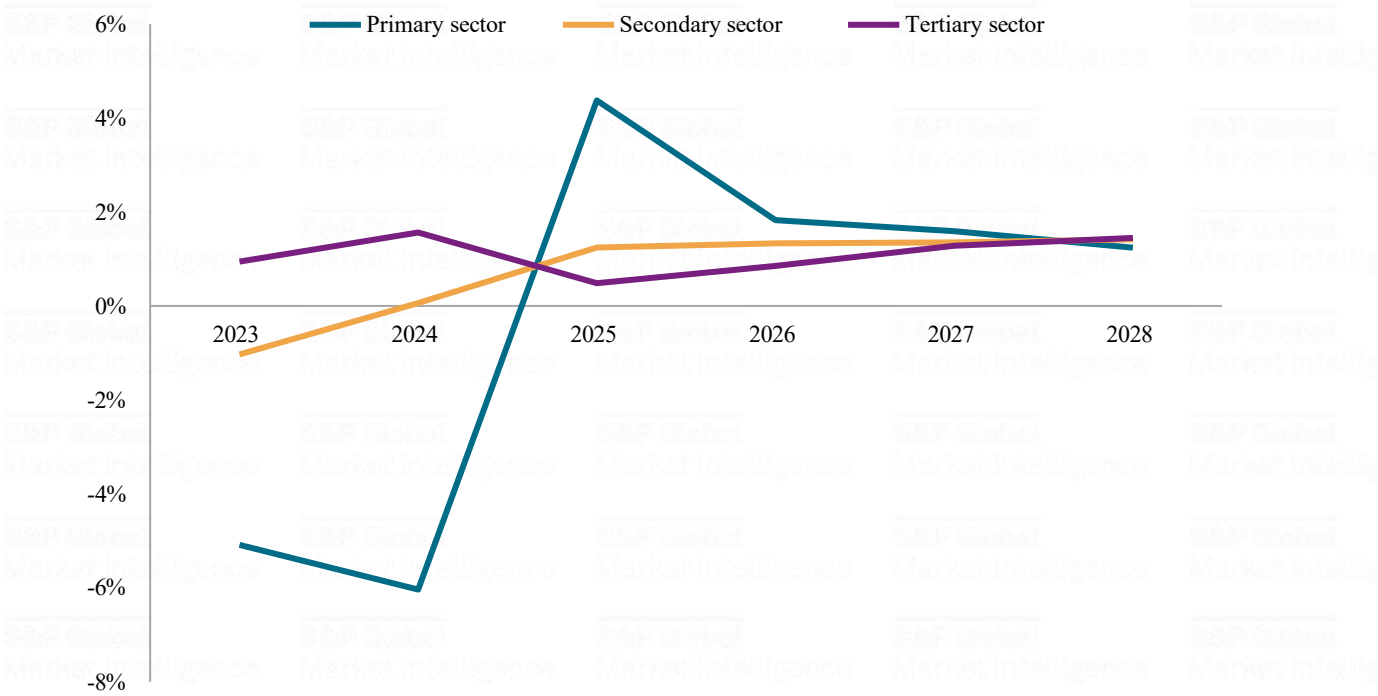


CHART 16. Gross value added (GVA) by aggregate economic sector - Elundini Local Municipality, 2023-2028 [Annual growth rate, constant 2010 prices]

Source: South Africa Regional eXplorer v2571.
Data compiled on 13 Dec 2024.
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The Primary sector is expected to grow at an average annual rate of 0.54% between 2023 and 2028, with the Secondary sector growing at 1.08% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.12% for the same period.

Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.

2.9 Tress index

Definition: The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region.

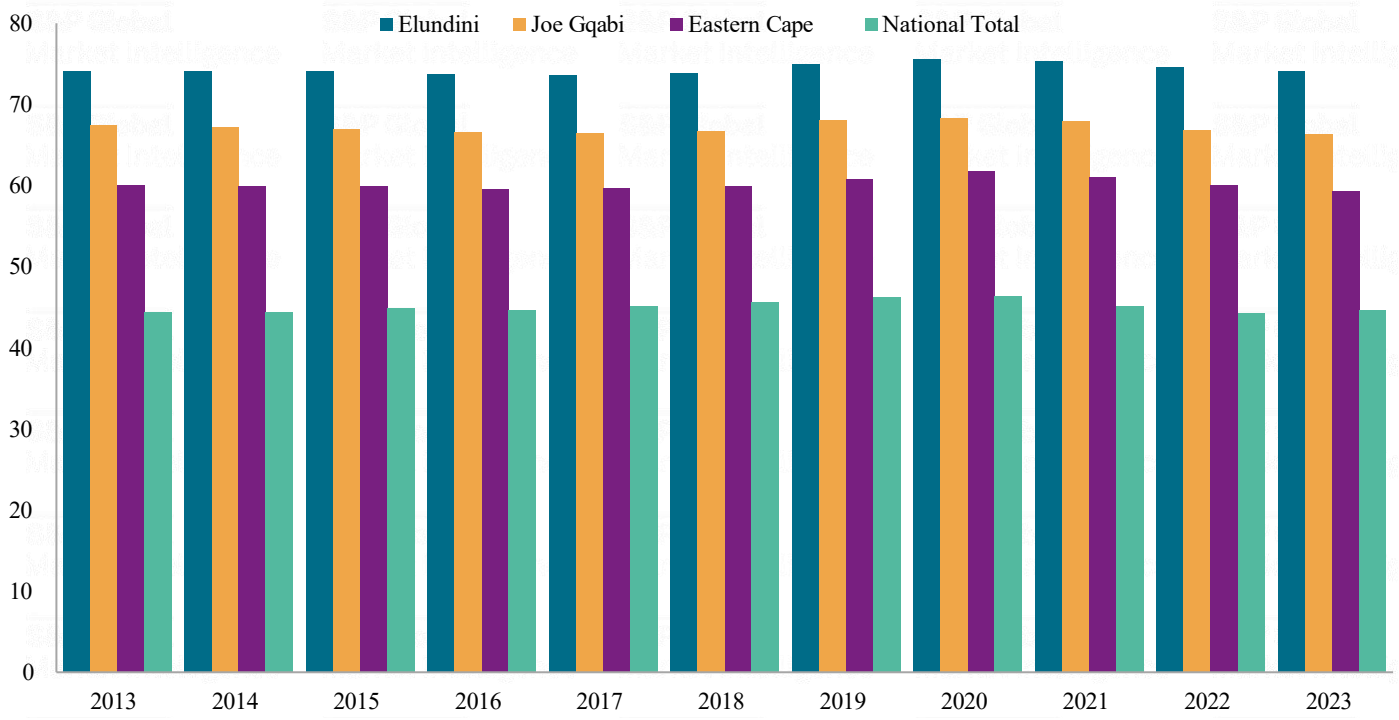


CHART 17. Tress index - Elundini, Joe Gqabi, Eastern Cape and National Total, 2013-2023 [Number]

Source: South Africa Regional eXplorer v2571.
Data compiled on 13 Dec 2024.
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In 2023, Elundini's Tress Index was estimated at 74.1 which are higher than the 66.3 of the district municipality and higher than the 66.3 of the province. This implies that - on average - Elundini Local Municipality is less diversified in terms of its economic activity spread than the province's economy as a whole.

The Elundini Local Municipality has a concentrated community services sector.

The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers), and maintain a healthy balance between labour-intensive and capital-intensive industries. If both economic growth and the alleviation of unemployment are of concern, clearly there need to be industries that are growing fast and also creating jobs in particular the lower skilled categories. Unfortunately, in practice many industries that are growing fast are not those that create many employment opportunities for unskilled labourers (and alleviate unemployment).

2.10 Location quotient

Definition: A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage.

If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

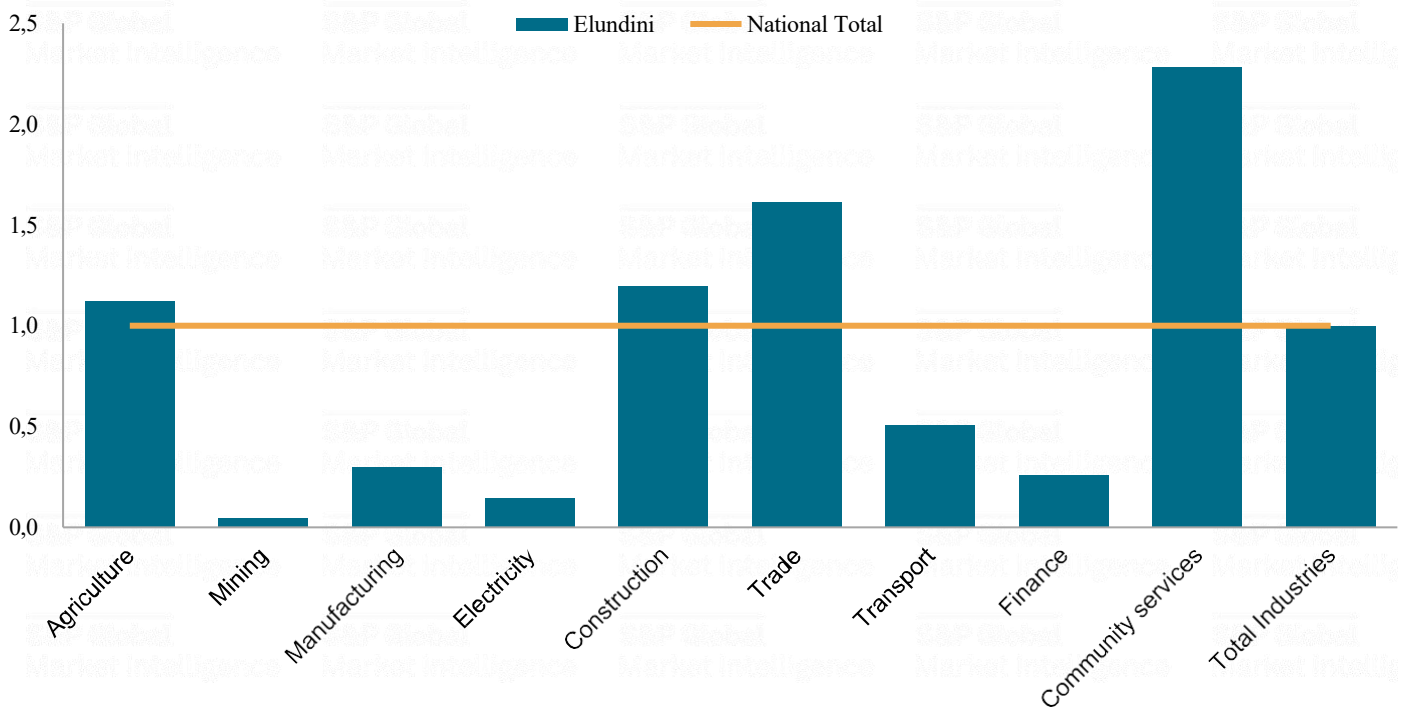


CHART 18. Location quotient by broad economic sectors - Elundini Local Municipality and South Africa, 2023 [Number]

Source: South Africa Regional eXplorer v2571.
Data compiled on 13 Dec 2024.
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For 2023 Elundini Local Municipality has a very large comparative advantage in the community services sector. The trade sector also has a very large comparative advantage. The construction also has a comparative advantage when

comparing it to the South Africa economy as a whole, although less prominent. The Elundini Local Municipality has a comparative disadvantage when it comes to the mining and electricity sector which has a very large comparative disadvantage. In general mining is a very concentrated economic sector. Unfortunately, the Elundini Local Municipality area currently does not have a lot of mining activity, with an LQ of only 0.0466.

2.11 Partnership with P.G. Bison

The municipality has partnered with the private sector, i.e. P.G Bison, in improving various issues in Elundini around Local Economic Development and Social Development. The following are among the examples:

2.11.1.1 Business Adopt a Municipality Project

In the area of Business Adopt a Municipality, P.G. Bison has partnered with the municipality around the following areas:

- Disaster Management
- Small town revitalization – Nqanqarhu & Ugie
- Furniture factory
- Skills Transfer

2.11.1.2 Community Afforestation Project

A formal strategic partnership agreement has been developed where skills transfer over a ten-year period is guaranteed through the partnership arrangement with PG Bison. PG Bison is currently offering management, administration and technical support as it is anticipated that timber in close proximity of the PG Bison board plant will be sold to PG Bison at the time of harvesting.

PG Bison has employed a Social Forester; whose responsibility is solely to provide all the support to the community Afforestation Projects. The Social Forester has been allocated a vehicle that she uses to travel to these communities on a daily basis. PG Bison offers a forestry learnerships, through funds made available by the Forestry Seta.

2.11.1.3 Imfundo Schools Learning Program

The Imfundo Schools Learning Program is an educational program aimed at assisting High School teachers in Ugie and Nqanqarhu by equipping them with better teaching skills in Mathematics, Science, Accounting and English.

2.11.1.4 Joe Gqabi and PG Bison Community Vegetable Garden

The community vegetable garden started in March 2014, and is under the ownership of 15 people from the community. The project is an initiative by Joe Gqabi District Municipality as well as PG Bison, with the hope to include Elundini Local Municipality as a partner since the project is in the municipality's jurisdiction.

2.12 Housing Provision

The provision of houses remains the sole responsibility of the Department of Human Settlement and the Elundini Municipality only plays the facilitation role. The facilitation responsibilities of the municipality include but not limited to:

- Identification of suitable land for building of houses in line with the SDF;
- Engaging communities on the suitable type of houses to be built on their areas;
- Collect National Housing Needs Data to all wards of Elundini Municipality
- Capture the forms to the National Housing needs register Database system for their need for adequate shelter by providing information about their current living conditions household composition and to indicate the type of housing assistance they require from government.
- The department then develops a project list of new houses to be built in dealing with the housing demand;
- Compiling of beneficiary lists and submitting it to the department for scanning;
- Engaging other sector departments for the provision of other services;

The Department of Human Settlement, in its endeavors in building more houses is confronted by the following challenges:

- Shrinking Fiscus- HSDG allocation is diminishing every year
- Over-reliance on Subsidy (RDP) conventional approach,
- Backlog on approved Beneficiaries whose houses have not been constructed due to budget constraints,
- Growing Disaster Cases vs interpretation vs limited emergency assistance / interventions,
- Lack of Material supply within Joe Gqabi Region / District,
- High Expectation vs understanding of Emergency assistance on Disaster / emergencies/ Destitute.

The Department of Human Settlement, together with the ELM, undertook a second round of reviewing the Elundini Housing Sector Plan (HSP). Service provider for reviewing housing sector plan have been appointed The review of the HSP has led to a substantive status quo analysis, aiming to meaningfully identify and assess the housing and infrastructure situation as it related to demand, supply and integration. Importantly so, when reviewing the HSP, much was put on the implementability of desired projects to ensure accelerated development of sustainable human settlement and therefore, for each identified project, a feasibility study was conducted. As a result, the HSP lists all implementable projects as ‘planned’, whereas the non-implementable ones are reflected as ‘desired’.

The pivotal foci of the HSP review process were: integration – characterized by visits to the broader community, sectorial departments and stakeholders; inclusivity – characterized by presentation of the HSP to the municipal Council for endorsements, resulting in ultimate approval of the HSP by the MEC for Human Settlements; and analysis – characterized by a study of the human settlement situation, latest statistical data and other relevant documentary evidence. The HSP, with further details on human settlement is attached to this document as an annexure. Although the housing provisioning rests with the department of Human Settlement, the municipality together with the officials from the department has identified all blocked and defective housing projects and those that are ready to be implemented. The identified housing projects are located in the urban areas as well as in the prioritized areas.

2.12.1 Planned Housing Projects

No	Project Category	Name of Project	Status Quo
1.	Disaster Relief	Elundini Destitute 77 units	Contractor has been appointed and has just established the site but has not yet commenced with construction.
2.	RDP Houses / Community Residential Units	• Mqokolweni 305 Units • Mbidlana 300 Units • Sinxako 486 Units • eThembeni 2400	Mqokolweni 186 Units Completed Mbidlana 198 Units Completed Sinxako 486 Units Completed eThembeni 2400 Verification of Beneficiary list
3.	Upgrading of informal settlements	Kutlonong upgrading of permanent services	Phase 2 of the upgrading of informal settlement of Kutloanong has been completed and the project has been handed over. Service provider has been appointed for Phase 3 Civil works paved roads but has not yet commenced with construction.
PLANNED PROJECTS			
4.	Disaster Relief	Elundini Destitute 2035	Application have been submitted to Human settlement

			and still waiting for the approval response
5	Emergency projects (Disaster & Destitute)	Ward 16 Destitute 488	Application have been submitted to Human settlement and still waiting for the approval response
6	Finance Linked Individual Subsidy Programmes	N/A	During the period under review, no FLISP applications were processed or approved by the municipality. As such, there were no housing units delivered through the FLISP programme in this reporting cycle. Should there be any changes or new applications in the forthcoming period, the municipality will report accordingly

2.13 Transportation

2.13.1.1 Freight transport

Being a rural municipality, freight transport is an important facility for the Elundini. The various businesses and institutions rely on freight transport services to import most of the food, products and goods needed for local consumption. The growing timber industry in the area places a significant burden on the road network and damage to the roads is evident on most routes. National government has developed a strategy around freight transportation through rail systems. A railway line exists within the municipality but is defunct.

A truck stops in Ugie, owned by PG Bison was completed in 2008 and is operational, creating a significant impact on freight transportation in the area. PG Bison has proposed a by-pass route from MR 723 to R56 via Nqanqarhu. There are problems that are brought about by the heavy-duty trucks ferrying logs in particular between Nqanqarhu and Ugie towns resulting in excessive silt on surfaced streets and blocking storm water drainage system. In the process of negotiating a bypass around Nqanqarhu with PG Bison, there is a need for PG Bison to provide wheel washing bays for their trucks. ELM is also looking at the possibility of constructing a weigh bridge so that the money generated from it can be used back in repairing and upgrading our roads as they are being damaged by the heavy loads carried by the heavy trucks.

2.13.1.2 Public Transport

Related to provision of public transport is the need for basic essential services such as water, sanitation and shelters at key facilities. There is a need to provide these services at all the nodes (rural and urban) as defined in the Spatial Development Plan. Areas with high dependency on public transport especially the primary and secondary nodes should receive priority. These are mostly remote rural of ELM. ELM currently is currently constructing the Vehicle Testing Centre which will be situated at Tlokoeng Town. It must be noted that the municipality only provides for driving licensing for Code 8 and vehicle registration only on behalf of the Department of Transport.

There is no official taxi rank in Ugie but an informal taxi rank, on the main street is being used. This arrangement is not suitable for commuters and there are no shelters, however there are ablution facilities. There is a formal taxi rank in Nqanqarhu in Fourie Street. This taxi rank functions well as it has taxi / bus shelters and ablution facilities for commuters. The taxi rank is insufficient for all the taxis as taxis can be seen using other areas around town as informal taxi ranks. The ablution facilities in the Nqanqarhu taxi rank are not well maintained and need to be upgraded. There is a plan to close the storm water drain in the south eastern side of Fourie Street with a view to provide hawkers facilities. The municipality has completed the construction of the Tlokoeng Taxi Rank and is now embarking on the construction of the Tlokoeng Vehicle Testing Station. The taxi rank facility provides for both modes of transport, taxis and busses and as well has facilities for hawkers through the construction of hawkers' stalls. The facility also has a management building for the operators of the taxis and the busses. The following modes of public transport are prevalent in the Elundini Municipality:

- Long distance buses,
- Mini buses and taxis,
- LDV bakkies with canopies which also provide scholar transportation,
- Horseback,

Problems relating to public transportation include the following:

- Non-availability of a local integrated transport plan. However, the municipality is currently developing such a plan,
- Poor road conditions,
- Lack of designated public transport route,
- Lack of capacity at local authority levels to address public transport planning,
- Lack of sustainable and dedicated funding for public transport services, facilities and maintenance,
- Inadequate scholar, disabled and elderly transport,
- The illegal use of "bakkies" as public transport vehicles,
- Ageing of minibus-taxi vehicle fleets,
- Lack of public transport information,
- Public transport safety and security and,

- Lack of roadworthy testing station

2.13.1.3 Railway services

The weekly railway transport passenger services between Johannesburg and the Eastern Cape is only accessible at Burgersdorp to the West of the district and has very little impact on the rest of the area, especially Elundini, which is situated in the East of the district. The branch line which used to serve as a freight and passenger facility is no longer operational

2.13.1.4 Airfields

There are two airfields in the area, which comprise grassed surfaces without lighting for night use. The airfield at Nqanqarhu is 1790 meters in length and the airfield at Ugie is 1000 meters in length.

2.13.1.5 Non-motorised transportation

Mostly, pedestrians in the township walk to various destinations, few use bicycles. The municipality constructed sidewalks which are maintained on a regular basis for use of bicycles in the three towns, Nqanqarhu, Tlokoeng and Ugie. Budget has been allocated for construction of more sidewalks and maintenance of existing one in the three-year capital plan.

2.13.2 Natural Environment

2.13.2.1 Topography and Hydrology

The municipal area has a distinctive topographical character with mountain ranges along the western side overlooking a central plateau, giving way to an escarpment sloping down towards the eastern side and the lower reaches of the Tsolo and Mthatha regions. Much of Elundini has slopes steeper than 1:8 as it forms part of the southern Drakensberg range. This area located along the north and western side of the municipality, due to its high altitude, is unsuitable for arable farming. The mountainous terrain also limits accessibility and therefore hampers service and infrastructure delivery in the region. The Southern Drakensberg creates a scenic environment conducive to adventure and eco- tourism activities such as mountain biking, hiking, skiing etc. The mountains form a watershed which separates the eastern and western parts of the Joe Gqabi District.

Map Showing Elevation And Topography

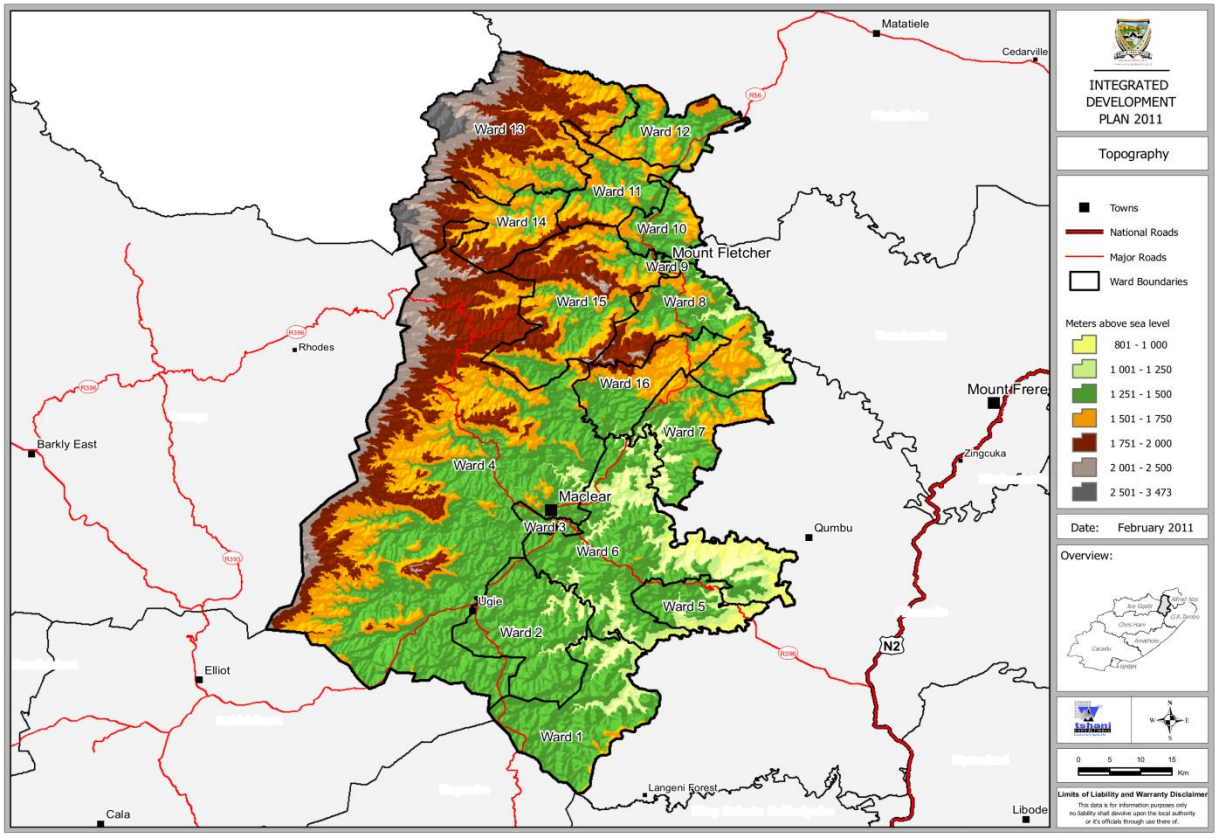


Figure 9: Topography Map

Topography influences the type of land use activities that occur, the nature and extent of settlement development and the type of agricultural activities, which are viable. Agriculture is accordingly limited to specific land pockets in the central, southern and eastern portions where the topography, water and soils are very suitable for agriculture and residential uses. The nature of slopes found within the municipality contributes to the high rate of erosion.

2.13.3 Climate and Rainfall

2.13.3.1 Temperature

The region is well known for its temperature fluctuations with temperatures ranging between 42^{0}C and 11^{0}C. On average there are 150 days of frost during the year, usually between March and November. During the winter season, areas affected mostly by snowfall are Nqanqarhu stretching to the higher lying areas of Tlokoeng and temperatures are recorder to reach an average of -5^0 C.

2.13.3.2 Rainfall

The higher mountain peaks in Elundini have between 800mm – 1200mm rain per annum. Tlokoeng which is within the municipality falls within the wettest rainfall region. The rest of the area receives an average of 600-800mm per annum.

2.13.3.3 Predominant wind

The area is vulnerable to strong winds which are coming from a westerly direction. They are mostly travelling at an average speed of 60 km/h and are very damaging to property and the environment. Coupled to damaging winds, is an observed increase of thunderstorms, lightning and hailstorms. Winds which are associated with light rain are coming from the easterly direction.

2.13.4 Climate change

With regards to environmental tools, the municipality is in the process of developing its first generation of Climate Change Strategy, which is envisaged to be completed in 25/26 FY. The strategy will detail the ELMs status with regards to climate change, an implementation / action plan to respond to those issues as well as play a vital role is sourcing funding for climate change response. An Environmental Management Plan (EMP) / Framework is also needed; however, the focus is on two legislated plans and the EMP will be planned for 26/27FY. Lastly, the review of the ELMs IWMP is prioritized for 25/26 FY.

The department of Forestry, Fisheries and Environment (DFFE) funded working for water and working for wetlands programs with the aim of clearing alien invasives in water stressed catchments as well as wetland rehabilitation through rehydrating wetlands and stabilizing head cuts and other erosion areas as well as re-vegetation of disturbed areas, lastly to contribute to climate change impacts & effects. The JGDM was the implementing agency, and the projects were implemented in Ugie and Nqanqarhu catchment areas and are as follows:

- Catchment T35C (Glencullen, Fairway and Weathery)
- Catchment T35D (Fairlight and Fairlight 2)
- Catchment T35G (Palmerton)
- Catchment T35B (Woodcliff)

2.13.5 Hydrology

ELM is dissected by rivers like Tsitsa, Thina, Luzi. Within the municipality there are boreholes as well as springs. River sources within the municipality drain its water from Umzimvubu catchment area. Rivers flow eastwards draining towards the Indian Ocean. Water studies conducted for the district indicate that ELM. Elundini has very high groundwater development potential. Mooi River, Inxu River (Wildebeesrivier) and the Pot River are the main tributaries of Tsitsa River. The Nqanqarhu Dam on the Inxu River supplies water to Nqanqarhu town and the Ugie Dam on the Mooi supplies water to Ugie town. This municipality forms the catchment for the Umzimvubu River, which bisects the region and supplies large volumes of water down to the Indian Ocean.

2.13.6 Tsitsa River Basin Land Use and Environmental Management Plan

The Tsitsa River Basin Land Use and Environmental Management Plan were commissioned by ASGI-SA Eastern Cape, Elundini and Mhlontlo Municipalities to investigate possible development opportunities in the Tsitsa River basin area. The study was in response to a need for commercial land use developments in the catchment area

that could assist in alleviating poverty in communal areas. The first phase of the study was to undertake a Situation Assessment of the whole catchment that could be used to inform the planning process.

As part of this situation assessment, a number of potential land use development options suitable to the area were identified. The completion of the Situation Analysis was then followed by a more detailed land use planning process for a part of the Tsitsa River Catchment referred to as the focus area. This area was located in the middle of the catchment in the poverty-stricken communal areas along the banks of the Tsitsa River and included 15 specific villages and eight Administrative Areas. A Land Use Planning Report was the final outcome of the study.

The study analyzed the status quo within administrative areas within Mhlontlo and Elundini that fell within the focus area. In Elundini these included Mqokolweni, Qurana and Sinxako all falling within Ward 6. The study considered the impact of the development of a dam, which would inundate 2,293ha of land with water. Mqokolweni and Sinxako are both areas that would lose land if a dam was constructed. The study looked at the possibility of interventions in these areas and the priority assigned to them by community representatives, these interventions included Forestry development.

2.13.7 Geology and Soils

ELM is the only area with soils suitable for cultivation in the JGDM, however, degradation is high in the communal land areas of Elundini with the primary cause found to be the overstocking of livestock and inappropriate grazing methods. The provision of infrastructure to enable the practice of controlled grazing is necessary to prioritize the rehabilitation of severely degraded areas.

2.13.8 Erosion

Degradation is high in the communal land areas of Elundini, with the primary cause found to be the overstocking of livestock and inappropriate grazing methods. The Department of Agriculture estimates that between 300 and 400 tons per hectare of soil are lost annually in the District, ELM being the highest eroded region. In addition to the provision of infrastructure to enable the practice of controlled grazing, the EMP recommends it is necessary to prioritize the rehabilitation of severely degraded areas. The district municipality has various land rehabilitation programs that it implements in the municipality to address land degradation

2.13.9 Biodiversity

2.13.9.1 Vegetation and land cover

Vegetation types represent an integration of the climate, soils and biological factors in a region and as such are a useful basis for land use and conservation planning. Unimproved Grassland dominates the Municipality, covering 56.40% of the total surface area. This is followed by Degraded Unimproved Grassland (22.70%) and Semi- Commercial or Subsistence Dryland Cultivation (10.56%). The State of the Eastern Cape Province Report (2010) highlights the serious impact of settlement sprawl that is taking place throughout most rural areas, with an increase of 47% in the cover of built up areas compared to the year 2000. Coupled with this sprawl of

settlements, is the depletion of resource areas by an estimated 33% and this is expected to have a serious effect on future sustainability of rural communities.

2.13.9.2 Critical bio-diversity areas

The Eastern Cape Bio-diversity Plan has analyzed the characteristics of the various environmental attributes throughout all municipalities. The critical bio-diversity areas in Elundini have been identified (refer to map below) and these need to be conserved for the benefit of future generations and preservation of the ecological balance in the area. These are primarily associated with the environmental sensitivity of the mountain range and foothills near Nqanqarhu and Ugie. It is of paramount importance that the critical biodiversity areas be reflected in the Spatial Development framework for Elundini so as to ensure effective land use management is achieved in future, in accordance with the requirements of the National Environment Management Act and the Provincial Spatial Development Plan.

2.13.9.3 Biodiversity conservation

According to the EMP, mountain areas contain a high number of endemic species, and have been identified as being important for the protection of biodiversity and ecosystem services. Grasslands dominate the district, but in general they have been severely degraded and transformed areas dominate much of the landscape, as revealed by the Eastern Cape Biodiversity Conservation Plan (ECBCP). An opportunity therefore exists to formally protect the remaining intact grasslands, especially those classified as vulnerable and endangered, to ensure the important ecological functions they play in this area are preserved, and to build on the attractive and ecologically important landscape for tourism. One of the most important ecological ecosystem services provided by the district is the provision of good quality water, and the large numbers of wetlands found in the upper elevations within a range of vegetation types are critically important in this regard. The EMP suggests there is an opportunity to apply Payment for Ecosystem Principles for water resource protection therefore exists to ensure the protection of vegetation types dominated by wetlands.

2.13.9.4 Threats to biodiversity

The EMP states the unsuitable agricultural practices such as increasing irrigation in areas of poor soils and cash crop cultivation in marginal areas, is another threat to biodiversity in the Elundini area. The continuation of degradation of the District's land cover increases erosion. This is especially evident in Senqu and Elundini, but also prevalent in Gariep and Maletswai (now Walter Sisulu) where there is an increase of the Karoo scrubland. Unsustainable agricultural practices such as increasing irrigation in area of poor soils also contribute to erosion and undermine cash crop cultivation in marginal areas. Very little is being invested into land-care in proportion to the amount of degraded land. Ongoing urbanization and the growth of informal settlements around urban centers is increasing pressure on

the environment and stretching infrastructure beyond capacity limits. The municipal area has no dedicated persons looking at environmental issues. Fire, especially in the grassland areas to the east of the District is another factor affecting the environment. Illegal sand mining threatens the aquatic and terrestrial biodiversity.

MAP SHOWING CRITICAL BIO-DIVERSITY AREAS

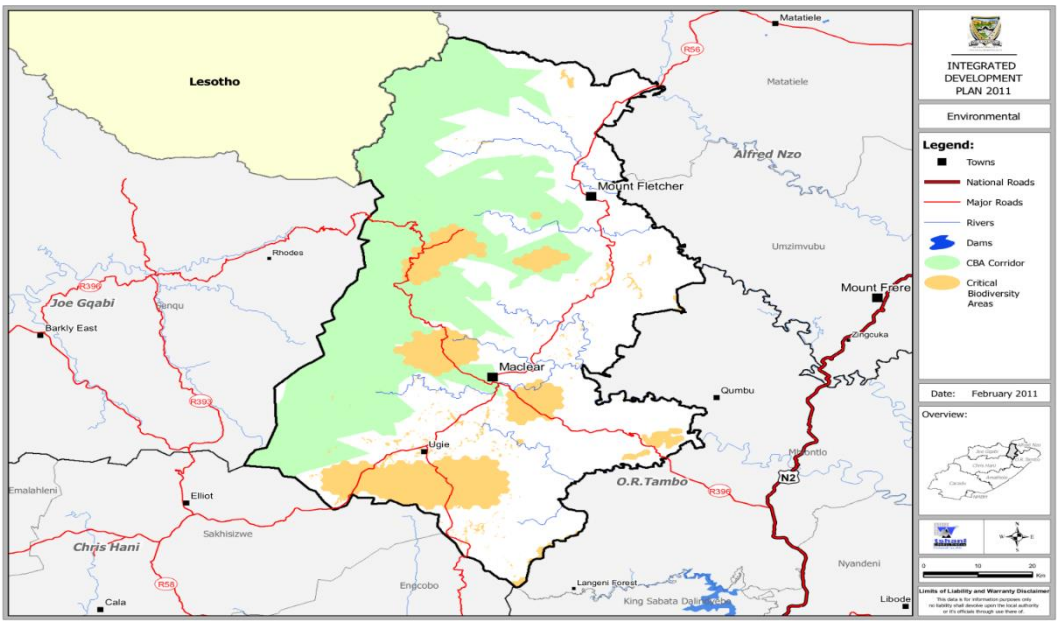


Figure 10: Map Showing Biodiversity Areas

2.14 Spatial Planning

In terms of Section 35 (2) of the Municipal Systems Act, the Spatial Development Framework for local Municipality has statutory status and overrides any other plan for the area or portions of the municipality that may have been compiled previously and which is described in the Physical Planning Act (Act No. 125 of 1991). Such plans would include regional and local development plans, regional and local structure plans and more localized plans such as Precinct Plans/Urban Structure Plans and/or Area Based Plans. As such, the Elundini Spatial Development Framework becomes the principle instrument for forward planning and also guide decision-making on land development in the Elundini Municipal area. The municipality Subsequent to the council resolution taken (CONA/174/23) noting and adopting the review of the Elundini Local Municipality Spatial Development Framework (ELM SDF) together with the application to DALRRD requesting financial assistance for necessary studies and developing of ELM SDF. The Municipality has since received a confirmation from the DALRRD approving financial support for the ELM SDF in the 2025/2026 financial year wherein the Department will also deploy technical support to prepare project documentation and assist the Municipality to manage the project.

The ELM has embarked in developing the inner-city /town precinct plans for its three town so as to:

- To create efficient and productive cities/ towns with less poverty and sustained by dynamic Economies
- To reduce existing infrastructure and service disparities
- To provide better housing and shelter and greater security of tenure for urban residents
- To encourage affordable growth of local economies
- To tackle spatial inefficiencies, especially the mismatch between where people live and work - to improve the quality of the urban environment
- To transform local authorities into effective and accountable local government institutions
- To establish safe and secure living and working environments

All the three town, Ugie, Nqanqarhu and Tlokoeng have the finalised precinct plans. However, gaps were identified and as such, project proposals have been submitted to EC CoGTA and DBSA for funding in order to further develop the precinct plan which will incorporate local spatial development strategies for each of the three towns. Strategic projects identified through these plans will be implemented in the next four years in alignment with the budget availability.

2.8.1. SPLUMA implementation

SPLUMA required that each municipality adopt and implement Spatial Planning and Land Use Management By-law to inform processes and procedures within the Spatial Planning and Land Use Management System. SPLUMA then advocated for development of wall-to-wall Spatial Development Framework (SDF) and Land Use Scheme (LUS) in order to align with relevant legislation. The Municipality had to also put in place decision making structures on Land Use and Land Development applications while also categorizing applications in line with established decision make structures.

The SPLUM By-law was adopted by Council and gazetted for implementation. In 2021, the Municipality further embarked on the process to further customise and strengthen its bylaw on Spatial Planning Land Use management. These amendments were adopted for public participation by Council in the June 2021 and has been taken through public participation and stakeholder consultative sessions. Thereafter, the Bylaw was finalised in line with Council resolution and processes and published on the provincial gazette for implementation.

The Municipality has also adopted the wall-to-wall Zoning Scheme Regulations, updated its zoning register and zoning maps as per the requirements of SPLUMA for Land Use Scheme. The Municipality adopted the SPLUMA aligned MSDF in December 2018 and approved categorization of applications in March 2021. For decision making structures, the Municipality also forms part of the District Municipal Planning Tribunal, while authorised officials have also been appointed with the Appeal Authority also in place. To fast-track processing of Land Use

and Land Development applications, the municipality has also approved the Standard Operating Procedure that clearly outline the whole land use and land develop application process. The application forms for town planning related applications have also been adopted by Council June 2021. In terms of internal capacity, the Municipality have three registered planners (including manager Planning and Land Use Management) appointed to deal with technical assessment and processing of land use and land development applications.

(i) Work in the planning stages for SPLUMA implementation:

The Municipality has already adopted, gazetted and Implemented Spatial Planning and Land Use Management Bylaw, Establishment of Decision-Making Structure in terms of SPLUMA and reviewing the MSDF in line with requirements of SPLUMA through non-lending support by DALRRD. Furthermore, SPLUMA also required that each institution compile a wall to wall Use Scheme (LUS) in order to align with relevant legislation. To accomplish this planning work, it was the intention of the Planning and Land Use Management Unit to first compile Ward Based Plans and then the SDF and LUS. The above was to be accomplished within 5 years' transition phase since the implementation of SPLUMA on the 1st of July 2015.

Elundini Municipality has accomplished most of the things that needed to be accomplished, including the implementation of the Wall-to-Wall Land Use Scheme. The Municipality's wall to wall scheme was taken through the public participation and consultative sessions, after which the Scheme was then published in provincial gazette for implementation.

(ii) By- Laws:

Of the five standard by-laws received from the Department of Rural Development and Land Reform (model planning and land use by-laws; model framework for delegations; model of tariffs; transitional provision and supporting document); the institution has customised and adopted the Spatial Planning and Land Use Management by-law; This bylaw informs on the processes to be followed when undertaking spatial planning, land use management and development management initiatives. The Zoning Scheme By-law was adopted in the Council Meeting of June 2021 (Con/171/21). The Municipality has also adopted the wall to wall Zoning Scheme Regulations, updated its zoning register and zoning maps as per the requirements of SPLUMA for Land Use Scheme. The Municipality adopted the SPLUMA aligned MSDF in December 2018 and approved categorization of applications in March 2021.

(iii) The establishment of Municipal Tribunal and Appointment of Authorised Official:

The ELM Council has resolved that the municipality will form part of the District Tribunal with Joe Gqabi and the other local municipalities under this district and the JGDM will be a stakeholder as the WSA. The municipality has thus signed the service level agreement into this effect. The different stakeholders

have identified the expertise which are required to sit in the District Tribunal. The Director: Planning and Economic Development has been appointed as the main Authorised Official for Elundini Municipality to adjudicate on applications that are in line with MSDF and received no objections.

(iv) Processing of Land Use and Land Development Application:

The Elundini Spatial Planning and Land Use Management Bylaw, 2016, sets out the process and procedure for submission and processing of land use and land development applications. These have also been further simplified through a Standard Operating Procedure (SOP) that has been approved by the Municipal Manager in terms of Section 84 of the said Bylaw. Furthermore, different application forms have also been developed and approved by Council in the June 2021 Council meeting. The SOP and checklist included as part of the application forms factored in the provisions and pronunciations of the Act (SPLUMA) as well as the SPLUMA Regulations for alignment purposes. The Municipal has two registered planners who are responsible for processing land use and land development applications as well as preparing recommendation reports to Municipal Decision-Making Structures (MPT and Authorised Official) established in line with SPLUMA requirements.

(v) Land Use and Land Development Application Management System:

Elundini Local Municipality uses an integrated management information system (IMIS) which integrates all components of a business entity into one coherent system so as to enable the achievement of its purpose and mission.

In 2018/2019 IMIS was introduced as part of the institutional system with different modules relevant for the municipalities. Project Steering Committee was established and modules required were identified. Departments were consulted by the service provider to assess their needs and to make sure that each module is responsive to client requirements. In this system there is a Town Planning function that enables the administration and Management of Town Planning, with regard to geographical information issues. This has proven extremely beneficial to all parties involved with the town planning function of the municipality. All types of applications are available for automation including Consent Usage, Consolidation, Coverage, etc.

Information about these applications can be extracted from the system in the form of reports. The Spatial Planning and Land Use Management Section has further simplified the process of applications as it prompts for all the pertinent information and automates the process to ensure timely correspondence between all parties involved. This land viewing tool is indispensable as it aids them on a day to day basis and provides enormous benefits.

2.8.1.1. Spatial Planning Elements

Situation Analysis: The Built Environment - Spatial Elements

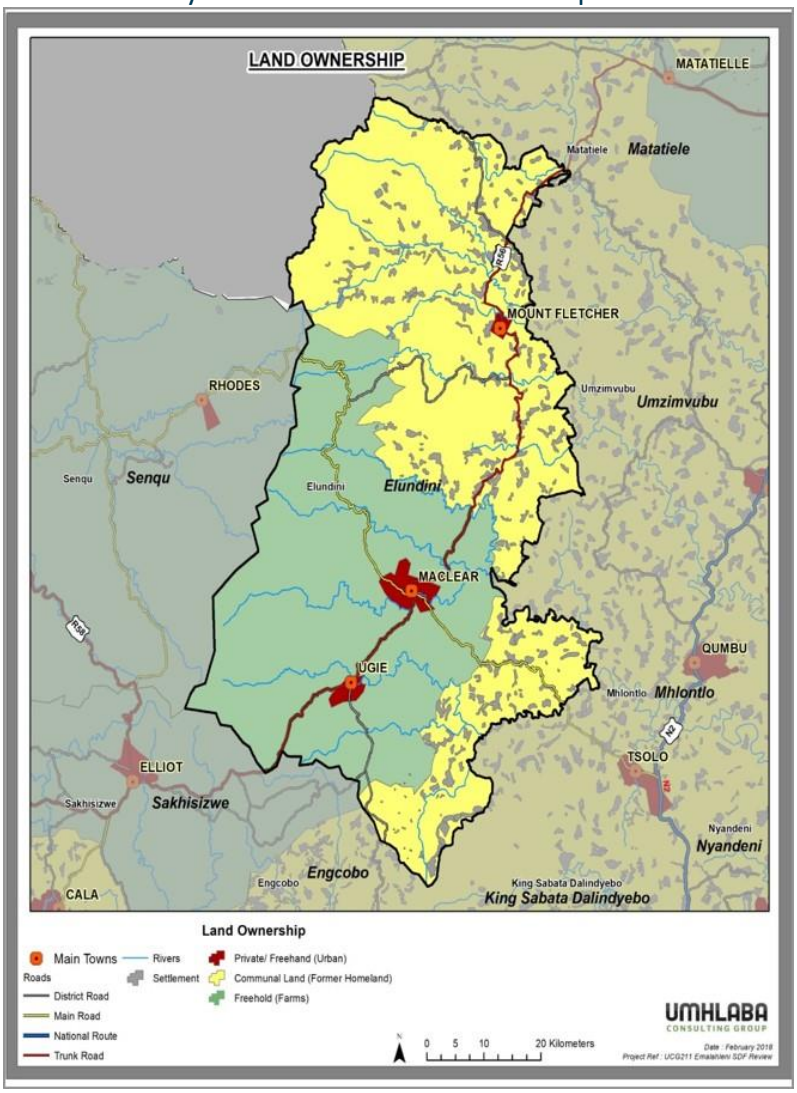


Figure 11: Spatial Elements

Three distinct settlement forms:

- Unimproved The three urban centres, namely; Nqanqarhu, Ugie and Tlokoeng: serve as administrative and small service / centres
- 244 rural settlements in Tribal Area (Former Transkei): accommodates 70 % of total population (97 404 people: 2011 census): Communal areas: small scale farming: subsistence-based living.
- 803 farms on freehold land (majority in former RSA area of ELM) Agriculture
- Dominant land us outside of urban areas: agriculture & forestry.
- Low density commercial farming: dominant in the central areas (Ugie/Maclear): Approximately 70 commercial farmers and about 803 farms (SG cadastral, 2017)
- Emerging farmers: approx. 30 (Pitseng area) 35 (Ugie) & 10-15 farmers: accessed land through the DLA: Land Restitution and Distribution (LRAD) Programme. (JG SDF, 2015)

- Forestry Plantations: dominant in the freehold areas (Ugie /Maclear)

Other significant land use features are:

- Critical CBA conservation areas, nature reserves and significant historical, cultural and natural heritage sites.
- Wetland Conservation areas of critical conservation are widespread in the study area
- Significant scenic and heritage routes.
- *Fragmented settlement pattern*
- *Low density rural settlement environment*
- *Resource base under pressure in rural settlement areas*
- *Competition for rural resources (land) between prospective uses: Residential, Free-range grazing, Cultivation, Forestry, CBA Conservation Areas*
- *Land which is held by tribal authorities or is communally owned can only be developed once the relevant processes in terms of various pieces of legislation have been complied with. This can have the effect of hampering or slowing down development.*
- *The distribution of land ownership indicates that any meaningful land reform programme to be pursued in the Elundini LM area will be reliant on restitution and land redistribution programs (JG SDF, 2015), and*
- *Any meaningful land reform programme to be pursued in the Elundini LM area will be reliant largely on funding to purchase land for beneficiaries.*

Situation Analysis: Socio Economic Review & The Local Economic Growth

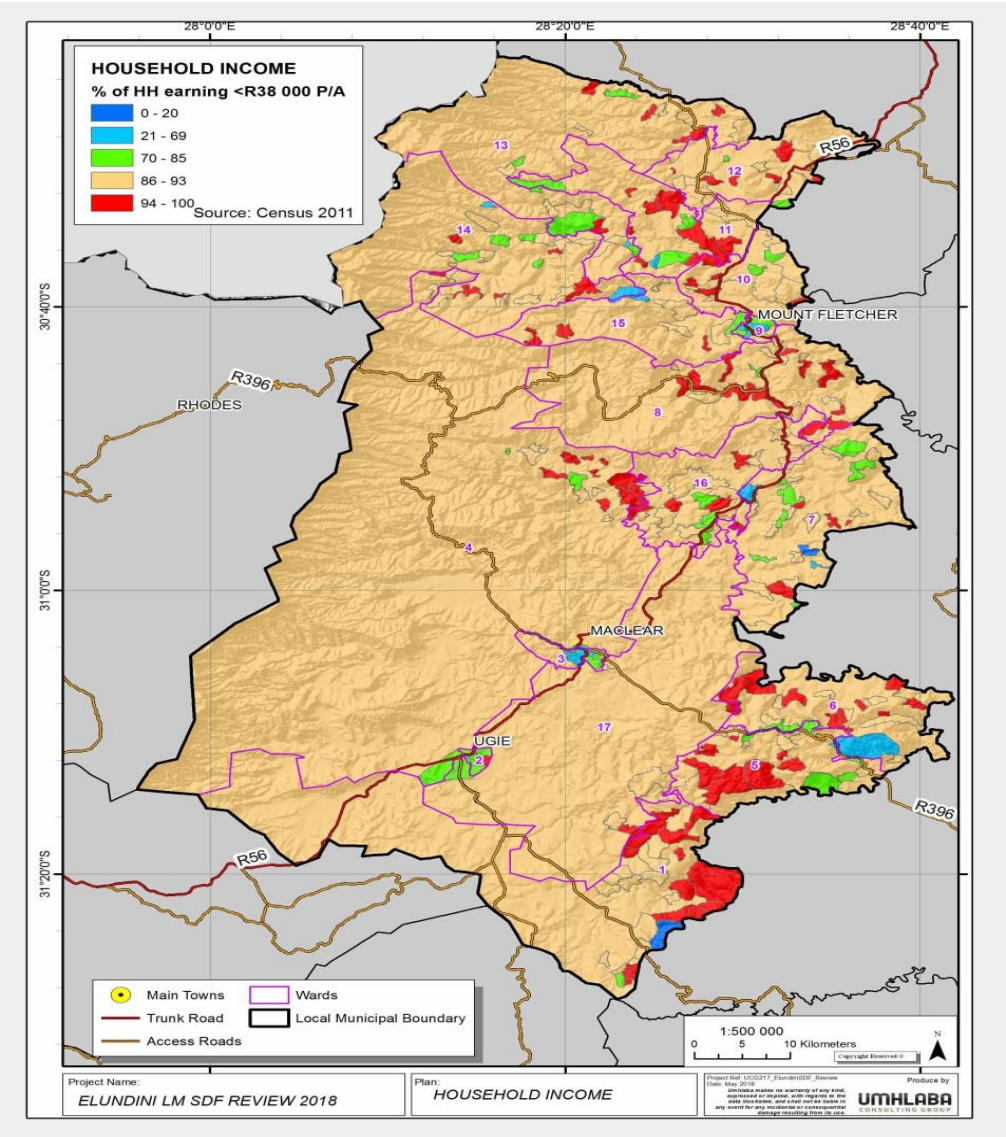


Figure 15: Spatial Elements

Majority of population characterised by::

- Low income, high unemployment and low literacy levels
- Lack of skills and education limits the meaningful contribution that people can make to improving their lives and contributing to the growth of the local economy
- Youthful population – requires focused interventions to develop youth
- 77 % reside in impoverished low density dispersed rural settlement areas – inhibits cost effective and sustainable service delivery
- High dependency on Social Grants
- Community Services Sector is the largest contributor to the GDP - Demonstrates a lack of diversity in the economy as it relates to mostly government related services.

- The primary sector is expected to grow (relates to agriculture and forestry) – but is prone to volatility due to external factors, e.g climate, etc.
- Tourism sector is recognized as a key growth potential due to natural assets.

Table 2.8.1.1: Key Local Economic Development Programmes

AGRICULTURE	**Aims to improve livelihoods of emerging and subsistence farmers**
TIMBER	**Aims to create new jobs through new afforestation and timber processing**
TOURISM	**Aims to grow the tourism industry**
ROADS AND STORMWATER	**Aims to eradicate backlogs in line with national targets**
RURAL ELECTRIFICATION	**Aims to improve municipal services to create sustainable human settlements, particularly in rural nodes**
SMALL TOWN REGENERATION	**The program focuses on , Commercial , Institutional and residential property development**
TOWNSHIP ESTABLISHMENT	**Access Aims to improve roads and access to electricity and ICT, to support Economic development**
GOVERNANCE	**Aims to improve Government's performance, particularly in supporting economic development and improving service delivery (coordination, health, education, etc.)**

Situation Analysis: Socio Economic Review & The Local Economic Growth

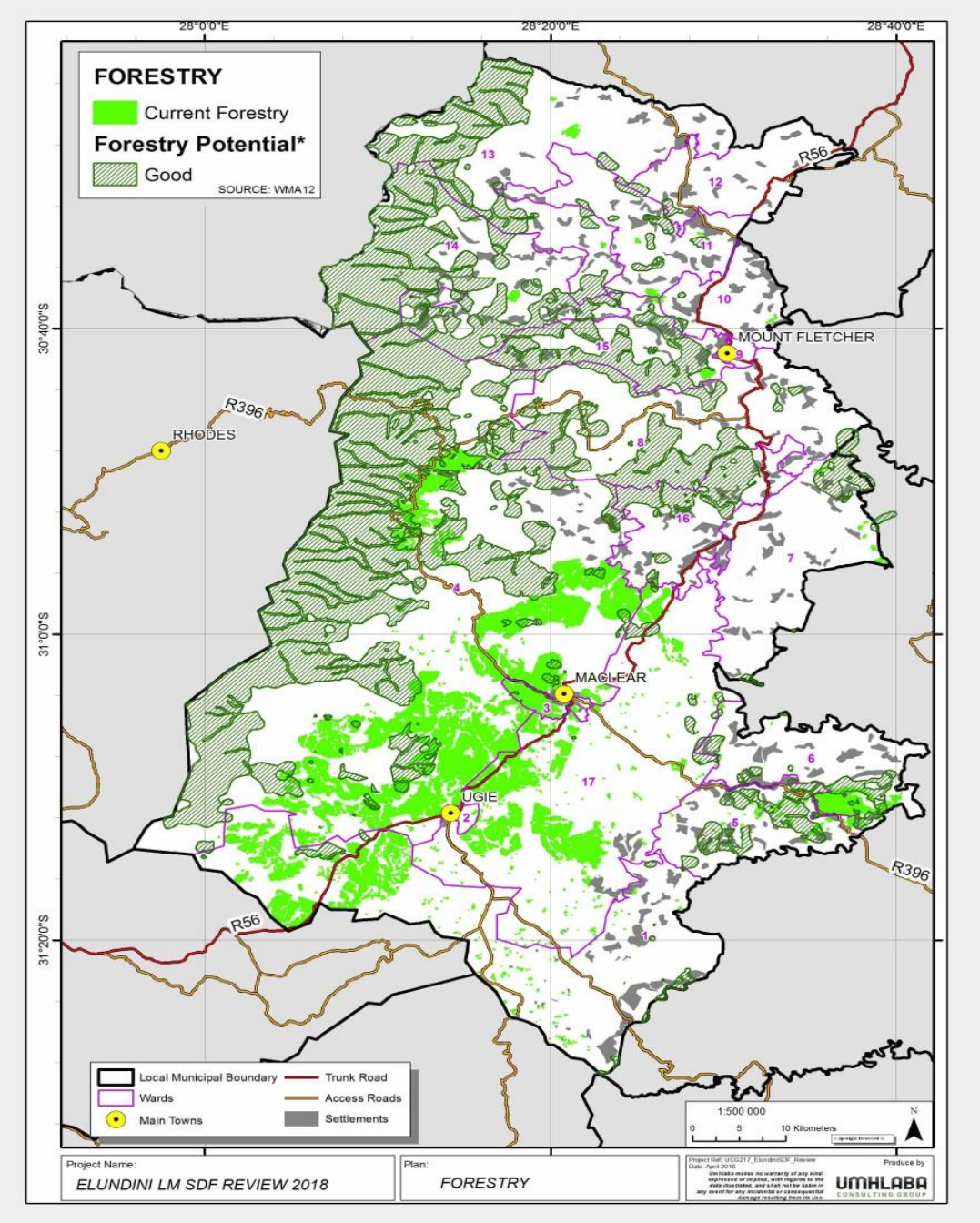


Figure 16: Agriculture and Forestry

- Land outside of urban areas – predominantly forestry and farming
- Communal land farmers – challenged by poor infrastructure (lack of fencing), high stock mortality rates, water, etc.
- Forestry is well established: PG Bison owns approximately 80 000 ha of forestry land in Elundini.
- The target to develop a further 10 000 ha of new forest plantation over 10 – 15. Considering replacing wattle plantations with new forest (5000 ha)

- Processing plant in Ugie, is expected to have spin off effect on the growth of the other related retail /services to the area.
- Cooperative Partnerships between private and government entities need to be fostered to grow the potential manufacturing and retail economy in Elundini.
- Land management and conservation practice is critical - protect the natural resources of the area, but enable much needed development to support economic growth.

Situation Analysis: Socio Economic Review & The Local Economic Growth

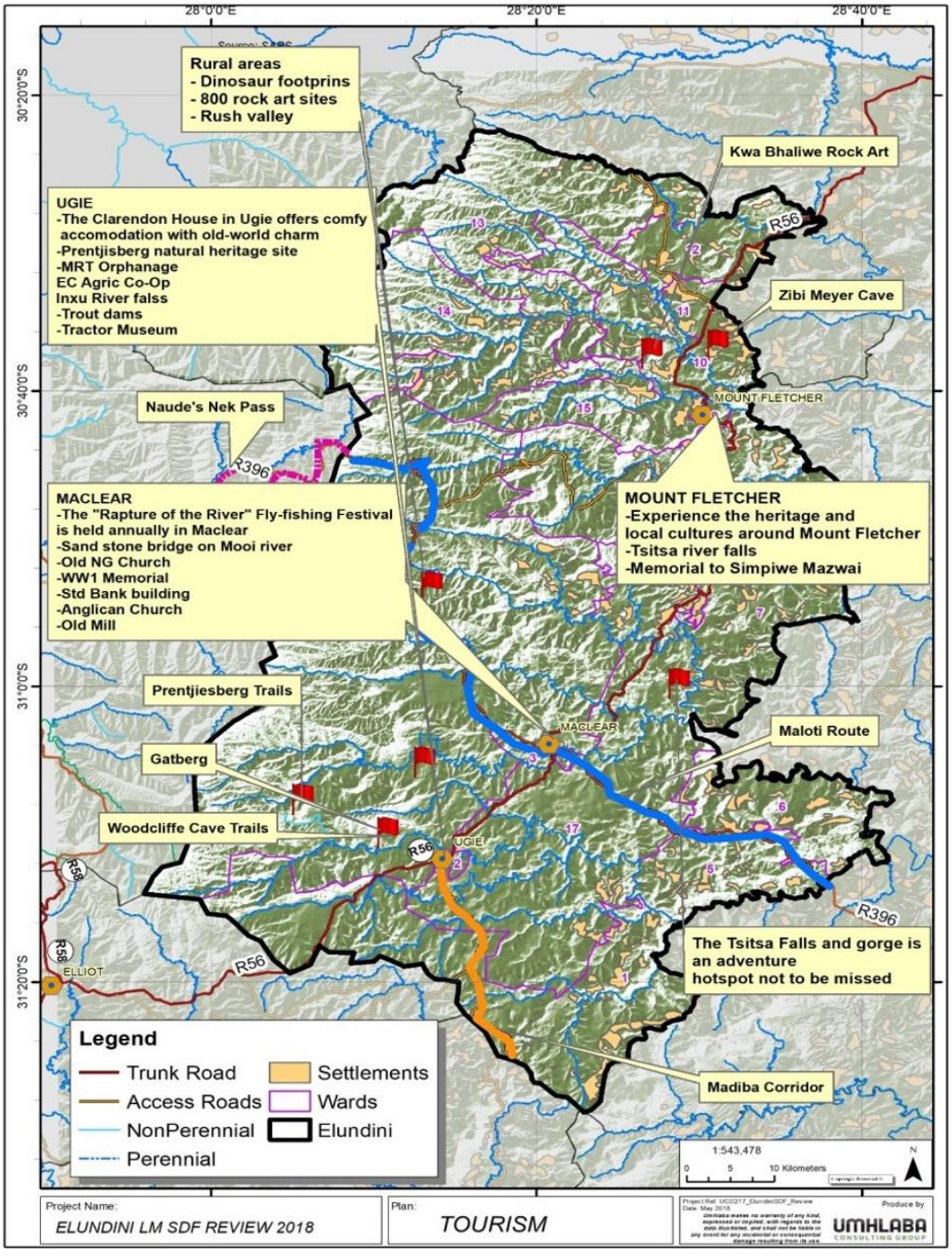


Figure 16: Tourism

- Growth potential sector
- Largely due to natural, heritage and cultural endowments
- *Critical to conserve pristine natural and heritage environment: rare and endangered flora and fauna, paleontological sites of significance*
- *Access and upgrading of roads and supply of infrastructure and services at tourism nodes is vital to support growth in tourism is vital, e.g. health and safety services, information centres, retail outlets, accommodation, etc.*

2.8.1.2. Land Ownership and Land Use Patterns

The Elundini Local Municipality's spatial planning documents, including the Spatial Development Framework (SDF) and Land Use Management Scheme (LUS), provide a comprehensive overview of land ownership patterns and their implications for development, land reform, and urban management across the municipal area.

Overview of Land Ownership Patterns:

- The spatial plans for Elundini Local Municipality illustrate the prevailing land ownership arrangements both across the broader municipal area and within its main urban settlements-Maclear, Mount Fletcher, Ugie, and Tlokoeng. The following key points are noted:
- **Data Gaps in Urban Areas:** There is a notable lack of detailed, up-to-date ownership information for certain urban areas, particularly in the town of Tlokoeng. This gap presents challenges for effective urban management, planning, and the implementation of land reform initiatives.
- **Dominance of Private Ownership:** Where data is available, it is evident that the majority of land within the municipality-especially in and around urban settlements-is under private ownership. This pattern is consistent with historical land allocation and the legacy of previous land tenure systems.
- **Communal and State Land:** In rural wards, a significant proportion of land is held under communal tenure, administered by traditional authorities, or owned by the state. These areas are primarily used for subsistence agriculture and settlement by rural communities, which make up approximately 77% of the municipal population.
- **Implications for Land Reform:** The distribution of land ownership in Elundini LM indicates that any meaningful land reform programme will need to rely heavily on restitution and redistribution mechanisms. The current SDF explicitly notes that land reform in the area must address both urban and rural contexts and will require coordinated action between the municipality, traditional authorities, and relevant government departments.

Strategic Considerations and Policy Alignment

The Elundini Land Use Management Scheme and SDF are aligned with national and provincial policy frameworks, including the Spatial Planning and Land Use Management Act (SPLUMA) and the National Development Plan. These frameworks emphasize the need for:

- **Harmonious and Compatible Land Use Patterns:** Promoting sustainable development, economic growth, and social inclusion through efficient land development and minimal adverse environmental impact.
- **Formalization and Clarification of Land Rights:** Initiating local planning processes to clarify land use rights, formalize settlement layouts, and address tenure insecurity, particularly in areas of strategic social and economic importance.
- **Cooperative Land Management:** Establishing forums for cooperative land management and decision-making, involving the municipality, traditional authorities, and district and provincial departments.
- **Targeted Land Reform:** Recognizing that successful land reform in Elundini LM will depend on land restitution and redistribution, given the predominance of private and communal tenure. This includes supporting land claims, facilitating redistribution projects, and providing administrative support for tenure upgrades.

Challenges and Development Priorities

- **Urban Data Limitations:** The lack of comprehensive ownership data, especially in Tlokoeng, constrains the municipality's ability to plan for infrastructure, housing, and service delivery in these areas.
- **Land Tenure Security:** Many rural residents lack formal tenure, which limits their ability to invest in land improvements and access finance. Addressing tenure security is a key development priority.
- **Land Reform Complexity:** The fragmented nature of land ownership-private, communal, and state-requires a nuanced, multi-stakeholder approach to land reform that balances restitution, redistribution, and tenure upgrading.

2.8.1.3. Development priorities in alignment to Spatial Development Framework

The development priorities of the municipality focus on infrastructure and service delivery. The situational analysis reviled that there is a severe shortage of essential services and infrastructure in some areas of Elundini, especially in the former Transkei. There are also discrepancies in the service delivery between the rural and the urban areas. The spatial implications in providing these basic essential services and infrastructure are:

- To identify the areas in greatest need of basic essential services and those areas must be prioritise for level one investment.
- To provide affordable and sustainable level of housing, services and infrastructure.

- To ensure that the environmental factors and constraints are considered in the delivery of services.
- To ensure equitable distribution of infrastructure and services.

Addressing Spatial Fragmentation

- Spatially fragmented settlement patterns, often comprising of low density, sprawling settlements areas are costly and difficult to service. Therefore, it is necessary to develop a means to prioritise service delivery and attempt to encourage more efficient settlement patterns by focusing on areas of potential and/or greater accessibility.
- The urban nodes of Ugie, Nqanqarhu and Tlokoeng play a vital role in the functioning of the Municipality. It is where the largest concentration of economic activities, resources and services are situated. In order for the effective utilization of these resources and services, it is important that the towns' forms promote efficiency. In order to achieve this, the following approaches need to be adopted:
- Urban sprawl needs to be contained through the development of an adequate Housing Sector Plan that clearly earmark areas of future growth and development while ensuring compact urban growth and development by means of urban intensification (infill projects & promotion of higher densities).
- Development incentives policy needs to be developed and adopted by Council in order to attract investors and developers to Elundini Municipal area of jurisdiction. This included deliberate and concise effort to prioritise processing of land use and land development applications that are critical for the economic prosperity of the three towns within the Municipality.
- Absorption of population growth within the existing urban edge. The benefits achieved from this relate to efficiency, cost, convenience and resource utilization. The continuity of urban development, as opposed to fragmentation, so as to functionally integrate urban areas. There must be integration of uses and activities, to maximize convenience and vitality.
- There must be multi-functionality and sharing of public spaces and facilities in order to make the most efficient use of public investment the integration of built and non-built environments, in order to achieve the economic, environmental and recreational interaction that potentially exists between them and to make maximum productive use of urban resources. Equitable distribution of public facilities and services throughout the Municipality.
- Incorporated into the principle of urban efficiently is the orderly use and development of land through adequate urban growth management strategies. A trend of urbanization is evident in the Municipality especially in Ugie and Nqanqarhu, while land invasions and haphazard use and development of land has been noted as a major challenge in the Tlokoeng core urban area. The pressure of urbanization is not only in the need for land for housing but also increased pressure on commonage land, cemeteries, social infrastructure e.g. sports field etc.

- Land use and development decisions must promote a harmonious relationship between the built and the natural environment while ensuring that land development is sustainable over the longer-term period'. Therefore, Land use planning and development in the Elundini Municipality should protect existing natural, environmental and cultural resources. It is also important that the prime agricultural land should remain in production.
- Environmental Management principles dictate that land use and land development must be sustainable, and not to the detriment of future development. This places great emphasis on the linkage between sound land use management and environmental management and highlights the need to integrate the two functions in an operational manner in the land management functions of thee Elundini Municipality.

2.8.2. Kei Development Corridor

The Kei Development Corridor is an initiative to promote economic development in the area surrounding the main road and rail links from East London to Mthatha. The Kei Rail Project is the "anchor" project in the Kei Development Corridor and is centered on the upgrading of the railway line between East London and Mthatha. While the focus of the project has been on improvements to the rail infrastructure, the project also aims to stimulate and sustain socio-economic growth and development within the Kei Development Corridor.

The Kei Rail Project just one of a number of identified Mega Projects in the Kei Development Corridor, other Mega Projects include Wild Coast Meander, N2 Toll Road EIA, Kei Rail Business Plan, East London Harbour, Umzimvubu Basin Water Projects, Ugie-Langeni Road, East London IDZ, MELD Corridor and Massive Food Production Program.

The Ugie-Langeni Road and The Umzimvubu Basin Scheme Mega Projects impact on ELM. The Kei Development Corridor Report highlighted the importance of The Ugie-Langeni Road with regard to providing access for timber and agricultural produce to markets and production facilities and increase freight opportunities for the Kei rail. In addition, the construction of the Ugie-Langeni road will have positive 'spin-offs' for the tourism industry and travel patterns by unlocking the natural resources of the Ugie and Engcobo areas.

2.8.3. Alignment with National and Provincial Policy Frameworks

A set of key national, provincial and district policy frameworks with implications for LED implementation were analysed as part of the review process, these include the following:

Table 30: Alignment with National and Provincial Policy Framework

National	EC Provincial	Joe Gqabi	Elundini LM
▶ MTSF (2009-2014)	▶ PGDP	▶ SDF	▶ SDF

▶ NDP	▶ ECIS	▶ IDP	▶ IDP
▶ NDP	▶ Eastern Cape Vision 2030 Provincial Development Plan	▶ SDF	▶ SDF
▶ NDP	▶ The Integrated Urban Development Framework (IUDF)	▶ SDF	▶ SDF
▶ National Tourism Strategy	▶ Eastern Cape Tourism Master Plan	▶ LED Strategy ▶ Tourism Strategy	▶ IDP ▶ LED Strategy ▶ Tourism Sector Plan

2.9. Social and Community Services

2.9.1. Sports and Recreation Facilities

The municipality currently has Five (5) sports fields:

Area	Ward
Tlokoeng	9
TV park	3
Refele	11
Ntokozweni	2
Hopedale	3

Hopedale sports field phase 2 was constructed in the 2024/2025 FY, there are no plans for construction of sports field for 2025/2026 and 2026/2027 through a Council Resolution due to competing priorities.

2.9.2. Community halls

From the table below, it shows that only 11 Wards in ELM have community halls and 6 wards do not have community halls.

The table below depicts the number of wards that have community halls and those that do not have community halls:

Table 31: Community halls

Ward No	Number Of Halls	Name of Hall
01	1	Nkalweni Community Hall
02	1	Ntokozweni Community Hall
03	1	Sonwabile Community Hall
04	1	Nqanqarhu Town Hall;

	1	Tsitsana Community Hall
05	0	
06	0	
07	1	Botshabelo Community Hall
08	0	
09	1	Tlokoeng Town Hall
	1	Ilisolomzi Community Hall
10	1	Skote Community Hall
11	0	
12	1	Mangoloaneng Community Hall
13	1	Mohoabatsane Village Community Hall
14	0	
15	1	Bethania Village Community Hall
16	0	
17	1	Ugie Municipal Hall

2.9.3. Cemeteries

Most of the cemeteries in the municipality are generally nearing maximum capacity and a cemetery management system is required to co-ordinate their effective use. Of critical urgency are the numerous informal cemeteries/grave yards which are being used in and around the informal settlements of the three towns. These burial places are not registered and are not compliant in terms of environmental and other legal provisions such as EIA compliance.

Generally, the key challenge regarding cemeteries in the municipality is around communities being reluctant to use formally established cemeteries to avoid paying user charges. They instead resort to using informally established and unplanned cemeteries which must be closed down as a matter of urgency since this severely compromises the natural environment. Recently an assessment report was developed for all sites that are being used for burial purposes to determine their suitability or otherwise. The report found among other things that most identified burial sites were informal and involved no technical investigations as required. The municipality based on this has undertaken a process towards formalization of existing sites, closure of unsuitable sites as well as identification of new land for formal establishment of cemeteries in each town. This process will be undertaken in anticipation of the introduction of an electronic cemetery management system which is already procured.

2.9.4. Pounds for Small and Large Animals

In terms of the powers and functions, pound management is the responsibility of the municipality. Supporting legislation includes the relevant Pound Ordinance which is still applicable as well as the municipal bylaw. All

three animal pounds are not in a good state and do not conform to common standards for animal keeping and care. The Nqanqarhu pound which has been located within municipal office premises has since been relocated to a suitable area on the outskirts of Nqanqarhu town. Even the above is not ideal by any measure of standard and require much more extensive infrastructure development than currently exist. In this regard a business plan has been developed in order to assist with proper project budgeting in order effect the necessary facility improvements. These include the construction of an animal pound in Ugie in 2025/26 financial year and fencing of Tlokoeng holding cell for impounded animals.

2.9.5. Parks and Open Spaces

There are five (5) existing parks in ELM located in Ugie, Nqanqarhu and Tlokoeng. Four of these parks were beautified. Caravan Park in Nqanqarhu was revamped and refurbished into an income-generating park for tourists. The refurbishment entailed the construction of swings, a braai area, tables and chairs, upgrading of electricity connections, building of walkways and installation of geysers and showers. Tlokoeng park has been prioritized for 2024/25 financial year.

A lot, though, still needs to be done on the established parks in ensuring that they are well cared for and maintained. Upgrading of these which must include re-grassing, landscaping and fencing are matters which must receive priority attention. Installation of playground equipment as well as outdoor furniture within parks themselves and on pavements are features that have a potential of making our parks practical and user-friendly spaces. There is still a challenge of providing secured ablution facilities on our parks to promote health and hygiene. Some of the parks like the one opposite the entrance to the municipal offices may need to be transformed into botanical gardens also in line with the “greenest concept” embraced as part of the municipality’s strategic goals. A Public Amenities Maintenance and Management Plan has been developed and approved by council and is being implemented.

2.9.6. Library and Information Services

Libraries are a function of the district sphere of government currently performed by the municipality on an agency basis. To give effect to this arrangement a Service Level Agreement has recently been signed with the district municipality who have committed to funding the services by way of a subsidy to the amount of R1.3 million for 2024/25 financial year. All three towns operate library facilities through seconded professional librarians assisted by staff appointed by the municipality. Some of the challenges regarding libraries include:

- Lack of access to internet services (in some libraries)
- Space constraints (no discussion rooms, offices etc.)
- Lack of dedicated maintenance plans
- Adequate funding
- Non-existence of a Memorandum of Agreement

Notwithstanding the above the municipality has made provision during adjustment budget to cater for roll out of internet connection to all the libraries. This improvement will include replacement and fitment air conditioning equipment. It is expected that these improvements will make libraries more user friendly.

2.10. Public Safety

2.10.1.1. Traffic Services

The municipality maintains services of traffic officials to administer its two Driver Learner Testing Centers (DLTCs) located in Nqanqarhu and Tlokoeng. It must be noted that the municipality only provides for practical driving licensing for Code 8, plans are underway to upgrade DLTC in Nqanqarhu which is Grade D to Grade B. A Vehicle Testing Station in Tlokoeng which was under construction during the previous financial year has been completed, however, it has not yet been handed over for use. All services related to licensing, registration of vehicles and payment of traffic fines are currently in operation and a recently installed backup system operates whenever there is power failure. Electronic machines for learners and driving licenses and eye testing are operational.

Currently there are six (6) law enforcement officers for Elundini Local Municipalty, the employment of Law Enforcement Officers will somehow ease the challenge on the implementation of by-laws which are currently under reviewal.

2.10.2. Waste Management

The Solid Waste Management Section located in the Community Services Department is charged with the responsibility of rendering all Solid Waste Management activities, environmental plans and programs. The Section is responsible for refuse collection, street cleaning, and waste information or waste data management, recycling, awareness and landfill site management. The Municipality adopted its IWMP which was sent to MEC for DEDEAT for endorsement and was duly endorsed in 2016 and is currently under review. The municipality has also formally appointed the Manager: Waste and Environment as its designated waste management officer. The Municipality has also been screened by DEDEAT as part of their process of updating the Provincial IWMP with specific focus to Joe Gqabi District Municipal Area. The department has introduced a plan to implement the polluter pay principle through the revision of refuse tariffs to ensure sustainability of the service and minimal cost recovery. In this regard the tariff policy has been reviewed to incorporate cost elements for services that the municipality render for the public good.

2.10.2.1. Refuse Removal / Waste Collection

The refuse removal service only focuses in the CBD and peri-urban areas of Elundini Municipality. ELM provides a weekly waste collection service to all the households and daily service to businesses in Nqanqarhu, Ugie and Tlokoeng. In residential areas, household waste is placed on the kerb outside

the house and collected from there by municipality. This domestic waste should be contained in refuse bags which are tied or knotted. ELM provides daily refuse collection services in town focusing on Businesses and Government Institutions.

2.10.2.2. Street Cleaning / Cleansing

Street cleaning is conducted daily with the main focus being in the CBD and adjoining streets. Clearing of Illegal Dump Sites and Township Street Cleaning is done through a combination of departmental staff and EPWP workers allocated to the department. The Good Green Deeds program of the department of Environmental Affairs recently launched is planned to second around 22 local youth who will assist the municipality in heightening awareness on issues of cleanliness and environmental education among communities. They will also largely deal with cleaning illegal dumps.

There is also a skip service available and sidewalk bins placed at strategic points in Tlokoeng, Ugie and Nqanqarhu town to ensure that Businesses and people have access to them and ultimately reduce levels of littering. Sixty (60) street litter bins were procured and installed in Nqanqarhu, Ugie and Tlokoeng in 2019/20. The aim is to ensure proper waste / refuse containment in all urban areas. The municipality has been awarded a youth empowerment programme by DFFE: Municipal Cleaning and Greening (Flood mopping), where Hundred and twenty-six participants have been employed form all ELM wards. The participants will complement the existing dwingling permanent staff with undertaking refuse collection, street cleansing, greening and beautification, landfill site management as well management of public open spaces. The programme commenced in March 2023 and lapsed in March 2024.

2.10.2.3. Waste Disposal/Landfill Site

ELM has three landfill sites that are licenced for operation namely: Nqanqarhu landfill which is currently not in use, Ugie and Tlokoeng landfill sites. The three sites came into operation in 2004. The old landfill sites that were in Ugie and Maclear were officially closed. The Department of Economic Development Environmental Affairs and Tourism as the competent authority was invited by Elundini LM to assess the old dumping sites that has been operating as general waste disposal without license. The Department together with ELM officials conducted the site visit on the 26 October 2023 to assess the condition of the old sites. Based on the observations, the sites were no longer operational and has been fully revegetated and the contamination of land by landfilling activities was not assessed. Both old landfill sites were officially closed. Both Ugie & Tlokoeng landfill sites are managed internally by Community services staff to ensure that the permit conditions of the waste facilities are adhered to. The municipality has submitted a proposal to DFFE for procurement of specialized yellow fleet which was approved during 2024/2025 FY at an amount R16M. The plant will be procured in phase were in 2024/2025 FY a landfill compactor was procured and delivered during Q3, for

2025/2026 procurement processes for other plants has been initiated and the expected delivery is by end of Q1.

The Nqanqarhu landfill site is utilised as a transfer station, while Ugie and Tlokoeng are being utilised as disposal sites. however, there's partial compliance (not full) in terms of the conditions of the license as well as relevant environmental management legislation. The partial compliance is reflected in compliance and inspection reports submitted by the district municipality (EHPs) and competent authority (DEDEAT) through adhoc site inspections and monitoring of the sites. The ELM requires support (financially) in order to take full control of the management and operation of landfill site function (i.e. for sourcing of proper plant, equipment and fleet for landfill management). Other responsibilities for waste management unit in the operation and management of landfill sites, is to provide monthly reports on waste volumes and also ensure that the sites are operated in accordance with the permit conditions. The Municipality regularly visits the sites to ensure compliance with the Permit Conditions of the Sites. In addition to this monitoring regime the district Environmental Health Practitioners visit the sites on a monthly basis to check on compliance with the Department of Environmental Affairs conducting random inspections.

2.10.2.4. Recycling

ELM is working closely with Elundini Cooperative Development Centre to ensure that Cooperatives in the Recycling Sector are organised and assisted. This platform created an opportunity for the Municipality to consolidate the different requests that are submitted by Cooperatives and will ensure that everyone benefits from any assistance that is offered by the Municipality. There are currently six recycling cooperatives which are formally registered and plying their trade albeit on a smaller scale. ELM also has a Material Recovery Facility located at the Ugie Landfill Site. Currently the MRF is not in a suitable condition to be accepted by the Municipality and operated accordingly. The Municipality will make efforts to rectify the structure and be able to offer recyclers an opportunity to be involved in the sector. Ongoing discussions between the municipality and the implementing agents of the MRF project have yielded positive results. Accordingly, the MRF is undergoing repairs towards finalisation to enable planned operations.

ELM aims to promote waste minimization and recycling in the three towns and to create employment opportunities through that MRF. The MRF will contribute towards local economic development and increase the lifespan of landfill site. Currently the MRF is due to be repaired through internal funding mechanisms to pave way for its use and operation by local recycling cooperatives.

2.10.2.5. Education and Awareness

ELM has initiated programs to increase awareness concerning ASD and particularly to promote a cleaner environment to live in, and around urban areas. Efforts to strengthen this program has been made possible by the creation of the position of Environmental Awareness and Education Practitioner who among others is also responsible for championing waste minimisation activities. The main purpose of the programs is to raise awareness and educate Elundini Municipality residents/community about issues related to cleanliness, waste, environmental management and sustainable development. The waste management awareness focuses on the anti-littering programs for the public/clean up campaigns.

The Municipality intended to hold a minimum of two Campaigns per year in order to influence community mind set on waste and environmental management matters. Clean-up Campaigns and Awareness Campaigns have been conducted in all three towns. The position of an education and awareness officer has recently been approved and awaiting filling. ELM is an active participant of the Climate Change, Waste and Environment SALGA Forum, Provincial DEDEAT Waste Management Forum and the Joe Gqabi District Environmental Management Forum. ELM also participates on quarterly basis in the District Enviromental Forum convened by the districts Local Government Support Officer, appointed by the National Department of Forrestry, Fisheries and Environment (DFFE).

(a) *The achievements in the waste management program*

- Collection Services to more than 7336 households and 222 Businesses
- Daily Street Cleaning and Skip Bin Removal Services for Businesses
- Purchase of 2 new 4 Ton Truck for servicing Ugie and Tlokoeng
- Use of a vehicle tracking system to monitor fleet movements
- Purchase of 6 additional Skip Bins for Ugie and Nqanqarhu and refurbishment of about 8 bins in Tlokoeng
- Provision of additional Skip Bins for Tlokoeng
- Strictly monitoring the implementation and performance of Interwaste on poor performance in terms of the PPP Agreement through various monitoring and inspections
- The employment and secondment of one local young person under the Good Green Deeds program of DEA

(b) Challenges

- Inability to extend basic waste/lack of refuse removal services in rural areas
- Shortages of personnel for effective Management of Solid Waste

- Poor Condition of the Ugie MRF
- Poor road conditions for accessing landfill sites and some townships
- Landfill airspace running out
- Lack of sector plans such as the Air Quality Management Plan and the Environmental Management Plans

Table 32: Available Fleet – Refuse Removal Vehicles

Nqanqarhu	Ugie	Tlokoeng
Supervisor vehicles X 2	Supervisor vehicles X	Supervisor vehicle X 2
1 x REL Compactor Truck 1 x 4 Ton truck 2 x Tractor and trailers	2 x Tractor and Trailers 1 x 4 Ton Truck	1 x Tractor and Trailer 1 x Tractor and Skip Loader 1 x 4 Ton truck

2.10.3. Implementation of Expanded Public Works Program (EPWP) and Community Works Programme (CWP)

ELM participates in the Expanded Public Works Program (EPWP) contributing mainly on the Social Sector, Infrastructure Sector and Environmental Sector. ELM has employed an EPWP Champion Coordinator, located within the Community Services Department to ensure that EPWP programs are run and managed effectively.

EPWP Grant outcomes

The impact of the EPWP grant in the lives of beneficiaries.

- High level of unemployment has been reduced.
- Skills transfer / Capacity building conducted.
- Poverty has been eradicated.
- Support systems for people living with the Virus have been created.
- Awareness campaigns on HIV and AIDS have been done.
- Promotion of Local ownership
- Communities are benefiting from the infrastructure projects that have been implemented.
- Towns are clean and Parks have been developed and maintained.
- Crime has been reduced because communities are working.

EPWP Grant Performance

- EPWP Integrated Grant allocation for 2024/2025 financial year was R 2 114 million, for 2025/2026 financial year the grant is R2 079 million.
- Grant received for the past 2 years and expenditure including the grant received in 2024/2025

Programme Name	Purpose	Outputs	Outcomes
Mass Job Creation: - Environment & culture Sector: (Waste management)	Refuse collection & Beautification of town.	Waste collected and Community Parks created.	Clean towns
Mass Job Creation: (Infrastructure)	Roads and storm-water development and maintenance.	Roads maintained and facilities refurbished.	Maintained Roads and storm-water.
Training was also conducted for participants for 2024/2025 FY (Security and Computer Literacy)			

Community Works Programme (CWP) is a South African government programme managed by Department of Cooperative Governance (DCOG) and is implemented at ELM jointly with stakeholders via local reference committees (LRCs). The CWP seeks to address existing weaknesses while enhancing the impact of the temporary community work opportunities it provides. Participants within CWP are deployed within the communities and are contributing in all community works programmes. There is an active Local Reference Committee that is chaired by the Community Services Portfolio Head and it sits on a quarterly basis. The local reference committee is made up of the key stakeholders within Elundini which includes but not limited to Senior Municipal Official, Ward Councillor, Traditional leaders, project implementer, NGO's, Health, Academic institution Representative. The CWP participants are placed in schools, clinics, community gardens and they receive a monthly stipend from DCOG.

2.10.4. By-Laws and Enforcement (Promulgation of By-laws)

ELM has recently revised and adopted its waste by-laws in order to comply with the NEMWA Act, 2008. Due to lack of adequate capacity to enforce the by-laws, there are numerous sporadic cases of illegal dumping and littering by both residents and commercial businesses. Even though these are usually identified and cleared on a monthly basis they soon reoccur due to lack of enforcement. Council also passed a specific resolution for the imposition of a R4500 fine to those found to have illegally dumped waste upon investigation. At times community members with full knowledge and access to regular collection service still dump their waste indiscriminately. Other relevant municipal bylaws being enforced include the street bylaws, informal trading, nuisance, impoundment of stray animals' bylaw, cemetery and road traffic bylaws to name but a few.

ELM has also introduced regular programs aimed at raising awareness among communities against illegal dumping and other activities likely to damage the environment. To date the municipality has initiated a monthly program aimed at clearing identified illegal dumps as part of its budgeted operations and has also appointed six (6) Law Enforcement Officers to ease the challenge on the implementation of by-laws. Over and above this the municipality developed a fine schedule to enable immediate enforcement of bylaws through imposition of

spot fines. Both Nqanqarhu and Tlokoeng Magistrates courts have been furnished with the fine schedule for their approval and signatures.

2.10.4.1. List of Bylaws and Gazette Dates

All Commnity Services by laws are currently under review and they will all go through the policy process. Once the Council approve, they will be gazzetted and be implemented.

Table 33: Municipal By-Laws

	Name Of By-Law / By Law Description	Date Adopted	Date Gazetted	Gazette No.	Date Reviewed	Con. Res. No.
1	Childcare Services	14/06/2007	30/07/2008	1929 (Provincial)		
2	Standing Rules and Orders	14/06/2007	30/07/2008	1929 (Provincial)	Dec 2022	
3	Parking attendants / car attendance	14/06/2007	30/07/2008	1929 (Provincial)		
4	Encroachment By-law	14/06/2007	30/07/2008	1929 (Provincial)		
5	Street Trading	14/06/2007	30/07/2008	1929 (Provincial)		
6	Bed and Breakfast, Guest House facilities	14/06/2007	30/07/2008	1929 (Provincial)		
7	Property Rates	14/06/2007	30/07/2008	1929 (Provincial)		
8	Tariffs	14/06/2007	30/07/2008	1929 (Provincial)	Yearly	
9	Credit and Debit Collection	14/06/2007	30/07/2008	1929 (Provincial)	Yearly	
10	Standing Rules and Orders	14/06/2007	30/07/2008	1929 (Provincial)		
11	Parking attendants / car attendance	14/06/2007	30/07/2008	1929 (Provincial)		
12	Fire Brigade	14/06/2007	30/07/2008	1929 (Provincial)		
13	Fire Safety	14/06/2007	30/07/2008	1929 (Provincial)		
14	Fireworks	14/06/2007	30/07/2008	1929 (Provincial)		
15	Funeral Undertakers	14/06/2007	30/07/2008	1929 (Provincial)		
16	Impoundment of animals	14/06/2007	30/07/2008	1929 (Provincial)		
17	Keeping of Animals, Poultry and Bees control	14/06/2007	30/07/2008	1929 (Provincial)		
18	Keeping of dogs control	14/06/2007	30/07/2008	1929 (Provincial)		
19	Law-enforcement	14/06/2007	30/07/2008	1929 (Provincial)		
20	Lease of halls & conference facilities	14/06/2007	30/07/2008	1929 (Provincial)		
21	Library	14/06/2007	30/07/2008	1929 (Provincial)		
22	Liquor	14/06/2007	30/07/2008	1929 (Provincial)		
23	Municipal Commonage	14/06/2007	30/07/2008	1929 (Provincial)		
24	Municipal Taxi Rank	14/06/2007	30/07/2008	1929 (Provincial)		
25	Nuisance	14/06/2007	30/07/2008	1929 (Provincial)		
26	Outdoor Facility and Outdoor municipal building	14/06/2007	30/07/2008	1929 (Provincial)		
27	Parks and Open	14/06/2007	30/07/2008	1929 (Provincial)		
28	Parks for Caravans & Mobile Homes	14/06/2007	30/07/2008	1929 (Provincial)		
29	Refuse removal	14/06/2007	30/07/2008	1929 (Provincial)		
30	Swimming Pools	14/06/2007	30/07/2008	1929 (Provincial)		
31	Cemetries	14/06/2007	30/07/2008	1929 (Provincial)		
32	Barbers, Hairdressers and beauticians	14/06/2007	30/07/2008	1929 (Provincial)		
33	Aerodrome-Municipal Airports	14/06/2007	30/07/2008	1929 (Provincial)		

34	Aerial Systems	14/06/2007	30/07/2008	1929 (Provincial)		
35	Traffic By-law	14/06/2007	30/07/2008	1929 (Provincial)		
36	Spatial Planning and Land Use Management By-Law	05/11/2015	20/06/2016	3689 (Provincial)		

2.10.5. Air and Noise Pollution

ELM does not have a Climate Change Strategy and Air Quality Management Plan in place and will have to consider developing these as part of its compliance to Air Quality Act, 2004 (NAMAQA). As a member of the environmental quality management forum, which sits on a quarterly basis ELM understands the need to monitor and manage air pollution sources in the area given various natural and manmade sources and P.G Bison industrial operations which is a major source of air pollution in the area.

Other sources of air pollution such as manmade agricultural activities, burning of fossil fuels, vehicular traffic and natural sources as wind will receive corresponding priority. This plan will also ensure that air and noise pollution, especially in urban areas are effectively monitored and by-laws are enforced. Plans are at an advanced to designate one of the employees as an air pollution control officer. Currently the forms of pollution are dealt with through existing framework of legislation such as the approved Integrated Waste Management Plan (IWMP), waste and nuisance bylaws. Currently pollution control is achieved through various municipal bylaws such as nuisance bylaw and fire brigade bylaws. The waste disposal site bylaws also disallow any form of burning within areas demarcated as landfill sites.

2.10.6. Sewage Spillages

Sewerage spillages (water and land pollution) are also monitored. These are the most frequent type of environmental pollution. Unfortunately, their frequency is very high especially in the central business district of Nqanqarhu town due to lack of bulk services capacity, poor management and insufficient funding for maintenance. The water services authority, Joe Gqabi district, has offices stationed in Nqanqarhu in order to facilitate easy and quick response in the event of any such spillages, leakages and other water nuisances occasioned by burst water pipes.

2.10.7. Environmental Opportunities

The ELM does not have its own Environmental Management Plan currently, however, the plan will be developed in 2025/2026, only Environmental Management policy that has been approved by Council. World Wild Fund & South African National Parks (WWF &SANPARKS) has continued to support Elundini farmers who are participating in the establishment of the new grasslands national park within the Elundini region. From October to December 2024, the team also managed to conduct follow-up operations at Mangerton, and to complete 2.75 hectares of initial clearing on Porterville farm. In total, the cumulative total cleared area and rehabilitated through erosion control is 110.75 hectares, complemented by an additional 26 hectares of follow-up clearing.

In 2025, the clearing team will shift its emphasis from initial clearing efforts to follow-up clearing. This is particularly important as many invasive species, notably wattle and Sweetbriar, are notoriously resilient and require ongoing follow-up clearing. To effectively eradicate these species, the team anticipates conducting at least two rounds of follow-up clearing in each area. These additional rounds will ensure that the ecosystem has a greater chance of restoring itself without the competitive pressure of these invasive plants. During 2024/2025 Fy the municipality received funding amounting to R3million from DEDEAT for clearing of alien invasive plants at wards 5 (Mbonisweni, Lower Ngxaza,&Mtshezi) & 6 Qurana, Sommervile & Ntywenka. Sixty-eight (68) job opportunities were created for a period of twelve months.

2.10.8. Southern Drakensberg Sustainable Development and Conservation Strategy

The Southern Drakensberg Sustainable Development and Conservation Strategy, developed for the Elundini and Senqu Local Municipalities, has the following vision: “Improving the quality of life for all by facilitating sustainable economic opportunities in balance with the environment”. This long-term developmental vision contains the following key principles:

- Improving quality of life
- Facilitating local economic development
- Sustainability
- Creating opportunities
- In balance with the environment

These principles enforce the strategy’s primary objective which is to investigate the opportunity to unlock the economic potential of the region in a sustainable manner. It aims to strengthen the environmental sustainability of the IDPs and SDFs and address key structural and systems issues that are inhibiting the economic potential of the area. The overarching goal of this strategy is to improve the quality of life of individuals in the eastern portion of the JGDM. These goals are influenced by the principles of sustainable development with the strategy using the moderate to strong definition of sustainable development which entails the improvement of human and social capital without the loss of natural capital. Through this sustainability process the strategy aims to conserve all forms of capital in the area i.e. Natural, Human, Social, Financial, and Manufactured capital. To achieve these goals, the Southern Drakensberg Sustainable Development and Conservation Strategy identified five strategic pillars. These pillars are:

- Sector Development
- Environmental Management
- Investment in Infrastructure
- Creation of Strategic Partnerships and Institutional development
- Human Resource Development

2.10.9. Waste Collection Services: Refuse Removal

Table 34: JGDM Refuse Removal

SOURCE	JGDM	ELM	%
Removed by local authority/private company/community members at least once a week	117 381	28 395	19, 59%
Removed by local authority/private company/community members less often than once a week	5 696	308	0, 21%
Communal refuse dump	6 160	2 047	1, 41%
Communal container/central collection point	1 329	108	0, 08%
Own refuse dump	220 293	96 419	66, 53%
Dump or leave rubbish anywhere (no rubbish disposal)	17 120	13 074	9, 02%
Other	4 933	4 579	3, 16%
	372 912	144 930	100%

Source: CS 2016

Elundini LM has addressed the issue of unlicensed landfill sites since 2007 when the first LED Strategy was compiled. There are capacity issues with the expansion of the existing waste site in Ugie, however a program for recycling has been put in place and it is hoped that this will reduce the volume of waste entering the site. The recycling program is to be a Public Private Partnership (PPP). Landfill sites abound in the rural areas where refuse is not collected.

2.10.10. District Disaster Management Plan

The disaster risk assessment was conducted by the district in 2008, the district is in the process of developing disaster management plan. The District has formulated a Disaster Management Framework, a generic Disaster Management Framework and a Corporate Disaster Management Plan. These plans are used by the District to exercise its powers and conduct its duties in disaster management. The District Disaster Management Centre is developing a Scientific Based and Proven District Disaster Management Plan. This quantifies various risks, and provides strategies on how to identify and classify risks, ensures proper prevention, mitigation and response mechanisms, which are to be managed by all stakeholders. The current institutional arrangement regarding fire and disaster management is not adequate for the purposes of discharging the municipality's mandate towards its citizens, however, disaster and fire unit continuously conducts awareness campaigns as per the plan and also attends to all reported cases of fires, oil spillages and floods

At the helm of providing response to the various incidents and disasters only two Fire and Disaster Management officers have been employed. These efforts are assisted by participation and affiliation to the local Fire Protection Agency under the auspices of PG Bison and the local farming community. Various efforts have been made to conclude a Service Level Agreement with the Joe Gqabi district municipality for the release of a Hino fire engine truck aimed at improving ELM's capacity to render a comprehensive fire response. Up till now the municipality relies on a skid vehicle, being a small bakkie carrying a mini water tank. ELM does not have its own approved Disaster Management Plan but fully recognizes the value and importance associated with having one and the budget has been made available for development of ELM disaster management plan during 2025/2026 FY. The fire management plan is in place and was approved by Council.

Joe Gqabi DM has developed a Level 1 Disaster Management Plan and Elundini LM is incorporated in the plan, it applies to national or provincial organs of state and municipal entities that have not previously developed a coherent disaster management plan. It focuses primarily on establishing foundation institutional arrangements for disaster risk management, putting in place contingency plans for responding to known priority threats, identifying key governmental and other stakeholders and developing the capability to generate a Level 2 Disaster Management Plan.

The JGDM DRMC is further responsible to ensure the development of contingency plans for specific known hazards of rapid onset, which have been identified in the findings of the disaster risk assessment as priority risks in the area of the JGDM. These include:

- Severe weather events
- Snow
- Flooding
- Pandemic/Epidemic
- Structural Fires (formal)
- Structural Fires (informal)
- Veld fires
- Road accidents
- Mass events

While continuing to use the district wide Disaster plan, plans are at an advance stage to free resources in order to develop one. The ability of the municipality to maintain its operations and service delivery following major incidents and or natural disasters is highly dependent on its disaster preparedness. The municipality had incorporated the disaster function in the organogram to accommodate the planned shared fire services model

in partnership with Joe Gqabi District municipality and Working on Fire. Electing to participate in the shared model will yield various benefits to the municipality which include a complete revamp of existing fire hydrants, erection of fully equipped fire stations/disaster centres, secondment of staff from Working on Fire as well as provision of state-of-the-art firefighting engines and equipment. The premium that the municipality will have to pay for all this would be considerably far less in comparison with what costs it would incur were it to provide these itself. The municipality has set fire tariffs at a rate of an annual increase of 4%.

2.11. Municipal Transformation and Organizational Development

2.11.1. Institutional Arrangement

Elundini Local Municipality has a political and administrative structures reflected as follows:

Table 35: Political and Administrative Structure

Political Offices and Council Structures	Adminstrative Structures
▶ **Office of the Mayor** ▶ **Office of the Speaker** ▶ **Office of the Whip** ▶ **Council** ▶ **Executive Committee** ▶ **Section 80 Committees** ○ **Strategic Governance Portfolio Committee** ○ **Corporate Services Portfolio Committee** ○ **Budget and Treasury Portfolio Committee** ○ **Planning and Development Portfolio Committee** ○ **Infrastructure Planning & Development Portfolio Committee** ▶ **Section 79 Committees** ○ **Audit committee** ○ **Municipal Public Accounts Committee (MPAC)** ○ **Women Caucus** ○ **Mandate Committee** ○ **Rules Committee** ○ **Members Interests and Ethics Committee** ○ **IDP and Budget Steering**	▶ Office of the Municipal Manager ▶ Corporate Services ▶ Budget and Treasury Office ▶ Planning and Development ▶ Infrastructure Planning and Development ▶ Community Services ▶ Bid Committees ○ Bid Specification Committees ○ Bid Evaluation Committees ○ Bid Adjudication Committees ▶ Performance Management Project Steering Committee ▶ Employee Assistance Program Advisory Committee ▶ Local Labour Forum ▶ Local Labour Forum Sub-Committees

2.11.2. Political Structures

At present the Elundini Municipal Council consists of 34 Councillors and has 17 Wards, half of which are elected in terms of proportional representation and the remaining Councillors are directly elected, i.e. are Ward Councillors. The Elundini Municipality has a Collective Executive System with a Ward Participatory System. The Executive Committee consists of 5 members as appointed by Council and is chaired by the Her Worship the Mayor, Cllr M.P.S.S Leteba. Hon Madam Speaker, Cllr V.V. Hokwana is the chairperson of the Council. The following are the members of the Executive Committee of Elundini:

Table 36: Members of the Executive Committee

Name	Portfolio
Hon Cllr M.P.S.S Leteba	The Mayor and Exco chairperson
Hon Cllr S. Mdoda	Infrastructure Planning and Development
Hon Cllr M. Siphamla	Planning and Local Economic Development
Hon Cllr B. Nqodi	Corporate Services (Whip)
Hon Cllr P. Lephafa	Budget and Treasury
Hon Cllr T. May	Community Services

The Executive Committee is the principal committee of the Council. It is the Committee which receives reports from the Standing or Portfolio Committees of Council and it must forward these reports together with its recommendations to the Council when it cannot dispose of matters in terms of its delegated authority. The chairperson of the Municipal Council is the Speaker. The Council has defined the following roles for the Speaker (over and above the roles assigned by the Municipal Structures Act): -

- Leader of council in respect of the oversight function;
- Custodian of the interests of the members of the municipal council;
- Politically in charge of the community development workers' program; and
- Responsible for the training and development of ward committees

In terms of Section 72 – 78 of the Municipal Structures Act, council has elected the Ward Committees in compliance with the Act. The ward committees are consultative community structures without any formal powers accorded to them. Where a ward committee is fully functional and effective, it is able to influence the decision taken in Council.

ELM has established seven (7) Section 79 committees (i.e. Audit Committee; Municipal Public Accounts Committee; Women Caucus; Mandate Committee; Rules Committee; Members Interests and Ethics Committee and Budget Steering Committee) and five (5) Section 80 Committees (i.e. Corporate Services; Financial Services; Infrastructure Planning and Development; Planning and Economic Development; Community Services and Strategic Governance Portfolio Committee) which are aligned to the administrative departments and are chaired by members of the Executive Committee. These committees sit their meetings according to the adopted municipal council calendar, the recommendations or reolutions taken in these meetings are escalated to the executive committee and then to council for consideration before they are implemented by relevant custodians / departments who then report implementation progress on a quarterly basis. The following are Section 79 Committee Members:

Table 37: Section 79 Committee members

Name	Portfolio
Hon Cllr Z. Mampintsha	MPAC chairperson
Hon Cllr C.L Marrandi	Chairperson Women Cuacus
Hon Cllr M. Thokozwayo	Chairperson Mandate Committee
Hon Cllr V.V Hokwana	Chairperson Rules Committee
Hon Cllr M. Telile	Chairperson Members interest and Ethics Committee
Hon Cllr M.P.S.S Leteba	Chairperson IDP & Budget Steering Committee

2.11.3. Administrative Structure

The ELM's executive management structure consists of the Municipal Manager, appointed in terms of section 54 (a) of the Local Government: Municipal Systems Act; five directors appointed by the municipal council in terms of Section 56 of the Municipal Systems Act and one non-section 56 senior manager directly accountable to the municipal manager. The municipality's main political and administrative offices are situated in Nqanqarhu with two administrative units in Tlokoeng and Ugie headed by their respective unit heads. Only the Municipal Manager and Director Community Services are on a 5-year performance-based contracts, other senior managers have been appointed according to the new regulations for the appointment of managers directly reporting to Municipal Manager. Senior Managers have signed their performance agreements which are reviewable annually. All other employees are employed on permanent basis except for the EPWP workers and interns.

The ELM macro organizational structure consists of the following departments: -

Table 38: Top Management

No.	Name	Position	Department	Period	Functions
1.	Mr. Jack Mdeni	Municipal Manager	Office of the Municipal Manager	5-year fixed contract	▶ Strategic Support ▶ Legal Services ▶ Internal Audit ▶ IDP, PMS, Risk Management, Monitoring & Evaluation ▶ Special Programs, including HIV & AIDS, Youth, Women and People with Disabilities
3	Mrs Nonkuselo Sokutu	Senior Manager: Strategic Support Services		Permanent	

					▶ Public Participation, Customer Care and Communication
3.	Mrs Ntomboxolo C Eddie	Director	Planning and Economic Development	Permanent	▶ Spatial Planning, GIS and Town Planning ▶ Local Economic Development ▶ Property development
4.	Mr. Siqalo Mrengqwa	Director	Infrastructure Planning and Development	Permanent	▶ Project Management Unit; ▶ Building and Civil Works ▶ Electricity
5.	Mrs Lungiswa Gomana	Director	Community Services	5-year fixed contract	▶ Waste Management and Environment; ▶ Public Safety; ▶ Fire & Disaster Management; ▶ Law Enforcement ▶ Libraries ▶ EPWP/CWP
6.	Mr. Zibele Xuba	Director	Corporate Services	Permanent	▶ Human Resources ▶ Administration and Support ▶ Information Communication Technology and Support
7.	Ms Balisa Mbana-Gantsho	CFO	Budget and Treasury Office	Permanent	▶ Income and Expenditure; ▶ Budget Planning, Monitoring, Financial Statements and Report; ▶ Supply Chain Management; ▶ Asset Management

2.11.4. Powers and Functions

The table below illustrates the powers that Elundini Local Municipality is authorised to perform in terms of Part B of schedule 4 and 5 of the Constitution.

Table 39: Municipal Functions

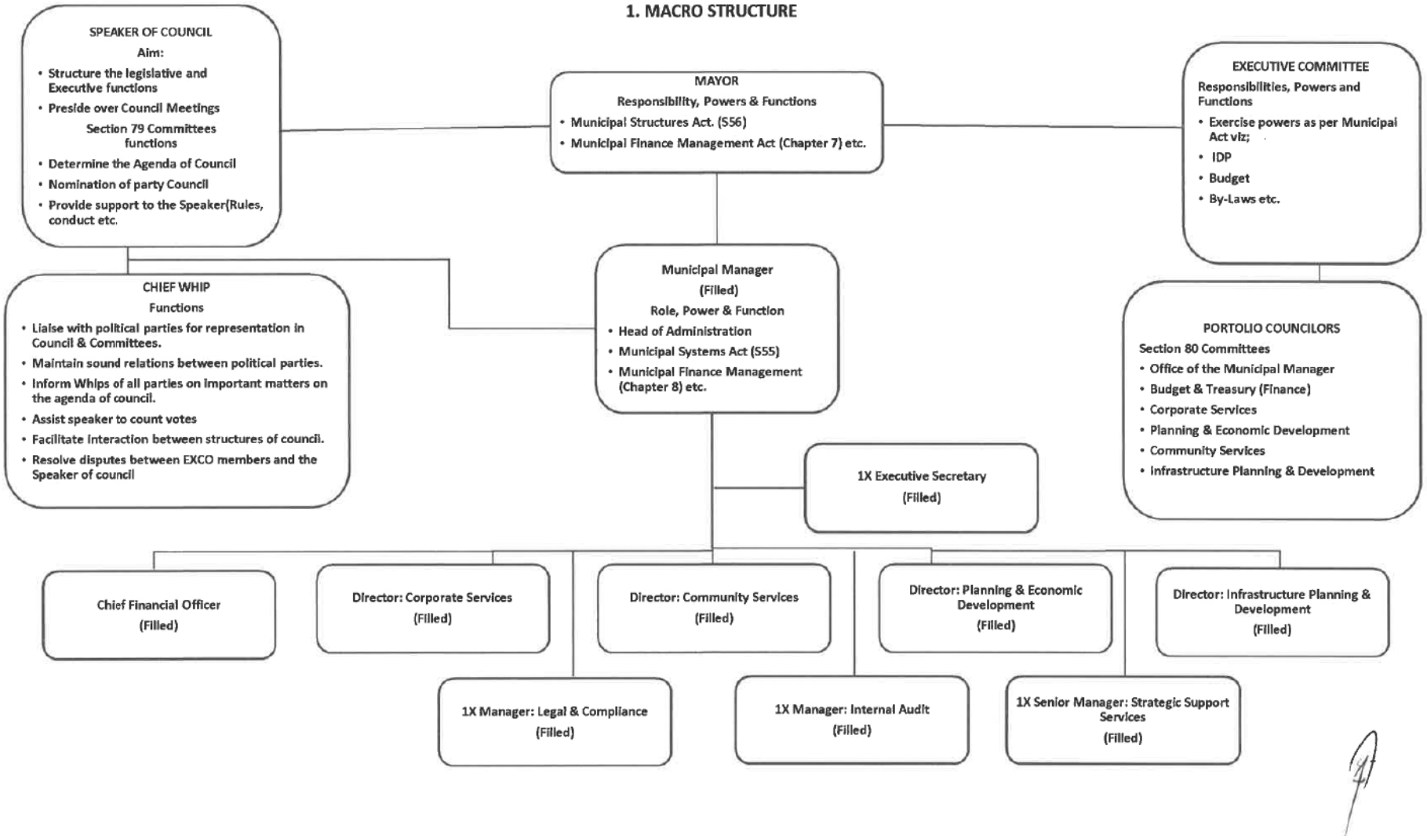
Part B of Scheduled 4	Part B of schedule 5
1. Air pollution 2. Building regulations 3. Child care facilities 4. Electricity and gas reticulation 5. Local tourism 6. Municipal Planning 7. Municipal Health services 8. Municipal public transport 9. Storm water management 10. Trading regulation 11. Pontoons, faires, settees, piers and harbours excluding the regulations of international and national shipping	12. Beaches and amusement facilities 13. Billboards and display advertisement in public places 14. Cemetries, funeral parlours and cemetoria 15. Cleansing 16. Control of public nuisance 17. Control of undertaking that sell liquor to the public 18. Facilities for the accommodation care and burial of animal 19. Fencing and fences 20. Licensing and controlling of undertaking that sell food to the public 21. Local amenities 22. Local sports facilities 23. Markets 24. Municipal abattoirs 25. Municipal parks and recreation 26. Municipal roads 27. Noise pollution 28. Pounds 29. Public places 30. Refuse removals, refuse dumps and solid waste disposals 31. Street trading 32. Street Lighting 33. Traffic and parking
Of 39 functions listed in Parts B of schedule 4 and 5 of the Constitution, Elundini Local Municipality has been allocated 34 functions which it is required to deliver on, the following 23 functions are being performed ELM.	
Part B of schedule 4	**Part of B schedule 5**
1. Solid waste 2. Municipal Planning 3. Storm water management 4. Municipal public transport 5. Trading regulations 6. Local Tourism 7. Building regulation 8. Electricity reticulation(agency) 9. Child care facilities	10. Cemetries, funeral parlour and crematora-including DM function 11. Cleansing 12. Local sport facilities 13. Municipal parks and recreation 14. Municipal roads 15. Public places 16. Refuse removal, refuse dumps and solid waste disposal 17. Traffic and parking 18. Municipal public works 19. Beaches and amusement 20. Billboards and display advertisement in public places 21. Street trading 22. Control of undertaking that sell liquor to the public 23. Street lighting
The table below reflects function that Elundini is authorised but is not being performed:	

Part B of Schedule 4	Part B of Schedule 5
1. Air pollution 2. Child care facilities 3. Electricity and gas reticulation (not authorised function but its performed) 4. Firefighting services 5. Municipal airport 6. Municipal public transport 7. Pontoons and ferries 8. Electrification reticulation	9. Control of public nuisance 10. Fencing and fences 11. Municipal abattoirs 12. Nose pollution

2.11.5. Elundini Organizational Structure Overview

As part of the annual IDP & Budget review processes, the Municipality has reviewed its institutional Organogram in order to reflect whether the municipality will be able to deliver on its Constitutional mandate and as circumstances so demand. The position for the Municipal Manager and all directors had been filled. Other employees that are recruited on a contractual basis are experiential learners, casuals and those who are employed on an EPWP program. Managers that report directly to the Directors and Senior Manager annually sign their performance agreements that are aligned to the municipality's SDBIP. Below is the municipality's macro structure that was reviewed and adopted with the adoption of the IDP and Budget. The whole structure of the municipality is attached as an annexure below to the document.

1. MACRO STRUCTURE



2.11.6. Status on Vacancies

The Municipality's approved organizational structure consists of 461 positions in total with 311 funded positions and 283 filled positions as at 30th of April 2025. Twenty-eight (28) are vacant, making a vacancy rate of 9%. The Municipal Manager and all Directors reporting directly to the Municipal Manager are filled. It must be noted that the increase in vacant and unfunded positions in the municipal organogram was introduced by the organogram review process that took place in March 2024 where most positions were added to enhance municipal performance. However, the municipality is yet to source funding for the unfunded positions in order to commence with the recruitment processes.

Below is the breakdown in the filling of posts per department:

Table 40: Status on vacancies

Department	Total Posts	Filled Posts	Vacant and Funded Posts	Vacant & Not Funded	Vacancy %
Office of the MM	39	30	3	6	10%
Corporate Services	49	41	4	4	9%
Budget & Treasury Office	46	31	8	7	25%
Community Services	246	117	6	123	5%
Planning & Economic Development	14	10	0	4	0%
Infrastructure Planning & Development	67	54	7	6	12%
TOTAL	461	283	28	150	9%

2.11.7. Records Management

ELM has a functional Records Management Unit located within the Corporate Services Department. The File Plan of the municipality has standards of record-keeping which are followed accordingly. The ELM's file plan has goals which are not limited to the following that are followed in the Registry office:

- To provide a systematic framework for the classification of all records in their active, semi-active and inactive stages;
- To assist registry staff in the orderly filling and retrieval of records;
- To ensure that records are retained and destroyed or preserved in accordance with legal and fiscal requirements, archival value and operational needs;
- To reduce the volume of records in the offices by providing guidelines on the retention and destruction of records.
- Transfer of records to the filling room.

2.11.8. Employment Equity Plan

ELM has adopted its three-year employment equity plan and annually reviews it and approves the review before the start of each financial year. The reviewed equity plan shows the relationship between the current workforce profile and possible barriers in employment equity policies and procedures. The plan further indicates on how

the municipality provides a reasonable accommodation for people with disabilities such as ramps in the building entrances, lifts inside the buildings with more than one floor, ablution facilities, designated parking areas. The municipality also provides software equipment for daily work operations of disabled Councillors and Employees.

Below is the gender breakdown of staff compliment of ELM per occupational level: The table below contains information on all employees, including people with disabilities:

Table 41: Employees including people with Disabilities

Occupational Category	Total number of Females	Total number of Males	Total number	Race (A- African, W- White C- Coloured)	Disability Status
Top Management	0	1	1	1 – A	0
Senior Management	3	2	5	5 -A	0
Middle Management	12	11	23	23 -A	0
Skilled	63	35	98	96 – A 1 - C 1 -W	1
Clerical	28	35	63	63 – A	0
Elementary Workers	43	55	98	97 -A 1 – C	0
Total Number Employees	149	139	273	285 – A 1 -W 2 -C TOTAL EMPLOYEES =288	2

Due to the geographic location of the municipality, as well as the size and economic level, the municipality experiences challenges in the recruitment and retaining of designated groups and scarce skills. Scarce skills relate to those occupations for which employers cannot find or retain appropriately qualified and experienced people, i.e. people with the appropriate occupational competence. A scarce skill emerges when demand for a specific occupation outstrips the supply of this occupation at a specified price (or wage) (i.e. by those who are willing to work at that specified wage). Below is the list of positions that the municipality experience high turnover as they are identified as scarce skill:

- Spatial Planning / Town Planning
- Infrastructure – Electricity
- Information and Communications Technology (ICT)

2.11.9. Skills Development

Elundini Municipality develops and submits the Workplace Skills Plan (WSP) to LGSETA by 30th April each financial year. The WSP is mainly based on training needs identified in the employee's personal development plan for each financial year, skills audit results, as well as the training needs identified for councilors. Processes leading to the final submission of the WSP to LGSETA includes the submission of the WSP to the Skills Development and Employment Equity Committee for consultation and subsequently, to Council for approval.

The municipality also capacitates employees and councilors through bursaries for long term programmes e.g. Local Government Law and Administration, Public Administration, etc, in order to improve skills and knowledge. The municipality further focuses on the development of Elundini Community members, specifically the Youth, through various community learnership programmes, Career guidance, and community focused Internships and Experiential Trainings. Pipeline organizational development projects for the municipality include the development of a competency requirements analysis and configuration of the skills needs of the employees to address future needs of the municipality. The municipality currently struggles in retaining scarce skills in the employment due to competition in the labour market and the rural nature, location and weather conditions of the municipality.

2.11.10. Job Evaluation

Elundini Local Municipality, in line with the Municipal Systems Act, reviews its organizational structure annually as part of the IDP review process. A requirement of the structural review requires the costing of an organogram which is affected by the job evaluation process. Job description writing and job evaluation processes are conducted for all new positions and those that have a job content which has significantly changed. All job descriptions for new positions and positions affected by change are subjected to the SALGA job evaluation process which is conducted through District Job Evaluation Committee for evaluation and audited by the Provincial Audit Committee for confirmation of final TASK Grades. ELM uses the TASK job evaluation system that was adopted by the local government sector in 2003.

2.11.11. Occupational Health and Safety

Elundini Local Municipality is implementing the Occupational Health and Safety strategy which is intended to minimize occupational related risks and incidents, as well as promoting a healthy and safe environment. The implementation of the approved strategy is in line with the Occupational Health and Safety Act, and related legislations. The municipality has a functional Occupational Health and Safety Committee which aims to improve ELM performance in terms of health and safety, increase employee knowledge on OHS matters as well as to ensure compliance to relevant legislation governing the function. The Committee is comprised of Municipal employees from various municipal departments and levels of employment.

2.11.12. Employee Health and Wellbeing

ELM is currently implementing its Employee Wellness Strategy that was adopted by council. There are numerous activities that employees are embarking on which include among others counselling, referrals for counselling, sports events; FUN walks, observation of National Health Calendar which is done in conjunction with the Department of Health and this is done to encourage and foster Inter Governmental Relations. The municipality has also resolved to give those employees who participate in sports an afternoon off on Wednesdays from 14:30 to go and participate in their various sporting codes.

2.11.13. Leave Management

Leave management within the municipality is government by South African Local Government Bargaining Council Collective Agreements (SALGBC), Regulations on appointment of Senior Managers and Municipal Policies. The Human Resources Department has revised its policy and procedures in order to address shortcomings that have been raised by the Auditor-General and have implemented various steps aimed at improving Leave Management. An electronic system is used to record all kinds of leaves that employees have taken. The system enables the manager responsible for the leave to approve it in the system and human resource is able to access all leaves in the system.

2.11.14. Labour Relations

There is a general Labour peace in the institution in so far as Labour related issues are concerned. Management is trying by all means to consult with labour on all matters of concern. The employer has developed an open-door approach to consult with the trade unions even outside the legitimate structure created for consultation. The council calendar also includes the sitting of Local Labour Forum (LLF) to further enhance sound labour relations and compliance with the South African Local Government Bargaining Council (SALGBC) Organizational Rights Agreement. Employees adhere to the Code of Conduct through the ongoing information sharing sessions which is conducted on a quarterly basis.

2.11.15. Human Resource Plan

A Human Resources (HR) plan involves a strategic approach to managing and developing of the municipal workforce to ensure effective and efficient service delivery to the community.

Key components in a plan include:

Workforce Planning: Assessing current workforce capabilities and identifying future needs to meet service demands. This includes analysing demographic trends, retirement forecasts, and potential skills shortages. **Recruitment and Selection:** Implementing fair and transparent procedures to attract and hire qualified candidates. Emphasis is placed on promoting diversity and inclusivity, in line with South Africa's Employment Equity Act. **Training and Development:** Providing continuous learning opportunities to enhance employee skills and competencies. This may involve workshops, seminars, and access to further education to keep up with evolving municipal needs. **Performance Management**: Establishing systems to evaluate employee performance regularly. This includes setting clear goals, providing feedback, and recognising achievements to motivate staff

and improve productivity. **Employee Wellness and Occupational Health and Safety:** Ensuring the well-being of employees through health and safety programs, counseling services, and work-life balance initiatives. **Compliance and Policy Development:** Ensuring Human Resource policies are aligned with national labour laws and local government regulations. This involves regular reviews and updates to existing policies.

Labour Relations and Stakeholder Engagement: Collaborating with labour unions and other stakeholders to ensure Human Resource strategies align with both employee needs and expectations. **Technology Utilisation:** Leveraging technology to streamline HR processes, improve data management, and enhance employee engagement through platforms like HR Information Systems (HRIS).

2.11.16 Information Communication Technology and Support

a) Formulation of various ICT Governance Documents and Strategies

ELM operates with high intergrity ICT Governance Standards to ensure compliance with regulations both local and internationally recognised standards. In this regards ELM took upon itself to ensure that it complies with aforementined ICT Governance Standards in line with KING IV, ISO/IEC 38500,ISO 27001/2 POPI ACT and other relevant standrads and practices by reviewing and benchmarking its existing policies, procedures, frameworks and strategies annually in order to align them with current updated standards. As part of implementing IT Governance as per the KING V and COBIT 19 recommendations, ELM reviewed the following ICT Policies:

- Reviewed Disaster recovery plan, operationalize and update to talk to the ICT setup;
- Reviewed Procedure manuals and team notes for disaster recovery;
- Supply and install Water and food prohibition signs at the main and disaster recovery site;
- Identified key documents and equipment for recovery plans and move copies to the recovery site;
- Developed ICT Physical Access to Server Room Procedure;
- Reviewed ICT Risk Register;
- Developed ICT Risk Management Procedure;
- Developed Change Control Procedure;
- Developed Backup and Recovery Procedure;
- Developed Patch Management Procedure;
- Developed Antivirus Management Procedure.

b) Implementation of Information Security:

- Carry out IT security awareness initiatives and campaigns.
- Support day-to-day administration of various firewalls.
- Proactively assess potential items of risk and opportunities of vulnerability in the network.
- Design and implement IT Security policies and procedures for the administration of security measures over the network, operating system.

- Implement strong password controls to authenticate system access. Incorporate this aspect in the IT Security policy.
- Ensure the ELM correctly configures firewalls routers within the network environment to ensure optimal protection against unauthorised access.
- Ensure that there is anti-virus software across the organisation to protect information systems.
- Ensure there is patch management process to prevent exploitation of vulnerabilities.
- Ensures that activities within the system network, including databases are tracked by using audit trails by someone independent of administration functions.
- Ensure that system configuration detect security vulnerabilities and that incidents are monitored, reported and resolved on a regular basis.
- Carry out checks / tests for effectiveness that Firewall, Anti-Virus and Spyware solutions to ensure the ELM's email, intranet and internet are protected.
- Perform additional related responsibilities as required to ensure compliance with the Auditor General's requirements and relevant laws and regulations.

c) Development of IT Master Systems Plan:

- Interview key stakeholders.
- Conduct the Business, Information, Applications, and Technology GAP Analysis.
- Develop IT Master Systems Plan that incorporates Implementation Plan.

d) Development and Implementation of Business Continuity (BC) and IT Disaster Recovery (DR) Plans:

- Conducted Business Impact Analysis and Risk Assessment.
- Identified the Recovery Strategies.
- Prepared Business Continuity and IT Disaster Recovery Plans.
- Educated and Trained on BC and IT DR Plans.
- Tested BC and IT DR Plans and update accordingly.

The above-mentioned activities were presented to Council for approval and adoption and are considered as official municipal guideline documents that will enhance service delivery.

1.3.2.1 ICT Challenges

- Infrastructural incapacity
- Limited Budget
- Inadequate business continuity

1.3.2.2 Action plans to address ICT challenges

- Upgrade of Network connectivity
- Increase budget allocation for ICT

- Upgrade of Electronic communication to address business continuity.
- Skills audit within the existing ICT official must be done and training must be provided.

2.12 Good Governance and Public Participation

The Council adopted the good governance committee to ensure oversight is exercised over governance issues and adherence to compliance with legislation. The key principle of good governance is the establishment of ethical leadership within the institution by ensuring the clearly defined roles and responsibilities of the leadership both political and administrative. This therefore ensure that good governance principles are and the Batho Pele principles are adhered to.

2.12.1 Council Oversight Role

Part 2 of Section 99 of Elundini Local Municipality By-Laws Relating to Standing Rules and Orders gives guidance to the establishment of Section 79 Committees. This section highlights the process, the Council would need to follow towards the establishment of a Section 79 Committees and areas of consideration such as the capacity, financial implications, and qualifications of members to be considered to lead these committees. These committees are required to sit on a quarterly basis to deal with issues delegated to each committee. Elundini Local Municipality established four Section 79 Committees as contained in the By-Laws Relating to Standing Rules and Orders. These Committees are: -

2.12.1.1 Audit Committe

ELM has a functional Audit Committee which was appointed in terms of Section 166 of the Municipal Finance Management Act, No 56 of 2003. The audit committee has four members; two members' contracts were renewed effective from 01 October 2022 to 30 September 2025. The other two members' contracts were renewed effective from 01 July 2024 – 30 June 2027. The ELM Audit Committee performs its functions in terms of the adopted ELM Audit Committee Charter.

Mr. Y. Madolo (Member) - appointed effective from 01 July 2024 – 30 June 2027

Mr. R. Vuzane (Member) - appointed effective from 01 July 2024 – 30 June 2027

Mrs. N.L Mncoywa (Chairperson) - renewed effective from 01 October 2022 to 30 September 2025

Mr. NJ. Sikhosana (Member) - renewed effective from 01 October 2022 to 30 September 2025

2.12.1.2 Performance Management Committee

ELM has no performance committee but the Audit committee serves as performance committee and reviews municipal performance in audit committee meetings including the review of Annual Performance Report before submission to Auditor General SA.

2.12.1.3 Municipal Public Accounts Committee (MPAC)

In order to meaningfully play its Oversight Role, the Elundini Municipal Council has formally appointed the current Municipal Public Accounts Committee (MPAC) on 30 November 2021 which will run its term with the current term of Council. Prior to this, an Oversight Committee established in terms of Circular 32 of the MFMA was operational. The purpose of the committee is to strengthen the oversight arrangements in the municipality and to ensure the efficient and effective use of municipal resources. The committee is a link in the accountability chain of the municipality. The committee will assist Council to hold Executive Committee to account as well as to ensure the effective and efficient use of public funds. The committee conducts its affairs in a non-party political manner so as to maximize the effectiveness of its work. The committee can invite media and public in their meetings to enhance transparency and accountability. The committee can invite Auditor General to their meetings to assist them on their oversight.

2.12.1.4 Members Interests and Ethics Committee

A Members' Interests and Ethics Committee was established by the council as a Section 79 Committee in accordance to the Structures Act read with item 14(1) of the code of conduct and subject to the provisions of this part. The committee is responsible for carrying out investigations, submitting findings and making appropriate recommendations to the council pertaining to the alleged contravention by a councillor of the code of conduct; developing standards of ethical conduct for members, monitoring and overseeing all processes relating to the declaration of interests of councillors in terms of the code of conduct including the establishment of any registers which may be required in this regard.

2.12.1.5 Rules Committee

The Rules Committee is established by the council in terms of Section 79 of the Structures Act and By-Laws Relating to Standing Rules and Orders; and Policy on Roles and Responsibilities. The Rules Committee is responsible for the development, formulation and adoption of policy concerning the exclusive business of the Council including its proceedings, procedures, rules, orders. It is also responsible for monitoring and overseeing the implementation of policy; make recommendations to the Council on any matter falling within the functions and powers of the Committee; appointing sub-committees to assist it with the performance of any of its functions or the exercise of any of its powers.

2.12.1.6 Women Caucus Committee

Women Caucus is a Section 79 Committee established by the Council in terms of Section79 of the Municipal Structures Act. The principal function of Women Caucus is to perform a monitoring function on behalf of the council and shall advise the council, the political office bearers, the accounting officer and the management staff of the municipality on matters relating to women empowerment programs; gender; employment Equity

planning and implementation; organization of awareness campaigns against harmful cultural practices; Promotion, protection and defending principles of human rights; especially those of young girls, young boys, children and mothers, gender parity, democracy and peace; enhancement of the participation of women in the political, economic and social life at a local level.

2.12.1.7 Mandate Committee

Mandate Committee was established as a Section 79 Committee for the term of Council 2022-2027 to fulfil the obligation of cooperative governance that municipalities have in terms of Section 3(1) of the Local Government: Municipal Systems Act, 2000. This Committee has been established to mandate Council members who sit in the District Council on service delivery issues that require District Council attention and report back to the Committee the District outcomes/resolutions on those matters. The responsibility of this committee is to consider service delivery issues and reports from all municipal departments on issues that need district attention; consider reports from Councillors deployed to the district to represent the municipality.

2.12.2 Risk Management

ELM has Risk Management Policy, Risk Management Strategy and Implementation Plan in place. ELM has reviewed its Risk Management Policy, Risk Management Strategy and Implementation Plan. ELM has also established a Risk Management Committee (RMC) constituted by municipal management and is chaired by the Municipal Manager. The RMC sits quarterly and functions within the municipality's Risk Management Charter that further provides terms of reference for the Risk Management Committee. A risk register is developed annually where the municipality classifies its risks and then develops mitigating factors to deal with the identified risks.

2.12.3 Bid Committees

As part of compliance to SCM regulations, good governance and public accountability, all management and SCM practitioners are required to declare their interests and disclose their financial interests at the beginning of each financial year. Below are the employee catergories that have disclosed their interests.

SIGNING OF DECLARATION OF INTEREST AND FINANCIAL DISCLOSURE FOR 2024-2025			**No.**
Designation	**Completed Disclosure**	**Completed Code of Conduct**	
Municipal Manager and Directors	Yes	Yes	05
Managers	YES	Yes	13
SCM Practitioners	YES	YES	02

2.12.4 Anti-Corruption, Fraud and Complaints Management

ELM has developed a Fraud Prevention Strategy, Fraud Prevention Plan and Whistle Blowing Policy which have been reviewed together with the Risk Management Strategy. ELM also established a fraud prevention hotline managed by an independent firm of auditors, Delloitte. As part of awareness, the municipality's website, newsletter, municipal letterheads and municipal accounts bear details of the hotline prevention numbers. ELM, likewise, maintains a fully functional customer care service that receives and deals with all service delivery related complaints, including billing related queries. ELM manages all logged complaints in line with the service standards charter, which inter alia, regulates communications protocols and stringent turnaround times.

2.12.5 Complaints Management System

Elundini Local Municipality uses 03 systems to manage complaints. The first system, Deloitte Anonymous Hotline was established to manage fraud and corruption cases. The second system is the Presidential Hotline which is used to receive cases or complaints that were reported through this system. The last one is the IMIS Customer Care system which is used to manage walk-in/telephone/social media complaints as a practical way of improving customer and strengthening relations with local communities. These services are customer care help desks and IMIS electronic system. Help desks is established in the main office (Nqanqarhu) and two satellites office in Ugie and Tlokoeng to feed the main office. These offices were established to:-

- Handle customers who want to report problems and complaints
- Deal with general enquiries on municipal services
- Collect and disseminate relevant information to customers.
- Help customers with various basic needs, viz. filling of forms, translating and clarifying information, etc.
- Attend to suggestion boxes every day and process the information then submit it to relevant municipal structure like Complaints Handling Committee.

The second service is e-Scripting Service. This service was initially implemented by the municipality few years ago but the license of the system expired and in the process of renewing the contract, mSCOA was introduced in municipalities by national government. The introduction of mSCOA required municipalities to put into a halt procurement of systems because it was expected that this approach would bring about system integration. The municipality had to wait for this process to unfold. In 2018/2019 IMIS was introduced as part of the institutional system with different modules relevant for the municipalities. Project Steering Committee was established and modules required were identified. Departments were consulted by the service provider to assess their needs and to make sure that each module is responsive to client requirements. Customer Care Consultants were trained on how to use the customer care service. The purpose of this system is to offer an electronic scripting customer service to:

- Dealing with complaints
- Receiving complaints

- Redirecting complaints
- Responding to a complaint
- Record and analyse information
- Compile a report
- Update the system on progress

Petitions and complaints from communities are received by the Speaker of the council or a nominated councillor. The Troika then meets assisted by the Municipal Manager to establish an ***Adhoc*** committee to attend to the petition and submit a report to the Speaker. A feedback meeting is then organised with the complaining community.

2.13 Intergovernmental Relations

The ELM uses various platforms to promote intergovernmental relations and to interact with other government departments and State-Owned Entities. These IGR platforms include, but not limited to, IDP & Budget Rep Forums, MUNIMEC, DIMAFO, SALGA Working Groups, Provincial and District Speakers' Forum, Local Communicators Forums, Roads Forums, Project Steering Committees, Local AIDS Forums, etc. One-on-one engagements where possible are usually held for strategic projects.

2.13.1 MUNIMEC

The MUNIMEC had been established in terms of the provisions of the Intergovernmental Relations Act as a consultative forum between the Eastern Cape Provincial Government and the 39 municipalities in the Eastern Cape Province. To give credence to output 7 of delivery outcome 9, the provincial department of Local Government and Traditional Affairs is responsible for coordinating the activities of MUNIMEC. The MUNIMEC is attended by Mayors and Municipal Managers of municipalities.

The department has also constituted a technical MUNIMEC which is a forum between the departmental management as led by the Superintendent General and the Municipal Managers from municipalities. At the technical MUNIMEC and the MUNIMEC, reports from the 6 district municipalities and the Nelson Mandela Metro, inter alia, whose main focus is progress with the implementation of the municipal turnaround strategies within the DMs and their constituent local municipalities as well as the Metro are presented and discussed. Both the Mayor and the Municipal Manager of the ELM participate and contribute in the provincial MUNIMEC.

2.13.2 District Mayors Forum: DIMAFO

The District Mayors Forum of Joe Gqabi District, chaired by the Mayor of JGDM, which is supposed to sit quarterly to align key programs and issues between municipalities. DIMAFO is a Section 79 Committee. This is a special committee of council made up of Councillors (in this case the Mayors of the local municipalities and the Executive Mayor of the district) that deals with issues within the Municipal Managers office

(communications, IGR, Special Programs dealing with Women, Youth, Disabled, People living with Aids, Elderly and Children) as well as internal audit functions. Key elements that form part of the performance of the municipal manager also form part such as statutory compliance issues.

2.13.3 Traditional Leadership – Partnerships

Currently there are two traditional leaders that are serving in the Council, the MEC CoGTA decides on the number of tradional leaders to serve in the Council. However, due to the rural nature of the Elundini Municipality, the participation and cooperation with Traditional Leaders is critical for the success of the municipality's development programs. To this end the municipality has categorized Traditional Leaders as a key stakeholder that the Mayor converses with on a regular basis under the guise of Mayor's Conversations with stakeholders. In recognition of the valuable contribution of Traditional Leadership authorities in the programs of Elundini Municipality, the previous Council adopted guidelines in terms of assistance to be provided to Traditional Leaders on certain defined occasions.

2.13.4 Community Development Workers (CDWs)

Community Development Workers (CDWs) serve as the secretariat of the ward war rooms, however, due to non-functioning of war rooms, CDWs assist during sitting of ward committee meetings and village meetings in their respective wards. Of the 17 Wards, there are two ward (2) wards that do not have CDW. Elundini Local Municipality embraced the Community Development Worker (CDW) program and viewed it as a positive step towards bridging the gap between Government and communities. The municipality therefore committed herself to providing all the necessary support, including the provisioning of resources within the relevant legislative mandate, to ensure that the program runs smoothly and fulfills its objectives. In 2009/2010 Elundini Local Municipality pioneered setting up of CDWs integration systems. These included development of CDW Integrative Model; Memorandum of Agreement and CDWs Operational Plan. CDWs Integrative Model was developed and presented to the provincial department – COGTA. The model proposed the following:

- The CDWs to be integrated into the Communications and Public Participation unit and to be convened by Public Participation
- The CDWs to be accorded ex officio status in all the meetings of the ward committee, which they must attend diligently and at which they must table reports in relation to their activities for the month. Such reports must constitute an integral part of the ward report and recommendations to be escalated to the municipality;
- The ward reports and recommendations must be sent to the Office of the Municipal Manager, whereat they will be studied and where applicable, matters emanating there from will be referred to the relevant Councilor, official, political structure or government department;

The CDWs would maintain a timesheet detailing all their activities for the month, which would be signed off by the Ward Councilor as confirmation that work for the month was carried out and would also be supported by the monthly report. Any disputes would be referred to the Office of the Municipal Manager for adjudication.

2.14 Public Participation

One of the main features about integrated development planning and budget process is the involvement of community and stakeholder organizations in the process. This ensures that the IDP addresses the real issues that are experienced by the citizens. The Constitution stipulates that one of the objectives of municipalities is "to encourage the involvement of communities and community organizations in the matters of local government". The White Paper on Local Government also put emphasis on public participation. Through the Municipal Systems Act participation in the decision-making processes of the municipality is determined to be a right of communities, residents and ratepayers. Integrated development planning is emphasized as a special field of public participation. The ELM has a fully functional Public Participation Unit located in the Office of the Municipal Manager which is responsible for coordinating all public participation activities of the municipality. The Public Participation Strategy which was approved in 2018 is budgeted for reviewal in the next financial year, 2025/2026.

2.14.1 Public Participation Mechanisms

Community/Ward Based Planning (CBP/WBP) is a tool that is used to enhance participation of communities in local developmental processes. It was introduced to encourage ownership by communities in any development initiative in their areas. Ward Committees have been established in all the seventeen (17) wards. Ward Committees contribute tremendously in the development of ward priorities because their meetings are the first level where ward development issues are deliberated. There are programmes which are implemented by various sections of the municipality that are intended to capacitate ward committees, e.g business plan development in the ward-based planning programme.

The ward-based plans were reviewed and adopted with the IDP and Budget 2023/24 during the Council meeting that was held on the 31 May 2023. After adoption of ward-based plans, the municipality continued to give support to wards by performance of Phase two deliverables which are in progress. The District Municipality supported the program and was part of the review of the process as well as the municipal outreach program on IDP and Budget 2025/26 to give clarity on issues that relate to water and sanitation.

The following are some of the public participation mechanisms that the ELM uses in engaging with its communities:

- Ward Based Planning processes;

- IDP Representative Forum;
- Mayor's conversations with different stakeholders;
- Public Participation Forum;
- Ward community meetings convened by Councilors on quarterly basis;
- Published annual reports on municipal progress;
- Ward Committee meetings;
- Newspaper advertisements and notices;
- Making the IDP document available to all members of the public;
- Outreaches by Elundini Municipality to communities and Stakeholders;
- Use of loud hailers to invite communities to meetings;
- Information dissemination through the Blue Snow/ Lehloa Le Bolou newsletter and The Back of the Horizon;
- Stakeholder Forums such as Farmers' Forum; Local Communicators Forums; Local AIDS Council; Roads Forums; Elundini Sports Council; Elundini Youth Council; PWD Structure; etc.

2.14.2 Public Participation Challenges

The following issues were identified as challenges for effective participation of communities in the affairs of the municipality:

Ward Committees

- Lack of capacitation of the ward committees
- Lack of capacity of chairpersons of the ward committees
- Lack of proper mechanism to uplift the issues raised at ward committee level to relevant structures and eventually to council for implementation and feedback
- Poor or lack of monitoring of wards performance

Village Meetings

- Poor sitting of village meetings which leads to ineffective utilization of CPLWs.
- Lack of training in minute taking and report writing for the CPLWs
- Lack of proper system for information management from the community to the municipality and sector departments for report back
- Minimal commitment from CPLWs who resign frequently
- Chairpersons' competing commitments mostly with programs of the district municipality to the detriment of local municipal programs

Information Management

- Poor recording of information including minutes during public participation engagements

- Lack of information management system to process and
- There is no clear flow of information between the different platforms
- No relationship between the IDP outreaches, the village meetings, the ward committee meetings and the Public Participation Forum

2.14.3 Community Priorities

The table below contains community needs that were raised during Budget and IDP Roadshows held on the 08th April 2025 – 16th April 2025.

Table 42 : Community Issues

Ward	2025-2026
1	▪ Access roads from Ntendeleshe to Mbonxa and Taleni ▪ Gravel heaps at Mbozisa road ▪ Trustini streets need to be constructed they are in bad condition ▪ Bridge between Mission and Ngxoxo, Trustini ▪ Mamfengwini road to Drayini need to be maintained ▪ Bridge is requested next to Gengancwasa. ▪ Request for a bridge from Ncembu J.S.S to Mbola village. ▪ The community also requested playing grounds. ▪ Mount Gomery- street need culvert ▪ Road to Mount Gomery developed a dam ▪ They do not have electricity at all in Mount Gomery ▪ Bridge at Mount Gomey is requested ▪ There is no water in the Mount Gomery village they requested water tanks so far ▪ Palisa, Ntendeleshe and Lututu- water taps are too far from households. ▪ Toilets for new households are requested. ▪ Electricity infills at Ntendeleshe in ward 1 ▪ Fencing of grave yards in ward 1 ▪ Water requested at Dinizulu and Trustini ▪ Fencing of School at Trustini is requested ▪ Water taps are requested at Maplotini and Nkalweni. ▪ Toilets are not yet finished at Nkalweni ▪ shearing shed requested at Elunyaweni in ward 1 ▪ They also requested construction of playing grounds for youth in Nyibiba ▪ JGDM took a generator for water at Nyibeni stated that the community vandalized it community requested it back and promise to look for it ▪ They request building for creche it is too small for their children at Lunyawen ▪ Toilets are not yet finished.

	▪ They requested fencing of School at Nkalweni. ▪ Home Affairs offices are requested in ward 01 ▪ Gel for stove is requested at Taleni, Luthuthu and Mamfengwini ▪ Access road needed at Qolombane in Elunyanyaweni
Ward 2	▪ The meeting did not sit on the arranged date, it has been rescheduled
Ward 3	▪ A faulty geyser in Peter Mokhaba was never attended ▪ Crossing bridge in Nxovu is needed. ▪ RDP houses are requested in Peter Mokhaba. ▪ Pit toilets are over-flowing and the tarred road is eroded. ▪ Fencing of grave-yard and construction of access road. ▪ The youth centre and the TVET college is requested in Nqanqarhu. ▪ Geysers were not installed in Polar Park. ▪ Toilets in TV Park sportfiled need to be rehabilitated. ▪ A community member reported that Old location request blading of access road ▪ A community member reported that access road is needed in Polar Park (Thambekeni) ▪ Access road at Pola park ward 3 is requested ▪ Gravel heaps for streets are requested at Zakhele ▪ Fencing of grave yards in ward 3 ▪ Sithole community in ward 3 request water taps and Toilets are over-flowing ▪ Maintenance of Stormwater drains at Sithole Park ▪ Water tap next to Siziba family at New Rest is requested, their tap was taken by the time the municipality constructed road there. ▪ Lack of job opportunities ▪ Sithole request water taps ▪ Youth centre is requested ▪ TV Park 2 houses their taps are not working after installation of geysers ▪ Fencing of grave yards ▪ Grazing land is requested

	▪ TVET College is requested at Nqanqarhu ▪ Access road at TV Park is requested ▪ Contractor that maintain road at TV Park left deep trench that is dangerous for people
Ward 4	**Upper Tsitsana / Khomkhulu** ▪ The bridge collapsed it is difficult to pass through ▪ They are pleading Municipality to please assist **Mlamla** ▪ Bridge is not being done ▪ Toilets are needed in the new households **Hlankomo** ▪ Bridge Matuguru , Mlamla , Komkhulu **Qobeni** ▪ They requested for road maintenance ▪ Road are needed **Matuguru** ▪ They had a problem with the bridge and when it rains it becomes difficult to pass through ▪ They need the time frame of the projects **Ndingeni** ▪ Streets for the new households are needed as it s difficult to walk when someone has a problem ▪ They requested Bridge for farming ▪ Unemployment for the youth is high and they need pipes for farming ▪ They requested Toilets for new households **Mabalane** ▪ Bridge are needed ▪ The company for forest has left and people are asking when it will be found **Tsikarong** ▪ They reported that electricity is not working ▪ Water taps are needed ▪ They need Toilets for new households ▪ They requested RDP houses ▪ Temporal shelter for people whose houses has been destroyed ▪ They requested community Hall ▪ They requested Bridge from Matuguru to Tsikarong **Matuguru** ▪ They Challenge safety and security (cable theft) ▪ They requested Stock theft ▪ High rate of crime

	▪ They requested Electrification for community hall ▪ They requested Flashed toilets at schools ▪ They requested Security for community hall ▪ Request provision of yellow plant ▪ They requested Water taps ▪ The people requested temporal stove and solar ▪ They also requested for people that will plant trees **Khothlomority** ▪ They requested Water ▪ They requested Toilets for new households ▪ They requested Temporal structures **Platana** ▪ They are requested Road ▪ They requested Electricity ▪ They are requested Water ▪ They are requested Toilets ▪ School transport cannot go well because of the road **Elundini** ▪ Electricity and roads the people are appreciative but they are saying they do not light ▪ There are old houses that they are saying they do not appear at the map ▪ Toilets in the new houses ▪ Road from Nokhohloko to the bridge ▪ They are requesting employment of CWP and EPWP ▪ They requested IDs for old women ▪ People of Elundini decided to create a pedestrian bridge for themselves **Comprehensive School** ▪ Projects for helping children to abstain drugs and they are asking for assisted in making this program work ▪ Crime is too high ▪ They requested Electricity ▪ They requested Library electricity ▪ The community hall has to be fixed and new doors are needed ▪ They requested Tennis sport sportified

Ward 5	• Lower Ngxaza requested bridge and complains about no progress in water provision as only boreholes were made. • Goniwe requested water. access roads, RDP houses, Toilets, and electricity for new households • Mbonisweni requested RDP houses, road to be maintained and water. • Mcwangele requested community hall, stadium or sportfields for youth, gravel, road maintenance, road from Mcwangele to graveyard, RDP houses. • Maplotini requested road streets. • Ezinkampini requested access road, RDP houses, water taps near to the community, renovations of Zwelidumile school and access road to the school. • Lower Ngxaza requested pedestrian bridge and gravel road. • Ngo'ngo'ngo requested electricity, roads and toilets • Hopedale requested electricity in RDP houses, temporal structures for the destitute, community hall and road maintenance from Hopedale to Zwelidumile school. • Sithana requested electricity for infills, gravel road in all streets, network pole, acces road.
Ward 6	• Request for an access road from Ntabelanga to Gasethi. • Esinxako community requested clinic, completion of unfinished toilets, intervention on non-payment of labourers, shelter for disaster-stricken family. • Construction of Gabele access road and clearing of loose stones as a matter of urgency. • Provision of water in all villages of the ward • Jamangile SSS requested access road, borehole or provision of water. • Ngxotho community requested a high school or high school to be built in the centre of the ward.

Ward 7	• Timeframe for construction of the Marhombe access road. • The water in the Marhombe village is only available for 2days in a week due to the non-availability of diesel. • There is no access road in Nxaxa Gorge • No water in Nxaxa Gorge • No electricity in Nxaxa Gorge • Plan and time frame for the construction of Golomane access road is requested. • Water is needed in Golomane • Slab is needed in Mfabantu village
Ward 8	**Jojweni** ▪ Request water for the village ▪ Request access road at Moreneng community member hired plant last time ▪ Request job opportunities for youth at Batlokoa ▪ Request clarity on why other Government attend IDP Outreach **Batlokoa** ▪ Request water they do not have water at the village ▪ Request access road no access road at the village from R56 to the village ▪ Request access road no access roads at all at the village ▪ Request RDP houses ▪ Request toilets ▪ Request clinic that they were promised ▪ Request jobs for people over 35 years ▪ Struggling to get hold of Eskom the machine takes time to answer
Ward 9	• Access road needed in all locations • Grave site almost ful and new graveyard is requested • Community is complaining that they use their own money to maintain access road • High mast lights at Ekuthuleni are needed • High mast light No 2 & 3 have a problem in Ilisolomzi • Water requested at Ilisolomzi • Toilets needed at Ilisolomzi • Toilets infills needed at Ethembeni • Additional communal water taps in all locations • Sanitation for Tlokoeng town is a challenge • There is no employment for PWD in the projects. When there is a project, the nature of disability should be considered not to be excluded in all projects. • There is no representation for PWD in the municipality. • The Tlokoeng Post Office has been disconnected and does not have electricity since February.

	• There is problem of land invasion • Training of SMMES is requested • Renovation of Municipal building is requested • Gravel heaps for ward 09 streets requested • Street names are requested • There is no water and toilets at Ilisolomzi community hall • Electricity is requested at ilisolomzi community hall • The rate that is payed for TLB to dig grave is too high • Community of Khalankomo, Tembeni and Showini request clarity for which ward they belong to
Ward 10	• These electricity projects have already started and will end at the end of June 2024 • Roads • The Community members are requesting additional of EPWP to clean Skote community hall • requested access from Palin to Nkalweni (not Nkalwani next to Nkalweni) • CWP do not have payslips they also are requesting working tools • They are requesting assistance of funds for small businesses (farming and livestock) • They are requested speed humps Zingonyameni to Nkalweni. (community members want to build for themselves the humps) • They are asking for assistance in working tools to get farming projects (Braki Tsolobeng) • Blading of sport ground for the youth.
Ward 11	• Leratong / Fletcherville requested pipes for water, access road and water • Xaxazana requested provision of water to all surrounding villages and access road. • Mtswane requested water and access road as the ambulance cannot enter the village because of the condition of the road. • Portsef requested attention to electricity issues as there are boxes that are burnt, temporal structures' standard is very poor as they are leaking, water and access road also in Motsoane. • Thambekeni requested bridge to Ntatyana, solar, electricity and reconstruction of pedestrian bridge. • There is no water in Lubisini though boreholes have been made • Ngaqangana requested access road and water. • Qalabutsha requested water, electricity, mobile clinic, early childhood development centre, land for farming, access road and clarity on why the village does not appear in the map.

	• Ngaphezulu-Ngaqangana requested RDP houses, more scholar transport taxis to reducing overloading, employment opportunities. • Plantation community requested scholar transport • Fletcherville requested culverts, water tanks while waiting for Orio project, walking bus, soil rehabilitation, weatherguard shelters for labourers and caution when cleaning Fletcherville dam to avoid damaging graves and roads.
Ward 12	• Makgaditseng requested community hall, clinic and clarity on why other government departments do not attend IDP/Budget outreach meetings. • Mangoloaneng requested water taps, only 9 are available; provision of water, access road, RDP houses, yard or land for animals, medication at the clinic and affordable means of contacting ESKOM. • Mangoloaneng, Mabekong and Mampondomiseni requested access road, bridge, water and youth development programmes. • Ngoliloe requested kit for soccer, access road from Xaxazana to Tabatshitsha, RDP Houses, water, support to an elderly person who has 102 years. • Madumasini Village requested access road, clean drinking water, Eskom to attend outages, loads of gravel and road maintenance. • Mahanyaneng requested access road since 2017 without help.
Ward 13	• Nxotshana community requested access road from Blorhweni to Lower Nxotshana, fixing of water pipes that were broken by a road construction company, RDP Houses, electricity, removal of dangerous cables lying around, registering of community toilets. • Makoatlane requested water provision in Diphokong and Bothabelo, Electricity for infills, toilets for infills, completion of unfinished toilets, RDP houses, access road from Tsolobeng, addition of classrooms in Khanya, employment opportunities for youth and clinic. • Mashata requested provision of water, access roads, job opportunities and inclusion of Mashata village in the budget. • Sethathi requested electricity infills, access roads, RDP houses, water and access road to creche. • In Tabase there are no proper roads, the community requested urgent attention to a bridge from Maluti to Tabase Police Station, network signal, water taps, electricity infills, RDP houses, rehabilitation of dongas and temporal structures.

	• Kuebung requested attention to the slippery road from Seqhobong to Kuebung, slab for Sommerset, reconstruction of a bridge, RDP houses, fixing of water pipes that were damaged by truck, dams, community hall, clinic / mobile clinic, sportsground and infrastructure for Kopanong Old Age Home. • Mohoabatsane requested RDP houses, sportsground, access road, mobile clinic, water taps, borehole, 45 electricity infills, completion of 40 unfinished toilets, job creation, rehabilitation of dongas, early childhood development centre, community hall renovations, shearing shed building and conversion of network signal from diesel to electricity. • Seqhobong requested access road from Dikomaneng to Matabeneng, RDP houses, job creation for youth, sposrtground youth, temporal structure for homeless family, wattle removal, water taps, borehole, shearing shed, network signal. • Pirintsu requested access road, clinic / mobile clinic, community hall, water taps in the households and in Khanya SSS, network signal, job opportunities for youth, sportground and provision of temporal structures. • Ntoko community requested access road, RDP houses, water provision, boreholes, shearing shed, sportsground, temporal structure for disaster-stricken communities, early childhood development centre, bridge, funding for projects, electricity infills, tar road, payment for a community member who was working on a toilet project, request for more toilets, centre for vulnerable people and relocation of shearing shed which belong to Mohoabatsane from Mangoloaneng.
Ward 14	• Request for filling of vacant posts- EPWP. • Request for provision of water at Sithabathaba- Thusing • Request for completion of a bridge between Sathube and Tabakhubedu • No information for Sathube village in the report. • Bridge has cracks community requested culverts. • Request for provision of toilets at Tabakhubedu. • Request for ELM to fix bridge at ward 14. • Request for RDP houses at Lehanaspass. • Complaint about a scholar transport not doing its work properly. • Request for a bridge at Vuvu. • Request for access road at Vuvu. • Request for cutting of wattle at Vuvu.

Ward 15	• Culvert is needed at Tsekong curve to hillgate and speed hump. • Nkululekweni streets are very bad they need to be constructed. • Tsekong upgrade of the public toilets to VIP toilets. • Mpeke culvert additional water projects at Iphokoeng just stopped. • Plumbing to drive storm water direction at Nkululekweni. • Gysers are not working properly they produce little water. • Bridge at polar park. • Electricity extension are not there; Tsekong extension streets are requesting control of water that then lead to wetlands there. • Lehana bridge road is very damaged culverts are closed and needs to be cleaned. • Street next to Norman is badly damaged. • Grave heaps Mpeke Lophofung. • Tsekong extension community taps. • Tsekong extension hall requests Municipality to finish it. • Polar day care Ikamvelihle request funds. • Maruleng electricity is needed.
Ward 16	• KwaZulu community requested speed humps, completion of toilets in Ediphini, provision of electricity for infills, temporary shelter, RDP houses, provision of water, electricity for Zulu village, HCBC for the ward and access road. • Koloni & Drayini villages requested funding for agricultural activities, access road in Drayini, provision of toilets at school and reconstruction of steep access road which causes danger to the community. Mlube requested toilets, electricity, access road, culverts, walking bus, rails at the bridge. • Hlankomo requested electricity, toilets, bridge at Mngcutha, filling of EPWP jobs • Frank requested building of toilets on pits that were dug which can cause danger to the children. • Magedla/ Nkangala requested taps, electricity, completion of toilets, toilets that are suitable for disabled people, improvement of operations and visibility of SAPS. • Msasangeni requested bridge, mobile clinic, electricity and toilets at Calu-calu. • Chevy chase requested clean drinking water, network signal, access roaa at Ntatyana village, two high mast lights.

	• Nidngo Requested bridge, rails, access road gravelling, temporary shelters, RDP houses and toilets.
Ward 17	• Access roads should not be bladed but gravelled because blading makes them worse. • A bridge in Gqaqhala is a problem. • An explanation should be given to the affected communities for targets not achieved.

2.14.4 Communications

Elundini Local Municipal (ELM) council approved a five-year communication strategy in 2017 implementable until 2022, aimed at improving levels of communicating the affairs of the municipality and service delivery between ELM and the community using advanced platforms. The strategy will be reviewed in 2025/2026. A fundamental difference between the previous strategy and the reviewed strategy is the embracing of social media as one of the key strategic communication platforms for effective and instant communication. Social media has been added as the fourth pillar in the strategy and in 2018/2019 ELM developed a Social Media Policy that will guide how the social media platforms will be managed including the rules of engagement by users. To date the municipality is found in five social media platforms namely; Facebook, Twitter, Instagram and YouTube communicating service delivery. In addition, the municipality procured LED video wall to elevate municipal mechanism aimed at closing the communication gap between the municipality and the communities with a long-term plan of assisting in revenue generating.

The strength of this communication strategy will lie heavily on social media, meet and greet, and print communication. Information Technology-based communication will be used whenever possible and feasible or whenever resources allow. As a means of interacting and providing information to its communities, the municipality quarterly distributes its newsletter, Blue Snow, to its communities where communities are kept informed by the developments in their areas. ELM maintains its website, primarily to respond to legislative imperatives but also, developmentally, to provide meaningful feedback to communities.

2.14.5 Special Programs

The Special Programs unit of the municipality has a responsibility of facilitating social cohesion through various focus groups programs that are listed below. Focus Groups in the context of the municipality refer to Youth, Women, People with Disability, Elderly, Children and Military Veterans. The scope of focus groups targeted for social development this financial year is People with Disability, Women and Youth. The total number of projects for this financial year is five, they are People with Disability support, Gender Based Violence and Femicide,

Mayoral Cup (Horse Racing), Youth in Arts and Military Veterans. Also, under Special Programs Unit there is HIV & AIDS coordination and Mayor's Social Investment.

2.14.5.1 People with disability support

The municipality has a People with Disabilities Strategy in place (though due for review), this plan is ensuring that there is reasonable accommodation for People with Disability, in municipal programs. There are structures of people with disabilities in the municipal jurisdiction, and this makes it possible to ensure that people with disabilities are properly represented in public participation engagements. People with disabilities projects entails provision of financial support to two NGOs through a partnership agreement which details the kind of support that is provided to people with disabilities.

2.14.5.2 Gender Based Violence and Femicide (GBVF)

It encompasses awareness programs such as the candlelight prayer and facilitation of GBVF boardroom forum, with terms of reference and implementation plan.

2.14.5.3 Mayoral Cup

Mayoral Cup is an annual sporting event which has six codes that participate in the event, *viz:* soccer, rugby, netball, boxing, athletics and horse racing. Due to budget constraints the horse racing event is hosted in alternating years, separate from other codes but this financial year all the codes will be hosted except for boxing.

2.14.5.4 Support to Women owned businesses

The main objective of this project is to empower women in business by providing financial and technical support to their businesses. The project has been implemented successfully and the following women owned enterprises were supported:

2.14.5.5 Support to Youth in Arts

Youth in Arts entails programs such as Arts festivals, Arts exhibition sessions and Open Mic sessions(Open Mics sessions are platforms or events which allow youth with talent in arts to perform live on stage).

2.14.5.6 Military Veterans

The programme focusses on coordinating programs for military veterans. For this financial year, under military veterans the focus will be the development of a strategy which will guide implementation of programs to benefit veterans.

2.14.5.7 HIV& AIDS programs

In this financial year the municipality budgeted an amount of R1 071 000 to ensure coordinated response to HIV in Elundini through the Local Aids Council, HCBC Partnerships, Debriefing for Care Givers and Care Givers'

Training. The municipality supports 17 Home Community Based Care organisations (HCBC's) with an amount of **R13 000** quarterly.

2.14.5.8 Mayor's Social Investment (MSI)

Mayor's Social Investment if the programme that was developed to contribute towards improvement of skills and education for Elundini Youth and contribute towards social relief for needy individuals or community. The programme has three main projects, i.e Bursary Support; Adopt a school and Bridge of hope.

- ***Bursary Support/Assistance***

Bursary is the financial support provided by the municipality to disadvantaged and qualifying students to further their studies.

- *Youth Skilling*

The programme seeks to assist identified unemployed youth with vocational skills that they can utilise to make a living

- *Bridge of Hope*

Bridge of hope is the programme designed to assist the Office of the Mayor to respond to urgent situations in the community and provide social relief. The programme plays a huge role in improving the lives of the vulnerable and restores dignity.

2.14.5.9 LGBTQ+ programmes (lesbian, gay, bisexual, transgender and queer (or "questioning").

The municipality has a Gender Mainstreaming Strategy that is due for reviewal. The strategy is intended to be reviewed in 2025/26 financial year, LGBTQ+ community will be encouraged to participate in the process to ensure that the strategy is inclusive of LGBTQ+ programmes.

2.14.6 King IV Code

ELM commits to align its policies, strategy and its operational procedures to the King IV Code. As indicated in the King IV Code, it applies to municipalities because they operate in a system of corporate governance which requires that the various spheres of government (National, Provincial and local) cooperate in exercising powers and performing their functions. In adhering aligning itself to the code, the municipality, will consider:

King IV Code's objectives which as follows:

- To promote corporate governance as integral to running an organisation and delivering governance outcomes such as Ethical Culture, Good performance, Effective Control and legitimacy;
- Broaden the acceptance of King IV Code to be acceptable and fit for implementation across the various sector and organisation types;

- Reinforce corporate governance as a holistic and interrelated set of arrangement to be understood and implemented;
- Encourage transparent and meaning reporting to stakeholder;
- Present corporate governance as a concerned with not only structure and processes but also with ethical consciousness and conduct.

The governance outcomes:

These are the benefits that the organisation could realise if the underlying principles are achieved. The governance outcomes are:

- Ethical culture
- Good performance
- Effective control
- Legitimacy

King IV principles such as following

- The governing body should lead ethically and effectively;
- Govern the ethics of the organisation in a way that supports the establishment of an ethical culture;
- Ensure that the organisation is and is seen to be a responsible corporate citizen;
- The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process;
- The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects;
- The governing body should serve as the focal point and custodian of the corporate governance in the organisation;
- The governing body should serve as the focal point and custodian of the corporate governance in the organisation;
- The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively;
- The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties;

- The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness;
- The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities;
- The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives;
- The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives;
- The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen.

ELM infused the broad principles of the King IV report in its systems and processes in 2017/2018 financial year, by undertaking an ethics management maturity assessment, through an instrument that contains indicators that are structured around the following categories:

- Leadership commitment
- Community ownership
- Governance structures
- Integrity management strategy
- Prevention:
  - Promoting a professional ethical culture
  - Policies and procedures
  - Corruption risk management
  - Pre-employment screening
  - Conflict of interest management
  - Detection
  - Investiations
  - Resolution
  - Monitoring and reporting

2.14.7 Legal Services Section

The legal services unit was established, however, there is only one post in the organogram, Manager: Legal Services which is currently filled. The municipality has a litigation register with 15 cases that are currently dealt with.

2.14.7.1 *Litigation Register*

During the year under review, the legal section of ELM facilitated the following litigation matters:

Table 43: Litigation Register

Cases	Parties	Case Number	Municipal Attorney	Particulars Of the matter	Claim Amount	Status/ Progress
1	XOLISWA T, RWEXANA // ELUNDINI LOCAL MUNICIPALITY	3170/2019	Magqabi Seth Zitha Attorneys	Plaintiff is claiming from the municipality an amount of R3, 035, 000.00 in respect of injuries she allegedly suffered after she allegedly fell into a trench that was left uncovered at night where roadworks was being carried out at Back Street, Tlokoeng.	R3 035 000.00	The matter has not moved since July 2023, due to the Plaintiffs attorney's that had failed to comply with Rules of the Court in respect of carrying a Joinder of the independent contractor as a co-defendant in this matter. It remains their prerogative to take the matter further.
2	COUNTERPOINT TRADING // ELUNDINI LOCAL MUNICIPALITY		Mgxaji Incorporated	The Municipality terminated the contract of Counterpoint trade as a result of non-performance in March 2014. The Municipality thereafter received summons from their attorney's claiming loss of profit as a result of the termination	R1 250 000.00	The Matter is ready for trail and the attorneys are waiting for the allocation of a trial date.

Cases	Parties	Case Number	Municipal Attorney	Particulars Of the matter	Claim Amount	Status/ Progress
3	ELUNDINI LOCAL MUNICIPALITY// MARAWU	N/A	Magqabi Seth Zitha Attorneys	The Municipality identified a Building Regulations contravention in Erf 466 Ugie for the Building which have not been constructed in compliance with the legislation. Correspondence has been issued dating back from 2018 on contraventions relating to the National Building Regulations. On record, construction was noted on the site on 14 May 2018. As a result, a noncompliance notice was issued and received (and signed) by a representative of the owner on 29 May 2018. The matter highlighted in the notice of non-compliance was that the owner had proceeded with construction works without submitting a building plan application. The owner was advised to stop with the works and proceed with the necessary application process. The owner did not respond to this request. Following further inspection in the area, it transpired that the works had	None	A notice was served in December 2020, on behalf of the Municipality by the attorneys instructing Marawu to comply by submitting "as Built" building plans within 21 days. 21 days lapsed and there was no response received. As per the Council resolution the Attorney was instructed to serve another demand to the property owner seeking her action within a specified period of time and indeed the letter was served by the sheriff on the 04th day of March 2021. The time having elapsed without the property owner having acted in terms of the correspondence from the attorney, the attorney requested instruction from the Municipality to proceed with an application for a demolition order for erf 466 Ugie and Instruction were duly given for proceeding with application for demolition.

Cases	Parties	Case Number	Municipal Attorney	Particulars Of the matter	Claim Amount	Status/ Progress
				only been suspended, because on inspection on 03 April 2019, it was noted that further work has been done on the site and the flats were ready for occupation. The owner was contacted to ensure rectification of the works which had been done in contravention of the National Building Regulations. She was further advised to provide confirmation that all the necessary approvals for construction had been done by a registered Professional Engineer and that there are built drawings and certificates of approval be submitted so that she could be provided with a building permit. But still there was no response.		
5	WIKUS VAN RENSBURG ATTORNEYS//ELUNDINI LOCAL MUNICIPALITY	62/2019	Clark Laing Inc	Summons were received for a Claim for fees for professional services rendered to the Municipality. The Municipality felt that the fees were excessive and requested that their bill be subjected to taxation.	R103 370.10	Nothing further has transpired in the matter since the filling of our plea, it appears that the plaintiff does not intend pursuing the matter, despite several request to confirm the same.

Cases	Parties	Case Number	Municipal Attorney	Particulars Of the matter	Claim Amount	Status/ Progress
6	SMAFIKA AND OTHERS //ELUNDINI LOCAL MUNICIPALITY	398 /2023	T.L LUZIPHO ATTORNEYS	The Municipality had an agreement for the provision of electricity to the property known as Erf 3488 Maclear, with Ms. Nosipho Flora Nyezi (Ms. Nyezi) as the owner of the property. Ms Nyezi gave notice of termination of services rendered by the municipality and requested to pay all the dues owed to the municipality for services rendered hereto in the property. After the necessary due consideration was given the electricity supply to the property was disconnected. As a result of the disconnection, the occupiers launched an application to force the Municipality to reconnect the municipality, at the time of notice of termination the municipality was not aware of who resided and/or was residing in the property.	N/A	Application for leave to appeal in respect of this matter has since been dismissed with costs by Hight Court. The applicants if they still want to pursue this matter, they are to approach the Supreme Court of Appeal for special leave to appeal. The Applicants approached Supreme Court of appeal, for a special leave to appeal, we have prepared answering Affidavit on the matter as we want the SCA to Dismiss their application for leave to appeal. We are now waiting for the record of appeal.

Cases	Parties	Case Number	Municipal Attorney	Particulars Of the matter	Claim Amount	Status/ Progress
7	BASSIE TRAVEL // ELUNDINI LOCAL MUNICIPALITY	RC204/2020	GWABENI INC	The Municipality received summons from the plaintiff claiming an amount of R268 271.71 for alleged non-payment of services rendered by the plaintiff.	R268 271.71	The matter is reported by the attorneys settled, we have requested the Court order that dismissed the case, once received the matter will be removed from the register.
8	NKAOLISE JOSEPH JAKIE// ELUNDINI LOCAL MUNICIPALITY		MAKADE INCORPORATED	The Plaintiff's claim is for damages resulting from alleged unlawful confiscation of his driving licence by the municipal traffic police.	R 800 000.	The matter is currently defended, and the municipality's attorneys of record have filed all the necessary pleadings and answering Affidavit and Plaintiff's attorneys have replied to the answering affidavit. However, plaintiff have not yet set down the matter for hearing on the opposed motion roll.
9	DIRK MARINUS VAN STADEN//MINISTER OF POLICE AND OTHERS		TONISE ATTORNEYS	The plaintiff served the Municipality with summons claiming for damages arising from an alleged unlawful arrest by Municipal Officials	R 200 000.00	The Municipality is defending the matter as the Municipality was not involved in the arrest. The arrest was made by provincial Traffic Officers. The plaintiff served the municipality with notice to discover information where they requested the particulars of certain officials, which the municipality responded and informed the plaintiff's representatives, of the fact that municipality have no record of the information requested.

Cases	Parties	Case Number	Municipal Attorney	Particulars Of the matter	Claim Amount	Status/ Progress
10	ELUNDINI LOCAL MUNICIPALITY// SIMPHIWE MNYUKWANA AND OTHERS, MUNICIPAL LAND INVADORS.	1012/2024	T.L LUZIPHO ATTORNEYS	The Municipality launched an urgent application in High Court to restrain the respondents from demarcating and allocating sites and plots in two immovable properties which are owned by the municipality in UGIE	N/A	The matter was heard in the High Court on the 5th of December 2024. The final heads arguments were delivered, and we await the Judgement to handed down.
11	ILISO CONSULTING(PTY)LTD t/a NAKO ILISO// ELUNDINI MUNICIPALITY	36581/2024	T.L Luzipho Attorneys	The plaintiff alleges that they have provided professional services to the municipality and alleges nonpayment of the work done.	R 195167. 44	Municipal Attorneys of record filed the Notice intention to oppose. The matter is at pleading stages.
12	SIQALO NGWANE MRENGWA // ELUNDINI LOCAL MUNICIPALITY.		K GCOLOTELA & PETER INCORPORATED	Applicant lodged urgent court application, challenging his suspension and demanding to be re-instated.	N/A	Municipal Attorneys of record defended the matter the labour court and the Matter was struck out of Court Roll and was declared not urgent.
13	SAMWU obo KANO BLESSING MATUBATUBA// ELUNDINI LOCAL MUNICIPALITY		K Gcolotela & Peter Incorporated	Municipality launched a review application to review and set aside, Arbitration ward issued against the Municipality.	N/A	The application has been launched for a review of the arbitration award. The matter is still at pleading stage.

Cases	Parties	Case Number	Municipal Attorney	Particulars Of the matter	Claim Amount	Status/ Progress
14	ZAMA TRAFFIC SIGNALS HIGH VOLTAGE SYSTEMS CC//ELUNDINI MUNICIPALITY		Zukisani Matiwane Attoryerns	Municipality received summons from the plaintiff demanding payment of an invoice allegedly not paid by the Municipality	R251,481.64	Attorneys of record have filled notice of intention to defend, the matter is at pleading stages.
15	ELUNDINI LOCAL MUNICIPALITY// S INANDA CIVILS		Dyushu & Majebe INC Attorneys	The final retention payment was made to S INANDA Civils without adherence to the mandatory defect's liability period. Furthermore, this payment was processed despite the contractor's failure to complete the full scope of work for Phase One of the Refele Sports Field project	R 311, 248,58	Cost recovery proceedings have been instituted and summons have been issued.

2.14.8 IDP Assessment

Every effort is made by the municipality in addressing all issues raised on our IDP when IDPs are assessed. Below are the IDP assessment results for the past 5 years:

Table 44: IDP Assessment Results

KPA	RATING 2020/2021	RATING 2021/2022	RATING 2022/2023	RATING 2023/2024	RATING 2024/2025
Spatial Planning	High	High	High	**High**	Medium
Service Delivery	Medium	High	High	**High**	Medium
Financial Viability	High	High	High	**High**	High
Local Economic Development	High	High	High	**High**	Medium
Good Governance & Public Participation	High	High	High	**High**	High
Institutional Arrangements	High	High	High	**High**	High
Overall Rating	High	High	High	High	High

2.14.9 2024/2025 IDP Assessment response plan

Table 45 : Response Plan

KPA	FINDINGS RAISED DURING ASSESSMENT OF 2024/2025 INTEGRATED DEVELOPMENT PLAN	RESPONSE PLAN
1. Spatial Planning, Land, Human Settlements and Environmental Management	The municipality must reflect on the units delivered through Finance Linked Individual Subsidy Programmes	During the period under review, no FLISP applications were processed or approved by the municipality. As such, there were no housing units delivered through the FLISP programme in this reporting cycle. Should there be any changes or new applications in the forthcoming period, the municipality will report accordingly.
	The municipality must reflect on Community Residential Units.	Planned community residential units: • Mqokolweni 305 Units (186 Units Completed) • Mbidlana 300 Units (198 Units Completed)

		• Sinxako 486 Units (483 Units Completed). • EThembeni 2400 (Verification of Beneficiary list).
	The municipality must reflect on upgraded informal settlements to phase 3	Phase 2 of the upgrading of informal settlement of Kutloanong has been completed and the project has been handed over. Phase 3 of the informal upgrade of Kutloanong has not started yet.
	The municipality must reflect efforts to address past and current social inequalities in localities where there are both high levels of poverty and demonstrated economic potential.	The municipality is implementing the wool certification program which has now assisted 40 shearing sheds which has since received a premium increase on their wool price which ranges from 5 to 10%. The municipality is facilitating the Elundini Agro Industrial Hub with a PPP Agreement which its larger objectives are to:- - Accelerate economic development in the area by attracting business investments to locate in the area - To create new employment opportunities through agro processing thereby reducing high unemployment levels and poverty and improve the livelihoods in the surrounding communities. - To strengthen local manufacturing sector - To remove barriers related to infrastructure market access and institutional support. The municipality is also implementing the Construction procurement incubation

		program which is bias towards local contractors. **Progress** 1. 40 Shearing sheds have been certified 2. Master plan and EIA for Agro Hub has been completed and received 3. 10 to 12 local contractors are supported per annum.
	The municipality must indicate capital projects that will require environmental authorization to comply with an Environmental Impact Assessment (EIA) process.	1. Agro Industrial Hub (EIA has been received). 2. Human Settlement Relocation program (Record of decision on EIA is still in progress).
	The municipality must reflect on National and Provincial Initiatives (human resources and projects).	
	The municipality must ring fence budget for operations and maintenance for the implementation of Trade Effluent Policy.	The findings were raised with CoGTA and a request to meet with CoGTA, DEDEAT and JGDM to clarify clear roles and responsibilities between the Local and District w.r.t trade effluent management is under way. This stems from unclear lines of responsibility regarding this mandate.
	The municipality must develop a leachate plan.	The findings were raised with CoGTA and a request to meet with CoGTA, DEDEAT and ELM to assist with re-phrasing this activity as it is dependent on license conditions and does not apply to all landfill sites as per different categories. This requires urgent review before the next IDP assessments.
2. Service Delivery and Infrastructure Planning	The municipality must use RRAMS developed by the district to plan and implement roads development	
	The municipal IDP must reflect a 3 Year Capital Plan that includes public transport facilities	The 3 Year Capital Plan with the PIP attached

	The 3 Year Capital Plan must include non-motorised facilities	Roads with sidewalks to accommodate NMT are constantly being constructed.
	The municipality must reflect projects that will be implemented by the Department of Education.	We currently have no projects in collaboration with DBE
	The municipality must indicate the number of functional /operating Early Childhood Development (ECD) Centres	1X Ntokozweni / Kuyasa Preschool (ECDC)
	The municipality must reflect the status of registration and an indication on ECD centres that meet the norms and standards set by Department of Social Development.	TBC
	The municipality must conduct a Disaster Risk Assessment for its area	Assessments conducted in 2025 February, and Business Plans submitted to PDMC. DRA will be included during the development of DMP, 25/26 FY.
	The municipality must integrate its Disaster Risk Profile into the IDP.	TBC
	The municipality must integrate disaster risk reduction strategies, programmes and plans into the IDP.	TBC
	The municipality must develop disaster early warning systems, procedures or plans	Disaster early warning systems will be included during the development of DMP, 25/26 FY.
	The municipality must reflect on Disaster All-hazard Contingency Plan	Emergency maintenance by Road and Civils are carried out and major works are referred to PDMC for funding. Disaster All-hazard Contingency Plan will be included during the development of DMP, 25/26 FY.
	The municipality must develop capacity to implement its Disaster Management Plans.	The PMU section implements the Disaster funded projects. Provision

		has also been made in the organogram but the posts are unfunded.
	The municipality must budget for ongoing disaster risk assessments	Funding is sourced from PDMC to address major disaster distress, but the roads and civils addresses the Emergencies
	The municipality must develop electricity by-laws.	The electricity review and approval of electricity by-laws will be completed in 2025/26 FY.
	The municipality must develop a major electricity disruption contingency plan	The formal major electricity disruption contingency plan will be completed in quarter 2 2025/26 FY
	The municipality must indicate capital projects that will require environmental authorization to comply with an Environmental Impact Assessment (EIA) process.	The projects requiring EIAs are determined by the specialist service providers during planning and registration stage. For 2025/26 All projects to be constructed are approved for construction by DEDEAT either with full EIA or Exemption
	The municipality must indicate projects that are implemented in partnership with other spheres of government in Elundini.	Elundini is Implementing a Paving of Maclear Public School to Chebenca in Partnership with SANRAL plough back project
3. Financial Planning and Budget	No findings	
4. Local Economic Development	The economic analysis of the municipality must capture income inequality in the municipal economy	
	The economic analysis of the municipality must capture poverty levels of the municipality. The municipality must reflect on spatial consideration to support the implementation of LED programmes. (Nodal development, Zoning, spatial mapping etc	The municipality has in its SDF provided for :- 1. Zoning areas for Agro Hub Development 2. Settlement development 3. Office Park development

		4. Tourism route development 5. Main route infrastructure development. 6. Commercial development SDF will to be reviewed in 2025/2026 and be aligned with IDP priorities.
	The municipality must reflect on mechanisms for attracting investments into township economies.	The municipality is implementing the following: 1. Land Use Management Scheme 2. Spatial Planning and Land use bylaw 3. Participates in the district municipal tribunal. Has an active authorising official for Land Use and Land Development Applications. The implementation is continuous, and the Municipality has created an enabling environment for economic growth. These include: a) Designated special economic zones for development to attract investment. b) Land use Management scheme is aligned to support mixed-use developments, business hubs, and economic clusters that foster township enterprise growth. c) Expediting land development application processes to reduce barriers for investors seeking to establish or expand businesses within townships. d) Identifying priority economic nodes and corridors within townships to focus infrastructure investment and service delivery. Consultations with communities and investors to ensure that development

		proposals meet local needs and gain broad support.
5. Good Governance and Public Participation	The municipality must reflect on reasonable accommodation for persons with disability.	ELM has adopted its three-year employment equity plan and annually reviews it and approves the review before the start of each financial year. The reviewed equity plan shows the relationship between the current workforce profile and possible barriers in employment equity policies and procedures. The plan further indicates on how the municipality provides a reasonable accommodation for people with disabilities such as ramps in the building entrances, lifts inside the buildings with more than one floor, ablution facilities, designated parking areas. The municipality also provides software equipment for daily work operations of disabled Councillors and Employees.
	The municipality must reflect on LGBTQ+ programmes.	The municipality has a Gender Mainstreaming Strategy that is due for reviewal. The strategy is intended to be reviewed in 2025/26 financial year, LGBTQ+ community will be encouraged to participate in the process to ensure that the strategy is inclusive of LGBTQ+ programmes.
6. Institutional Arrangements	The municipality must develop or review and adopt HR Plan.	HR

2.14.10 Audit Outcomes

The Accounting officer is responsible for the preparation of the Annual Financial Statements and submission of the Annual report together with the AFS to the Auditor General each financial year. The following is the table reflecting the municipal audit performance for the past five years:

Table 46: Audit Outcomes

Financial Year	Audit outcomes
2023/2024	Unqualified with findings
2022/2023	Unqualified with findings
2021/2022	Unqualified with findings
2020/2021	Unqualified with no findings/ Clean Audit
2019/2020	Unqualified with no findings/ Clean Audit

2.14.11 Audit Action Plan

The audit action plan was presented together with the annual report for 2023/24 financial in a council meeting held on the 26th March 2025 and was noted by the Council

Table 47: Audit Action Plan

Key	Reference	Component	Rev	Finding description	Nature (Actual Finding)	Root Cause	Auditors Recommendation	Management Response	Auditor's conclusion	Root Cause by Management	Responsible Official	Target date	Remedial action	Item
	COAF 2d	Revised SDBIP	Yes	Internal Control Deficiency: Revised SDBIP for 2023/24 financial year does not adhere to the MFMA: Municipal Budget and reporting regulations Schedule B	During the audit we noted the following: . The Revised SDBIP for 2023/24 financial year does not include an executive summary, as required in terms of MFMA: Municipal Budget and reporting regulations Schedule B par 5. . The Revised SDBIP for 2023/24 financial year does not include Resolutions	There is a lack of management oversight in ensuring that proper processes are followed for the adjustment of the SDBIP	Management should ensure that the SDBIP complies and is prepared in accordance MFMA: Municipal Budget and reporting regulations Schedule B.	Management disagrees with the finding, the adjusted SDBIP complies with the Schedule B par 5 of the Municipal Budget and reporting regulations. Refer to attached council agenda and council resolution.	Management comments noted, inspected the council resolution CONA 007/24 and adjusted SDBIP and noted that it does not include an executive summary as MFMA: Municipal Budget and reporting regulations Schedule B par 5. The revised SDBIP did not comply with MFMA: Municipal Budget and reporting	The executive summary was not clearly referenced and documented in the council resolution.	Municipal Manager	28/02/2025	The municipality will ensure that during the adjustment budget an executive summary will be included and clearly referenced as well on the Council resolution.	AOPO

					dealing with the approval of revisions to the monthly and quarterly service delivery targets and performance indicators in the service delivery and budget implementation plan, to correspond with the approval of the adjustments budget, as required in terms of MFMA: Municipal Budget and reporting regulations 25, Schedule B par 4				regulations 25, Schedule B par 4. Therefore the finding remains					
	COAF 2g	Revenue, Receivable and Receipts	Yes	Internal control deficiency: Revenue, Receivable and Receipts	The indigent customers application form was completed incorrectly, it does not indicate that Ms Babman is a tenant (occupant status selected was Child headed). The owner of the property is VN Rameti not Ms Babman	There is lack of adequate management reviews to ensure that the recorded information is accurate and complete	Management should ensure that proper reviews are conducted to ensure that the financial information is accurate and complete	Management agrees with the finding. There was an error when selecting Occupant status on the form. Ms. Badman is indeed a tenant that benefits, and the owner VN Rameti does not reside on the property and does not benefit. However, the benefits are the same for a child headed home and a tenant.	Management comments noted, inspected the register of control documents and confirmed that ticket 00106 for Mthabiseni Mkumbuzi was withdrawn, the hall booking for Aphinda Ntethe on the 26 February 2024 and the tariff book and confirmed the basic charge. Therefore	Lack of proper reviews of the indigent applications to ensure that the financial information is accurate and complete	Manager Income and Expenditure	2025/03/31 On going	Management will ensure that proper reviews are conducted to ensure that the financial information is accurate and complete	AFS

									resolved.				
	COAF 2h	Policies	Yes	Policies not reviewed	During the audit, we noted that the following policies have been identified that they were not reviewed during the 2023/24 financial year	This is caused by lack of review controls over policies on a periodical basis by management.	Management should ensure that all municipal policies are reviewed and approved on a periodically basis to ensure that any changes to legislations or standards are taken into account.	Management does not agree with the finding as EPWP Draft Policy – Phase IV EPWP policy is available and was approved by council in June 2023. The policy could not be reviewed during 2023/2024 Financial Year because the president of the country only launched Phase IV EPWP where EPWP Phase V policy had not been developed yet. However, there is a workshop planned for Phase V EPWP Policy scheduled for September 2024	Management comments noted, inspected the council resolution CONA/130/24 and confirmed that council approved anti-fraud and risk management policy. However the management indicated that for the remaining policies are still under review, therefore finding remains.	Lack of review controls over policies on a periodical basis by management.	Director Community Services	31-Mar-25	Management will check all policies and identify when they are due for review and take them to council if necessary before year end.	Internal control deficiency
	COAF 2i	Cost Reduction Plan	Yes	Cost Reduction Plan - Cost reduction not approved and implemented	During the audit of the Use of Consultants Business Process it was noted the Cost Reduction Plan submitted for audit was not signed for approval and no	The cause of the finding is that there is no approved Cost Containment Policy in place to provide guidance on the development and	Management should ensure to develop Cost Reduction Plans which should detail how the costs in relation to the use of consultants and other professional service	Management disagrees with the finding. The municipality has a cost containment strategy and a policy on appointment of consultant in line with the cost containment regulations. Refer to attached documents	According to Regulation 5 (f) of the MFMA Municipal Cost Containment Regulation in addition to or as part of the Municipality Cost Containment	Lack of review controls over policies on a periodical basis by management.	Manager SCM & Assets	28-Feb-25	Management will check all policies and identify when they are due for review and take them to council if necessary.	Internal control deficiency

					detailed consultancy reduction plans were put in place and implemented to reduce the reliance on consultants by the municipality.	implementation of Cost Reduction Plans to reduce reliance on consultants.	providers will be reduced that are aligned with the Municipal Cost Containment Policy with clearly defined and measurable goals/outcomes. Management should further oversee the implementation and annual review of the Cost Reduction Plans in order to reduce reliance on consultants and other professional service providers		Strategy/Policy the accounting officer must develop cost reduction plans to reduce reliance on consultants, the Cost Reduction Plan submitted was not signed and therefore approved , the finding therefore remains and will be a control deficiency					
	COAF 2j	Payroll compensation of employees	Yes	BP- Internal control deficiency: Payroll compensation of employees and employee benefit -	During the audit, we noted that the performance assessment for section 54(a) and 56 managers was not performed twice. As per the system description for Payroll compensation	There is a lack of oversight from management to ensure that the performance assessment are evaluated twice a year, mid - year review and annual review,	Management should ensure that the performa	Management does not agreement with the finding. We conduct our assessments once a year for both the annual assessment of the previous year which has been audited and the mid-year assessment for the current year. Therefore, there were two assessments conducted in one session. Please find the attached timetable and invitation to the	Management comments noted, performance assessment for NC Eddie and L Gomana for 2022/23 and mid-year were not submitted.	Lack of safeguarding of documents and centralisation of staff documents	Municipal Manager	31-Mar-25	Management to ensure that performance assessment is done twice a year (mid year and year end) and properly documented.	Internal control deficiency

				MFMA	of employees and employee benefit "The individual employees' performance is evaluated twice a year, mid - year review and annual review, and the council approves the performance results for the section 54(a) and 56 managers" Upon inspection of the performance assessment reports for the senior managers, we noted the following: L Gomana - Performance assessment of 2022/23 was done but the mid-year review was not performed. NC Eddie - Performance assessment of 2022/23 was done but the mid-year review was not performed.	and the council approves the performance results		assessment. For Mrs Eddie her contract ended in September 2022. She was not available at the time the 2022 annual assessments were conducted, hence she was still being assessed for 2022	[illegible] remains					
	COAF3a	Planning	Yes	Audit of Pre-determined Objectives	The supporting evidence (completion certificate) does not have the	1.Issue 1: Management included the actual achievement	Management should ensure that all performance indicators reported in the APR are	Management agrees with the finding: The completion certificate was amended to reflect the actual performance	Management comments were noted, inspected the completion	Lack of submission and review of the supporting	Senior Manager Strategic Support	2025/03/31 On going	Management to conduct quartely and annually reviews of the documentation	AOPO

					actual performance that support the reported achievement in the quarter 4 for the indicator: Number of kms of Roads Constructed	for this indicator in the implementation plan only and did not see the need to include it in the completion certificate	supported with all relevant documentation and the relevant documentation is consistent throughout. Management should ensure that supporting evidence (completion certificates) should agree to the km reported on the APR	achieved. Completion certificate is attached	certificates for Ugie Park Streets and Greenfields and confirmed that the certificates indicated the number of kilometres/metres achieved.	documents which support the APR.			that supports the APR.	
	COAF3b	Planning	Yes	Audit of Pre-determined Objectives	. The TIDs for the indicators listed below identified site meeting minutes as part of the supporting evidence, however, there were site meeting minutes provided as supporting information: . Number of Public Amenities Constructed . Number of kms of Roads Constructed	Issue 2, 3, 4 and 7: The cause is due to management not ensuring that the documents stated on the TID are available to support the indicators	Management should ensure that all performance indicators reported in the APR are supported with all relevant documentation and the relevant documentation is consistent throughout. Management should ensure that supporting evidence (completion	Management agrees with the findings on the below indicators, management corrected the findings by providing the minutes of the site meetings of the projects per indicator. The minutes are attached. . Number of Public Amenities Constructed -Tlokweng Public Toilets -Hopedale sports field . Number of Kms of roads constructed -Greenfields -Tlokweng streets -Ugie Streets . Number of km's of Bridges Constructed -Castle rocks . Number of households in electrification program connected -Minutes attached . Number of kms of bulk infrastructure (Link line) -Minutes Attached . Number of high mast public lights installed	. Number of Public Amenities Constructed Management comments were noted, number of public amenities consisted of three projects: Hopedale sports field – The site minutes were subsequently submitted by management, therefore the finding is resolved. However, Tlokeng Public Toilets and	Lack of proper recording keeping of the supporting documentation to ensure that it is readily available and accessible upon request. Lack of review of the AFS and Non-compliance with the accounting policy.	Director - IPD	2025/03/31 On going	Management to maintain a proper record keeping management system and ensure that all requested information is readily available and submitted within stipulated time frames.	AOPO

					. Number of bridges constructed . Number of households in electrification program connected . Number of kilometres of bulk infrastructure constructed (Link line) . Number of high mast public lights installed . No of smart meters installed		certificates) should agree to the km reported on the APR		Refele Sports Field – The site minutes were not subsequently submitted by management, therefore the finding remains . Number of kms of Roads Constructed Greenfields and Mt Fletcher streets - The site minutes were subsequently submitted by management, therefore the finding is resolved					
	COAF3c	Planning	Yes	Audit of Pre-determined Objectives	The TIDs identified a "Maintenance schedule" as a supporting information for the KMs of urban roads maintained indicator, however, the maintenance	Issue 5: The cause is due to management incorrectly reporting the number of the streetlights and high mast lights that were defective and maintained for Quarter 1, reported the number of streetlights and	Management should ensure that all performance indicators reported in the APR are supported with all relevant documentation and the relevant documentation is consistent throughout.	Management agrees with the finding. The urban roads maintenance schedule is attached to rectify the finding	Management comments were noted, management subsequently submitted the maintenance schedule for urban road maintenance and therefore the finding is	Lack of proper recording keeping of the supporting documentation to ensure that it is readily available and accessible upon request. Lack of review of performance indicators reported in the	Director - IPD	2025/03/31 On going	Management to maintain a proper record keeping management system and ensure that all requested information is readily available and submitted within stipulated time frames. Regular review of performance indicators reported in the APR and ensure it is supported	AOPO

					was not provided.	high mast lights that were inspected during that period.	Management should ensure that supporting evidence (completion certificates) should agree to the km reported on the APR.		resolved	APR.			with all relevant documentation and the relevant documentation is consistent throughout and agrees to the APR.	
	COAF3d	Planning	Yes	Audit of Pre-determined Objectives	. The TIDs for the following indicators identified monthly progress report as part of the supporting evidence, however, there were no monthly progress report provided as supporting information: . Number of kms of Roads Constructed . Number of kilometres of bulk infrastructure constructed (Link line) . No of smart meters installed	The cause of the finding is due to lack of proper recording keeping of the supporting documentation to ensure that it is readily available and accessible upon request.	Management should ensure that all performance indicators reported in the APR are supported with all relevant documentation and the relevant documentation is consistent throughout. Management should ensure that supporting evidence (completion certificates) should agree to the km reported on the APR	Management agrees with the finding, progress reports were provided to rectify the finding . Number of Kms of Urban roads maintained - Monthly progress report attached . Number of kms of Roads Constructed- - Progress report is attached . Number of kilometres of bulk infrastructure constructed (Link line) - Progress report attached . No of smart meters installed	Management comments were noted, monthly reports were subsequently submitted therefore finding is resolved. Number of Kms of Urban roads maintained Number of kms of Roads Constructed Number of kilometres of bulk infrastructure constructed (Link line) No of smart meters installed	Lack of proper recording keeping of the supporting documentation to ensure that it is readily available and accessible upon request.	Director - IPD	2025/03/31 On going	Management to maintain a proper record keeping management system and ensure that all requested information is readily available and submitted within stipulated time frames.	AOPO
	COAF3e	Planning	Yes	Audit of Pre-	The reported performance for	This is caused by a lack of management	Management should ensure that all performance	Management agrees with the findings and acknowledges the	Management comments	lack of review of	Manager IDP	2025/03/31	Management to Prepare regular, accurate and	AOPO

				determined Objectives	quarter 1 for this indicator does not agree to the supporting evidence. Refer to the table below for the details of the disagreements:	oversight and reviews to ensure that the reported achievement on the APR is accurate and agrees to supporting evidence.	indicators reported in the APR are supported with all relevant documentation and the relevant documentation is consistent throughout. Management should ensure that supporting evidence (completion certificates) should agree to the km reported on the APR.	error in the reporting of quarter 1. The correct report is as follows	noted management did not submit supporting documents (Amended Q1 performance report) we could	APR and supporting documentation.		On going	complete financial and performance reports that are supported and evidenced by reliable information.	
	COAF 4	Indigent debtors	Yes	Indigent debtors – Indigent Customers	beneficiaries received the subsidy while deceased. refer below. refer for examples: Annexure A: Deceased persons -The customers in this annexure were found to have been deceased in the 2023/24 financial year, however, they received the subsidy during the year. Annexure B: Invalid IDs -The customers in this annexure were found to have been	The municipality has not gone through the process of cleaning up its indigent customer database, to ensure that only customers that are indigent as defined in the indigent	Management should continuously review their indigent customer database for customers that may no longer qualify for the subsidy to ensure that only customers	finding from recurring in the future financial years. Annexure A – Management disagrees with the finding. The municipality grants indigent subsidy per household and not per individual. Paragraphs 2.4, 3.1, 7(f), 8.14 and 8.16 all refer to a household and not an individual. Even though the main applicant for that household is deceased, the household is still indigent. Paragraph 8.1.8 states that the surviving spouse must come apply for indigency. Annexure B – Management disagrees with the finding. An incorrect indigent register was submitted but the correct one has been submitted to the auditors.	Management response is duly noted. We assessed the correct indigent register submitted with the management response to the COAF 04 and we found that the same	The municipal system is not linked to the system used by the AGSA that is able to pick beneficiaries in the service of the state and to Home Affairs in assessing those deceased.. The indigent register is on excel.	Manager Income and Expenditure	2025/01/31 On going	The municipality to ensure that the indigent system is budgeted and procured in the next financial year to ensure that everything is automated and limit huma errors. Also the indigent register to be reviewed to makesure it the correct version and does not	Internal control deficiency

					registered with invalid IDs, however, they received the subsidy during the year. Annexure C: Duplicate ID -The customers in this annexure were found to be receiving the indigent subsidy twice. Annexure D: Old ID numbers -The customers in this annexure were found to have old ID numbers, which brings into question, their existence, given that everyone is expected to have the new ID numbers. Annexure E: Age over 100 -The existence of these customers is questionable due to their old age. Annexure F: Employed in Government	subsidy policy are benefitting from the municipality's indigent subsidy program.	that meet the defined criteria in the indigent customer policy are benefiting from the program.	Annexure C – Management disagrees with the finding. An incorrect indigent register was submitted but the correct one has been submitted to the auditors. Annexure D – Management disagrees with the finding. An incorrect indigent register was submitted but the correct one has been submitted to the auditors. Annexure E – Management does not agree with the finding. We do have beneficiaries over 100 years that do walk-ins to apply for Indigent Support. Annexure F – Management agrees with the finding. The municipality does not have a system that gives access to database of people in employment of government institutions. Annexure G – Management disagrees with the finding. Our policy has a threshold for an amount	exceptions raised and communicated based on the incorrect register still apply, as the registers contain similar information.				have obvious errors (duplicates etc)..	

					-These customers appear in the database of people that are in the employment of government institutions, thus, irregularly benefiting from indigent subsidy. Annexure G: Interest Payment									
	COAF 6	Expenditure	Yes	Some invoices were not paid within 30 days from the date of receipt of the invoice Audit Finding	The following invoices were not paid within 30 days of receipt of invoice	This is due to lack of management oversight and inadequate reviews to ensure compliance with the polices and the MFMA	Management should review and apply the approved policies. In addition, management should put in place strict controls to ensure that payments are made with 30 from the date of the receipt of invoice as required by MFMA section 65(2)	.Management agrees with the finding. During the preparation of the payment process, there was an internal control deficiency that needed to be attended to by the user department and the service provider, unfortunately, the new received date was not stamped. .Management agrees with the finding. During the preparation of the payment process, there was an internal control deficiency that needed to be attended to by the user department and the service provider, unfortunately, the new received date was not stamped. .Management does not agree with the finding. There are debit order arrangements for all Eskom transactions that are less than R60 000.00 we are not liable for invoices that Eskom has processed after 20 days as they did not make payment.	Management response is duly noted. Regarding items 1 & 2 remains and will be reported in the management report or auditor's report depending on materiality of occurrence rate of instances of similar non compliance.	Lack of implementation of the expenditure policy and its controls to ensure payments are made within 30 days.	Manager Income and Expenditure	2025/03/31 On going	Management to record and note all invoices returned to user departments, put a new received date stamp, and ensure that all invoices are paid within the 30-day legislated period. Managemen to develop a checklist that will incorporate this procedure.	AFS

Key	Reference	Component	Key	Finding description	Nature (Actual Finding)	Root Cause	Auditors Recommendation	Management Response	Auditor's conclusion	Root Cause by Management	Responsible Official	Target date	Remedial action	Item
	COAF 6	Expenditure	Yes	General expenses classified as contracted services	The Munsoft Monthly Service fees have been incorrectly classified as contracted services, instead of the General Expenses	Management neglected to reallocate the General expenditure paid out of the Budget for contracted services (due to budget depletion), to the General expenses in the AFS preparation process	When the budget is depleted for a certain category of expenditure and payments are made out of other categories, management should ensure that these are reallocated to the correct category and also reported in the correct category of expenditure.	Management agrees with the finding. However, further investigation of transactions under contracted services was done and found 2 more Munsoft transactions and a journal has been proposed to correct the misallocation. The misallocation amounts to R837 525.	Management response is duly noted. The finding for items 1 & 2 remains and will be reported in the management report or auditor's report depending on materiality of occurrence rate of instances of similar non-compliance.	Inadequate implementation of MSCOA and GRAP.	Manager Income and Expenditure	2025/03/31 On going	Management to prepare a corrrective journal will be processed to transfer the misallocation to the correct segment. Review of all processed transactions by Senior Management on a monthly basis	AFS
	COAF 7	Grants	Yes	INEP Grant : Construction	.The municipality received funds from Integrated National Electrification Programme (INEP) that amounted to R15 459 000, most of the grant was spent on the Eskom licence area where the municipality is not licensed . The	The cause of the finding is due to lack of proper application of	Management should ensure that Contract revenue is accurately recorded and presented in	.Management agrees with the finding that the Municipality did not recognise the construction revenue. However, an amount of R13	Management subsequently submitted the adjusted AFS and amended the disclosure note 26 for Government grants and	Inadequate implementation of the NT ciruclar guidelines on	Manager Budget and Reporting	2025/03/31 On going	The revenue from the INEP GRANT will be reclassified to revenue from exchange	AFS

				contracts misstatements	municipality recognised the R15 459 000 under revenue from non-exchange transactions under Government grants and subsidies. The municipality then recognised/recorded contracted services of R13 447 962 in the current year that is classified as Electrical relating to electrification of unlicenced. Therefore, the Municipality did not recognised the construction revenue of R13 447 962 and have a difference of R2 011 038 recognised or recorded under government grants. . Upon the review of CAPEX 2024 register of payments made to municipal's unlicenced area, the municipality made a payment of R14 180 007 which is R 732 045 more than what is disclosed as electrical under contracted service resulting in understatement in the annual financial statements as	GRAP 11 as the municipality did not apply guidance that was issued by National Treasury to all the municipalities	the AFS. Management should consider ensure that GRAP 11 requirements are appropriately applied when it comes to INEP GRAP to avoid the finding from re-occurring in the future	447 962 is the amount recognised under contracted electrical construction costs and it excludes VAT amounting to R2 017 194. This makes the total revenue from construction contracts amount to R15 465 156.30.	subsidies and disclosure note 18 for Construction contracts accordingly. Therefore, the classification finding is resolved. However, after assessment of the disclosure note 18 for Construction contracts we noted that management included VAT amount of R2,016,392 in the revenue amount. Therefore, the finding remains.	the INEP Grant			transactions (Construction contracts) and be reported in accordance with the new guidelines. Regular training will be provided to those responsible for accounting and reporting to enable them to correctly interpret and apply current and updated accounting standards. Management will develop a checklist that will incorporate this disclosure	

					illustrated on the table below. The municipality has overstated the revenue from government grants and subsidies by R 14 180 007 and understated revenue from exchange (construction contracts revenue by the same amount in the 2023/24 financial year, in the corresponding figures the same misstatement amounts to R 13 610 941.									
	COAF 8	Principal-agent arrangements	Yes	Principal-agent arrangements omitted in Note 53 for the AFS for the 2023-24 financial year	Elundini Local Municipality has a binding contract with Contour Technologies (Pty) Ltd where 'Contour undertakes to ensure that payment of all monies to the municipality collected from valid third-party sales in the preceding calendar month within three (3) working days of the succeeding calendar month'. Therefore, Contour enters into transactions with the electricity customers in Elundini Local Municipality on behalf and for the benefit of the municipality, hence, an agent for GRAP 109.05 purposes.	Management did not assess the relationship between the Municipality and Contour Technology (Pty) Ltd	Management should adjust Note 53 to include the principal disclosures for the arrangement between Contour Technology (Pty) Ltd and the Municipality	Management comment: Management agrees with the finding. Note 53 will be adjusted to include the principal disclosure for the arrangement between Contour Technology (Pty) Ltd and the Municipality. See attached proposed disclosure note.	Management agrees with the finding and has further submitted a proposed adjustment. Based on inspection of the adjusted Annual Financial Statements, the finding has been addressed and therefore has been resolved.	Lack of review of the AFS and non adherence to the AFS plan.	Manager Budget and Reporting	2025/03/31 On going	Note 53 was adjusted to include the principal disclosure for the arrangement between Contour Technology (Pty) Ltd and the Municipality. Regular training will be provided to those responsible for accounting and	AFS

					In terms of clause 8.2 of the Service Level Agreement (SLA) entered between Contour and the Elundini Municipality; Contour undertakes to ensure that payments of all monies to the Municipality are collected from valid third-party sales in the preceding calendar days within three working days. From GRAP 109 requirements and the SLA it clear that there is Principal Agent arrangement where Contour acts as an agent for collecting monies from third parties and pay over to the municipality. Management did not assess the relationship between the Municipality and Contour Technology (Pty) Ltd and as a result the GRAP 109 disclosure requirements for principal- agent arrangements was not disclosed in the AFS submitted for audit for the year ended 30 June 2024.								reporting to enable them to correctly interpret and apply current and updated accounting standards. Management will develop a checklist that will incorporate this disclosure	

	COAF 9	Financial Instruments	Yes	Statutory receivables and finance lease obligations have been incorrectly included in the disclosure for Financial Instruments Disclosures	In note 40. Financial instruments disclosures, management has included R21 053 118, which includes Property Rates: R19 143 886 (2022-23: R19 649 740). Receivables from Property rates are statutory receivables as defined in GRAP 108.05(a), thus, their inclusion in Note 40 constitutes a material overstatement of the disclosure, as they are specifically excluded from the scope of GRAP 104. In note 40, management has included an amount of R1 576 622 (2022-23: R0) for Finance Lease Obligation. Obligations under leases are specifically excluded from the scope of GRAP 104.	This is due to lack of adequate management reviews of the financial statements.	Management should perform adequate reviews of the financial statements and ensure that they are prepared in accordance with the standards of GRAP	Management should not be included as financial assets. The AFS will be adjusted accordingly to ensure that property rates are not included as part of financial assets. Management does not agree with the finding that obligations under leases are specifically excluded from the scope of GRAP 104. In terms of GRAP 104.03(c)(ii) finance lease payables recognised by a lessee are subject to the derecognition, presentation and disclosure provisions of GRAP 104. The application guidance on GRAP 104 also states the following: AG21. Under GRAP 13 a finance lease is regarded as primarily an entitlement of the lessor to receive, and an obligation of the lessee to pay, a stream of payments that are substantially the same as blended payments of principal and interest under a loan agreement. The lessor accounts	Management responses are duly noted. Statutory Receivables: Management may proceed with the adjustment and submit the proposed disclosure for assessment. Finance Lease Obligation: The finding is resolved, upon re-looking at GRAP 103.03(c)(ii) it was confirmed that finance lease obligations are subject to the presentation and disclosure requirements of GRAP 104. The adjusted AFS were assessed, and the note was correctly adjusted. Finding is resolved.	Lack of review of the AFS and non adherence to the AFS plan.	Manager Budget and Reporting	2025/03/31 On going	Note 40 will be adjusted to exclude property rates from statutory receivables. Regular training will be provided to those responsible for accounting and reporting to enable them to correctly interpret and apply current and updated accounting standards. Management will develop a checklist that will incorporate this disclosure	AFS
		Revenue	Yes	Incorrect property rates	The following differences were identified in Note 23	Management has not adequately reviewed the	Management should ensure the annual financial statements	Management agrees with the finding. Adjustments will be made to the Annual Financial	Management subsequently submitted the adjusted AFS	Lack of review of the AFS and non adherence	Manager Income and	2025/03/31	Interim AFS will be preapred and the	AFS

				disclosed in note 23 for Property rates	for Property rates between the approved tariffs and the basic rates disclosed:	disclosure note for property rates to ensure that the note disclosed is consistent with the GRAP standards.	are reviewed and the narrations included in the disclosure notes have been verified and are consistent with the accounting policies	Statements to ensure that the disclosure note for property basic rates agrees with the approved tariff book. Please find an extract which shows how the disclosure note for property rates will be adjusted	and amended the disclosure note for Revenue from non-exchange transactions accordingly. Finding is resolved.	to the AFS plan.	Expenditure		AFS reviews will be conducted by all levels of reviews in line with the AFS plan.	
	COAF 11	Revenue	Yes	Municipal Infrastructure Grant: Incomplete grant schedule register	The following differences were identified between the amount in the grant schedule disclosed in the AFS:	Management did not have controls in place to ensure that all the transactions that should have been recorded have been recorded in the grant schedule register, at the correct amounts.	Management should have controls in place to ensure that all transactions that should be recorded in the grant schedule register, are recorded at the correct amounts. Furthermore, management should ensure that they review the grant schedule register to ensure that the amount disclosed in the AFS and the register are consistent.	Management does not agree with the finding, the operational expenditure on MIG for 5 percent is not included on the schedule, only capital portion is included.	Management comments were noted, evidence to substantiate management comments was not submitted by management for further assessment. Therefore, finding remains.	Lack of review of the grants schedule	Manager Budget and Reporting	28-Feb-25	Management to amend the MIG Grants register to included both Operating and CAPEX so that the total agrees to AFS.	AFS

		Revenue	Yes	Differences between the grant schedule register and invoice (Accuracy)	1.The following differences were identified between the amount in the grant schedule and invoice amount	Management did not have controls in place to ensure that all the transactions that should have been recorded have been recorded in the grant schedule register, at the correct amounts	Management should have controls in place to ensure that all transactions that should be recorded in the grant schedule register, are recorded at the correct amounts. Furthermore, management should ensure that they review the grant schedule register to ensure that the amount disclosed in the AFS and the register are consistent.	Management does not agree with the finding. In the invoices that are in the payment vouchers, the retention that the Municipality withholds from the contractors is not included. Please find the attached Capex register extract. The Capex register can also be found in the audit file, renamed as "WIP Register 20232024 Updated" under PPE	Management comments were noted, However the differences were as a result of retentions not being correctly accounted for in the grant register. Therefore, finding remains.	Lack of review of the grants and retentions schedules	Manager Budget and Reporting	28-Feb-25	Management to amend grants register to reflect retentions separately and link it to CAPEX/WIP and commitments register	AFS
		Revenue	Yes	Differences between the grant schedule register and invoice (Accuracy)	Upon the review of CAPEX 2024 register, we noted that the following project for MIG was classified under INEP.	Management did not have controls in place to ensure that all the transactions that should have been	Management should have controls in place to ensure that all transactions that should be recorded in the grant schedule register, are	Management agrees with the finding on the description part as the error was on the description on the CAPEX register, but the classification was correct as being MIG. A description for an MIG project was only incorrect worded as INEP in the CAPEX register. However, in the G.L., under the funding column the	Management agrees with the finding and proposes an adjustment, a further assessment will be done	Lack of review of the AFS and non adherence to the AFS plan.	Manager Budget and Reporting	2025/03/31	Interim AFS will be preapred and the AFS reviews will be conducted by all levels	AFS

						recorded have been recorded in the grant schedule register, at the correct amounts	recorded at the correct amounts. Furthermore, management should ensure that they review the grant schedule register to ensure that the amount disclosed in the AFS and the register are consistent.	transaction has been correctly posted to the MIG funding. Please find the attached voucher for the transaction attached in the response. The voucher number for the transaction is as follows: 011078-0005. Please also find the attached G.L. extract for the MIG transaction. Revenue from conditions met pulls directly from the G.L. and the funding for this transaction in the G.L. is MIG. Therefore, the MIG Grant has not been understated and the INEP Grant has not been overstated in the Annual Financial Statements in this regard	when the final adjustments have been made				of reviews in line with the AFS plan.	
	COAF 12	Securiry assets	Yes	1.Security assets (Guns) not barcoded or uniquely identified	A security asset was selected for testing under movable assets. The asset could not be identified from the other group of assets. This means the asset could not be uniquely identified from the other group assets of the similar nature. We had to verify all 15 items. Guns have a unique serial number which was not used as a unique asset number. The barcode captured in the Fixed Asset Register could not be used as they were not in the guns.	Management did not use the gun serial number as an asset code which could make it simple to uniquely identify the asset or attached the barcode per the asset register to the gun for it to be identifiable	Management should adjust the asset register and capture guns in their serial numbers as asset numbers or attach the barcodes per the asset register to the guns to make them identifiable.	Management will use the gun serial number as an asset code which could make it simple to uniquely identify the asset or attached the barcode per the asset register to the gun for it to be identifiable	Management agrees with the finding, this will remain as the internal control deficiency finding in the management report.	Inadequate review of the asset register and non adherence to the AFS plan.	Manager SCM & Assets	2025/ 02/28	Conduct asset count for the second quarter and update FAR.	Internal control deficiency
				Difference				: Management agrees that the totals as per the payday					Management will prepare	AFS

	COAF 13	Employee costs	Yes	between the annual 12 Month payroll report 2023/24 and the payroll reconciliation prepared by the consultants	The data used by the consultants in preparation of the reconciliation differs from the data per the annual 12 month payroll report 2023/24:	This is due to lack of management oversight and inadequate reviews to ensure that the annual 12 month payroll report agrees with the AFS.	Management should ensure that they review the reconciliation and agree to underlying records.	reports don't agree with the 12 months reports. Due to issues with the payday system in February 2024 the payday report for February that was extracted from the system did not agree with the 12 months report. Both these reports are extracted from the payday system. This issue has been resolved and the correct payday report that agrees with the 12 months report has been extracted. A reconciliation for the month of February has also been performed. Please find the attached reperformed reconciliation and the proposed journal	Management agrees with the finding and have submitted a proposed journal. We shall assess when all the required adjustments have been passed	Inadequate review of the Payroll and AFS and non adherence to the AFS plan.	Manager HR	2025/02/28 On going	reconciliation for the month of February between payday and payroll and going forward AFS reviews by all levels of reviews in line with the AFS plan.	
	COAF 14	Depreciation	Yes	1.Depreciation: disagreement between depreciation per the FAR and audited amount	When performing depreciation recalculations for three assets we noted differences as illustrated below. For Item one there was also a reassessment (change) in useful life which resulted in calculated differences that would have a projected difference of R520 3527 Upon consultation with members of management still the differences remain	Management calculations are not clear enough to determine the changes of estimates and depreciation calculations	Management should adjust the asset register and depreciation calculations clearly showing the changes in estimates	The management agrees with the finding. However, the difference for the motor vehicle should be R3 906 before extrapolating. The management will be making necessary adjustments. The calculation performed did not factor in the residual when performing a recalculation. Kindly find the attached annexure for calculations	Management agrees with the finding, It was identified that the residual value had not been factored into our initial calculation. Upon including the residual value, the variance was reduced to R3,906. The total differences in depreciation are immaterial and fall below the trivial threshold. Therefore the	Inadequate review of the asset register and non adherence to the AFS plan.	Manager SCM & Assets	2025/02/28 On going	Management will start implementing the asset module and FAR to be reviewed. AFS reviews by all levels of reviews in line with the AFS plan.	AFS

								finding is resolved.					
	COAF 15	Receivables	Yes	Incorrect classification of receivables from non-exchange interest	Interest on receivables from exchange transactions of R24 524 248 included interested on non-exchange transactions. The interest on non-exchange transactions was not disclosed separately. The differences of R 4 236 060.16 were noted	This is a lack of management oversight and inadequate reviews to ensure that the interest on receivables is classified correctly, as management included interest - receivables exchange and non- exchange transaction in Interest receivables on note	Management should ensure interest on receivables is classified correctly according to the GRAP standards.	Management agrees with the finding. Adjustments to the Annual Financial Statements will be made by making reclassifications of interest from receivables from exchange to receivables from non- exchange. Please find the attached annexure that show how we will present the split of the interest.	Management subsequently submitted the adjusted AFS and amended the disclosure note 03 on Receivables from exchange transactions and disclosure note on 04 on Receivables from exchange transactions accordingly. Finding is resolved.	Inadequate review of the AFS and non adherence to the AFS plan.	Manager Income and Expenditure	2025/02/28 On going	Interim AFS will be preapred and the AFS reviews will be conducted by all levels of reviews in line with the AFS plan.	AFS
	COAF 18	Property, Plant and Equipment - Machinery and equipment	Yes	1.Construction of Fibre (Machinery and equipment)	.During the review of the capitalized amounts for Machinery and Equipment additions, it was observed that the municipality incorrectly calculated VAT (excluding VAT) of R57,935 as part of the asset capitalization. .It was further noted that the supplier is not registered as a VAT vendor. We verified	The cause of the finding is due to lack of management oversight in the payments capturing processing and allocation	Management must have controls in place to ensure that when they receive invoices from suppliers they make sure that they are registered or not for VAT purposes	A journal to debit the asset by R57 935 and journal to credit the VAT account by R57 935 has been proposed. The second journal to correct the depreciation is also proposed.	Management agrees with the finding and have submitted a proposed adjusting journal. The journals, along with the adjusted general ledger (GL) and trial balance (TB), were reviewed and	Inadequate review of the asset register and non adherence to the AFS plan.	Manager SCM & Assets	2025/02/28 On going	Management will start implementing the asset module and FAR to be reviewed. AFS reviews by all levels of reviews in line with the AFS	AFS

					this by checking the SARS website, which confirmed the supplier's non-registration for VAT. As a result, management capitalized an amount that was exclusive of VAT, whereas VAT should have not been excluded. Therefore, this means the invoiced amount of R444 165 should have been capitalised to assets instead of R386 230.				confirmed that the adjustments had been processed. The understatement of the asset and overstatement of VAT were appropriately reversed. As a result, the finding is resolved.				plan.	

2.15 ENVIRONMENTAL SCANNING

2.15.1 PESTEL FACTORS

Table 48: Pestel Factors

Political Factors	*Economic Factors*
▶ *The amendments to section 25 of the Constitution in relation to the expropriation of land without compensation has become a political football that is causing uncertainty to those who need land for development or settlement.* ▶ *Nullification of legislation leading to a change in municipal policies. [i.e Systems act]* ▶ *PPPFA 2017 used by government to advance local SMME government has been repealed by the constitutional court, meaning that the sub-contracting clause has been nullified by courts. This will lead to manipulation of SCM processes on sub-contacting threshold. Municipality will therefore need to address the sub-contracting procedures and advancement of designated groups (HDI) in its internal policies.* ▶ *New regulations vs agreements (overregulation), No local government consultation processes followed.* ▶ *Political contestations at provincial level (resolutions of provincial conference of the ruling party) may affect service delivery at local government level.* ▶ *Regulations guiding the recruitment of senior management causes instability and has a negative impact in the operations of municipality, municipal performance and service delivery.* ▶ *Government has put measures in place to fight corruption, however, there is poor and inconsistent implementation of laws, and as a result, corruption is still on the rise.*	▶ South African economy has a potential for growth and development, however, poor planning for economic growth, proper implementation as well as monitoring of introduced plans lead to poor economic state. ▶ COVID-19 damaged an economy that was already limping. ▶ Unemployment is a huge problem and has a direct impact on corruption. Moreover, the government is creating citizens that are dependent on the government. ▶ Education system is not channelled at producing entrepreneurs, but more on producing people who will still require employment from other employers. i.e the state. ▶ Employment and corruption affect the development of Elundini community. ▶ The municipality is attracting a more foreign nationals who see business opportunities. ▶ Difficulties in adapting to the Fourth Industrial Revolution with current low skills base ▶ Youth unemployment rate stands at 52%: Likely to result in Increased social ills (in crime, substance abuse)
Social Factors	Technological Factors
▶ *Societal standards that resulted from apartheid channel the behaviour of citizens away from economic independence.* ▶ *Elundini is a rural area that exports the limited skills it produces to other areas resulting in the brain drain particularly for skills in areas such as agriculture, information communication and technology, and construction.*	▶ Installation of network fibre from N2 to Nqanqarhu will improve performance of network around Elundini area. ▶ New technologies will be used to conduct business. i.e virtual /remote functioning ▶ Positive impact, as there will be improved network connectivity, and increase in revenue collection through fibre rental.

▶ *Education levels are fairly low, and fewer citizens with post graduate qualifications.* ▶ *The levels of crime rate are very high especially in relation to murder cases, GBV, assault, and robbery.* ▶ *Youth unemployment, substance abuse, and child headed families has led to high crime rate in the District and Elundini.* ▶ *It has an impact on the Municipal operations due to when an essential worker is involved.* ▶ *When there's a challenge of ICT network, we are unable to conduct virtual meetings, and for service delivery we are unable to process payments and purchasing of electricity token.* ▶ *We need to be very vigilant due to well of health and hygiene by visiting offices and Ablution facilities twice a day* *People need to be transparent to disclose any diseases or health issues*	▶ Introduction of artificial intelligence to execute functions. ▶ Introduction of renewable energy initiatives to complement current sources of energy ▶ Renewable energy will address the issues relating to illegal connections and distribution losses ▶ Government identifies and supports science and technology as drivers for economic growth. ▶ Government focused on the improvement and development of human capabilities, reskilling to avoid job losses.
Environmental Factors	Legal Factors
▶ *Sensitive environmental areas limiting developable areas* ▶ *The effects of climate change are being felt in rural parts of the province which has resulted in soil erosion due to heavy rains.* ▶ *Invasive fauna and flora affecting water sources* ▶ *Illiteracy on Waste Management and as such poor participation in Recycling, Re-use and* ▶ *Optimal weather conditions for Solar Power to reduce dependency on mainstream electricity.* ▶ *Renewable energy will impact positively impact Elundini because of clean energy, and we will be able to service more customers (as gas supply and solar systems assist more people to have access to energy), and this will contribute more on limiting over-utilisation of the grid.*	▶ Review of Municipal Systems Act likely to impact recruitment processes and professionalising of local government sphere. ▶ Handling Personal information and disclosing such as prescribed in terms of POPI Act likely to affect day-to-day operations ▶ The Local Government Demarcation Bill likely to provide for the criteria and procedures for the determination and redetermination of municipal and ward boundaries and the establishment of an appeals authority. ▶ Uncertainty in implement the Municipal Property Rates Act and subsequent a proper rates policy. ▶ Possible end toward Ending Spatial Fragmentation through the proposed Land Use Management Bill

2.15.2 SWOT ANALYSIS

Table 49: SWOT Analysis

KPA	INTERNAL		EXTERNAL	
	STRENGHTS	WEAKNESSES	OPPORTUNITIES	THREATS
Infrastructure and Basic Service Delivery	▶ Quality & Competent staff minimising need for procuring external service providers. ▶ Adopted policies in place, plans and agreements ▶ Availability of tools of trade for employees and specialised fleet ▶ Achieved 143km of road network ▶ Existing roads infrastructure maintenance plan ▶ Effective Procurement Strategy for implementing Service Delivery ▶ On the brink of achieving universal access to Electricity ▶ Effective Operational Systems and Policies in place	▶ Vacant and unfunded positions ▶ Poorly managed and ageing fleet ▶ Poorly implementation of internal controls ▶ Lack of consequence management ▶ Outdated Municipal by-laws that are long overdue for review and implementation ▶ Poor maintenance of existing infrastructure ▶ Poor quality of new roads infrastructure due to poor planning of infrastructure roll-out ▶ Inadequate Project Formulation, Management,	▶ We have grant funding for the implementation of Infrastructure and Basic service delivery. ▶ Favourable Government framework for enhancement of massive job creation. ▶ Operationalising the Vehicle Testing Station ▶ Placement of sufficient Skip Bins closer to communities to improve waste management. ▶ Expansion for Public Transport Facilities (Taxi & Bus Ranks)	▶ We have the perception of poor service delivery from community. ▶ Insufficient funding for infrastructure development for all Municipal wards. ▶ High poverty rate resulting in poor revenue collection. ▶ Settlements Geographical Sparsity (Settlements are located far apart) ▶ Difficulty in accessing all areas and settlements under Jurisdiction (Terrain & Geo-location)

		Implementation, Handover and Monitoring		▶ Limitations with Pandemics (Not limited to Covid-19) ▶ Climate change and its impact on infrastructure
	▶ There are existing facilities (Public amenities) ▶ Approved Integrated Waste Management Plan ▶ Improved maintenance of public amenities (Public Parks) ▶ Functioning Drivers Licencing Testing Centre and Registering Authority ▶ Existence of municipal fire services	▶ Outdated Waste Management plan that needs review ▶ Poor enforcement of by-laws ▶ Abuse of municipal Fleet ▶ Poor contract management (PPP) ▶ Lack of land for development on new cemeteries ▶ No disaster management plan and lack of capacity for fire services. ▶ Poor management and vandalism of public Amenities. ▶ Land invasion on key spaces earmarked for future projects geared at service delivery	▶ Tourism that improves revenue collection ▶ Green City (Healthy environment/Eco System) ▶ Revenue collection through DLTC ▶ Massive job creation ▶ Attract external funding	▶ Illegal Dumping ▶ Public protests ▶ Vandalism of public amenities ▶ Low electrical cables leading inaccessible roads for refuse collection ▶ Incurrence of fines due to non –compliance with environmental Legislation ▶ Unavailability of airspace for waste disposal (Landfills)
Local Economic Development	▶ Existence of LED Section, Strategies & Policies	▶ LED Strategies that do not fit local context.	▶ Tourist Attraction	▶ Low economic profile

	▶ SMME development (EPWP opportunities)	▶ Insufficient Marketing of ELM as a viable Tourism Destination ▶ Inadequate resources Available to support/ implement Local Economic Development ▶ Poor implementation of LED programmes ▶ Least contributing in JGDM GDP ▶ Poor monitoring of implementation of current By-Laws (Street Trading By-Laws, Hygiene, etc).	▶ Favourable National policies for economic stimulation ▶ Wool production ▶ Youth empowerment programmes ▶ Business development opportunities. ▶ Access to community Wi-fi ▶ Farming hub ▶ Capacitation of designated groups. ▶ There is a room for private partnership ▶ Prospects of business and job creation ▶ Sustain relations with PG Bison	▶ Least contributing in JGDM GDP
Good Governance and Public Participation	▶ Good and Stable Governance ▶ Established and functioning Council Committees ▶ Achievement of Clean Audit for past 2 consecutive years	▶ Delayed election of ward committees ▶ Poor stakeholder feedback ▶ Poor Participation from internal and External IDP Process	▶ Improved service delivery ▶ Good implementation of Batho Pele Principles ▶ Political Stability ▶ Public Trust emanating from good credit worthiness	▶ Possible Political Instability as a result of provincial elections in the ruling party ▶ Service Delivery Unrest

	▶ A Largely Functional Municipality ▶ Adopted Participation and Communication processes ▶ Credible IDP as approved by COGTA MEC ▶ Automated Performance Management System ▶ Operation Internal Audit Committee ▶ Good public participation turn-out ▶ Available communication platforms	▶ Poor Coordination of Public Participation Process.	▶ Positive Credit rating from financial institution ▶ Exploring and Maintaining Effective Inter Governmental Relations ▶ Twinning with other municipalities to share good practices.	▶ Vandalism of community infrastructure
Financial Viability and Management	▶ Sound financial controls in place ▶ Financial Viability in accordance with National Treasury norms ▶ Optimisation of allocated budget/ No rollovers from conditional grants ▶ Spending 100% of budget allocation	▶ Poor revenue collection ▶ Poor implementation of internal controls ▶ Inconsistent financial reporting. ▶ No ring-fencing of municipal collected revenue ▶ Non-enforcement of by-laws impact revenue collection	▶ Increase revenue base to supplement operational costs ▶ Increases in budget allocation as a result of effective implementation of infrastructure and basic service delivery. ▶ Implementation of retention strategy	▶ Exposure to fraud and corruption in departments ▶ Political interference ▶ Illegal electricity connection ▶ Over reliance on grants as source of revenue that own revenue generating schemes

	▶ Achievement of Clean Audit for past 2 ▶ Implementation of revenue enhancement strategy ▶ Effective MSCOA Reporting	▶ Poor re-registration of deregistered indigent beneficiaries.	▶ Expand revenue generating streams ▶ Implement Private Public Partnership for efficient and enhanced generation and collection of revenue ▶ Optimal Use of Investment Properties to generate Revenue	
Institutional Transformation and Organisational Development	▶ Adopted HR policies ▶ Approved Organogram ▶ Existing ICT policies ▶ Existence of Local Labour Forum ▶ Adopted and implemented human resource policies ▶ ICT systems in place ▶ Compliance to relevant legislative authorities (Department of Labour, LGSETA etc.)	▶ Silo mentality ▶ Low staff morale ▶ Low staff salaries ▶ ineffective staff retention strategy ▶ Inadequate awareness of Labour Relations policies among employees. ▶ Decentralised document management ▶ Lack of ICT innovative strategies (old laptops and printers) ▶ Ineffective LLF	▶ Existence of labour relations framework ▶ Training of youth on ICT to reduce high unemployment rate ▶ Introduction of fourth industrial revolution	▶ Brain drain / High staff turnover ▶ Ineffective staff retention strategy. ▶ Increase in cyber crimes ▶ Too many vacancies at senior management level.

		▶ Preference only given post-graduate bursaries ▶ Lack of succession planning ▶ Non-functioning of Local Labour Forum ▶ Lack of review of HR Policies ▶ Inconsistencies and incorrect implementation of HR Policies. ▶ Poor records management system. ▶ Poor network connectivity. ▶ High staff turnover ▶ Non-standardised departmental structures. ▶ Poor communication across different levels of employees. ▶ Resistance to change.		

3. CHAPTER THREE: STRATEGIES AND OBJECTIVES

3.1. Introduction

The municipality began a process of developing the strategies and objectives for the 5-year term (2022-2027) inconsideration of the situational analysis of the municipality. The municipality has also developed the vision and its mission looking at the future developments in the municipality. The strategic planning paved the way for the comprehensive vision development and mission for the municipal leadership.

3.2. Strategic Framework

3.2.1. Vision

“A pioneer for sustainable rural development”

3.2.2. Mission

“To deliver quality services through good governance and administration

3.2.3. Core Values



3.2.4. Strategic Goals and Objectives

During this term of office, the Strategic Objectives supporting the overarching Strategic Goals are as follows:

- Goal One: Accelerate delivery of reliable basic services and resilient infrastructure.
  - Strategic Objective 1.1. To ensure efficient construction, rehabilitation and maintenance of municipal infrastructure.
  - Strategic Objective 1.2. To promote environmental health and safety of local communities

- Strategic Objective 1.3. To provide reliable basic services to households and the business sector.

▲ Goal Two: Promote economic growth, environmental sustainability through job-absorbing sectors
- Strategic Objective 2.1. To facilitate industrialisation that unlocks the manufacturing potential of the local economy
- Strategic Objective 2.2. To support the development of SMME to participate in a diversified and growing economy.
- Strategic Objective 2.3. To increase investment through land and socio-economic infrastructure development.
- Strategic Objective 2.4. To promote the protection and conservation of natural resources through green lifestyle.
- Strategic Objective 2.5. To promote creation of employment opportunities and decent jobs.

▲ Goal Three: Improve the effectiveness of governance administrative and financial systems.
- Strategic Objective 3.1. To improve public participation and oversight to enhance accountability.
- Strategic Objective 3.2. To strengthen integrated planning, monitoring and evaluation of municipal programmes.
- Strategic Objective 3.3. To enhance organisational performance, financial viability and management of municipal resources.

3.2.5. Strategic Priorities 2022-2027

The Strategic Planning process produced the following priorities for the Council over the next five years.

Table 50: Strategic Priorities

LOCAL GOVERNMENT KPA	5-YEAR PRIORITIES
Infrastructure and Service Delivery	▶ Meeting the basic needs and improving service delivery through infrastructure development & maintenance; electrification of households and businesses; exploration of renewable energy options;

	refurbishment / maintenance of infrastructure as per National Treasury norm of 8%. ▶ Improve contract management capacity and increase local beneficiation to 50% on infrastructure projects. ▶ Review by-laws and create a business-friendly environment that will attract investment to the Municipal area.
Local Economic Development	▶ Develop an extended SMME strategy that incorporate an incubation and capacity development programme for local SMMEs and Cooperatives. ▶ Work with ECRDA and other partners to establish an Agro-Hub by 2027.
Financial Viability	▶ Leveraging on the property portfolio for revenue enhancement.
Good Governance and Public Participation	▶ defend democracy and advance freedom through promoting and defending the rights of children, youth, older persons, persons with disability; taking action against drugs, organised crime, gender-based violence and femicide; tackling corruption and improve public accountability; participation in the District Development Model platforms; promotion of arts and sports development. ▶ Improve public participation through ward-based planning and implementation.
Municipal Transformation	▶ Improve internal efficiencies and effectiveness through collaboration and partnerships

3.2.6. Strategies and Projects

Table 51: Strategies and Objectives

3.2.6.1. Basic Service Delivery

FOCUS AREA	STRATEGY	OUTPUT INDICATOR	BUDGET	BASELINE	5 YEAR TARGET	ANNUAL TARGET					INDICATOR CUSTODIAN
						2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	
Strategic Objective: To ensure efficient construction, rehabilitation and maintenance of municipal infrastructure											
Project Management Unit	Expand Infrastructure development	No. of kms of Roads Constructed	R230 Million	611.07km	26.2 km	7.3km	3.9km	4km	4km	7km	Director Infrastructure Planning and Development
Project Management Unit	Expand infrastructure development	Number of public amenities constructed	R20 Million (Halls ECDCs Public toilets & VTS)	12	7	2	2	2	0	1	Director Infrastructure Planning and Development
Buildings and Civil Works	Improve Infrastructure planning	Number of Integrated Roads and Stormwater Maintenance Master Plans Developed	R2.3 Million	New Indicator	1	N/A	N/A	1	N/A	N/A	Director Infrastructure Planning and Development
Buildings and Civil Works	Expand Infrastructure Development	Number of bridges rehabilitated	R6 million	4	2	1	0	0	0	1	Director Infrastructure Planning and Development
Electrification	Expand Infrastructure Development	Number of households in electrification program connected	R57 million	2406	1039	320	304	200	180	180	Director Infrastructure Planning and Development

Electrification	Expand Infrastructure Development	Number of kilometres of bulk infrastructure constructed (linkline)	R8.9 million	44km	40km	14km	3km	7km	7km	9km	Director Infrastructure Planning and Development
Electrification	Expand Infrastructure Development	Number of pulic lights installed	R15 million (High mast lights R9 million (Street lights)	20 Highmast 234 Streetlights	11 Highmast 107 Streetlights	3 Highmast 25 Streetlights	2 Highmast 22 Streetlights	2 Highmast 20 Streetlights	2 Highmast 20 Streetlights	2 Highmast 20 Streetlights	Director Infrastructure Planning and Development
Electrification	Expand Infrastructure Development	Number of electricity network upgrade completed X 2	R21 million	7	10	2	2	2	2	2	Director Infrastructure Planning and Development
Electrification	Expand Infrastructure Development	% of maintenance completed for electricity network as per maintenance plan	R17.2 million	100%	100%	100%	100%	100%	100%	100%	Director Infrastructure Planning and Development
Electrification	Improve infrastructure planning	% maintenance on public lighting	R190 370 000	100%	100%	100%	100%	100%	100%	100%	Director Infrastructure Planning and Development
Infrasturcture Grant Expenditure	Infrastructure spending	% expenditure on all infrastructure grants		100%	100%	100%	100%	100%	100%	100%	Director Infrastructure Planning and Development

3.2.6.2. Community Services

FOCUS AREA	STRATEGY	OUTPUT INDICATOR	BUDGET	BASELINE	5YEAR TARGET	ANNUAL TARGET					CUSTODIAN
						2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	
Strategic Objective : To provide reliable basic services to households and business sector											
Waste Management and Cleansing	Provision of basic services to promote healthy environment	Number of areas receiving refuse collection, for household and commercial properties.	R,00	New	59 areas	39 areas	59 areas	59 areas	59 areas	99 areas	Director Community Services
Strategic objective: To promote environmental health and safety											
Waste management and cleansing	Provision of basic services to promote healthy environment	Number of waste management projects implemented	R17,500,000.00	New	11 (1. IWPMP review, 2. Waste Transfer station, 3. Material Recovery Facility (MRF), MRF Equipment procurement, 4. Fencing of Landfill sites, 5. Procurement and installation of weigh bridge, 6. Construction of guard house with ablution facility in Ugie landfill site, 7. Procurement of a skip truck and 15 skip bins 8. Arbour Celebrations 9. Landfill site audit	1	5 P1 P3 P4 P6 P8	8 P2 P3 P4 P5 P6 P7 P8 P9	3 P8 P9	2 P8 P9	Director Community Services

Waste Management and Cleansing	Provision of basic services to promote healthy environment	Number of Aawareness campaign projects conducted (Abbor, Waste and environment, Fire & disaster campaigns, and road safety.)	R 900,000.00	New	16	n/a	4	4	4	4	Director Community Services
Public Safety	Promote public safety and healthy environment	Number of road blocks conducted		5	105	20	20	25	25	25	Director Community Services
Public Safety	Vehicle registration	Own revenue generated from vehicle's registration and licensing (rand value)	R0.00	New	4 million	R800 000	R800 000	R800 000	R800 000	R800 000	Director Community Services
	Promote public safety and healthy environment	Number of community public safety initiatives conducted	R0.00	New	13	-	1	4	4	4	Director Community Services
Traffic management	Promote public safety and healthy environment	Number of Traffic safety projects implemented	10,4 Million	New	5 (1. Learner licenses issued 2. Drivers licenses issued 3. Road worthy vehicle testing 4. Upgrading of DLTC, 5.Establishment of Pound Vehicle Centre	4	5	6	5	5	Director Community Services
Strategic Objective 2.4 To promote protection and conservation of natural resources through greening lifestyle											

Environmental Management	Promote public safety and healthy environment	Number of environmental management systems in place (policies, plans and strategies)			4 1. Climate Change Strategy 2. Integrated Environmental Management Policy 3. Green procurement policy 4. Air Quality Management Plan	N/A	N/A	2	2	N/A	Director Community Services
Parks and public amenities	Provision of parks to ensure beautification of small towns	Number of parks constructed in Tlokoeng, Nqanqarhu and Ugie	R5 Million	New	3 1 x Tlokoeng 1 x Nqanqarhu 1 x Ugie	N/A	1 Tlokoeng (Designs)	1 Tlokoeng (Construction) Nqanqarhu & Ugie (Designs)	1 Nqanqarhu (Construction)	1 Ugie (Construction)	Director Community Services
	Provision of public amenities under the control of the department maintained	Number of public amenities under the control of the department maintained.	R500 000	New	1 x Tlokoeng cemeteries (Solomzi), 2 x Ugie cemeteries (Bhekela & Kruger), 1 x Nqanqarhu Cemeteries (Town Cemetery) 2 x Ugie Community Hall (Kruger Hall & Ntokozweni)	N/A	11	11	11	11	Director Community Services
Pound management	Promote public safety and healthy environment	Number of pound management projects implemented	15,5 Million	New	3 1.Pound construction 2. Pound management implementation 3. Holding facilities mantained	1	1 Ugie pound designs	1 Ugie Pound Construction	1 Maintenance of holding facilities	1 Maintenance of holding facilities	Director Community Services

Policy development/Reviewal	Development of new policy and reviewal of available policies	Number of developed draft policies and bylaws and /or reviewed draft policies and by laws approved by Council	R400,000	New	44	8	9	9	9	9	Director Community Services
Creation of job opportunities through EPWP program to alleviate poverty	Expanded Public works program	Number of jobs created through Expanded Public Works Program	R2 569 000	209	1250	209	209	209	209	209	Director Community Services

3.2.6.3. Municipal Transformation and Organisational Development

FOCUS AREA	STRATEGY / PERFORMANCE OBJECTIVE	OUTPUT INDICATOR	BUDGET	BASELINE	5 YEAR TARGET	ANNUAL TARGET					INDICATOR CUSTODIAN
						2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	
Strategic objective: To enhance organisational performance, financial viability and management of municipal resources											
Human Resource Development	To promote sound labour relations	Percentage functionality of local labour forum and its committees		11	100%	100%	100%	100%	100%	100%	Director Corporate Services
Human Resource Development	To ensure compliance with legislation	Numberof legislative compliance reports submitted to relevant public bodies		2	13	2	2	3	3	3	Director Corporate Services
Human Resource Development	Implementation of the Workplace Skills Plan	Percentage implementation of identified training interventions		New	100%	N/A	100%	100%	100%	100%	Director Corporate Services

Human Resource Development	Implementation of the Workplace Skills Plan	Percentage expenditure of the municipal budget for training and development		104%	100%	100%	100%	100%	100%	100%	Director Corporate Services
Human Resource Development	Review of the organisational strucuture 2023/24	Number of organizational structures reviewed		2018/19 adopted organogram	5	1	1	1	1	1	Director Corporate Services
IDP &PMS	Promotion of performance driven culture	Number of institutional PMS projects implemented		IDP, SDBIP & PMS Policy	2	2	2	2	2	2	Director Corporate Services
Human Resource Development	Promotion of performance driven culture	Number of Task Grades cascaded for performance management as per Staff Regulations		TG 19-09	100%	TG 8-3	N/A	TG 8-7	TG 6-5	TG 4-3	Director Corporate Services
Human Resource Development	Implentation of OHS and wellness strategies	Percentage of implementation of programs/plans identified in the wellness and OHS strategies		New	100%	N/A	100%	100%	100%	100%	Director Corporate Services
Human Resource Development	Policy development and review	Number of HR policies reviewed		New	25	10	100%	100%	100%	100%	Director Corporate Services
Admin and Council Support	Functionality of security	Number of security system projects implemented		New	4 (implementation of the master and security report)	N/A	1	1	1	1	Director Corporate Services

Admin and Council Support	Document management	Percentage implementation of document management system		New	100%	N/A	100%	100%	100%	100%	Director Corporate Services
Admin and Council Support	Provision of administration and secretariat support to Council and its committees (Exco and Council)	Percentage functionality of council and its committees		100%	100%	100%	100%	100%	100%	100%	Director Corporate Services
Information Communication & Technology	ICT Projects	Number of ICT Projects implemented 1. Upgrade to Cat6e 2. Cloud Based Solutions 3. Remote backups 4. ICT Asset Register 5. ICT Governance		New Indicator	1. Upgrade to Cat6e 2. Cloud Based Solutions 3. Remote backups 4. ICT Asset Register 5. ICT Governance 6. ICT Security Applications	N/A	6	5	6	5	Director Corporate Services

3.2.6.4. Local Economic Development

FOCUS AREA	STRATEGY	OUTPUT INDICATOR	BUDGET	BASELINE	5YEAR TARGET	ANNUAL TARGET					INDICATOR CUSTODIAN
						2023/2024	2024/2025	2025/202	2026/2027	2027/2028	
Strategic Objectives : To facilitate industrialisation that unlocks the manufacturing potential of the local economy To support the development of SMME to participate in a diversified and growing economy											
LED- Agriculture & Forestry	Establishment of the agro processing	Number of initiatives implemented towards the establishment	R2,750,000.00	Feasibility Studies Completed, Developer Appointed,	7	3	1	1	1	1	Director – Planning & Economic Development

		of Agro Processing		Master Plan & Business Developed by 23/24 Q4							
LED-SMME	Capacitation of SMME's	Number of SMME projects implemented	R500,000	50	63	12	55	12	12	12	Director – Planning & Economic Development
LED-SMME	Street Trading	Number of street trading facilities provided	R1 million	12	40	10	N/A	10	10	10	Director – Planning & Economic Development
LED-Agriculture & Forestry	Wool industry development support	Number of initiatives implemented towards wool industry development	R1 600 000	10 (International Woll Standard)	7	3	1	1	1	1	Director – Planning & Economic Development
LED-Tourism	Marketing Elundini as a prime tourist destination	Number of destination marketing initiatives	R500 000	2	10	2	2	2	2	2	Director – Planning & Economic Development
LED-SMME	Improved business licensing & permitting	% of submitted business licence applications processed	R0.00	New	100%	-	100%	100%	100%	100%	Director – Planning & Economic Development
Strategic Objective : To increase investment through land and socio-economic infrastructure											

LED-Property investment	Investment in infrastructure land and property	Number of property investment projects implemented	R500,000	New indicator	10	2	2	2	2	2	Director – Planning & Economic Development
Planning and Land Use Management	Improved land use planning & management	Number of initiatives implemented towards improving land use & planning	R0.00	1	5	1	1	1	1	1	
Planning and Land Use Management	Improved building control environment	% of compliant building plans processed within 60 days	R0.00	New	100%	-	100%	100%	100%	100%	Director – Planning & Economic Development
Property / Asset / Land Management	General Valuation Roll	Number of milestones completed towards completion and implementation of the general valuation roll		New	5	1	1	1	1	1	Director – Planning & Economic Development

3.2.6.5. Financial Viability and Management

FOCUS AREA	STRATEGY	OUTPUT INDICATOR	BUDGET	BASELINE	5YEAR TARGET	ANNUAL TARGET					INDICATOR CUSTODIAN
						2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	
Strategic objectives: To provide reliable basic services to households and the business sector. To enhance organisational performance, financial viability and management of municipal resources.											

Income & Expenditure	Increase quantum of households receiving free basic services	Number of Households receiving Free Basic Services	R9,200,000.00	5934	10 000	7,500	8,000	9,000	10,000	11,000	CFO
Income & Expenditure	Payment of Creditors within stipulated periods	Average Number of days taken to pay Creditors	R0.00	09 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	CFO
Income & Expenditure	Improve revenue enhancement	Average Number of days to receive payment from debtors	R0.00	617 Days	360 Days	360 Days	360 Days	360 Days	360 Days	360 Days	CFO
Income & Expenditure	Improve revenue enhancement	Percentage collection on billed revenue	R0.00	111%	95%	95%	95%	95%	95%	95%	CFO
Income & Expenditure	Improve revenue enhancement	% Reduction in level of historical Debt owed	R0.00	New Indicator	10% of Debt owed written off	10% of Debt owed written off	10% of Debt owed written off	10% of Debt owed written off	10% of Debt owed written off	10% of Debt owed written off	CFO
Income & Expenditure	Revenue enhancement	Number of cost containment and revenue enhancement strategies reviewed and implemented	R0.00	2	2 Revenue enhancement strategy reviewed; Cost containment strategy implemented	2 Reviewed revenue enhancement strategy; Implementation of cost containment strategy	2 Reviewed revenue enhancement strategy; Implementation of cost containment strategy	2 Implementation of Revenue enhancement strategy; Implementation of Cost Containment Strategy	2 Implementation of Revenue enhancement strategy; Implementation of Cost Containment Strategy	2 Implementation of Revenue enhancement strategy; Implementation of Cost Containment Strategy	CFO

Asset & Fleet Management	Improve efficiency of asset and fleet management to ensure compliance of asset register and reduce abuse of fleet and management of fleet	Number of Asset management and fleet projects implemented:	R0.00	2 1. Asset management; 2. Fleet management	2 1. Asset management; 2. Fleet management	2 1. Asset management; 2. Fleet management	2 1. Asset management; 2. Fleet management	2 1. Asset management; 2. Fleet management	2 1. Asset management; 2. Fleet management	2 1. Asset management; 2. Fleet management	CFO
Budget & Reporting	Improved financial health, budget planning and reporting	Current ratio maintained within national guidelines	R0.00	1.494:1	1.5:1	1.5:1	1.5:1	1.5:1	1.5:1	1.5:1	CFO
Budget & Reporting	Improved financial health, budget planning and reporting	Cost coverage ratio maintained within national guidelines	R0.00	1 month	3 months	3 months	3 months	3 months	3 months	3 months	CFO
Budget & Reporting	Improved financial health, budget planning and reporting	Budgeted Capital vs Total Expenditure Ratio per budget	R0.00	22%	15%	20%	20%	20%	20%	20%	CFO
Budget & Treasury	Improved financial health, budget planning and reporting	Number of credible Financial Statements developed	R	Annual Financial Statement	2 1. Interim 2. Annual Financial Statements	2 1. Interim 2. Annual Financial Statements	2 1. Interim 2. Annual Financial Statements	2 1. Interim 2. Annual Financial Statements	2 1. Interim 2. Annual Financial Statements	2 1. Interim 2. Annual Financial Statements	CFO
Supply Chain	Maximise efficiency in demand	Number of SCM projects implemented:	R0.00	5	5 1. Demand Management	5 1. Demand Management	5 1. Demand Management	5 1. Demand Management	5 1. Demand Management	5 1. Demand Management	CFO

	management, acquisition and contract management				Plan 2. Contract Management 3. SCM Compliance 4. SCM policy reviews 5. SMME beneficiation report	Plan 2. Contract Management 3. SCM Compliance 4. SCM policy reviews 5. SMME beneficiation report	Plan 2. Contract Management 3. SCM Compliance 4. SCM policy reviews 5. SMME beneficiation report	Plan 2. Contract Management 3. SCM Compliance 4. SCM policy reviews 5. SMME beneficiation report	Plan 2. Contract Management 3. SCM Compliance 4. SCM policy reviews 5. SMME beneficiation report	Plan 2. Contract Management 3. SCM Compliance 4. SCM policy reviews 5. SMME beneficiation report	
Budget & Treasury	Reviewal of finance by-laws	Number of by-laws reveiwed	R0.00	Outdated Finance by-laws	3		3				CFO

3.2.6.6. Good Governance and Public Participation

FOCUS AREA	STRATEGY	PROJECT	OUTPUT INDICATOR	BUDGET	BASELINE	5YEAR TARGET	ANNUAL TARGET					INDICATOR CUSTODIAN
							2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	
Strategic Objective: To strengthen integrated planning, monitoring and evaluation of municipal programmes. **Goal 3 : Improve the effectiveness of governance administrative and financial systems.**												
IDP Planning and implementation	Develop a long-term plan for future development	Vision 2050 Annual Strategic Plan Departmental Strategic Plans	Number of municipal strategic plans developed.	R1,2 million	New indicator	3	2	3	2	2	3	Senior Manager Strategic Support

IDP Planning and implementation	Synergy of municipal planning with that of national, provincial, District and other parties that operate in the space of the municipality	Integrated Development Planning	% implementation of IDP/Budget Process Plan	R1m	100%	100%	100%	100%	100%	100%	100%	Manager: IDP/PMS/M&E
Performance Management	Efficient and effective performance management system	Institutional PMS	% implementation of institutional PMS Process Flow	R1.5m	100%	100%	100%	100%	100%	100%	100%	Manager: IDP/PMS/M&E
Risk Management	Promote Risk Management culture	1.Risk Management Implementation Plan 2.Anti-Fraud Corruption Implementation Plan 3.Ethics & Integrity management strategy 4.Legislative compliance activities implemented	Number of risk & ethics management projects implemented	R2.1 m	New Indicator	4 (1. Risk assessment. 2. Risk management policy review. 3.ethics & integrity management review. 4. Risk management	4	4	4	4	4	Senior Manager: Strategic Support Services

						implement ation)						
Strategic Objective : To improve public participation and oversight to enhance accountability												
Internal Audit	Improve effectiveness and efficiency of the internal audit	Development of Internal Audit Plan	% of completed internal audit projects of the approved internal audit plan	R1.3 m	100%	100%	100%	100%	100%	100%	100%	Manager : Internal audit
Public participation	Strengthen functionality of oversight and ward committees	1.Ward committee co-ordination. 2. Community based meetings. 3. Section 79 Committee co-ordination. 4. Public participation events 5. Petition Management	Number of public participation and oversight projects implemented	R20 m	4	5	4	5	5	5	5	Senior Manager: Strategic Support Services
Public participation and communications	Improve effectiveness & efficiency of communications	1. Social media. 2. Municipal publications. 3. Website Management 4. Outdoor LED Screen. 5. LCF. 6. Tintswalo Project	Number of Communication projects implemented	R2.5 m	6	5	5	5	5	5	5	Manager : Governance and Political Support

Public participation and communications	Improve effectiveness & efficiencies of customer care service	1. Satisfaction survey. 2. Anonymous hot line. 3.Presidential hotline. 4. IMIS walk-ins) 5. Proof of residence	Number of customer care projects implemented	R0.00	4	5	4	5	5	5	5	Senior Manager: Strategic Support Services.
Legal Services	Compliance and Litigation	1. Litigation management 2. By-laws 3. SLA Vetting. 4.Compliance	Number of legal services projects implemented	R1.8 million	4	3	3	4	4	4	4	Manager: Legal Services & Compliance
Strategic Objective: To support the development of SMME to participate in a diversified and growing economy												
Special Programs	Focus group mainstreaming	1. PWD Program 2. Gender Based Violence & femicide programs 3. Youth Skilling 4. Horse Racing / Mayoral Cup 5. Arts Development	Number of focus groups social projects implemented	TBC	New indicator	5	2	2	3	3	3	Manager: SPU/HIV & AIDS
Special Programs	Focus groups SMME support	1. 2 X Youth enterprise development 2. 2 X Women enterprise development 3. 1 X People with Disability Enterprise Development	Number of focus groups enterprise development projects supported.	TBC	New Indicator	5	5	5	5	5	5	Manager: SPU/HIV & AIDS

Special Programs	Youth Development	1. Bursary 2. Black Hawk Foundation partnership 3. Bridge of Hope. 4. Military Veterans	Number of MSI projects implemented	TBC	3	4	1	1	4	4	4	Manager: SPU/HIV & AIDS
Special Programs	HIV/AIDS	1. Local Aids Council 2. Training of care givers 3. Partnership Agreements	Number of HIV/AIDS programs implemented	TBC	New Indicator	3	3	3	3	3	3	Manager: SPU/HIV & AIDS

3.3. District Development Model – One Plan

The Elundini Local Municipality embraces the *DDM Theory of Change* which postulates six transformations to move from the current problematic situation to a desired better future. Whilst existing plans across government seek to align to the NDP and to each other, there is no clear single line of sight and logical rationale or relations in terms of commonly agreed priorities, joint and coherent way of addressing them within the socio-economic, inclusive and integrated placemaking dynamics within specified spaces. The six DDM Transformation Focal Areas are:

3.3.1. People Development and Demographics

The process of understanding the current population profile and development dynamics and by which a desired demographic profile and radical improvement in the quality of life of the people is achieved through skills development and the following 5 transformations discussed below (economic positioning, spatial restructuring and environmental sustainability, infrastructure engineering, housing and services provisioning, and governance and management).

3.3.2. Economic Positioning

The process by which a competitive edge is created that enables domestic and foreign investment attraction and job creation on the basis of an inclusive and transformed economy. The economic positioning informs the spatial restructuring and has to be sustained through protecting, nurturing and harnessing natural environment and resources.

3.3.3. Spatial Restructuring and Environmental Sustainability

The process by which a transformed, efficient and environmentally sustainable spatial development pattern and form is created to support a competitive local economy and integrated sustainable human settlements. Spatial restructuring informs infrastructure investment in terms of quantum as well as location and layout of infrastructure networks.

3.3.4. Infrastructure Engineering

The process by which infrastructure planning and investment especially bulk infrastructure installation occurs in order to support the transforming spatial pattern and form, meet the needs of a competitive and inclusive local economy and integrated human settlements, and ensure demand for housing and services is met in a sustainable way over the long-term.

3.3.5. Integrated Services Provisioning

The process by which integrated human settlement, municipal and community services are delivered in partnership with communities so as to transform spatial patterns and development for planned integrated sustainable human settlements with an integrated infrastructure network. This also requires holistic household level service delivery in the context of a social wage and improved jobs and livelihoods.

3.3.6. Governance and Management

The process by which leadership and management is exercised that planning, budgeting, procurement, delivery, financial and performance management takes place in an effective, efficient, accountable and transparent manner. It also includes spatial governance, that is, the process by which the spatial transformation goals are achieved through assessing and directing land development and undertaking effective land use management and release of municipal/public land.

3.4 DDM PROGRESS TO DATE

The Municipality of Elundini funded the Prefeasibility study, feasibility study and the Master Plan which is now completed. The Project EIA has also been granted by DEDEAT. The BFI application has been submitted to the National Treasury, and the project is now registered for the BFI funding. The project is being considered by DBSA under the District adopt a municipality program. **The Municipality has signed an agreement with Eastern Cape Development Cooperation as partners of development for the project with the private sector partner appointed by the municipality**. The PPP member has secured a UIF Agreement on skills development in the Agricultural sector which will benefit many of the unemployed youth on Agricultural production.

3.4.1 **DDM CATALYTIC PROJECT**

3.4.1.1 To be specific to the **Agro Industrial Hub**, while we understand the complexities (financially, technically, socially and politically) that are brought by**,** the project of this nature and size, we take great confidence and courage in the National Development Plan (Vision 2030), which emphases the following

3.4.1.2 **Industrialisation:** to expedite the creation of an enabling environment for investment in improved manufacturing competitiveness, promote collaboration and integration of local and provincial economic development strategies with that national government is leading through the District Development Model (DDM), **our project is already listed by the Joe Gqabi DMM.**

3.4.1.3 **High Growth Industries:** emphasis on agriculture, manufacturing, mining, tourism, the emerging green economy and digital technologies for accelerated interventions to stimulate job creation, participation and entrepreneurship, **the initiative directly aligns with five (5) of the six (6) growth areas.**

3.4.1.4 Local Economic Development: efforts towards building the local economic development capacity of district and local municipalities to contribute to transforming the spatial concentration of economic activity in our country and develop and grow the township and village economies, **the projects fundamentally address this constitutional mandate hundred percent (100%).**

3.5 POLICY ALIGNMENT.

3.5.1 The **National Development Plan (2030)** implies the importance of the Agro Industrial, the Manufacturing, the Construction/Infrastructure, and the Green/Alternative Energy clusters as engines for accelerated and inclusive growth in the Republic of South Africa, as Elundini Local Municipality through this initiative, we are advancing our contribution to the NDP-2030.

3.5.2 The **2024 Medium Term Budget Policy Statement** in the main highlighted the following relevant areas:

3.5.3 The government is pursuing policies to achieve rapid, inclusive and sustainable economic growth.

3.5.4 Stronger infrastructure investment will underpin the growth agenda.

3.5.5 The **Provincial Agriculture & Agro-processing Master Plan (AAMP),** in-line with the National Agriculture & Agro-processing Master Plan, precisely pinpoints approaches, enablers/resources and delivery models encouraging the establishment of Public Private Partnerships in-order to achieve its long-term goals in a sustainable manner.

3.6 The Project Key Detail.

3.6.1 The Elundini Agro Industrial Park is a 336 346 Sqm or 33.63ha worth of industrial, logistics and middle-income housing space, with the main Industrial Site and Housing Development site both located in Ugie, supported by a highly anticipated Wool Processing Hub in Tlokweng and the proposed the Logistics Hub in Nqanqarhu.

3.6.2 This Megaproject is undoubtable complex considering the investment required, valued at more than R2.4 billion when complete over a 10-year implementation period. While the project is expected to take many years to build, it requires multiple public and private stakeholders' involvement due to its transformational, and impact-based outcomes to the broader population of the locality and the province.

3.6.3 Our process of concluding the Public Private Partnership with Ndibano Consortium has been firmly supervised by the National Treasury, supported by an independent legal firm to ensure its legally constituted.

3.6.4 Project Design, Composition and Structure., based on the four (4) sites identified covering the project distributed across the Rural and Farming towns of the Local Municipality.



Site 1 (Main): Ugie Agro Processing Hub

Site 2: 1st Spoke, Tlokweng Wool Hub.

Site 3: 2nd Spoke, Nqanqarhu Logistic Hub.

Site 4: 3rd Spoke, Ugie Housing Project.

3.7 The Critical Outcomes.

3.7.1 Supporting and advocating for public investments on basic infrastructure for Elundini Agro Industrial Park by the Honorable Premier, the members of the Executive Council and the relevant Administration/Sector Departments will expedite the investment in-flow from the private sector based on the investors expressed interest in stage-two (2) of the development (industrial opportunities).

3.7.2 The public sector Investment to the Agro Industrial Park will contribute to the accomplishment of the goal of the seventh administration to change the skewed economic landscape of the province, which is concentrated in the two metros

3.8 Catalytic Projects

3.8.1 **Elundini Middle-Income Housing**

The Joe Gqabi District Municipality (JGDM) and its local municipalities have an obligation to provide adequate housing for the citizens of the District. In striving to fulfill this obligation, Elundini Local Municipality, signed a memorandum of understanding with JoGEDA to facilitate the process for middle-income housing to be developed in Ugie. This decision passed as a Council resolution. A partially-serviced site of 16.5 hectors forming part of erf 2886 in the Ugie central business District was identified and set aside for this development.

JoGEDA is focusing on re-strategising by appointing consortium that will lead the project on risk and recoup on implementation stage. This strategy is aimed at mitigating risk for the agency while ensuring that the project is viable as the consortium. The impact of the nationwide lockdown on the economy still needs to be fully assessed and how it might affect the full implementation of this project, since the dependency is the ability of the market to purchase. A feasibility study/ market analysis is to be executed by the service provider.

3.8.2 **Maize Meat Hub**

The purpose of the maize-meat hub in Elundini Local Municipality is to increase income and employment for beneficiaries by developing the red meat value chain in a region which holds competitive advantage within livestock production. The proposed intervention was made in view of the existing market gaps and situational analysis that recommended a feedlot is setup in the Joe Gqabi District. The project also aims to encourage Black emerging livestock and maize farmers to effectively participate in the formal maize and red meat farming, while linking them to potential markets.

The feedlot would be run on a cost recovery basis for a proposed period of 3 years until, thereafter self-sustainable. The proposal is crafted with understanding that it would not possible to run a commercially viable entity with 1000 cattle standing. This would be a learning project, to which JoGEDA and JGDM would analyse lessons learnt and replicate the programme other local municipalities

Through the project JoGEDA aims to stimulate the involvement of historically disadvantaged farmers in partnership with commercial farmers in the formal maize and livestock industry in the province.

3.8.3 **Elundini Potato Project**

This particular initiative between the Agency and Umnga Farmers Coop has brought together 22 historically disadvantaged farmers from the Ugie area. A total land about a thousand hectares was made available and each farmer allocated +/-50 hectares on average for the production of seed potatoes. This project has a potential to bring about massive uptick in the economic fortunes of the town as well as the Elundini LM as it aims to create jobs and bring about food security.

For this venture to be successful, current market prices indicate that to farm a thousand hectares of seed-potatoes, an amount of R160 000 000.00 is required and a further R40 000 000.00 for mechanization. According to Potato SA, potato production costs five to six times more than growing maize. Because it is so expensive to produce potatoes, access to finance becomes a great importance. The project aims to:

- produce good quality seed potatoes to sell in formal and informal markets in the Ugie area and beyond.
- ensure commercialization of seed potato production by emerging farmers in Ugie, expanding area under production and adopting sustainable production practices.
- to bring about massive uptick in the economic fortunes of the town as well as the Elundini LM as it will create jobs and bring about food security.

3.8.4 **RAFI-Programme**

The **RAFI** is a commercial initiative formed to enhance cooperative enterprises in the Eastern Cape in an attempt to assist agricultural cooperatives through development of industries in rural towns and far flung areas of the Province. It seeks to support the ailing primary production of the emerging and small holder farmers in the Province. It promotes the use of direct planting methods which supports increase in yields.

In the District the programme is piloted in Elundini local municipality. The pilot started in 2019/20 financial in Lower Tsitsana (88ha) and Hlankomo (113 ha). The Hlankomo site covered and area of 113 hectares with white maize and the Lower Tsitsana site covered an area of 88 hectares of soybeans. The District set aside a budget of R4,2 million for this programme. The areas identified have proven to be suitable for the planted crops. To further this programme social mobilization has been identified as an area of focus. The plan is to extend the programme to cover about 30 000 hectares over a period of time.

Table 52: District Catalytic Projects

Project Name	Project Description	Budget Spent	Comments
RAFI programme	Increase crop yield	R5,2 million	72 Ha harvested and currently 60 Ha is under production
Potato Project	Assist local farmers on potato production	R60 000	2 farmers have planted and the progress is monitored
Elundini Middle-income	Building of adequate middle-income housing	Nil	Project concept has been completed and awaiting funding for underground services
Maize Meat Hub	Development of the red meat value chain	R4 million	Department of Rural Development and Land Reform has funded the project and Secondary Co-op has been formed and a technical partner is being sourced to operate the Feedlot.

CHAPTER FOUR: BUDGET

4.1. Financial Viability and management

In accordance with the outcomes of the latest assessment conducted as part of the mid-term review for the 2024/25 financial year with reference to the provisions of section 72 of the Municipal Finance Management Act, the Elundini Local Municipality remains financially sustainable and can meet its financial commitments. Significant reforms within the adoption of new accounting standards, being Generally Recognised Accounting Practice (GRAP), coupled with significant reforms within Municipal Budgeting and Reporting Regulations has significantly enhanced the credibility, sustainability, transparency, accuracy and reliability of financial planning, management and reporting within the Elundini Local Municipality. In meeting the demands associated with modernised practices towards sustaining and enhancing financial viability; and addressing the specific needs of Elundini LM within the context of limited resources and mounting service delivery expectations, has necessitated that a comprehensive integrated approach towards financial sustainability be developed.

In terms of the approach adopted, the report will clearly define financial risks which have been identified as being a financial threat to the long termed sustainability of the Organisation, linked to key challenges, with a detailed focus on effective strategies employed to mitigate against financial threats and weaknesses, concluded by a detailed analysis of the service delivery package and associated financial implications on the operations, statement of financial position and cashflows for the MTREF which collectively aims to position Elundini LM on a sustainable approach to service delivery.

4.1.1. Financial Risks and Key Challenges

In order to maintain and improve on the financial efficiencies and position of ELM, certain risks need to be managed, while financial management practices need to be continuously improved. The key financial risks confronting the municipality can be summarised as follows:

(a) Limitation on Revenue Raising Capacity due to high poverty indices;

(b) Maintaining existing collection levels and arresting the debt composition associated with Low level Service Offerings;

(c) Financial Distress- ratio analysis- specific on Working capital elements - containment of costs within set benchmarks as established within the budget process;

(d) The escalation of electricity costs due to tariff increases imposed by Eskom and the effect on affordability and non-payment levels;

Deficit position associated with trading services

(e) Electricity distribution losses estimated in excess of 20%

(f) Increases associated with deferred maintenance and backlog eradication;

Key Challenges

(a) Maintaining an unqualified audit opinion, with material finding by 2023

(b) Affordability of a desired Organisational Structure;

(c) Reducing overall cost exposure, maximise productivity and enhance revenue streams;

(d) The need to improve customer care functioning;

(e) The need to ensure legal compliance through all procedures and programmes;

(f) Recurring under spending of the capital budget;

(g) % Capital budget allocations to refurbishment of existing infrastructure;

(h) Deficit position of trading services operations

4.2. Financial Strategies

The Financial Strategy has been formulated to ensure that the Elundini Local Municipality maximises all available opportunities that would enhance Councils financial strength especially considering the cost-shift environment that has been created with the implementation of assigned powers and functions. Council's overall Financial Strategy is structured into the following core components to allow for a clearer understanding of the overall task:

- Revenue enhancement and maximisation Strategies
- Asset Management strategies
- Financial Management Strategies
- Capital Financing Strategies
- Operational Financing Strategies
- Supply Chain Management turn-around Strategy
- Cost Containment Strategies
- Free Basic Services and indigent Support

These segments are intended to provide operational guidance to staff to assist them in achieving identified objectives and goals. Importantly the Strategies formulated are deemed to be primary mitigating tool against the financial risks identified, and giving effect to the objectives of the Integrated Development Plan, through ensuring that the performance targets as per the Budget underlying the IDP are achieved. The strategies are premised on ensuring compliance with adopted financial policies, modelled on modernised reform practices applicable to Local Government

4.2.1. Revenue Enhancement and Maximisation Strategy

The purpose of this strategy is to ensure that all possible avenues are explored to maximise the receipt of any monies available to Council by way of intergovernmental transfers and Grants or Donations, including expanding the billing database and maximising income opportunities on every registered serviced site within the LM's jurisdiction. The second component of this strategy focuses on strengthening and building capacity within credit control and debt management practices and processes of Council, ensuring the attainment and exceeding of collection rates in line with key budgetary requirements. The third component of the strategy focuses on maximising the registration of households eligible for participation within the Free Basic Services programme of Council, this component is aimed at arresting spiralling **debts associated with this user group, and limiting consumption of services in line with the FBS allocation threshold.**

In line with the strategy employed, Council has formalised the appointment of a Specialist Service Provider on a contingency arrangement over three years to undertake revenue enhancement and debt reduction, with a special focus on skills transfer to a dedicated internal unit that will be created during this financial year. The success of this programme has been profound, in that the organisation has effectively been able to sustain collection rates in excess of 80% in line with budget expectations over the Medium-term Revenue Expenditure Framework. Financial performance as per the adopted midterm assessment reveals that the organisation is poised to achieve the anticipated revenue inflows underpinning the budget framework adopted, being a minimum of 95%. The additional revenue inflows beyond planned performance has provided significant impetus to funding additional programmes to enhance service delivery offerings eg. Outsourcing of the solid waste management site within Ugie estimated at R 1 Million per annum. The targeted debt collection rate over the MTREF is positioned at 95%, increasing to 100%, and 100% respectively.

4.2.2. Valuation of Property Rates

ELM in line with the Municipal Property Rates Act, has in October 2023 reviewed the valuation roll of all the registered properties within its area of jurisdiction to supplement the current general valuation roll with considerations of new properties, alterations through approved building plans and/or changes to property values contained in the current general valuation roll.

Every three years we appoint a service provider to assist with the general valuation and supplementary valuations and the budget is included on the operational budget. Project plan for conducting valuation roll in terms of Section 81 of the MPRA was submitted to council for adoption in August 2023, per

council resolution number ***CONA 140/23.*** Every time the property rates policy and by-laws are amended, they are published and gazetted in the provincial gazette, notices on libraries and also to the municipal website. Every occurrence of a general or supplementary valuation is publicized soliciting comments and objections from rate payers. An amount of R2 Million has been set aside in the budget for general valuation.

4.2.3. Billing

The municipality has accurate database in place, and bills its consumer debtors on monthly bases. The municipality has effective and efficient billing system in place in order to bill consumers on monthly bases as per norms and standards of revenue management.

4.2.4. Subsidies and Grants

In order for Elundini LM to obtain maximum benefit from external monies available, a policy laying out the relevant procedures has been put in place within the Institution to ensure that all grants, donations and subsidies are investigated, applied for and received at the appropriate times. The policy will ensure that Council receives maximum benefit from external funding available. The Municipality has prioritised an initiative to appoint a funding agent over the MTREF to conclude business plan development and applications through various government funding agents.

4.2.5. Capital Transfers- MTREF

In terms of the DORA the indicative allocations as defined within table SA18 clearly defines that over the MTREF, ELM will receive R 192.4 Million prioritized for road infrastructure.

4.2.6. In Kind Allocation

Eskom's electrification program funded through the Integrated National Electrification Grant (INEG) will see R169.9 million being invested over the MTREF within Elundini service area to address inherent service delivery backlogs.

4.3. Finance Policies – Implementation Approach

The policies below are in a process of adoption with the IDP and Budget for implementation in the 2025/26 financial year**.** All budget related policies are reviewed annually.

Table 53: Financial Policies

Document	Purpose	Status
Admin Fee Policy	The Administration Fee Policy has been updated to address the needs of Council with regards to administration of contracts on behalf of third parties. Importantly, this component will result in R266.2 Million being appropriated to own revenue over the MTREF from conditional grants held within the Organisation	**In place**
Credit Control and debt collection Policy	The Policy sets out to control and manage the recovery of outstanding debt due to Council. This policy is in place and is subject to regular updates. The policy lays down the basis for distribution of accounts, collection procedures, interest and penalties to be charged in the event of non-payment, with strong focus on management reporting requirements pursuant of key legislative requirements and performance management. Giving effect to the administration of this policy, Council through the appointment of a revenue specialist has invested in a Revenue Management and Debt Collection System fully compliant with Municipal Bylaws and objects of the policy framework, the system effects have result in macro approach to debt management and collection being effected, in an effective and efficient manner, maximise the return on investment and per household	**In place**

Tariff Policy	This policy sets key guidelines on what should be considered when pricing services and guiding principles for the compilation of water, sanitation, solid waste and electricity tariffs. This policy is subject to constant review, given significant reforms within the electrification and water sectors, which impact on the price cost of services rendered, and ultimately on the sustainability of trading services. Through the policy framework adopted and implemented, Council has for the MTREF prioritised the continuation of the revenue protection strategy employed during the current financial year to further reduce existing losses of 25% to an acceptable technical loss of 10%.	
Irrecoverable debt Policy	To provide a framework for the writing off of irrecoverable debt, in order to ensure that Council is in a position where it is not carrying debt that is irrecoverable	**In place**
Rates Policy	To ensure that all the stipulation of the Municipal Property Rates Act are effected administratively and also lay-out and stipulate all the requirements for rebates for all qualifying property owners	**In place**
Budget Policy	Sets out the budgeting principles which Elundini Local Municipality will follow in preparing each annual budget To give effect to the requirements and stipulations of the MFMA	**In Place**
Borrowing, Funding and Reserves Policy	To provide a framework to ensure that the annual budget of Elundini Local municipality is fully funded To give effect to the requirements and stipulations of the MFMA	**In place**
Cash Management and Investment Policy	To regulate and provide directives in respect of investment of funds and maximise returns from authorised investments consistent with the primary objective of minimising risk	**In place**

Accounting Policy	To provide the accounting framework applicable to the finances of the municipality and is informed by the MFMA	**In place**
Petty Cash Policy	To stipulate clear processes and procedures to ensure that all transactions are processed effectively and efficiently in a bid to ensure prudent financial control	**In place**
Virementation Policy	The policy sets out the virement principles and processes which the Elundini Local Municipality will follow during a financial year. These virements will represent a flexible mechanism to effect budgetary amendments within a municipal financial year	**In place**
Asset Management Policy	This policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The policy is in place and is subject to regular review. The prime objectives of the policy are to ensure that the assets of Elundini are properly managed and accounted for by: ▶ Ensuring the accurate recording of asset information ▶ The accurate recording of asset movements ▶ Exercising strict control over all assets ▶ Providing correct and meaningful management information ▶ Compliance with Council's Insurance Policy and Payment Procedure ▶ Effecting adequate insurance of all assets ▶ Maintenance of Council's Assets	**In place**
Supply Chain Management Policy	To provide a system of procurement gives effect to the principles of: • Fairness • Equity • Transparency • Competitiveness	**In place**

	• Cost Effectiveness	

4.4. Asset Management Strategy

The purpose of the strategy is to optimise the use of all assets under the control of Elundini Local Municipality, given the financial exposure and the revenue streams earned by the Municipality in the rendering of services to the community. Due to the strategic importance that the entire asset base presents around the continued viability of the organisation R 169.9 million will be invested over the MTREF in capital expansion programmes.

The implication of this policy on the administration and planning of assets has been profound, in that the organisation has a comprehensive understanding of all assets under the Management Control of the Municipality, has an acute understanding of the conditions and remaining lifespan etc of the asset base, all of which are aimed at ensuring that sound financial planning occurs, especially around investment choices and reserve creation to safe guard against ageing infrastructure; the Funding and Reserves policy is directly influenced through the outcomes of the annualised conditional assessment on all infrastructural assets. The Municipality likewise has incurred losses amounting to R1.5 million due to loss on disposal on monitory assets adequately verified and accounted for in line with GRAP requirements and has received no negative audit reports in this regard. Most importantly the municipality has and maintain a GRAP Compliant Register. It is envisaged that strict adherence to policy framework will continue to be applied in order to protect the resource of the community, and ensure the continued viability of the Municipality.

4.5. Asset Movement System

At the time of commissioning a GRAP compliant Asset Register, an asset tracking system using bar-coded discs and scanners was put in place. With the completion of the Asset Register, the asset tracking system is now fully operational. The system allows for regular audits of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register. Asset verifications are undertaken twice a year for purposes of validating the existence and proper recording of all assets; all assets not accounted for are thoroughly investigated and reported to Council.

4.6. Financial Management Strategy

The purpose of this strategy is to ensure that the Financial Systems in place at Elundini Local Municipality are of such quality to allow for the generation of accurate and timely reporting at all times. The Strategy has culminated in the institution being able to effectively make informed decisions around service delivery, identify financial risks and impeding financial problems, through having an acute

understanding of the financial affairs of the Municipality, through a simplified qualitative analysis being provided based on the in-year reports focusing on budgeted performance(revenue, expenditure, capital); impact of the trading activity on the financial position and cash-flows within the Organisation, this is in compliance with international standards on in year reporting.

4.7. Supply Chain Management Turnaround Strategy

The Municipality has during the course of the financial year implemented a comprehensive SCM turnaround strategy aimed at significantly enhancing overall compliance with SCM regulations and addressing internal control deficiencies addressed within the last year's audit report issued by the Auditor-General, whilst improving significantly on operational efficiencies aimed at promoting quicker turnaround times and improving overall internal and external client satisfaction. This strategy has been hailed a success as evidenced by the fact that the organisation for the audited financial year received less findings relating to SCM processes. Importantly the turnaround strategy employed has seen the creation of a fully-fledged SCM unit fully compliant with SCM regulations, reporting to the office of the Chief Financial Officer. The organisational structure has been redesigned to ensure logical arrangement of critical functions overseen by the Supply Chain Manager, and is segmented into the following core functional areas, namely:

- Demand and Acquisition Management
- Bid Administrations and Contracts Management
- Logistics Management
- Disposal Management

In terms of the systems of delegations adopted, the Municipality currently uses a fully functional bid committee system that regulates all competitive bids ranging from R200 000. In terms of the committee system in use, three distinct committees are in existence, each comprising of specialists within various fields that assist in the discharge of roles and responsibilities assigned, the committee system in use comprise the following:

- Bid Specifications Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

The Chairmanship in all bid committees are highly regulated and all appointment are authorised by the Accounting Officer in line with Municipal Regulations issued; all committees are furthermore represented by a senior supply chain practitioner. Importantly in terms of the code of conduct applicable to bid committees, all members are required to declare annually, financial interests.

4.7.1. Budget and Finance Reform

A considerable amount of time and effort has been expended on ensuring that Elundini Local Municipality has the capacity to deliver on the finance and budget reporting requirements as prescribed by National Treasury. The institution has reaffirmed its commitment to the development of capacity to service local government interest within financial management and administration and as such has invested R 5 Million towards this program over the MTREF.

The process is being overseen by a Finance Standing committee and significant progress has been made in some areas. Specific tasks being performed are:

- Employment of 5 interns and short-term contract workers
- Reconciliation of assets
- Training
- Supply Chain Management
- Liability Management
- Revenue Management
- Financial Systems Reporting
- Automation of Section 71 reporting

4.7.2. Policy for Accessing Donor Funds

Due to the large number of projects that are being requested from the community, a policy has been developed and implemented which creates a framework for accessing funds both locally and internationally. The policy outlines the type of donors available and the conditions related to the donations. All procedures and special conditions attributable the different donors will be catalogued in the policy to ensure the smoothest approach to these donors when the occasion arises.

This policy implementation lies with the Municipal Manager's Office as an extension of the Subsidies and Grants Policy. Please refer to section on Subsidies and Grants around the successful application of the policy framework.

4.7.3. Operational Financing Strategy

The purpose of this strategy is to assess the viability (IA) of any association or alliance or partnership that may arise from time to time. Elundini Local Municipality has been assigned various functions and authorities by the MEC for Local Government, Housing and Traditional Affairs or Structures Act.

Council, through National Treasury have begun a formal process of exploring a PPP option on the landfill sites within the areas of Nqanqarhu, Ugie and Tlokoeng on a 10 year outsourced option, aimed at significantly passing financial risk onto the private party (R30 Million over 10 years); Council has provided R 7.8 Million over the MTREF for this purpose financed through enhanced debt collection initiatives.

4.7.4. Strategies to Enhance Cost Effectiveness

The purpose of this strategy is to ensure that Elundini Local Municipality employs the most cost effective operating practices. Importantly, this strategy is driven on the principles enshrined within the Costing policy, which amongst other things advocates that the sustainability of Elundini LM is not primarily driven on resource generation capacity, rather a combination of effective resource utilisation, premised on cost-conscious decision-making practices and processes. The Municipality over the MTREF has adopted a formal cost reduction plan in line with the strategy requirements that will see a material shift away from consumptive based practices in favour of enhancing allocations towards building internal working capital reserves and capital replacement reserves.

4.7.5. Benchmarking and Performance Indicators

A set of performance indicators will be developed in so as to conform to Local Government benchmark indicators set for financial sustainability and performance; the Long-Term Plan presented is modelled to ensure a sustain approach to align existing performance to that of a desired performance level. Benchmarking these against similar organisations will allow for regular internal assessment and upgrading. These bench mark indicators will supplement the battery of indicators that have been developed as part of the new budget reporting formats and regulations, aimed at gauging the efficacy of financial performance and management.

4.7.6. Training and Staff Development

Training sessions and courses are continually being planned to ensure that all financial as well as non-financial, senior staff and councillors will be in a better position to evaluate the financial position of the Municipality. The Council also has an approved skills development plan, which is being implemented and is used to guide training of both Councillors and Officials. The training related budget provided over the MTREF supporting the workplace skills plan equates to R 6 Million. Similarly, the organisation has enrolled 2 employees on the Minimum Municipal

Competency training programme for the current financial year; it is anticipated that by the end of March 2026 all officials required to be fully competent would have complied with the regulations issued.

4.7.7. Cost-Effectiveness

In line with the cost containment strategy formulated and implemented, line functions are thoroughly assessed from a business process perspective, in terms of the outcomes reports furnished line departments will be engaged in business process reengineering aimed at enhancing overall performance and reducing ELM's cost footprint. Departments will be required to develop departmental specific reduction strategies for approval and implementation in line with the key strategy developed.

4.7.8. Post Retirement Benefits

Post-retirement benefit obligations have been quantified and disclosed with the AFS in compliance with relevant accounting standards, the Funding and Reserves policy adopted has quantified the basis of cash back provisioning required to provide to wholly fund the obligations presented.

4.7.9. Free Basic Services

The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Elundini LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction. The indigent support policy is an integral part of the Elundini's tariff policy that is developed and implemented in a transparent manner to ensure the sustainability of local public services to all of its citizens at an affordable cost. The indigent policy is intended to provide poor households ongoing access to a specified level of service. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery**.**

Critically as part of Elundini LM commitment to improve continued access to service and provide a basket of free services as part of the poverty alleviation programme, Council has resolved to accelerate the provision of solar system to non-grid electrified homes within the region(7 500 new applications over the MTREF), to this effect the service delivery targets have been amended to reflect this target; indigent support funding envelope has significantly increased to R23.7

Million over the MTREF. For the past two years the actual costs for FBS were R7.3 million and R8.1 million respectively.

4.7.10. The Indigent Support Policy:

The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Elundini LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction. The indigent support policy is an integral part of the Elundini's tariff policy that is developed and implemented in a transparent manner to ensure the sustainability of local public services to all of its citizens at an affordable cost. The indigent policy is intended to provide poor households ongoing access to a specified level of service. The Indigent Register is reviewed on an annual basis. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery.

The municipality has a fully-fledged Free Basic Services unit and Indigent Steering Committee to deal with indigent and free basis services matters. The amount budgeted for FBS in 2025 amounted to R7.5 million and in 2026 it amounted to R7.8 million. Critically as part of Elundini LM commitment to improve continued access to service and provide a basket of free services as part of the poverty alleviation programme, Council has resolved to accelerate the provision of solar system to non-grid electrified homes within the region(7 500 new applications over the MTREF), to this effect the service delivery targets have been amended to reflect this target; indigent support funding envelope has significantly increased to R37 Million over the MTREF.

4.7.11. mSCOA (Municipal Standard Chart of Accounts)

The Constitution of the Republic of South Africa, Act 108 of 1996, substituted by section 1(1) of Act 5 of 2005, section 216 deals with treasury control and determines generally recognised accounting practices, Uniform expenditure classifications, Uniform treasury norms and standards. Section 168 (1) of the MFMA states that the minister of finance, acting with the concurrence of the Cabinet member responsible for local government, may make regulations for, among the other things-

a) any matter that may be prescribed
b) any other matter that may facilitate the enforcement and administration of the Act.

Elundini Local Municipality conformed to the above legislation in terms of the implementation of MSCOA in the municipality. Implementation of MSCOA came into effect on the 01 July 2017 where all municipalities expected to prepare budget in terms of MSCOA. All legislative requirements were met and the budget has been prepared in terms of the new legislation. The municipality is incompliant with the mSCOA, the IDP and budget data strings are being uploaded in compliance with the regulations. The mSCOA regulations have been implemented within the municipality. mSCOA steering committee has been established, mSCOA implementation team has also been established, msCOA champion and mSCOA project manager.

4.8. Annual Financial Statements Plan

Table 54 : AFS Implementation Plan

AFS IMPLEMENTATION PLAN	
WEEK ENDING	ACTIVITY
31-May	Produce restated and interm AFS
07-Jun	Internal Audit review on re-stated and interm AFS
21-Jun	Audit committee review on re-stated and interm AFS
14-Apr	Notice to department to close procurement
14-Jul	Compilation of the first draft of the AFS
21-Jul	Internal Audit and Provincial Treasury review the draft AFS
31-Jul	Audit committee review of the draft AFS
08-Aug	AG review the restated, Interim, and Draft AFS
22-Aug	Submission of the final AFS to Internal Audit for review
29-Aug	Internal Audit review of the final AFS
30-Aug	Submission of the final AFS to AG and Treasuries

4.9. Financial Plan

4.9.1. Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programs so as to maintain sound financial stewardship.

The Municipality has embarked on implementing revenue enhancement strategy to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. National Treasury's MFMA Circular No. 130 was used to guide the compilation of the 2025/26- 2027/28 MTREF.

The main challenges experienced during the compilation of the 2025/26 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Inadequate resources to reduce roads and electricity infrastructure backlogs;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents.

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

- The 2024/25 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2025/26 final budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should consider the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- There's also a budget allocation set for the following items:
    - Special Projects;

- Consultant Fees;
- Assets;
- Special Events;
- Subsistence, Travelling & Conference fees (national & international).

In view of the aforementioned, the following table is a consolidated overview of the proposed Medium-term Revenue and Expenditure Framework:

Table A55 Consolidated Overview of the 2025/26-2027/28 MTREF

Catergory	2024/2025 Budget Year	2025/2026 Budget Year	2026/2027 Budget Year	2027/2028 Budget Year
Property Rates	4.9%	4.3%	4.6%	4.4%
Electricity	12.7%	12.7%	4.6%	4.4%
Solid waste	4.9%	4.3%	4.6%	4.4%

Total operating expenditure increased by 4% or R18.3 million for this budget year when compared with prior year budgeted expenditure. For two outer years, operating expenditure increased by 4% and 3% .

Operating expenditure has been appropriated at R466.2 million for the budget year, R487.9 million and R500.1 million for the two outer years and translates into a budgeted surplus of R0.0 million, R1602 and R0.0 for the two outer years respectively. It must also be noted budget circular 115 requires us to fund the depreciation costs from our own revenue or Equitable share and we are not allowed to use non-funding items when preparing this MTREF.

The capital program is positioned to R60.3 million, and R78.6 million and R82.2 million for the outer years. A substantial portion of the capital budget will be funded by government grants from National and Internal generated funds over the MTREF.

4.9.2. Operating Revenue Framework

In order for Elundini Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;

- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2024/2026 MTREF (classified by main revenue source):

Table A4 Summary of revenue classified by main revenue source

EC141 Elundini - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	39 576	36 379	43 290	29 649	45 923	45 923	33 777	47 944	50 101	51354
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	14	10	7	–	–	–	–	–	–	–
Service charges - Waste Management	2	936	1247	7 020	7 368	7 368	7 368	4 900	7 692	8 038	8 239
Sale of Goods and Rendering of Services		390	384	573	1861	1864	1864	726	1946	2 033	2 084
Agency services		–	–	–	654	654	654	–	683	714	732
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		5 520	5 520	–	2 036	2 036	2 036	7 568	2 126	2 221	2 277
Interest earned from Current and Non Current Assets		4 786	6 367	6 267	5 661	6 297	6 297	3 507	6 574	6 870	7 042
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1739	1759	2 281	2 479	2 479	2 479	1457	4 609	4 817	4 937
Licence and permits		1411	1419	1631	2 789	3 606	3 606	1029	3 765	3 934	4 033
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		5 381	7 930	8 727	151332	133 494	133 494	1742	146 275	152 857	156 678
Non-Exchange Revenue											
Property rates	2	26 482	26 276	29 509	30 745	27 326	27 326	21798	28 529	29 812	30 558
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		348	252	384	397	453	453	(4 458)	473	494	506
Licences or permits		–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		174 547	183 918	202 567	211061	211061	211061	157 376	210 799	220 285	225 792
Interest		–	1400	3 118	–	4 934	4 934	–	5 151	5 383	5 517
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	76	1155	1155	1155	–	365	382	391
Other Gains		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and		**261 130**	**272 860**	**305 451**	**447 188**	**448 651**	**448 651**	**229 423**	**466 931**	**487 942**	**500 141**
Expenditure											
Employee related costs	2	113 148	127 281	131325	165 009	163 206	163 206	95 459	177 056	185 024	189 649
Remuneration of councillors		12 679	12 850	13 418	15 803	14 549	14 549	9 747	14 549	15 203	15 583
Bulk purchases - electricity	2	29 041	27 313	26 823	32 413	36 087	36 087	28 720	37 675	39 371	40 355
Inventory consumed	8	795	999	659	1596	1173	1173	147	1164	1217	1247
Debt impairment	3	–	–	–	4 197	4 197	4 197	–	4 382	4 579	4 694
Depreciation and amortisation		13 926	4 902	0	51672	50 472	50 472	–	50 915	53 206	54 536
Interest		304	9	2 195	5 966	5 966	5 966	1637	6 635	6 934	7 107
Contracted services		49 378	38 706	43 205	90 059	82 247	82 247	38 029	84 982	88 806	91027
Transfers and subsidies		–	–	5 307	–	–	–	3 041	–	–	–
Irrecoverable debts written off		12 348	3 403	3 761	15 735	15 735	15 735	–	16 330	17 065	17 491
Operational costs		43 669	53 536	53 479	64 737	75 018	75 018	34 612	73 241	76 536	78 450
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**275 287**	**268 998**	**280 172**	**447 187**	**448 650**	**448 650**	**211 392**	**466 930**	**487 942**	**500 140**
Surplus/(Deficit)		**(14 157)**	**3 863**	**25 278**	**1**	**1**	**1**	**18 031**	**1**	**1**	**1**
Transfers and subsidies - capital (monetary	6	46 242	47 312	56 128	56 067	67 420	67 420	46 765	51148	53 450	54 786
Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**32 086**	**51 174**	**81 406**	**56 068**	**67 421**	**67 421**	**64 796**	**51 149**	**53 450**	**54 787**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**32 086**	**51 174**	**81 406**	**56 068**	**67 421**	**67 421**	**64 796**	**51 149**	**53 450**	**54 787**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**32 086**	**51 174**	**81 406**	**56 068**	**67 421**	**67 421**	**64 796**	**51 149**	**53 450**	**54 787**
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**32 086**	**51 174**	**81 406**	**56 068**	**67 421**	**67 421**	**64 796**	**51 149**	**53 450**	**54 787**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit. Our total revenue mix comprises of revenue generated from rates and services charges which are Electricity and solid waste and other revenue derived from rentals, plant income investment income and others.

Property rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

Revenue generated from Property Rates totals to R28.5 million for the budget year and has increased to R29.7 million and R30.5 million for the two outer years.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 35 per cent rebate will be granted on all residential properties (including state owned residential properties);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
    - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
    - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
    - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place, and
    - The property must be categorized as residential.

- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant

4.9.3. Revenue from Services

Electricity

Electricity and Solid waste services are the main revenue sources for the municipality. Revenue generated from electricity totals to R47.9 million for the budget year and increases to R50.9 million and R51 million for the two outer years. NERSA has announced the revised bulk electricity pricing structure of 12.7% for the two outer years as detailed in budget circular 129. The tariff structure will be effective from 1 July 2025.

Considering the Eskom increases, the consumer tariff had to be increased by 12.7% to offset the additional bulk purchase cost from 1 July 2025. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge. In addition to those residential customers that are not registered as indigent, but that consume less than 50 kWh per 30-day period will receive 50 kWh free of charge.

Currently Electricity is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of Electricity function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. Currently the smart meters are being installed in order to minimize the electricity losses.

Solid Waste

Revenue generated from **Solid waste** totals to R7.6 million for the budget year and increases to R8 million and R8.2 million for the two outer years. An increase of 4.4% has been applied as this service is operating at a deficit. It must also be noted that an amount of free basic refuse has been reduced from the total revenue expected from refuse removal.

These services are operating at a deficit, the revenue derived from these services is unable to cover expenditure in relation to these services. It is important that the municipality should consider come up with a cost recovery strategy to ensure that they are cost reflective. It is widely accepted that the rendering of this service should at least break even, which is currently not the case.

The Municipality will have to implement a revenue enhancement strategy to ensure that this service can be rendered in a more sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration as well as to some extent lack of billing of commercial businesses in terms of the recognized Polluter Pays Principle as outline in the National Waste Management Strategy of 2008.

Considering the deficit, it is recommended that a comprehensive investigation into the possibility of reviewing our approach to billing in terms of the existing tariff structure as approved by Council.

Other Revenue

Other sources of revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, vat income, investment income and interest from debtors. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating Grants

Operating grants and transfers totals R206.6 million in the budget year and steadily increases to R215.2 million and R224.6 for the two outer years. The following table gives a breakdown of the revenue and operating grants and subsidies allocated to the municipality over the medium term:

EC141 Elundini - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	39 576	36 379	43 290	29 649	45 923	45 923	33 777	47 944	50 101	51 354
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	14	10	7	–	–	–	–	–	–	–
Service charges - Waste Management	2	936	1 247	7 020	7 368	7 368	7 368	4 900	7 692	8 038	8 239
Sale of Goods and Rendering of Services		390	384	573	1 861	1 864	1 864	726	1 946	2 033	2 084
Agency services		–	–	–	654	654	654	–	683	714	732
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		5 520	5 520	–	2 036	2 036	2 036	7 568	2 126	2 221	2 277
Interest earned from Current and Non Current Assets		4 786	6 367	6 267	5 661	6 297	6 297	3 507	6 574	6 870	7 042
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1 739	1 759	2 281	2 479	2 479	2 479	1 457	4 609	4 817	4 937
Licence and permits		1 411	1 419	1 631	2 789	3 606	3 606	1 029	3 765	3 934	4 033
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		5 381	7 930	8 727	151 332	133 494	133 494	1 742	146 275	152 857	156 678
Non-Exchange Revenue		26 482	26 276	29 509	30 745	27 326	27 326	21 798	28 529	29 812	30 558
Property rates	2										
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		348	252	384	397	453	453	(4 458)	473	494	506
Licences or permits		–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		174 547	183 918	202 567	211 061	211 061	211 061	157 376	210 799	220 285	225 792
Interest		–	1 400	3 118	–	4 934	4 934	–	5 151	5 383	5 517
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	76	1 155	1 155	1 155	–	365	382	391
Other Gains		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and		**261 130**	**272 860**	**305 451**	**447 188**	**448 651**	**448 651**	**229 423**	**466 931**	**487 942**	**500 141**

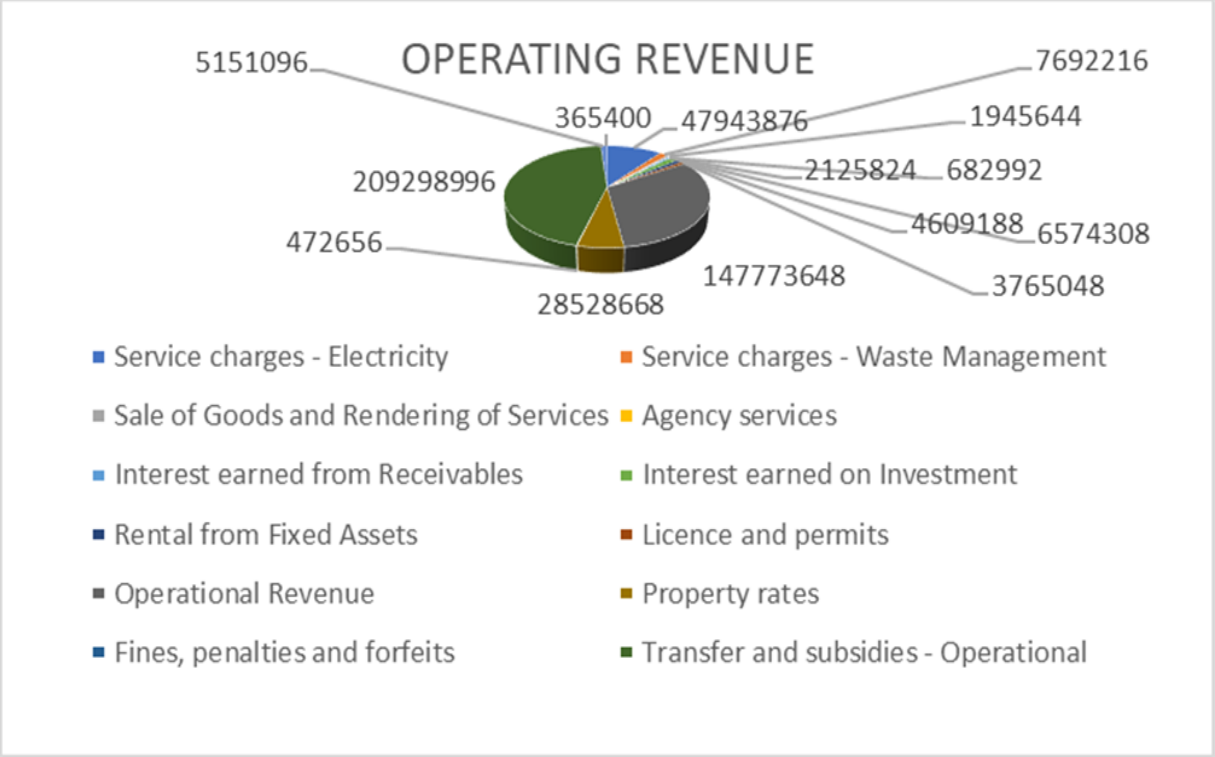

OPERATING REVENUE
5151096
365400
47943876
7692216
1945644
2125824
682992
209298996
4609188
6574308
472656
147773648
3765048
28528668
Service charges - Electricity
Service charges - Waste Management
Sale of Goods and Rendering of Services
Agency services
Interest earned from Receivables
Interest earned on Investment
Rental from Fixed Assets
Licence and permits
Operational Revenue
Property rates
Fines, penalties and forfeits
Transfer and subsidies - Operational

Table SA18 Operating Transfers and Grant Receipts

EC141 Elundini - Supporting Table SA18 Transfers and grant receipts

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2 t ant									
Operating Transfers and Grants										
National Government:		171 450	183 642	194 075	206 749	206 749	160 663	206 487	213 725	221 173
Expanded Public Works Programme Integrated Gran		2 569	2 539	1 930	2 114	2 114	2 114	2 079	0	0
Local Government Financial Management Grant		1 650	1 650	1 700	1 700	1 700	1 700	1 800	2 000	2 100
Municipal Infrastructure Grant		-	-	-	2 267	2 267	6 348	2 385	2 492	2 555
Energy Efficiency and Demand Side Management Gr		1 000	-	-	-	-	-	-	-	-
Equitable Share		166 231	179 453	190 445	200 668	200 668	150 501	200 223	209 233	214 464
Provincial Government:		750	750	5 750	4 312	4 312	-	2 812	1 312	1 312
Specify (Add grant description)		-	-	5 000	3 000	3 000	-	1 500	0	0
Specify (Add grant description)		750	750	750	1 312	1 312	-	1 312	1 312	1 312
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	172 200	184 392	199 825	211 061	211 061	160 663	209 299	215 037	222 485
Capital Transfers and Grants		60 771	55 075	78 196	56 067	67 420	36 178	51 148	53 450	54 786
National Government:										
Municipal Disaster Relief Grant		-	-	-	-	11 353	-	-	-	-
Municipal Infrastructure Grant		41 031	40 675	50 430	43 073	43 073	32 178	45 331	47 371	48 555
Integrated National Electrification Programme Grant		19 740	14 400	15 459	12 994	12 994	4 000	5 817	20 000	20 904
Municipal Disaster Recovery Grant		-	-	12 307	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	60 771	55 075	78 196	56 067	67 420	36 178	51 148	53 450	54 786
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	232 971	239 467	278 021	267 128	278 481	196 841	260 447	268 487	277 271

4.9.5 Tariff-Setting

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions and the affordability of services were considered to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The table below indicates the tariffs increases as per circular No. 130 and Nersa guidelines in tariff determination.

Catergory	2024/2025 Budget Year	2025/2026 Budget Year	2026/2027 Budget Year	2027/2028 Budget Year
Property Rates	4.9%	4.3%	4.6%	4.4%
Electricity	12.7%	12.7%	4.6%	4.4%
Solid waste	4.9%	4.3%	4.6%	4.4%

4.9.6 Operating Expenditure Framework

The municipality's expenditure framework for the MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital program is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the MTREF (classified per main type of operating expenditure):

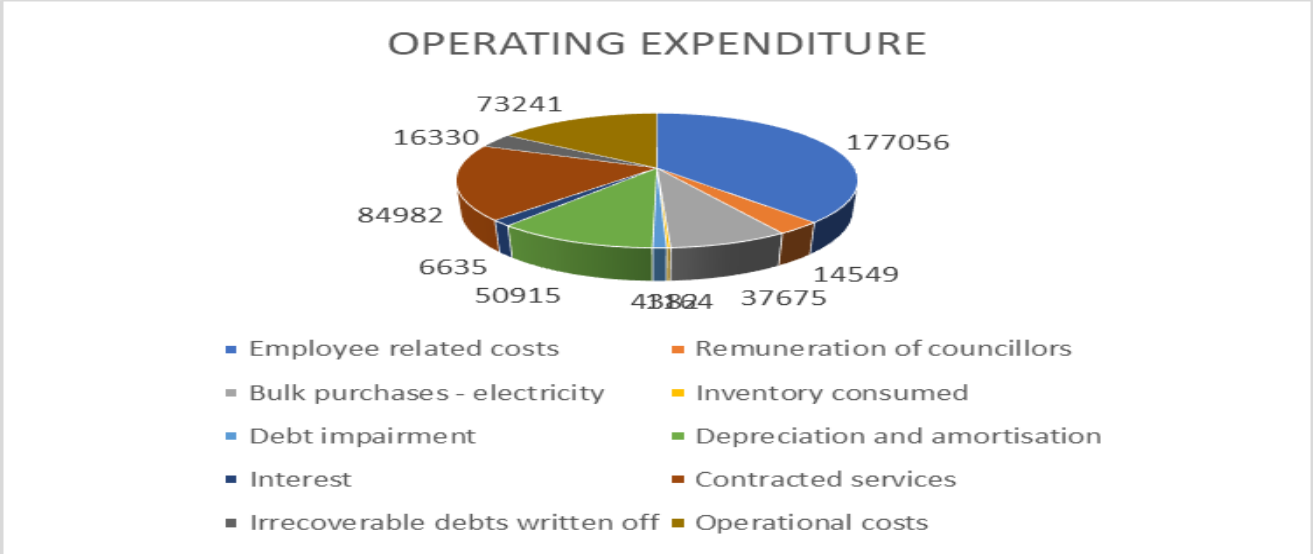


TABLE A4 SUMMARY OF OPERATING EXPENDITURE BY STANDARD CLASSIFICATION ITEM

EC141 Elundini - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure											
Employee related costs	2	113 148	127 281	131 325	165 009	163 206	163 206	95 459	177 056	185 024	189 649
Remuneration of councillors		12 679	12 850	13 418	15 803	14 549	14 549	9 747	14 549	15 203	15 583
Bulk purchases - electricity	2	29 041	27 313	26 823	32 413	36 087	36 087	28 720	37 675	39 371	40 355
Inventory consumed	8	795	999	659	1 596	1 173	1 173	147	1 164	1 217	1 247
Debt impairment	3	-	-	-	4 197	4 197	4 197	-	4 382	4 579	4 694
Depreciation and amortisation		13 926	4 902	0	51 672	50 472	50 472	-	50 915	53 206	54 536
Interest		304	9	2 195	5 966	5 966	5 966	1 637	6 635	6 934	7 107
Contracted services		49 378	38 706	43 205	90 059	82 247	82 247	38 029	84 982	88 806	91 027
Transfers and subsidies		-	-	5 307	-	-	-	3 041	-	-	-
Irrecoverable debts written off		12 348	3 403	3 761	15 735	15 735	15 735	-	16 330	17 065	17 491
Operational costs		43 669	53 536	53 479	64 737	75 018	75 018	34 612	73 241	76 536	78 450
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		**275 287**	**268 998**	**280 172**	**447 187**	**448 650**	**448 650**	**211 392**	**466 930**	**487 942**	**500 140**

Employee Related Costs

The budgeted allocation for employee related costs for the budget year totals R177 million, which equals 38 per cent of the total operating expenditure. Municipalities are urged to consider projecting salaries and wage increases that would reflect their affordability given the economic challenges. We have projected 7.7% including 2.5% notch increase for this budget year.

Remuneration of Councillors

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. Budget appropriation in this regard totals to R14.5 million and equates to 3 percent of the total operating expenditure.

Debt impairment Provision

The provision of debt impairment was determined based on an annual collection rate of 80 per cent and the Debt Write-off Policy of the municipality. For the budget year this amount equates to R4.3 million and equates to 1% of the total operating expenditure and escalates to R4.5 million and R4.6 million for the two outer years. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Depreciation Provision

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation in this regard refers to the systematic write off of assets over their useful lives. Budget appropriations in this regard total R50.9 million for the budget year financial and equates to 11% of the total operating expenditure. It escalated to R53 million and R53.4 million for the two outer years.

Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Budget appropriations in this regard total to R37 million for the budget year and equates to 8 % of the total operating budget. The expenditure also includes distribution losses.

Irrecoverable bad debts

The budgeted amount for dept impairment amounted to R16.3 million for the budget year and it equates to 3 percent of the total operating budget, it escalates to R17 million and R17.1 million for the two outer years.

Other Material

Budget appropriations in this regard totals to R1.1 million and equates 0.3% for the budget year and escalates to R1.2 and R1.2 million for the two outer years.

Contracted Services

Contracted expenditure totals to R84.9 million and equates to 18% of the total operating budget.

Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budget appropriations in this regard totals to R73.2 million and equates to 16 percent.

FREE BASIC SERVICES: BASIC SOCIAL SERVICES PACKAGE

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 10 000 or more indigent households during this budget year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table SA21.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual division of Revenue Act. In this budget year the municipality made a provision of R7.5 million, R8 and R8.2 for the two outer years for free basic services.

4.9.7 CAPITAL EXPENDITURE FRAMEWORK

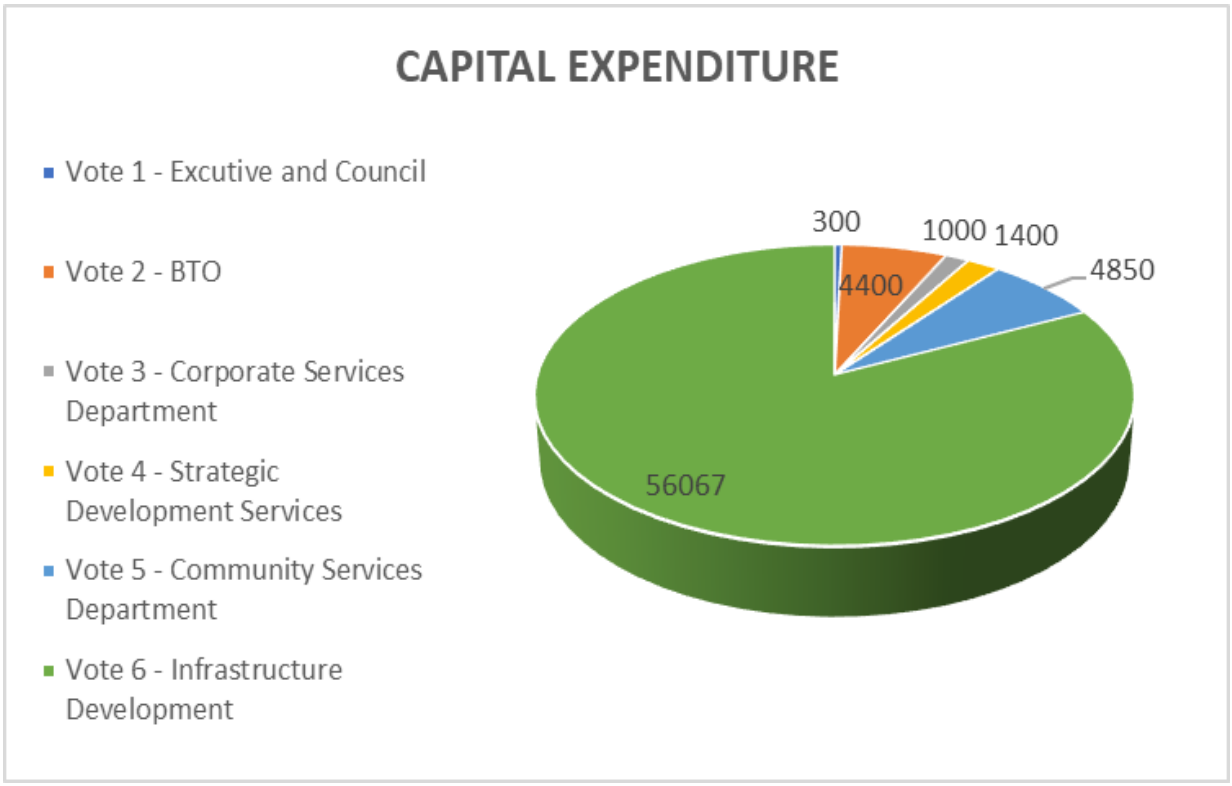
The following table provides a breakdown of budgeted capital expenditure by vote:

EC141 Elundini - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	## # 1	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1	Budget Year +2
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Excutive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - BTO		–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services Department		–	–	–	–	–	–	–	–	–	–
Vote 4 - Strategic Development Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services Department		–	–	–	–	–	–	–	–	–	–
Vote 6 - Infrastructure Development		–	–	–	–	–	–	–	–	–	–
Vote 7 -		–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*	2										
Vote 1 - Excutive and Council		1232	1182	151	300	100	100	–	1500	1567	1636
Vote 2 - BTO		6362	10169	4358	4400	2900	2900	–	1300	1358	1416
Vote 3 - Corporate Services Department		357	36	22	1000	200	200	–	–	–	0
Vote 4 - Strategic Development Services		1339	–	–	1400	1110	1110	–	750	784	818
Vote 5 - Community Services Department		642	549	2221	4850	3228	3228	–	700	732	764
Vote 6 - Infrastructure Development		53921	61975	77724	56067	82506	82506	–	56089	74248	77566
Vote 7 -		–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**63 854**	**73 931**	**84 476**	**68 017**	**90 044**	**90 044**	**–**	**60 339**	**78 689**	**82 202**
Total Capital Expenditure - Vote		**63 854**	**73 931**	**84 476**	**68 017**	**90 044**	**90 044**	**–**	**60 339**	**78 689**	**82 202**
Capital Expenditure - Functional											
Governance and administration											
Executive and council Finance and administration Internal audit		**7 952**	**11407**	**4 531**	**5 700**	**3 200**	**3 200**	**1844**	**2 800**	**2 926**	**3 058**
Community and public safety Community and social services Sport and recreation		1232	1182	151	300	100	100	–	1500	1569	1638
Public safety Housing Health		6719	10225	4380	5400	3100	3100	1844	1300	1360	1420
Economic and environmental services		–	–	–	–	–	–	–	–	–	–
Planning and development Road transport Environmental protection		**125**	**549**	**2 221**	**650**	**528**	**528**	**–**	**100**	**104**	**109**
Trading services Energy sources Water management		17	369	907	–	29	29	–	100	105	109
Waste water management Waste management		108	180	–	250	0	0	–	–	–	–
Other		–	–	1314	400	500	500	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		34 348	**38 293**	**54 588**	**44 473**	**62 483**	**62 483**	**41500**	**49 552**	**53 496**	**55 871**
		1339	–	–	1400	1110	1110	–	750	785	819
		33009	38293	54588	43073	61373	61373	41500	48802	52712	55052
		–	–	–	–	–	–	–	–	–	–
		21 428	**23 682**	**23 136**	**17 194**	**23 832**	**23 832**	**10 245**	**7 887**	**22 163**	**23 164**
		20912	23682	23136	12994	21132	21132	10245	7287	21538	22509
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		517	–	–	4200	2700	2700	–	600	626	655
		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**63 854**	**73 931**	**84 476**	**68 017**	**90 044**	**90 044**	**53 589**	**60 339**	**78 689**	**82 202**
Funded by:											
National Government Provincial Government District Municipality		46242	47312	56128	56067	67420	67420	47183	51148	59085	72185
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**46 242**	**47 312**	**56 128**	**56 067**	**67 420**	**67 420**	**47 183**	**51 148**	**59 085**	**72 185**
Borrowing	6	–	4521	5139	–	6638	6638	3424	–	–	–
Internally generated funds		17288	21993	22739	11950	15986	15986	2982	9191	9605	10037
Total Capital Funding	7	**63 531**	**73 826**	**84 006**	**68 017**	**90 044**	**90 044**	**53 589**	**60 339**	**78 689**	**82 202**

For this budget year an amount of R60.3 million has been appropriated for the development of infrastructure which represents 13 per cent of the overall total expenditure budget. The amount totals to R78.6 million and R82.2 million for the outer years.

The following chart gives a breakdown of the Capital expenditure by vote for the 2025/26 financial year.



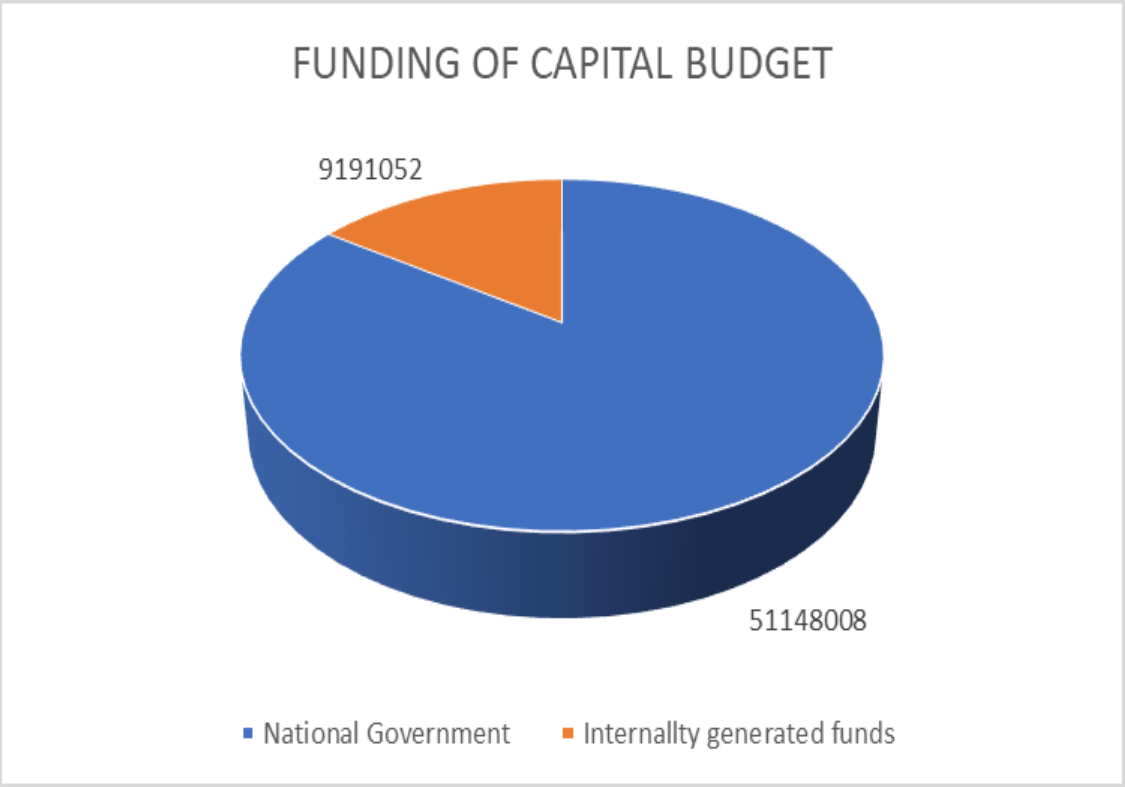
FUNDING **OF THE CAPITAL BUDGET**

The capital program is funded from National grants and internally generated funds. Capital transfers totals to R51.1million and R9.1 million from internally generated funds.

EC141 Elundini - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	## # 1	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1	Budget Year +2
Funded by:											
National Government Provincial Government District Municipality		46 242	47 312	56 128	56 067	67 420	67 420	47 183	51 148	59085	72185
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	**46 242**	**47 312**	**56 128**	**56 067**	**67 420**	**67 420**	**47 183**	**51 148**	**59 085**	**72 185**
Borrowing	6	-	4 521	5 139	-	6 638	6 638	3 424	-	-	-
Internally generated funds		17 288	21993	22 739	11950	15 986	15 986	2 982	9 191	9 605	10037
Total Capital Funding	7	**63 531**	**73 826**	**84 006**	**68 017**	**90 044**	**90 044**	**53 589**	**60 339**	**78 689**	**82 202**

The graph below illustrates the funding sources for Capital Expenditure



4.9.7.1 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2024/25 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page

Explanatory notes to Table A1 - Budget Summary

Choose name from list - Table A1 Budget Summary										
Description R thousands	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance Property rates Service charges	26,482	27,909	29,509	30,745	27,326	27,326	27,326	28,529	29,841	31,154
Investment revenue	40,486	37,662	50,419	37,017	53,291	53,291	53,291	61,725	64,564	67,405
Transfer and subsidies - Operational	4,786	6,367	6,267	5,661	6,297	6,297	6,297	6,574	6,877	7,179
Other own revenue	174,338	188,378	201,946	211,061	211,061	211,061	211,061	206,675	215,238	224,674
	19,295	36,175	29,461	162,703	150,675	150,675	150,675	163,428	169,344	178,128
Total Revenue (excluding capital transfers and contributions)	265 387	296 491	317 602	447 168	448 651	448 651	448 651	466 931	485 863	508 541
Employee costs Remuneration of councillors Depreciation and amortisation Interest	114,782	124,528	135,629	165,009	163,006	163,006	163,006	177,056	184,922	192,945
Inventory consumed and bulk purchases Transfers and subsidies	12,679	13,413	13,418	15,803	14,549	14,549	14,549	14,549	15,218	15,887
Other expenditure Total Expenditure	47,574	49,116	53,840	51,672	50,472	50,472	50,472	50,915	53,257	55,600
Surplus/(Deficit)	2,165	4,177	6,676	5,966	5,966	5,966	5,966	6,635	6,941	7,246
Transfers and subsidies - capital (monetary allocations)	28,712	28,747	32,680	34,009	36,987	36,987	36,987	38,839	40,626	42,414
Transfers and subsidies - capital (in-kind)	917	1,085	5,496	–	–	–	–	–	–	–
	121,200	132,849	138,984	174,728	177,670	177,670	177,670	178,935	184,899	194,446
	328 029	353 916	386 723	447 187	448 650	448 650	448,650	466 930	485 862	508 538
	(62,643)	(57,425)	(69,121)	1	1	1	1	1	1	2
	53,727	42,170	48,681	56,067	63,420	63,420	49,161 –	51,148	67,371	69,459
	–	2,552	–	–	–	–		–	–	–
Surplus/(Deficit) after capital transfers & contributions	(8,916)	(12,703)	(20,441)	56,068	63,421	63,421	49,162	51,149	67,372	69,461
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(8 916)	(12 703)	(20 441)	56 068	63 421	63 421	49 162	51 149	67 372	69 461
Capital expenditure & funds sources Capital expenditure	69,090	68,676	70,638	68,017	86,044	86,044	55,840	60,339	78,698	82,202
Transfers recognised - capital	24,442	48,986	43,572	56,067	63,420	63,420	49,161	51,148	69,085	72,165
Borrowing	–	(455)	5,139	–	6,638	6,638	3,424	–	–	–
Internally generated funds	26,389	9,264	21,212	11,950	15,986	15,986	3,255	9,191	9,614	10,037
Total sources of capital funds	50,831	57,796	69,922	68,017	86,044	86,044	55,840	60,339	78,698	82,202
Financial position Total current assets Total non	119,688	78,928	85,583	184,596	176,502	176,502	95,450	170,814	254,689	349,504
current assets Total current liabilities	584,854	600,314	620,112	645,314	664,540	664,540	677,568	656,037	681,478	708,080
Total non current liabilities Community wealth/Equity	94,130	74,607	87,426	145,633	149,412	149,412	76,597	134,746	176,690	220,699
	16,153	29,974	64,195	30,541	30,541	30,541	64,195	62,502	62,502	62,502
	596,139	574,660	554,219	653,736	661,089	661,089	636,382	629,603	696,974	774,383
Cash flows										
Net cash from (used) operating Net cash from (used)	119,791	141,231	158,801	146,787	147,106	147,106	147,106	138,380	160,365	166,731
investing Net cash from (used) financing	(70,710)	(73,830)	(97,701)	(67,475)	(88,889)	(88,889)	(88,889)	(59,974)	(78,316)	(81,803)
Cash/cash equivalents at the year end	–	–	39,607	–	–	–	–	–	–	–
	159,610	144,714	146,459	125,064	103,969	103,969	103,969	130,320	212,369	297,298
Cash backing/surplus reconciliation	77,313	45,752	49,726	125,064	103,969	103,969	28,707	130,320	212,369	297,298
Cash and investments available:	4,311	(30,613)	(50,984)	105,526	105,414	105,414	129,440	81,907	122,957	157,474
Total Application of cash and investments:	73,002	76,366	100,709	19,539	(1,445)	(1,445)	(100,733)	48,414	89,413	139,824
Balance - surplus (shortfall)										
Asset management	523,234	545,027	585,121	586,497	586,735	586,735	586,735	600,718	554,426	507,013
Asset register summary (WDV) Depreciation	46,556	38,405	35,589	51,672	50,472	50,472	50,472	50,915	53,257	55,600
Renewal and Upgrading of Existing Assets Repairs and	–	15,037	2,340	1,500	1,269	1,269	1,269	–	–	–
Maintenance	13,036	8,261	8,818	27,483	16,399	16,399	16,399	18,292	19,133	19,975
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	12	2 492	8 898	13 580	13 580	13 580	15 581	16 298	17 015
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

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

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

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

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

b. Capital expenditure is balanced by capital funding sources, of which
    i. Transfers recognized is reflected on the Financial Performance Budget;
    ii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

The Cash backing/surplus reconciliation indicates that the municipality is paying much attention in managing of its finances mainly building of internal reserves that can be cash- backed to fund the budget. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

EC141 Elundini - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional										
Governance and administration		203 437	220 843	238 484	246 585	247 185	247 185	250 202	261 461	267 997
Executive and council		67	52	82	-	-	-	-	-	-
Finance and administration		203 370	220 791	238 402	246 585	247 185	247 185	250 202	261 461	267 997
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		8 082	6 638	11 943	9 929	10 098	10 098	3 888	8 352	8 561
Community and social services		4 553	2 822	8 181	6 442	6 446	6 446	2 268	6 701	6 868
Sport and recreation		(3)	-	-	27	0	0	-	-	-
Public safety		3 532	3 816	3 762	3 460	3 652	3 652	1 580	1 651	1 692
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		30 827	35 079	45 443	194 182	189 956	189 956	191 231	202 468	207 530
Planning and development		921	490	2 386	3 068	3 295	3 295	3 458	3 614	3 704
Road transport		29 905	34 588	43 057	191 114	186 661	186 661	187 773	198 854	203 825
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		65 027	57 612	65 709	52 558	68 833	68 833	72 777	69 112	70 839
Energy sources		58 556	50 835	58 680	44 876	61 150	61 150	64 757	60 730	62 248
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		6 471	6 777	7 029	7 683	7 683	7 683	8 021	8 382	8 591
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	307 373	320 172	361 578	503 255	516 071	516 071	518 079	541 392	554 927
Expenditure - Functional										
Governance and administration		132 957	139 780	143 443	198 448	207 587	207 587	216 749	226 503	232 165
Executive and council		41 098	48 458	51 700	59 134	62 163	62 163	65 140	68 071	69 773
Finance and administration		91 859	91 322	91 743	139 313	145 423	145 423	151 609	158 432	162 393
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		24 814	26 685	35 783	46 812	48 579	48 579	47 449	49 584	50 824
Community and social services		6 425	6 636	12 663	16 302	17 994	17 994	15 447	16 142	16 545
Sport and recreation		6 578	7 441	8 278	12 345	12 357	12 357	12 658	13 228	13 559
Public safety		11 811	12 608	14 842	18 165	18 229	18 229	19 344	20 214	20 720
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		48 381	37 323	40 214	106 437	91 402	91 402	97 559	101 949	104 498
Planning and development		13 536	15 291	17 294	25 540	24 643	24 643	26 588	27 784	28 479
Road transport		34 845	22 032	22 920	80 897	66 758	66 758	70 971	74 165	76 019
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		69 135	65 210	60 733	95 490	101 083	101 083	105 173	109 906	112 653
Energy sources		49 484	45 890	45 006	67 827	72 399	72 399	75 707	79 114	81 092
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		19 651	19 320	15 727	27 663	28 684	28 684	29 466	30 792	31 562
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	275 287	268 998	280 172	447 187	448 650	448 650	466 930	487 942	500 140
Surplus/(Deficit) for the year		32 086	51 174	81 406	56 068	67 421	67 421	51 149	53 450	54 787

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for Electricity and Waste management functions. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue and Equitable share.

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

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Excutive and Council		67	52	82	-	-	-	-	-	-
Vote 2 - BTO		207 173	226 522	238 624	246 585	247 185	247 185	250 202	261 828	273 361
Vote 3 - Corporate Services Department		-	-	-	-	-	-	-	-	-
Vote 4 - Strategic Development Services		2 187	2 699	2 832	3 068	3 295	3 295	3 458	3 615	3 727
Vote 5 - Community Services Department		13 574	17 137	18 035	17 612	17 780	17 780	11 889	11 376	11 878
Vote 6 - Infrastructure Development		96 113	94 803	106 710	235 990	243 811	243 811	252 530	276 415	289 034
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	**319 114**	**341 213**	**366 282**	**503 255**	**512 071**	**512 071**	**518 079**	**553 234**	**578 000**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Excutive and Council		42 584	50 511	53 147	59 134	62 163	62 163	65 140	67 979	70 970
Vote 2 - BTO		73 082	97 631	115 546	102 856	103 459	103 459	108 366	113 468	118 473
Vote 3 - Corporate Services Department		29 391	31 752	32 950	36 458	41 964	41 964	43 243	45 232	47 222
Vote 4 - Strategic Development Services		14 116	15 608	19 924	25 540	24 643	24 643	26 588	27 806	28 939
Vote 5 - Community Services Department		47 742	51 877	53 081	74 475	77 263	77 263	76 915	77 951	82 757
Vote 6 - Infrastructure Development		121 114	106 537	112 075	148 724	139 157	139 157	146 678	153 425	160 176
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	**328 029**	**353 916**	**386 723**	**447 187**	**448 650**	**448 650**	**466 930**	**485 862**	**508 538**
Surplus/(Deficit) for the year	2	**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**63 421**	**63 421**	**51 149**	**67 372**	**69 461**

Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table A4 - Budgeted Financial Performance (revenue and expenditure)

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

EC141 Elundini - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	39 576	36 379	43 290	29 649	45 923	45 923	33 777	54 033	56 518	59 005
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	14	10	7	–	–	–	–	–	–	–
Service charges - Waste Management	2	936	1247	7 020	7 368	7 368	7 368	4 900	7 692	8 046	8 239
Sale of Goods and Rendering of Services		390	384	573	1861	1864	1864	726	1946	2 035	2 125
Agency services		–	–	–	654	654	654	–	683	714	746
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		5 520	5 520	–	2 036	2 036	2 036	7 568	2 354	2 462	2 571
Interest earned from Current and Non Current Assets		4 786	6 367	6 267	5 661	6 297	6 297	3 507	6 574	6 877	7 179
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1739	1759	2 281	2 479	2 479	2 479	1457	4 866	5 090	5 314
Licence and permits		1411	1419	1631	2789	3 606	3 606	1029	3 765	3 938	4 112
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		5 381	7 930	8 727	151 332	133 494	133 494	1742	143 789	150 303	157 019
Non-Exchange Revenue											
Property rates	2	26 482	26 276	29 509	30 745	27 326	27 326	21 798	28 529	29 941	31 154
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		348	252	384	397	453	453	(4 458)	509	532	556
Licences or permits		–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		174 547	183 918	202 567	211 061	211 061	211 061	157 376	206 675	215 238	224 674
Interest		–	1400	3 118	–	4 934	4 934	–	5 151	5 388	5 625
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	76	1 155	1 155	1 155	–	365	382	399
Other Gains		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and		**261 130**	**272 860**	**305 451**	**447 188**	**448 651**	**448 651**	**229 423**	**466 931**	**487 464**	**508 718**
Expenditure											
Employee related costs	2	113 148	127 281	131 325	165 009	163 206	163 206	95 459	177 056	184 922	192 945
Remuneration of councillors		12 679	12 850	13 418	15 803	14 549	14 549	9 747	14 549	15 218	15 887
Bulk purchases - electricity	2	29 041	27 313	26 823	32 413	36 087	36 087	28 720	37 675	39 408	41 142
Inventory consumed	8	795	999	659	1596	1173	1173	147	1164	1218	1271
Debt impairment	3	–	–	–	4 197	4 197	4 197	–	4 382	4 584	4785
Depreciation and amortisation		13 926	4 902	0	51 672	50 472	50 472	–	50 915	53 257	56 600
Interest		304	9	2 195	5 966	5 966	5 966	1637	6 635	6 941	7 246
Contracted services		49 378	38 706	43 205	90 059	82 247	82 247	38 029	84 982	86 717	91908
Transfers and subsidies		–	–	5 307	–	–	–	3 041	–	–	–
Irrecoverable debts written off		12 348	3 403	3 761	15 735	15 735	15 735	–	16 330	17 080	17 833
Operational costs		43 669	53 536	53 479	64 737	75 018	75 018	34 612	73 242	76 517	79 921
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**275 287**	**268 998**	**280 172**	**447 187**	**448 650**	**448 650**	**211 392**	**466 930**	**485 862**	**509 538**
Surplus/(Deficit)		**(14 157)**	**3 863**	**25 278**	**1**	**1**	**1**	**18 031**	**1**	**1602**	**340**
Transfers and subsidies - capital (monetary	6	46 242	47 312	56 128	56 067	67 420	67 420	46 765	51 148	67 371	69 459
Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**32 086**	**51 174**	**81 406**	**56 068**	**67 421**	**67 421**	**64 796**	**51 149**	**68 973**	**69 799**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**32 086**	**51 174**	**81 406**	**56 068**	**67 421**	**67 421**	**64 796**	**51 149**	**68 973**	**69 799**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**32 086**	**51 174**	**81 406**	**56 068**	**67 421**	**67 421**	**64 796**	**51 149**	**68 973**	**69 799**
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**32 086**	**51 174**	**81 406**	**56 068**	**67 421**	**67 421**	**64 796**	**51 149**	**68 973**	**69 799**

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

Total revenue is 466.9 million in the budget year and escalates to R487.9 million and R500.1 for the outer years.

Revenue to be generated from property rates is R29.5 million in the budget year and increases to R29.8 million and R30.5 million in the outer years. The property Rates represents 6.8 per cent of the operating revenue base of the municipality and clearly shows that the municipality is grant depended it cannot sustain itself should the grants be taken away.

Services charges relating to electricity, and refuse removal constitutes the biggest component of the revenue basket of the municipality totaling R55.5 million in the budget year and increasing to R58.1 million

and R59.5 million for the outer years. For the budget year services charges amount to 9 per cent of the total revenue over the medium-term.

Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are decreasing over the MTREF.

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

EC141 Elundini - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	## # 1	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1	Budget Year +2
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - BTO		–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services Department		–	–	–	–	–	–	–	–	–	–
Vote 4 - Strategic Development Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services Department		–	–	–	–	–	–	–	–	–	–
Vote 6 - Infrastructure Development		–	–	–	–	–	–	–	–	–	–
Vote 7 -		–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		1232	1182	151	300	100	100	–	1500	1567	1636
Vote 2 - BTO		6362	10 169	4358	4 400	2900	2 900	–	1300	1358	1418
Vote 3 - Corporate Services Department		357	36	22	1000	200	200	–	–	–	0
Vote 4 - Strategic Development Services		1339	–	–	1400	1110	1110	–	750	784	818
Vote 5 - Community Services Department		642	549	2221	4 850	3228	3 228	–	700	732	764
Vote 6 - Infrastructure Development		53921	61975	77724	56 067	82506	82 506	–	56 089	74 248	77566
Vote 7 -		–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		63 854	73 931	84 476	68 017	90 044	90 044	–	60 339	78 689	82 202
Total Capital Expenditure - Vote		63 854	73 931	84 476	68 017	90 044	90 044	–	60 339	78 689	82 202
Capital Expenditure - Functional											
Governance and administration											
Executive and council Finance and administration Internal audit		7 952	11407	4531	5 700	3 200	3 200	1844	2 800	2 926	3 058
Community and public safety Community and social services Sport and recreation		1232	1182	151	300	100	100	–	1500	1569	1638
Public safety Housing Health		6719	10225	4380	5 400	3 100	3 100	1844	1300	1360	1420
Economic and environmental services		–	–	–	–	–	–	–	–	–	–
Planning and development Road transport Environmental protection		125	549	2221	650	528	528	–	100	104	109
Trading services Energy sources Water management		17	369	907	–	29	29	–	100	105	109
Waste water management Waste management		108	180	–	250	0	0	–	–	–	–
Other		–	–	1314	400	500	500	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		34 348	38 293	54 588	44 473	62 483	62 483	41500	49 552	53 496	55 871
		1339	–	–	1400	1110	1110	–	750	785	819
		33009	38 293	54588	43 073	61373	61373	41500	48 802	52 712	55052
		–	–	–	–	–	–	–	–	–	–
		21428	23 682	23 136	17 194	23 832	23 832	10 245	7 887	22 163	23 164
		20912	23 682	23 136	12 994	21132	21 132	10245	7 287	21538	22509
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		517	–	–	4 200	2700	2 700	–	600	528	655
		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	63 854	73 931	84 476	68 017	90 044	90 044	53 589	60 339	78 689	82 202
Funded by:											
National Government Provincial Government District Municipality		46242	47 312	56 128	56 067	67 420	67 420	47 183	51 148	59085	72185
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	46 242	47 312	56 128	56 067	67 420	67 420	47 183	51 148	59 085	72 185
Borrowing	6	–	4 521	5 139	–	6638	6 638	3424	–	–	–
Internally generated funds		17288	21993	22 739	11950	15986	15986	2982	9 191	9605	10037
Total Capital Funding	7	63 531	73 826	84 006	68 017	90 044	90 044	53 589	60 339	78 689	82 202

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

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources

necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. Single-year capital expenditure has been appropriated at R60.3 million for the budget year and R78.6 million and R82.2 million for the two outer years.

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

Table A6 - Budgeted Financial Position

Choose name from list - Table A6 Budgeted Financial Position

Description	## #	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1	Budget Year +2
ASSETS											
Current assets											
Cash and cash equivalents		77 313	45 752	49 726	125 064	103 969	103 969	28 707	130 320	212 369	297 298
Trade and other receivables from exchange transactions	1	22 110	9 096	8 034	21095	30 354	30 354	22 525	8 676	5 295	1765
Receivables from non-exchange transactions	1	16 516	16 733	16 070	21850	24 247	24 247	29 877	13 240	4 964	4 270
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	–	–	0	0	284	284	0	–	0	0
VAT		3 703	4 501	4 941	16 587	17 648	17 648	7 529	18 578	32 060	46 171
Other current assets		46	2 846	6 813	–	–	–	6 813	–	–	–
Total current assets		**119 688**	**78 928**	**85 583**	**184 596**	**176 502**	**176 502**	**95 450**	**170 814**	**254 689**	**349 504**
Non current assets											
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		44 628	44 149	43 657	46 798	46 798	46 798	43 657	40 685	35 567	30 224
Property, plant and equipment		540 185	554 803	575 275	598 042	617 269	617 269	632 731	614 904	645 463	677 408
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources	3	–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–
Intangible assets		1	430	429	473	473	473	429	448	448	448
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		40	931	751	–	–	–	751	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		**584 854**	**600 314**	**620 112**	**645 314**	**664 540**	**664 540**	**677 568**	**656 037**	**681 478**	**708 080**
TOTAL ASSETS		**704 543**	**679 242**	**705 695**	**829 910**	**841 042**	**841 042**	**773 018**	**826 851**	**936 167**	**1 057 584**
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		147	0	10 288	13 785	13 785	13 785	2 360	10 030	10 030	10 030
Consumer deposits		590	500	509	424	424	424	522	420	420	420
Trade and other payables from exchange transactions	4	49 288	61523	53 119	92 048	89 386	89 386	39 916	82 544	114 480	148 041
Trade and other payables from non-exchange transactions	5	5 588	40	11976	42	4 042	4 042	19 925	12 503	12 503	12 503
Provision		40 934	13 254	10 898	33 781	33 781	33 781	12 342	19 682	19 682	19 682
VAT		(4 436)	(3 187)	(809)	5 553	7 994	7 994	1531	9 567	19 575	30 023
Other current liabilities		2 019	2 477	1444	–	–	–	–	–	–	–
Total current liabilities		**94 130**	**74 607**	**87 426**	**145 633**	**149 412**	**149 412**	**76 597**	**134 746**	**176 690**	**220 699**
Non current liabilities											
Financial liabilities	6	0	0	15 529	6 073	6 073	6 073	15 529	15 278	15 278	15 278
Provision	7	14 736	28 587	39 261	–	–	–	39 261	37 407	37 407	37 407
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		1417	1387	9 404	24 468	24 468	24 468	9 404	9 818	9 818	9 818
Total non current liabilities		**16 153**	**29 974**	**64 195**	**30 541**	**30 541**	**30 541**	**64 195**	**62 502**	**62 502**	**62 502**
TOTAL LIABILITIES		**110 283**	**104 582**	**151 620**	**176 174**	**179 953**	**179 953**	**140 792**	**197 248**	**239 192**	**283 201**
NET ASSETS		**594 260**	**574 660**	**554 075**	**653 736**	**661089**	**661089**	**632 226**	**629 603**	**696 974**	**774 383**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	596 139	574 660	554 219	653 736	661089	661089	636 382	629 603	696 974	774 383
Reserves and funds	9	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	**596 139**	**574 660**	**554 219**	**653 736**	**661089**	**661089**	**636 382**	**629 603**	**696 974**	**774 383**

Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet). This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first. Table A6s supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:

- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions noncurrent;
- Changes in net assets; and
- Reserves

The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

Description R thousand	## #	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1	Budget Year +2
CASH FLOW FROM OPERATING ACTIVITIES									28,529	29,841	31,154
Receipts									61,725	64,564	67,405
Property rates Service charges Other revenue		–	6,697	17,502	29,686	23,876	23,876	23,876	171,527	179,564	188,983
Transfers and Subsidies - Operational Transfers and		21,408	18,182	19,380	39,308	47,581	47,581	47,581	206,675	215,238	224,674
Subsidies - Capital Interest		34,775	20,818	17,552	180,586	160,945	160,945	160,945	51,148	67,371	69,459
Dividends	1	176,347	185,081	200,360	211,061	211,061	211,061	211,061	14,080	14,727	15,375
Payments	1	60,771	55,075	78,196	56,067	67,420	67,420	67,420	–	–	–
Suppliers and employees Interest	1	114	368	1,804	5,661	13,267	13,267	13,267	(388,667)	(403,999)	(423,074)
Transfers and Subsidies		–	–	–	–	–	–	–	(6,635)	(6,941)	(7,246)
									–	–	–
		(173,625)	(144,990)	(175,528)	(369,617)	(371,080)	(371,080)	(371,080)			
		–	–	(464)	(5,966)	(5,966)	(5,966)	(5,966)			
		–	–	–	–	–	–	–			
NET CASH FROM/(USED) OPERATING		**119 791**	**141 231**	**158 801**	**146 787**	**147 106**	**147 106**	**147 106**	**138 380**	**160 365**	**166 731**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									365	382	399
Decrease (increase) in non-current receivables		–	–	–	542	1,155	1,155	1,155	–	–	–
Decrease (increase) in non-current investments		40	931	(920)	–	–	–	–	–	–	–
Payments		–	–	–	–	–	–	–	(60,339)	(78,698)	(82,202)
Capital assets											
		(70 750)	(74 761)	(96 782)	(68 017)	(90 044)	(90 044)	(90 044)			
NET CASH FROM/(USED) INVESTING		**(70 710)**	**(73 830)**	**(97 701)**	**(67 475)**	**(88 889)**	**(88 889)**	**(88 889)**	**(59 974)**	**(78 316)**	**(81 803)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	30,000	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments									–	–	–
Repayment of borrowing											
		–	–	9 607	–	–	–	–			
NET CASH FROM/(USED) FINANCING		**–**	**–**	**39 607**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	2	**49 081**	**67 401**	**100 707**	**79 312**	**58 217**	**58 217**	**58 217**	**78,407**	**82,049**	**84,928**
Cash/cash equivalents at the year begin: Cash/cash	2	**110 529**	**77 313**	**45 752**	**45 752**	**45 752**	**45 752**	**45 752**	**51,913**	**130,320**	**212,369**
equivalents at the year end:		**159 610**	**144 714**	**146 459**	**125 064**	**103 969**	**103 969**	**103 969**	**130,320**	**212,369**	**297,298**

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance, in other words, the *actual collection rate* of billed revenue.

Description R thousand	## #	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1	Budget Year +2
CASH FLOW FROM OPERATING ACTIVITIES									28,529	29,841	31,154
Receipts									61,725	64,564	67,405
Property rates Service charges Other revenue		–	6,697	17,502	29,686	23,876	23,876	23,876	171,527	179,564	188,983
Transfers and Subsidies - Operational Transfers and		21,408	18,182	19,380	39,308	47,581	47,581	47,581	206,675	215,238	224,674
Subsidies - Capital Interest		34,775	20,818	17,552	180,586	160,945	160,945	160,945	51,148	67,371	69,459
Dividends	1	176,347	185,081	200,360	211,061	211,061	211,061	211,061	14,080	14,727	15,375
Payments	1	60,771	55,075	78,196	56,067	67,420	67,420	67,420	–	–	–
Suppliers and employees Interest	1	114	368	1,804	5,661	13,267	13,267	13,267	(388,667)	(403,999)	(423,074)
Transfers and Subsidies		–	–	–	–	–	–	–	(6,635)	(6,941)	(7,246)
									–	–	–
		(173,625)	(144,990)	(175,528)	(369,617)	(371,080)	(371,080)	(371,080)			
		–	–	(464)	(5,966)	(5,966)	(5,966)	(5,966)			
		–	–	–	–	–	–	–			
NET CASH FROM/(USED) OPERATING		**119 791**	**141 231**	**158 801**	**146 787**	**147 106**	**147 106**	**147 106**	**138 380**	**160 365**	**166 731**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									365	382	399
Decrease (increase) in non-current receivables		–	–	–	542	1,155	1,155	1,155	–	–	–
Decrease (increase) in non-current investments		40	931	(920)	–	–	–	–	–	–	–
Payments		–	–	–	–	–	–	–	(60,339)	(78,698)	(82,202)
Capital assets											
		(70 750)	(74 761)	(96 782)	(68 017)	(90 044)	(90 044)	(90 044)			
NET CASH FROM/(USED) INVESTING		**(70 710)**	**(73 830)**	**(97 701)**	**(67 475)**	**(88 889)**	**(88 889)**	**(88 889)**	**(59 974)**	**(78 316)**	**(81 803)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	30,000	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments									–	–	–
Repayment of borrowing											
		–	–	9 607	–	–	–	–			
NET CASH FROM/(USED) FINANCING		**–**	**–**	**39 607**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	2	**49 081**	**67 401**	**100 707**	**79 312**	**58 217**	**58 217**	**58 217**	**78,407**	**82,049**	**84,928**
Cash/cash equivalents at the year begin: Cash/cash	2	**110 529**	**77 313**	**45 752**	**45 752**	**45 752**	**45 752**	**45 752**	**51,913**	**130,320**	**212,369**
equivalents at the year end:		**159 610**	**144 714**	**146 459**	**125 064**	**103 969**	**103 969**	**103 969**	**130,320**	**212,369**	**297,298**

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

Description R thousand	## ##	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1	Budget Year +2
CAPITAL EXPENDITURE	1									
Total New Assets	2	**69 090**	**53 639**	**68 298**	**66 517**	**84 776**	**84 776**	**60 339**	**78 698**	**82 202**
Roads Infrastructure		26 604	34 615	45 772	41573	54 426	54 426	45 331	49 085	51261
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		8 120	16 038	9 303	12 994	17 132	17 132	7 287	21538	22 509
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		11994	–	–	2 100	1500	1500	600	628	655
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***46 719***	***50 654***	***55 075***	***56 667***	***73 058***	***73 058***	***53 218***	***71250***	***74 426***
Community Facilities		4 055	(6 877)	–	1250	800	800	700	732	764
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***4 055***	***(6 877)***	**–**	***1250***	***800***	***800***	***700***	***732***	***764***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		12 370	4 198	7 306	250	2 726	2 726	3 471	3 631	3 790
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***12 370***	***4 198***	***7 306***	***250***	***2 726***	***2 726***	***3 471***	***3 631***	***3 790***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**984**	**2 178**	**1862**	**2 000**	**1799**	**1799**	**1000**	**1046**	**1092**
Furniture and Office Equipment		**831**	**495**	**1567**	**1000**	**2 170**	**2 170**	**550**	**575**	**601**
Machinery and Equipment		**2 979**	**1227**	**551**	**2 500**	**1022**	**1022**	**–**	**–**	**–**
Transport Assets		**1 152**	**1764**	**1936**	**2 850**	**3 200**	**3 200**	**1400**	**1464**	**1529**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets		**–**	**15 037**	**2 340**	**1 500**	**500**	**500**	**–**	**–**	**–**
Roads Infrastructure		–	3 136	2 340	1500	500	500	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		**–**	***3 136***	***2 340***	***1 500***	***500***	***500***	**–**	**–**	**–**
Community Facilities		–	11902	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	***11 902***	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	–	–	–	–	769	769	–	–	–
Roads Infrastructure		–	–	–	–	769	769	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	769	769	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	**69 090**	**68 676**	**70 638**	**68 017**	**86 044**	**86 044**	**60 339**	**78 698**	**82 202**
Roads Infrastructure		26 604	37 751	48 112	43 073	55 695	55 695	45 331	49 085	51261
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		8 120	16 038	9 303	12 994	17 132	17 132	7 287	21538	22 509
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		11994	–	–	2 100	1500	1500	600	628	655
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***46 719***	***53 789***	***57 415***	***58 167***	***74 327***	***74 327***	***53 218***	***71250***	***74 426***
Community Facilities		4 055	5 025	–	1250	800	800	700	732	764
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***4 055***	***5 025***	**–**	***1250***	***800***	***800***	***700***	***732***	***764***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		12 370	4 198	7 306	250	2 726	2 726	3 471	3 631	3 790
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***12 370***	***4 198***	***7 306***	***250***	***2 726***	***2 726***	***3 471***	***3 631***	***3 790***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		**984**	**2 178**	**1862**	**2 000**	**1799**	**1799**	**1000**	**1046**	**1092**
Furniture and Office Equipment		**831**	**495**	**1567**	**1000**	**2 170**	**2 170**	**550**	**575**	**601**
Machinery and Equipment		**2 979**	**1227**	**551**	**2 500**	**1022**	**1022**	**–**	**–**	**–**
Transport Assets		**1152**	**1764**	**1936**	**2 850**	**3 200**	**3 200**	**1400**	**1464**	**1529**
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**69 090**	**68 676**	**70 638**	**68 017**	**86 044**	**86 044**	**60 339**	**78 698**	**82 202**

ASSET REGISTER SUMMARY - PPE (WDV)		5	***523 234***	***545 027***	***585 121***	***586 497***	***586 735***	***586 735***	***600 718***	***554 426***	***507 013***
Roads Infrastructure			269 398	273 118	285 278	(25 672)	(25 672)	(25 672)	(25 672)	(52 524)	(80 559)
Storm water Infrastructure			–	–	–	–	–	–	–	–	–
Electrical Infrastructure			60 499	63 891	79 973	(3 249)	(3 249)	(3 249)	598 808	596 947	595 004
Water Supply Infrastructure			–	–	–	–	–	–	–	–	–
Sanitation Infrastructure			–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure			23 164	14 383	14 719	(3 500)	(3 500)	(3 500)	(3 500)	(7 161)	(10 983)
Rail Infrastructure			–	–	–	–	–	–	–	–	–
Coastal Infrastructure			–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure			–	–	–	–	–	–	–	–	–
Infrastructure			***353 061***	***351 392***	***379 969***	***(32 421)***	***(32 421)***	***(32 421)***	***569 636***	***537 251***	***503 462***
Community Assets			53 074	68 718	84 468	–	–	–	–	1 714	4 420
Heritage Assets			–	–	–	–	–	–	–	–	–
Investment properties			44 628	44 149	43 657	46 798	46 798	46 798	40 685	35 567	30 224
Other Assets			48 336	54 984	49 834	(5 888)	(5 888)	(5 888)	(1 255)	(2 567)	(3 937)
Biological or Cultivated Assets			–	–	–	–	–	–	–	–	–
Intangible Assets			1	430	429	473	473	473	448	448	448
Computer Equipment			5 763	5 632	7 648	1 275	2 574	2 574	239	489	749
Furniture and Office Equipment			2 150	1 772	2 997	(1 173)	(1 536)	(1 536)	(1 735)	(3 549)	(5 444)
Machinery and Equipment			6 857	6 911	6 744	583 166	580 886	580 886	(1 322)	(2 705)	(4 148)
Transport Assets			6 970	8 644	8 381	(5 734)	(4 151)	(4 151)	(5 979)	(12 232)	(18 761)
Land			2 394	2 394	2 394	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals			–	–	–	–	–	–	–	–	–
Living Resources			–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	**523 234**	**545 027**	**585 121**	**586 497**	**586 735**	**586 735**	**600 718**	**554 426**	**507 013**
EXPENDITURE OTHER ITEMS			**59 592**	**46 666**	**44 407**	**79 155**	**66 871**	**66 871**	**69 207**	**72 390**	**75 575**
Depreciation		7	46 556	38 405	35 389	51 672	50 472	50 472	50 915	53 257	55 600
Repairs and Maintenance by Asset Class		3	**13 036**	**8 261**	**8 618**	**27 483**	**16 399**	**16 399**	**18 292**	**19 133**	**19 975**
Roads Infrastructure			4 220	1 724	1 645	6 924	5 924	5 924	6 051	6 329	6 608
Storm water Infrastructure			–	–	–	–	–	–	–	–	–
Electrical Infrastructure			3 615	1 694	2 158	5 500	3 500	3 500	3 500	3 661	3 822
Water Supply Infrastructure			–	–	–	–	–	–	–	–	–
Sanitation Infrastructure			–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure			–	–	–	–	–	–	–	–	–
Rail Infrastructure			–	–	–	–	–	–	–	–	–
Coastal Infrastructure			–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure			–	–	–	–	–	–	–	–	–
Infrastructure			***7 834***	***3 418***	***3 803***	***12 424***	***9 424***	***9 424***	***9 551***	***9 990***	***10 430***
Community Facilities			–	–	61	5 185	0	0	2 000	2 092	2 184
Sport and Recreation Facilities			–	–	–	–	–	–	–	–	–
Community Assets			**–**	**–**	***61***	***5 185***	***0***	***0***	***2 000***	***2 092***	***2 184***
Heritage Assets			**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating			–	–	–	–	–	–	–	–	–
Non-revenue Generating			–	–	–	–	–	–	–	–	–
Investment properties			**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings			553	751	995	–	1800	1800	1879	1966	2 052
Housing			–	–	–	–	–	–	–	–	–
Other Assets			***553***	***751***	***995***	**–**	***1800***	***1800***	***1879***	***1966***	***2 052***
Biological or Cultivated Assets			**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes			–	–	–	–	–	–	–	–	–
Licences and Rights			–	–	–	–	–	–	–	–	–
Intangible Assets			–	–	–	–	–	–	–	–	–
Computer Equipment			**80**	**420**	**388**	**500**	**1 050**	**1 050**	**602**	**630**	**658**
Furniture and Office Equipment			**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment			**2 176**	**2 037**	**1 788**	**6 960**	**410**	**410**	**449**	**470**	**491**
Transport Assets			**2 393**	**1 635**	**1 782**	**2 415**	**3 715**	**3 715**	**3 809**	**3 985**	**4 160**
Land			**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals			**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature			–	-	-	-	-	-	-	-	-
Immature			–	-	-	-	-	-	-	-	-
Living Resources			-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS			**59 592**	**46 666**	**44 407**	**79 155**	**66 871**	**66 871**	**69 207**	**72 390**	**75 575**
Renewal and upgrading of Existing Assets as % of total capex			*0.0%*	*21.9%*	*3.3%*	*2.2%*	*1.5%*	*1.5%*	*0.0%*	*0.0%*	*0.0%*
Renewal and upgrading of Existing Assets as % of deprecn			*0.0%*	*39.2%*	*6.6%*	*2.9%*	*2.5%*	*2.5%*	*0.0%*	*0.0%*	*0.0%*
R&M as a % of PPE			*2.5%*	*1.5%*	*1.5%*	*4.7%*	*2.8%*	*2.8%*	*3.0%*	*3.5%*	*3.9%*
Renewal and upgrading and R&M as a % of PPE			*2.5%*	*4.3%*	*1.9%*	*4.9%*	*3.0%*	*3.0%*	*3.0%*	*3.5%*	*3.9%*

Choose name from list - Table A10 Basic service delivery measurement

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1	Budget Year +2
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling) Using public tap (at least min.service level) Other water supply (at least min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	2	–	–	–	–	–	–	–	–	–
Using public tap (< min.service level) Other water supply (< min.service level) No water supply	4	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	3	–	–	–	–	–	–	–	–	–
Total number of households		–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	4	–	–	–	–	–	–	–	–	–
Flush toilet (connected to sewerage) Flush toilet (with septic tank) Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	5	–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level) No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households		–	–	–	–	–	–	–	–	–
Energy:		–	–	–	–	–	–	–	–	–
Electricity (at least min.service level) Electricity - prepaid (min.service level)										
Minimum Service Level and Above sub-total										
Electricity (< min.service level) Electricity - prepaid (< min. service level) Other energy sources										
Below Minimum Service Level sub-total										
Total number of households		–	–	–	–	–	–	–	–	–
Refuse:		–	–	–	–	–	–	–	–	–
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week Using communal refuse dump										
Using own refuse dump Other rubbish disposal No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	5	–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	2 239	2 239	2 239	2 337	2 445	2 552
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	12	2 492	5 905	10 588	10 588	12 457	13 030	13 604
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	753	753	753	787	823	859
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		–	12	2 492	8 898	13 580	13 580	15 581	16 298	17 015

Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual Budget. For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

4.9.8 Overview of The Annual Budget Process

The above is tabled in the process plan under heading 1.3.6.7 above

4.9.9 IDP and Service Delivery and Budget Implementation Plan

This is the third review of the IDP as adopted by Council in May 2024. It started in July 2023 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2024/25 MTREF in June 2023. The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2024/25-2025/26 MTREF, based on the approved 2024/25 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections. With the compilation of the 2024/25-2025/26 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2024/25 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

4.9.10 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2025/26-2027/28 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2025/26-2027/28 MTREF:

- Municipality's growth

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2024/25 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 130 has been taken into consideration in the planning and prioritisation process.

Community Consultation

The draft 2025/2026; 2025/2026-2027/2028 MTREF as tabled before Council on 31 March 2025 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries. Ward Committees were utilised to facilitate the community consultation process from 19-21 April 2025, in all 17 wards of Elundini Local Municipality. The applicable dates and venues were published in municipal website. Individual sessions were scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs. Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2026/28 MTREF. Feedback and responses to the submissions received are available on request.

4.9.11 Overview of Alignment of Annual Budget With IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget.

An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery. Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements. The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning;
- Government Programme of Action;
- Development Facilitation Act of 1995;

- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2021 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2026/28 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

2021-2026 Council Term		2025/26MTREF	
1.	Accelerate delivery of reliable basic service and resilient infrastructure.	1.	Accelerate delivery of reliable basic service and resilient infrastructure
2.	Promote economic growth, environment sustainability through job absorbing sectors	2.	Promote economic growth, environment sustainability through job absorbing sectors
3.	Improve the effectiveness of governance administrative and financial systems	3.	Improve the effectiveness of governance administrative and financial systems

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements. Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

Provision of quality basic services and infrastructure which includes, amongst others:

- Provide electricity;
- Provide waste removal;
- Provide roads and storm water;

- Constructing and maintaining the infrastructure of the Municipality.

Economic growth and development that leads to sustainable job creation by:

- Ensuring there is a clear structural plan for the Municipality;
- Ensuring planning processes function in accordance with set timeframes;
- Facilitating the use of labour-intensive approaches in the delivery of services and the building of infrastructure.

Fight poverty and build clean, healthy, safe and sustainable communities:

- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective city cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring save working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimizing effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above. In

addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners. This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area-based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2025/26- 2027/28 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

4.10. Overview of budget assumptions

4.10.1. External factors

It must be noted that Elundini municipality is predominantly rural, therefore there are limited job opportunities within the municipal area. Be that as it may the municipality has managed to give jobs to many households through Expanded Public Works Programme. The municipality has set aside from its own reserves an amount of R2 million for the expansion of the EPWP programme in order to give more jobs to the community. Financial resources are limited due to the non-payment of debtors, most households are indigent they cannot afford to pay municipal accounts. The municipality is forced to implement Indigent policy and write off debts for the qualifying debtors.

4.10.2. General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2025/2026-2027/2028 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity
- The increase in the cost of remuneration. Employee related costs comprise 40 per cent of total operating expenditure for the 2026/28 MTREF.

4.10.3. Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate of 4.3%. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term. The rate of revenue collection is currently expressed as a percentage (80 per cent) of annual billings. Cash flow is assumed to be 80 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

4.10.4. Salary increases

The collective agreement regarding salaries/wages will come into operation on 1 July 2025 and shall remain in force until 30 June 2026. The salary increase has not yet been finalised pending negotiations however, 7.7 percent for the 2025/2026 budget year has been budgeted for.

4.10.5. Creditors and Loans

The municipality is procuring goods and services from service providers, when good and services are delivered then municipality is paying its creditors within 30 days as per the norm. The municipality has a long-term loan with Standard Bank financial institution for an amount of R30 Million for a period of three years, the municipality is servicing its loan on monthly basis as per service level agreement.

4.10.6. Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and, in this regard, various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

4.10.7. Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the MTREF of which performance has been factored into the cash flow budget.

4.11. Consolidated Investment Register for each and every grant received

		ELUNDINI INVESTMENT REPORT					
		01 February 2025 TO 28 February 2025					
NAME OF INVESTMENT	PURPOSE	ACCOUNT NO	BALANCE AS AT 01/02/2025	INTEREST RECIVED	WITHDRAWALS	DEPOSIT	TOAL AS AT 28/02/2025
ELUNDINI EXPAND PUBLIC WOR	EX PUBLIC WORKS PRO	388497173-001	R 25 418.22	R 1 738.05		R 635 000.00	R 662 156.27
ELUNDINI VOTER STATION	INFRASTRUCTURE GRAN	388497165-001	R 1 706.65	R 5.30			R 1 711.95
EQUITABLE SHARE FNB	SUBSIDY FOR POOR	62189194170	R 257 107.23	R 968.65	R 253 625.09		R 4 450.79
FINANCE MANAGEMENT GRANT	CONDITIONAL GRANT	388493410-002	R 1 773 308.43	R 8 026.04			R 1 781 334.47
MAYOR'S SOCIAL INVESTMENT	MAYORS SOCIAL INVEST	62378875226	R 651 465.10	R 3 141.31			R 654 606.41
MUNICIPAL DISASTER GRANT	CONDITIONAL GRANT	388493003-001	R 3 442 744.11	R 12 572.93	R 1 431 995.21		R 2 023 321.83
MIG	CONDITIONAL GRANT	62189180111	R 4 182 312.47	R 45 972.03	R 2 306 151.74	R 6 348 000.00	R 8 270 132.76
NER	ELECTRICITY UPGRADIN	388490810-001	R 1 766 711.26	R 7 996.18			R 1 774 707.44
WORKING CAPITAL RESERVE	RESEVERS	62284785121	R 126 180.96	R 763.13	R 120 000.00		R 6 944.09
JOE GQABI	WATER AND SANITAION	62557779322	R 5 828 158.27	R 31 296.41			R 5 859 454.68
ENERGY EFFICIANCY	CONDITIONAL GRANT	62785909650	R 6 270.32	R 33.67			R 6 303.99
SOLIDARITY FUND	SOLIDARITY GRANT	62852498023	R 163 147.64	R 876.08			R 164 023.72
SMART METERS	SMART METERS	63043360592	R 7 623 786.26	R 25 420.40	R 5 916 672.45		R 1 732 534.21
CLEANSING PROJECT	CONDITIONAL GRANT	63062748513	R 865 585.97	R 4 318.21	R 860 000.00		R 9 904.18
SECURITY ACCOUNT	SECURITY	388490365-001	R 3 405 172.60	R 23 934.25			R 3 429 106.85
LIBRARY ACCOUNT	CONDITIONAL GRANT	63101211372	R 1 033.65	R 5.55			R 1 039.20
RETENTION ACCOUNT	RETENTION	63101209921	R 540 417.80	R 1 770.46	R 540 000.00	R 1 200 000.00	R 1 202 188.26
INEP	INEP	63111791380	R 18 394.62	R 98.78			R 18 493.40
TOTAL			**R 30 678 921.56**	**R 168 937.43**	**R 11 428 444.49**	**R 8 183 000.00**	**R 27 602 414.50**
		FNB	**R 20 263 860.29**	**R 114 664.68**	**R 9 996 449.28**	**R 7 548 000.00**	**R 17 930 075.69**
		STD BANK	**R 10 415 061.27**	**R 54 272.75**	**R 1 431 995.21**	**R 635 000.00**	**R 9 672 338.81**
		TOTAL	**R 30 678 921.56**	**R 168 937.43**	**R 11 428 444.49**	**R 8 183 000.00**	**R 27 602 414.50**
		CURRENT ACCOU	**R 5 808 540.48**	**R 15 756.67**	**R 359.00**	**R 2 597 437.69**	**R 1 093 823.90**

4.12. Grants receipts and Expenditure

Grants receipts and Expenditure				
ELUNDINI LOCAL MUNICIPALITY				
DRAFT BUDGET 2025/26				
CONDITIONAL GRANTS				
Segment Desc	2024 Year Receipts	2024 % spent	2025 Year Receipts	2025 % spent
Operating Grants				
Equitable share	190 445 000	100%	200 668 000	75%
Financial Management Grant	17 000 000	100%	1 700 000	31%
EPWP	1 580 000	100%	2 079 000	100%
Library Grant	750 000	100%	1 312 000	51%
Dedea Grant -Allien			3 000 000	61%
MIG operating grant			2 267 000	100%
Capital Grants				
Munucipal Management Grant	45 160 630	100%	43 073 000	73%
INEP	15 456 000	100%	12 994 000	52%
Disaster grant			11 352 000	74%

4.13. Overview of budget funding

4.13.1. Medium-term outlook: operating revenue

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

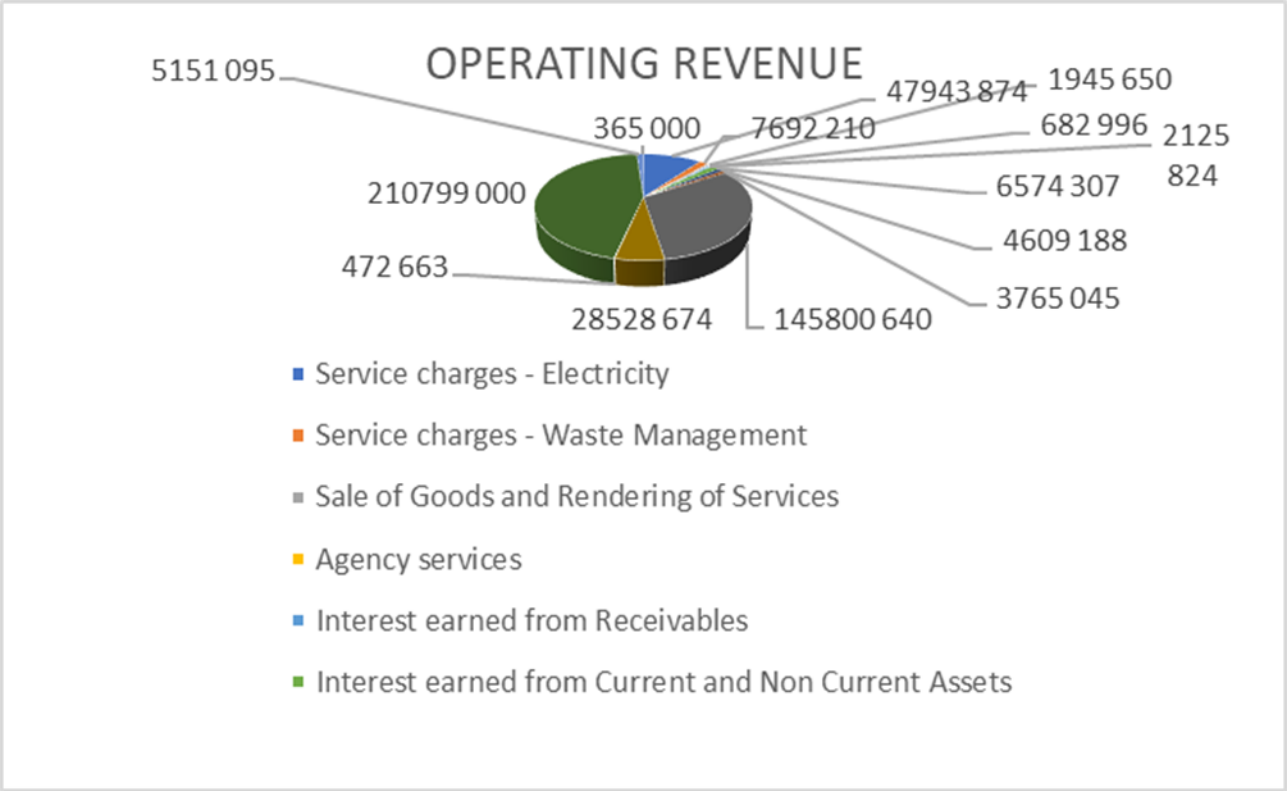


Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1	Budget Year +2
Cash and investments available: Cash/cash equivalents at the year end	1	159,610	144,714	146,459	125,064	103,969	103,969	103,969	130,320	212,369	297,298
Other current investments > 90 days	1	(82,297)	(98,962)	(96,734)	0	0	0	(75,262)	–	0	–
Non current Investments		–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**77 313**	**45 752**	**49 726**	**125 064**	**103 969**	**103 969**	**28 707**	**130 320**	**212 369**	**297 298**
Application of cash and investments: Unspent conditional transfers		5,588	40	11,976	42	4,042	4,042	19,925	12,503	12,503	12,503
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements											
Other working capital requirements	2										
Other provisions											
Long term investments committed	3	(84 578)	(104 435)	(124 374)	(11035)	(9 654)	(9 654)	145 290	(9 010)	(12 486)	(16 149)
Reserves to be backed by cash/investments	4	40 348	58 050	49 071	82 737	77 244	77 244	(23 433)	58 732	103 257	141437
	5	42 953	15 731	12 342	33 781	33 781	33 781	(12 342)	19 682	19 682	19 682
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**4 311**	**(30 613)**	**(50 984)**	**105 526**	**105 414**	**105 414**	**129 440**	**81 907**	**122 957**	**157 474**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief		**73 002**	**76 366**	**100 709**	**19 539**	**(1445)**	**(1445)**	**(100 733)**	**48 414**	**89 413**	**139 824**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**73 002**	**76 366**	**100 709**	**19 539**	**(1445)**	**(1445)**	**(100 733)**	**48 414**	**89 413**	**139 824**

4.14. Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

4.15. Capital expenditure details

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

4.16. Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

4.16.1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

4.16.2. Quarterly Reports

Reporting to National Treasury in electronic format was fully complied with on quartery basis. Section 52(d) reporting to the Executive Mayor (within 30 working days) has progressively improved and includes quarterly published financial performance on the municipality's website.

4.16.3. Mid Year Reporting

Reporting to National Treasury in electronic format was fully complied with on half yearly basis. Section 72 reporting to the Executive Mayor on the 25th of January each year has progressively improved and includes mid-year published financial performance on the municipality's website.

4.16.4. Annual Reporting

Reporting to National Treasury in electronic format was fully complied with on annual report which is reported on annual bases, each year has progressively improved and it is published on the municipality's website.

4.16.5 Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.

4.16.6 MFMA Training

The MFMA training module in electronic format is presented at the municipality's internal centre and training is ongoing.

5. CHAPTER FIVE: PROJECT IDENTIFICATION

5.1 Elundini Three Year Capital Plan (Municipal Infrastructure Grant – MIG)

No	Project Name	Ward No	Extent of Works	Status	Project Value	Registration Status (Yes/No)	Funder	2025 / 2026	2026 / 2027	2027 / 2028
								R 47,450,000.00	***R51,668,000.00***	**R53,959,000.00**
	Project Management Unit	-	-		-		MIG	R2,385,800.00	R2,583,400.00	R2,697,950.00
1	Upgrading & Rehabilitation of Maclear Roads (Cluster 1 Roads) - Phase 3	3	1,11km	Complete	R 31,527,721.71	Yes	MIG			R12,850,000.00
2	Construction of Refele Sport Field	14	1 unit	Complete	R 20,779,792.97	Yes	MIG			
3	Construction of Chevy-Chase - Nkangala Access Road	16	4,5km	Complete	R 4,602,191.14	Yes	MIG			
4	Castle Rocks and Bridge	16	1.95	Complete	R 3,781,042.18	Yes	MIG			
5	Surfacing of Ugie Park Streets & Stormwater	2	3.23	Designs	R 27,087,942.90	Yes	MIG			
6	Surfacing of Greenfields Streets & Stormwater	17	5.84	Designs	R 34,780,379.44	Yes	MIG			
7	Construction of Bhethula to Mrhorwana Access Road	4	2,78km	Complete	R 6,509,043.25	Yes	MIG			
8	Ntokozweni / Kuyasa Preschool	2	1 unit	Complete	R 4,428,573.68	Yes	MIG			
9	Castle Rocks and Bridge			Complete						
10	Construction of Refele Sport Field PH 2	8	1 unit	Complete	R 20,779,792.97	Yes	MIG			
11	Surfacing of Ugie Park Streets & Stormwater (Ph 1,2&3)	2	3,23km	Construction	R 27,087,942.90	Yes	MIG	R8,445,247.00		
12	Surfacing of Greenfields Streets & Stormwater (Ph 1,2&3)	17	5,84km	Construction	R 34,780,379.44	Yes	MIG	R1,673,539.02		
13	Surfacing of Mt Fletcher Urban Roads & Stormwater	9	2km	Construction	R 17,231,531.00	Yes	MIG	R6,538,592.00		

14	Epainette Mbeki Access Road	9	2,5km	Construction	R 5,492,343.18	Yes	MIG	R6,271,148.38		
15	R56 to Khalankomo Upgrade	9	2,5km	Construction	R 5,492,343.18	Yes	MIG	R3,995,110.60		
16	Construction of Xaxazana Special School Access Road	11	2km	Complete	R 5,093,063.18	Yes	MIG			
17	West Hoek Access Road	10	6km	Construction	R 9,119,213.18	Yes	MIG	R8,097,862.00	R -	
18	Katlehong Township and Ilisolomzi Township Streets (Planning)	9	6,71km	Complete	R 54,186,436.00	Yes	MIG			
19	Delibawo via Maweni Access Road (Planning)	1	4,48km	Construction	R 7,661,965.91	Yes	MIG	R6,308,701.00	R -	
20	Seqhobong Access Road (Planning)	13	2km	Complete	R 5,307,250.00	Yes	MIG			
21	Thutsing Access Road (Planning)	14	1,7km	Complete	R 5,125,047.62	Yes	MIG			
22	Roads and Storwater Master plan	All Wards	1	Complete	R2,401,750.00	Yes	MIG			
23	Procurement of Specialised Waste Management Yellow Plant	All Wards	1	Construction	R16,236,250.80	Yes	MIG	R4,000,000.00		R2,236,250.80
24	Upgrade of Hopedale Sportsfield (Phase 3)	6	1 unit	Registration	R 14,601,270.97	Yes	MIG			
25	Community Hall for ward 14	14	1 Unit	Require Business Plan	R 4,366,870.96	No	MIG			
26	Sonwabile PH1 & PH2 remedial work									
27	Moroqa to Sophonia Bridges									
28	Mt fletcher Public Toilets									
29	Queen Noti Clinic to Jamangile SSS AR	6	8km	Require Business Plan	TBC	No	MIG			
30	Tembeni housing project: infrastructure roads	9	TBC	Require Business Plan	TBC	No	MIG			
31	Community Hall for ward 12 at Kinira Poort	12	1 Unit	Require Business Plan	TBC	No	MIG			

32	Upgrading of Katlehong Township and Ilisolomzi Township Streets	9	2.34 km	Construction	R22,069,797.03	Yes	MIG		R11,034,898.50	R11,034,898.53
33	Upgrading of Nqanqarhu Roads - Cluster 2	3	1.30 km	Construction	R9,958,706.16	Yes	MIG		R9,337,091.45	R621,614.71
34	Construction of Seqhobong Access Road	13	3.14 km	Construction	R4,861,565.89	Yes	MIG		R4,861,565.00	R0.89
35	Construction of Thutsing Access Road	14	1.70 km	Construction	R2,535,068.97	Yes	MIG		R2,535,068.97	R0.00
36	Construciton of Marhombe Access Road	7	5.50 km	Construction	R8,392,729.37	Yes	MIG		R 6,392,729.37	R2,000,000.00
37	Construction of St Augustine Access Road	5	4.14 km	Construction	R6,361,520.16	Yes	MIG			R6,361,520.16
38	Construction of Mpokone Access Road	5	2.66 km	Construction	R4,342,023.71	Yes	MIG		R4,342,023.71	
39	Construction of Madzura Access road	10	5.0 km	Construction	R8,052,473.18	Yes	MIG		R6,081,223.00	R1,971,250.18
40	Kose to Mbonisweni via Diphini (Planning)	5	5.0 km	Planning	R 500,000.00	Yes	MIG		R 500,000.00	
41	Mpukane Access Road (Planning)	6	5.0 km	Planning	R 500,000.00	Yes	MIG			R500,000.00
42	Khalatsu Access Road with Bridge (Planning)	15	5.0 km	Planning	R 500,000.00	Yes	MIG		R 500,000.00	
43	Lephofung Access Road (Planning)	15	5.0 km	Planning	R 500,000.00	Yes	MIG		R 500,000.00	
44	Upper Sinxako Access Road (Planning)	6	5.0 km	Planning	R 500,000.00	Yes	MIG		R 500,000.00	
45	Mabekong Access Road (Planning)	12	5.0 km	Planning	R 500,000.00	Yes	MIG		R 500,000.00	
46	Fletcherville Access Road (Planning)	11	5.0 km	Planning	R 500,000.00	Yes	MIG			R500,000.00
47	Ntywenka Access Road (Planning)	5	5.0 km	Planning	R 500,000.00	Yes	MIG		R 500,000.00	
48	Matsupelele Access Road (Planning)	7	5.0 km	Planning	R 500,000.00	Yes	MIG		R 500,000.00	
49	Mahlathini Access (Planning)	7	5.0 km	Planning	R 500,000.00	Yes	MIG		R 500,000.00	

50	Nxaxha Goji Access Road (Planning)	7	5.0 km	Planning	R 500,000.00	Yes	MIG		R 500,000.00	
51	Ntaboduli Access Road (Planning)	7	5.0 km	Planning	R 500,000.00	Yes	MIG			
52	Community Hall for ward 05	5	1 Unit	Require Business Plan	R 4,366,870.96	No	MIG			
53	Community Hall for ward 06	6	1 Unit	Require Business Plan	R 4,366,870.96	No	MIG			
54	Community Hall for ward 08	8	1 Unit	Require Business Plan	R 4,366,870.96	No	MIG			
55	Community Hall for ward 11	11	1 Unit	Require Business Plan	R 4,366,870.96	No	MIG			
56	Community Hall for ward 13	13	1 Unit	Require Business Plan	R 4,366,870.96	No	MIG			
57	Community Hall for ward 14	14	1 Unit	Require Business Plan	R 4,366,870.96	No	MIG			
58	Community Hall for ward 15	15	1 Unit	Require Business Plan	R 4,366,870.96	No	MIG		R -	
59	Maintenance of Roads	All Wards						R -	R -	R3,580,571.33
								R47,716,000	**R 51,668,000.00**	**R 44,354,056.60**

5.2. INEP Three Year Project Implementation Plan

ELUNDINI MUNICIPALITY: INEP THREE YEAR CAPITAL IMPLEMENTATION PLAN 2024-2025 to 2026-2027 FINANCIAL YEAR								
Item	**Village Name**	**Ward No**	**No of connections**	**Project Cost**	**Funder**	**Three Year Period**		
						2025/2026	2026 / 2027	2028 / 2029
						R5 817 000,00	R20 000 000,00	R20 000 000,00
1	Makotlane P2	13	33	R2 430 154,70	INEP	R2 430 154,70		
2	Koebung P2	13	37	R1 140 048,92	INEP	R1 140 048,92		
3	Lubisini (Pre-eng)	11	87	R290 000,00	INEP	R290 000,00		
4	Jojweni (Nkunyana Pre-eng)	8	73	R290 000,00	INEP	R290 000,00		
5	Khalazembe (Pre-eng)	11	73	R290 000,00	INEP	R290 000,00		
6	Umnga flats 32km link line (pre-eng)	1		R640 000,00	INEP	R640 000,00		
7	Thabatlana (pre-eng)	12	25	R226 000,00	INEP	R226 000,00		
8	Gqaqala (pre-eng)	17	40	R256 000,00	INEP	R256 000,00		
9	Makgaditseng (pre-eng)	12	37	R255 031,00	INEP	R255 031,00		
10	Makotlane P3	13	50	R1 540 606,65	INEP		R1 540 606,65	
11	Lubisini	11	87	R2 680 655,58	INEP		R2 680 655,58	
12	Jojweni (Nkunyana)	8	73	R2 249 285,71	INEP		R2 249 285,71	
13	Khalazembe	11	73	R2 249 285,71	INEP		R2 249 285,71	
14	Thabatlana	12	25	R770 303,33	INEP		R770 303,33	
15	Cicirha	1	60	R1 860 000,00	INEP		R1 860 000,00	
16	Ngxaxha Goji	7	22	R682 000,00	INEP		R682 000,00	
17	Gqaqala	17	40	R1 232 485,32	INEP		R1 232 485,32	
18	Makgaditseng	12	37	R1 140 048,92	INEP		R1 140 048,92	
19	Mbidlana (pre-eng)	17	40	R256 000,00	INEP		R256 000,00	

20	Ward 12 extensions (Thabatlala, Leqolong, Popopo, Setaka,Lehlokaneng, Moleko, Mahanyaneng) (Pre-eng)	12	70	R290 000,00	INEP		R290 000,00	
21	Ward 8 Extensions (Luzie, Moroka, Mokgalong, Sekoting, Batlokoa Village, Umfanta, Makhatlanyeng) (Pre-eng)	8	158	R627 670,00	INEP		R627 670,00	
22	Ward 16 Extensions(Balweni, Nkalweni, Calucalu, Mafusini, Nkangala, Ntabamkhitha, Kwaza, Magedla, Chevychase, Zwelitsha, Msasangeni, Sihom, Dryin, Qolweni, Bhantiti, Taung, No.5, Ntatyaneni, Mabalala) (Pre-eng)	16	350	R1 393 329,00	INEP		R1 000 000,00	
23	Top Blocks	13	121	R3 484 500,00	INEP		R1 484 500,00	
24	Top Blocks 7km Link line	11	30	R2 969 500,00	INEP		R1 969 500,00	
25	Umnga Flats	1	100	R5 600 000,00	INEP			R5 600 000,00
26	Mbidlana	17	40	R1 240 000,00	INEP			R1 240 000,00
27	Ward 12 extensions (Thabatlala, Leqolong, Popopo, Setaka,Lehlokaneng, Moleko, Mahanyaneng)	12	70	R2 170 000,00	INEP			R2 170 000,00
28	Ward 8 Extensions (Luzie, Moroka, Mokgalong, Sekoting, Batlokoa Village, Umfanta, Makhatlanyeng)	8	158	R4 898 000,00	INEP			R4 898 000,00
29	Ward 16 Extensions(Balweni, Nkalweni, Calucalu, Mafusini, Nkangala, Ntabamkhitha, Kwaza, Magedla, Chevychase, Zwelitsha, Msasangeni, Sihom, Dryin, Qolwein, Bhantiti, Taung, No.5, Ntatyaneni, Mabalala)	16	350	R6 125 000,00	INEP			R6 125 000,00

5.3 EQS Three Year Capital & Maintenance Implementation Plan

ELUNDINI MUNICIPALITY: EQS THREE YEAR CAPITAL & MAINTENANCE IMPLEMENTATION PLAN 2025-2026 to 2028-2029 FINANCIAL YEAR								
Item	**Village Name**	**Ward No**	**No of connections**	**Project Cost**	**Funder**	**Three Year Period**		
						2025/2026	2026 / 2027	2027 / 2028
						R15 300 000,00	R10 035 000,00	R10 886 750,00
1	% of electricity network executed	3&4	2	R2 200 000,00	EQS	R2 200 000,00		
2	Design of Electricity Stores as per NERSA requirements	4	1	R150 000,00	EQS	R150 000,00		
3	Review Electricity by-laws	3&4	-	-	-	-		
4	Develop Electricity Disruption Contingency Plan	3&4	-	R150 000,00	EQS	R150 000,00		
5	% of maintenance completed for electricity network as per the maintenance plan		-	R3 500 000,00	EQS	R3 500 000,00		
6	% Maintenance on Public lighting		-	R1 000 000,00	EQS	R1 000 000,00		
8	Installation of Smart Meters	3,4 & 17	3 631	R8 000 000,00	Loan	R8 000 000,00		
9	Installation of High Mast Lights	09	1	R1 500 000,00	EQS		R1 500 000,00	
10	% of electricity network executed	3&4	2	R2 310 000,00	EQS		R2 310 000,00	
11	Construction of Electricity Stores as per NERSA requirements	4	1	R3 500 000,00	EQS		R1 500 000,00	
12	% of maintenance completed for electricity network as per the maintenance plan		100%	R3 675 000,00	EQS		R3 675 000,00	
13	% of maintenance completed for electricity network as per the maintenance plan		100%	R1 050 000,00	EQS		R1 050 000,00	
14	Installation of High Mast Lights	16	2	R3 500 000,00				R3 500 000,00
15	% of electricity network executed	3&4	100%	R2 425 500,00				R2 425 500,00
16	% of maintenance completed for electricity network as per the maintenance plan	3&4	100%	R3 858 750,00				R3 858 750,00
17	% of maintenance completed for electricity network as per the maintenance plan	3&4	100%	R1 102 500,00				R1 102 500,00

5.4 Roads Maintenance Plan

5.4.1 Rural Roads and Stormwater Mantainance

WARD NO	VILLAGES	KM OF ROADS
7	Tsitsana to Sphonia; Mpindweni-Gamakhulu; Khohlopong; Marhombe; Great Place; Mfabantu; Ramatee; Ngqayi	
	TOTAL KM	10
8	Nkobongo C TO Phezulu; Luzzie Drift; Moroka-Makgaleng; Mfanta; Sigodini; Ngolo B; Corana C	
	TOTAL KM	15
15	Tsekong; Makguleng; Kgalatsu; Tsolobeng to Lower Toakoana; Access Road Through Lehana; Nkululekweni; Liphakweng; Liphofung; Koltloanong	
	TOTAL KM	15
14	Upper Tokoana; Gxwaleni; Bethania; Diketong; Thabakhobelu; Vuvu; Zindawana; Phirisntu; Kwaxhabadiya; Mchetyana; Diphokong; Gasethi; Sithabathaba; Phutini; Zanyeni	
	TOTAL KM	15
16	Bumbane c; Magedla; Nkangala; Lubalweni SP; Chevy-chase; Jojweni E; Kethekethe; Nkalwenic- to Calucalu; Calu Calu to Ketekete; Karadokhwe; Sihomohorn; No5- Ntatyaneni	
	TOTAL KM	15
4	Matiguru; Matigulu; Mcwangele; Mafusini; Mafusini 2; Upper Tsitsana; Saqhute; Maromeni; Platana; Mafusini; Matiguru; Tshikaro	
	TOTAL KM	15
6	Govane(Upper Sinxako); Didi-B to Qurana; Block A- Siqhungqwini; Block A-Siqhungqwini; Mambulwini	
	TOTAL KM	10
9	Tlokoeng	2
3,4	Nqanqarhu	1
2,4,17	UGIE	2
TOTAL KM		**100**

5.4.2 Urban Road Maintenance

Activity	Stormwater (m)	Stormwater (No)	Road Reserve Maintenance(m^2)	Surfaced road maintenance Black top/ Block Pave(m^2)	Period
Tlokoeng	500	15	1000	100	Quarter 1 July – September 2025
Ugie	500	30	1000	100	
Nqanqarhu	500	20	1000	100	
	1500	**65**	**3000**	**300**	
Tlokoeng	500	15	1000	400	Oct. – Dec. 2025 Quarter 2
Ugie	500	30	1000	400	
Nqanqarhu	500	20	1000	400	
	1500	**65**	**3000**	**1200**	
Tlokoeng	500	15	1000	400	Jan. – March 2026 Quarter 3
Ugie	500	30	1000	400	
Nqanqarhu	500	20	1000	400	
	1500	**65**	**3000**	**1200**	
Tlokoeng	500	15	1000	100	April – May 2026 Quarter 4
Ugie	500	30	1000	100	
Nqanqarhu	500	20	1000	100	
	1500	**65**	**3000**	**300**	
	6000	**260**	**12000**	**3000**	

5.5 Joe Gqabi District Municipality Planned Projects

Project Name	Project Description	Area/S	Project Status	Approved Budget	Source of Funding	2025/2026 Projected Expenditure	2026/2027 Projected Expenditure	2027/2028 Projected Expenditure
Elundini Rural water Programme (ORIO)	The project is aimed at providing potable water to Elundini rural areas. The project scope entails the development of raw waste sources, pumping facilities to the storage reservoirs, bulk pipeline infrastructure, reticulation network infrastructure and communal stand piping. The project is targeting to supply +/- 107 villages in Elundini LM	Multiple Villages	Design and Tender	R 143,813,803	MIG	R 14,000,000	R 20,000,000	R 25,000,000
Maclear Water Treatment & Distribution Upgrade (AC PIPE REPLACEMENT)	Development of Water Treatment Works in Maclear Town with associated bulk infrastructure	Nqanqarhu	Design and Tender	R 95,995,638	MIG	R 0	R 0	R 0
Elundini Rural Sanitation Programme: Phase 6	Provision of VIP Toilets in Elundini LM. The toilets are built of pre-cast concrete. The municipality utilises SMMEs for construction in order to develop our own local contractors	Multiple villages	Construction	R 173,519,999	MIG	R 15,000,000	R 5,000,000	R 5,000,000
Bulk Sanitation Infrastructure Upgrade for Maclear Phase 3B/Stage 2	Upgrading of Bulk Sanitation Infrastructure in Maclear. The project entails the construction of sewer gravity main, Concrete Sewage Pump Station, rising main to the WWTW and WWTW inlet works upgrade	Nqanqarhu	Construction	R 54,737,276	MIG	R 5,000,000	R 0	R 0
Provision of Sanitation Infrastructure for Ugie: Phase 1	The project is aimed at decommissioning the communal septic tanks that are dilapidated and a health hazard in Ugie Park and Ugie Park Extension. The project will entail destruction of existing septic tanks, the sewer reticulation network, sewage pump station, rising main to the WWTW and Refurbishment of Ugie WWTW	Ugie	Design and Tender	R 27,478,319	MIG	R 11,477,798	R 6,000,000	R 3,000,000
Maclear Water Treatment &	Development of Water Treatment Works in Maclear Town with associated bulk infrastructure	Nqanqarhu	Design and Tender	R 226,644,753	MIG	R 0	R 20,000,000	R 20,000,000

Distribution Upgrade (WTW)								
Mt. Fletcher Wastewater Treatment Works and Associated Bulk Infrastructure: Phase 1	Construction of Wastewater treatment in Mt. Fletcher	Tlokoeng	Planning	Not yet registered	MIG	R 0	R 10,000,000	R 15,000,000
Provision of Sanitation Infrastructure for Ugie: Phase 2	Construction of new Wastewater treatment work in Ugie	Ugie	Planning	Not yet registered	MIG	R 0	R 10,000,000	R 5,000,000
PMU Top Slice		N/A	Implementation	Registered	MIG	R 8,888,333	R 9,688,524	R 10,152,524
TOTAL					**R 213,203,000**	**R 186,655,000**	**R 203,459,000**	**R 213,203,000**

5.6 Eskom Projects

Project Name	Project Type	Budget	Total Planned	Beneficiaries- Village Names
Elundini Ext Pre-Eng (2026-27)	Pre-Engineering	R 590 000.00		Elundini Ext Pre-Eng (2026-27)
Elundini Schedule 5B Pre-eng.	Pre-Engineering	R 425 000.00		Elundini Schedule 5B pre-eng.
Elundini Extensions - Maclear	Households	R 10 774 975.00	280	Lalini, Mafusini, Ngxaxha George, Tshikitsha, Upper Ngxaxha, Ntushuntushu, Goniwe, Khwatsha, Lower Ntywenka, Mpolweni, Ngcele, Ngxotho, Nkolosani and St Augustine
Elundini Extensions - Ugie	Households	R 6 598 737.00	177	Cicirha, Land Camp
Elundini Extensions Mt Fletcher	Households	R7 200 000	200	Mbangweni, Nkalweni, Fairview (230)

5.7 Department of Agriculture

District Service Delivery Budget 2025/26

Source of Funding	Current Budget	Commitment	Balance to Date
Infrastructure	14 542 158,00	616 000,00	13 926 158,00
Food Security	11 234 000,00	47 940,26	11 186 059,74
Landcare	2 160 000,00	599 818,44	1 560 181,56
Grand Total	**27 936 158,00**	**1 263 758,70**	**26 672 399,30**

Multi-Purpose & Shearing Sheds

Project	Actual Milestone	Budget	Commitment	Expenditure	Available Budget
Luthuthu	Advert stage	1 567 411,00	0.00	0.00	1 567 411,00
Fletcherville	Final Completion	283 312,00		0.00	283 312,00
Tsolobeng	Contract was cancelled due to poor performance of the contractor, but the advert is out.	1 007 000,00	0.00	0.00	1 007 000,00
Upper Tokoana	Contract was cancelled due to poor performance of the contractor, but the advert is out	987 000,00	0.00	0.00	987 000,00
		3 844 723,00	**0,00**	**0,00**	**3 844 723,00**

Fencing

Project	Actual Milestone	Budget	Commitment	Expenditure	Available Budget
Dm Small Primary Co-Op	Evaluation	507 967,00	0.00	0.00	507 967,00
Dm Small Primary Co-Op (Wages)	Evaluation	114 000,00	0.00	0.00	114 000,00
Siyazondla Maize	Evaluation	138 546,00	0.00	0.00	138 546,00
Siyazondla Maize (Wages)	Evaluation	24 100,00	0.00	0.00	24 100,00
Great Hope	Evaluation	1 071 996,00	0.00	0.00	1 071 996,00
Lwasisi	Evaluation	597 051,00	0.00	0.00	597 051,00
		2 453 660,00			**2 453 660,00**

Food Security (5 Ha & Households)

Local Municipality	Households	Male	Female	Youth	Disability	Budget
Elundini	2095	652	1443	285	3	R2 537 045
Elundini	6	14	7	7	0	R84 270
TOTAL	**2101**	**666**	**1450**	**292**	**3**	**R2 621 315**

Food Security (Piggery & Poultry)

Local Municipality	Number of Projects	Beneficiaries	Male	Female	Youth	Disability	Budget
Elundini	36	144	66	82	34	0	R143 694.00
Elundini	79	363	104	259	88	1	R155 000
TOTAL	**115**	**507**	**170**	**341**	**122**	**1**	**R298 694**

Cropping

Local Municipality	Number of Projects	Size (Ha)	Beneficiaries	Male	Female	Youth	Disability	Budget
Elundini	78	2927	507	273	234	60	2	R3 000 000
TOTAL	**78**	**2927**	**507**	**273**	**234**	**60**	**2**	**R3 000 000**

Landcare

No.	Project Description	Budget	Commitment	Expenditure
1	Casual Labourers	1 100 000,00	0,00	0,00
2	Agricultural Services	500 000,00	45 000,00	0,00
3	Protective clothing	87 125,00	0,00	0,00
4	Oil and lubricants	99 390,00	0,00	0,00
5	Fertilizer	127 575,00	00,0	0,00
6	Seeds	295 910,00	44 924,39	0,00
TOTAL		**2 160 000,00**	**89 924,39**	

5.5 Department of Economic Development, Environmental Affairs & Tourism (DEDEAT) - 2025/26 Planned Projects

Project Name	Budget	Number of Beneficiaries	Possible Opportunities	Locality
Elundini Alien eradication 25/26 (DEDEAT EPWP)	R1 500 000.00	50	Job creation and SMME development in ecosystem restoration	Elundini
Matuana Agencies	R3 000 000.00	12 Perm & Seasonal 95	Potatoes Production with guaranteed market increase.	Elundini
Lwasisi Cooperative (ECDC)	R400 000.00	8 Perm & 30 Seasonal	Mixed farming already in business and expanding market	Elundini

5.6 Department of Forestry, Fisheries and Environment (DFFE)

Project Name	Ward & Location	Beneficiaries	Budget Allocation	Implementation Commencement Date	Work Opportunities to be created (if any)	Other role-players and their responsibilities	Completion Date
Ngcele/Lower Ntywenka Greening Project	Ward 6, Ngcele / Lower Ntywenka	Beneficiaries	R72 600	November 2025	30 (for 15 days)	Dept. of Agriculture; Local leadership; Communities	November 2025

5.7 Department of Social Development

Project Name	Ward & Location	Beneficiaries	Budget Allocation	Work Opportunities to be created (if any)
Siboneleleni Aged Club	Ward 10 , Tlokoeng	20	R90,000.00	1
Zizameleleni Aged Club	Ward 10 , Tlokoeng	26	R108,000.00	1
Kopanang Aged Club	Ward 13, Tlokoeng	20	R90,000.00	1
Vukuzenzele Old Age Project	Ward 1, Ugie	23	R99,000.00	1
Siyakhathala for Aged	Ward 3, Nqanqarhu	23	R99,000.00	1
Tamara Adult Care Centre	Ward 5, Nqanqarhu	25	R105,000.00	1
Bukho for Aged Project	Ward 16, Nqanqarhu	28	R114,000.00	1
Zingisa Adult Care Centre	Ward 7, Nqanqarhu	20	R90,000.00	1
Siyeza Adult Care Centre	Ward 7, Nqanqarhu	39	R147,000.00	1
Phuthanang Aged Club	Ward 15, Tlokoeng	28	R114,000.00	1
Eluyolweni Adult Care Centre	Ward 6, Nqanqarhu	31	R123,000.00	1
Marhombe Adult Care Centre	Ward 7, Nqanqarhu	20	R90,000.00	1
Nolusizo Adult care Centre	Ward 5, Nqanqarhu	20	R90,000.00	1
Siphesande Old Age Project	Ward 2, Ugie	25	R105,000.00	1
Imibongo Adult Care Centre	Ward 1, Ugie	21	R93,000.00	1
Vukamama Adult Care Centre	Ward 7, Nqanqarhu	20	R90,000.00	1

Unako Ageing Club	Ward 15, Tlokoeng	20	R90,000.00	1
Masiphile Adult Care Centre	Ward 6, Nqanqarhu	20	R90,000.00	1
Masimbongeni Aged Club	Ward 11, Tlokoeng	20	R90,000.00	1
Mt Fletcher Cheshire Home	Ward 9, Tlokoeng	18	R650,302.00	11
Hare Pheleng HCBC	Ward 13, Tlokoeng	720	R324,069.00	10
Mpilontle HCBC	Ward 11, Tlokoeng	367	R324,068.00	10
Zamulwazi HCBC	Ward 1, Ugie	900	R324,068.00	10
Elunyaweni Family Preservation	Ward 1, Ugie	125	R152,444.00	3
Masincedane HCBC	Ward 2, Ugie	250	R248,842.00	2
Khanya HCBC	Ward 14, Tlokoeng	250	R248,842.00	2
Maclear Community Based and Safe Home	Ward 3, Nqanqarhu	300	R490,000.00	14
Maclear Survivor Support Project	Ward 3, Nqanqarhu	268	R174,941.00	5
Buyambo Victim Empowerment	Ward 1, Ugie	130	R169,397.00	4
Masibambisane Survivor Support Project	Ward 17, Ugie	445	R174,941.00	5
Phila Uphilise Survivor Support Project	Ward 11, Nqanqarhu	220	R179,453.00	5
Zingonyameni Survivor Support Project	Ward 10, Tlokoeng	250	R176,417.00	5
Mt Fletcher Advice Centre	Ward 9, Tlokoeng	120	R200,653.00	5
Elundini TADA	All Wards	570	R201,430.00	6
Silondolozeni Primary Co-Op	Ward 3, Nqanqarhu	5	R140,000.00	0
Samkele Community Nutrition Development Centre	Ward 6, Nqanqarhu	120	R419,312.50	4
Ulutsha Primary Co-Op	Ward 17, Ugie	5	R81,000.00	0
Sekoting Rainbow Primary Co-Op	Ward 8, Tlokoeng	10	R25,000.00	0
TOTAL		**5522**	**R6,622,179.50**	**120**

5.8 Department of Transport

Project	Budget	Activities to be performed
Framework	R2 000 000 for Surfaced Roads R10 000 000 for Gravel Roads	• Routine Maintenance on surfaced Roads MR00723 and MR00715 • Routine Road Maintenance on Various Provincial Gravel Roads • Prioritized Roads: DR08207, DR08208, DR08270, DR08018, DR08078, DR02898 • Blading of various roads within the LMA
Plant Hire	R 6 000 000	• Re-gravelling on DR08474 and DR08648
Re-gravelling Project	R 19 000 000	• Stormwater Repairs and Re-gravelling on DR08647
Road Marking	R 1 666 666	• Road Marking on MR00723 and MR00715
Bridge Maintenance	R5 000 000	• Maintenance of Bridges on DR08474, DR08074, MN2026 and DR08083

5.9 Department of Human Settlements

Project	Progress	Challenges	Interventions
Ethembeni Housing Project (2400)	Project has been broken down as follows Nkululekweni= 707 Katlehong =303 Iliso Lomzi=250 Thembeni = 277 Zingonyameni 361 Mjura =287 And Permanent Solution Emergency Case =215	No challenges as yet except that the project currently undergoing preplanning studies so as to achieve its state of readiness will await outcomes to see if there are any challenges to be dealt with.	Implementing agent has been appointed to conduct Preplanning Studies and so far have concluded the feasibility study and now working on preplanning studies. Introduction of service providers has been done for Social facilitation and EIA studies, Geotech, Layout plans

5.10 SASSA

Area	No of Children targeted	Suggested No of Schools	Invested Amount
Nqanqarhu (Maclear)	40	2	R140, 000. 00
Tlokoeng (Mt Fletcher)	160	8	R560, 000. 00
Ugie	40	2	R140, 000. 00
Area Totals	**240**	**12**	**R840, 000. 00**

5.11 Department of Public Works

No	Projects	Scope of Works	Project Budget	Projected Start Date	Inteded Beneficiaries	Social Responsibility	Comments
1	Ugie Clinic	Construction of temporary structures	R 5.1m	31 October 2024 End :30 October 2025	DOH COMMUNITY SMME'S DIST/LM	14 Jobs created Smme Packages	Project currently under construction. **Delayed and non-payment** of the service provider resulted to the service provider **suspending** the works. Payment to be made on the **13/05 2025**. Site handed over on the **31st October 2024.**
2	Taylor Bequest Hospital	Water sanitation and Treatment	R43m	Start date: 08 /08/2024 End date: 08 March 2026	DOH COMMUNITY SMME'S DIS/LM	13 jobs created Packages developed Graduates & Interns	**Delays in payment** by the Client affects progress on site. Contractor has previously suspended do to the payments. Though contractor is back, an intention to **suspend works** until paid has been submitted to the Client. Site handed over on the **08th August 2024.**

5.12 Department of Community Safety

Programme	Police Station/ Area	Budget
Service delivery evaluation at police stations.	Nqanqarhu, Ugie	R10 000
Assess compliance to Domestic Violence Act	Tlokoeng, Nqanqarhu, Ngqayi, Ugie	R0
Court Watching Brief Programme	Nqanqarhu Court	R10 000
Conduct unannounced visit at police stations	Elandsheight, Mbizeni, Ngqayi, Nqanqarhu, Tabase, Tlokoeng	R15 000
Conduct policing accountability engagements	Nqanqarhu, Tabase, Ugie	R90 000
Conduct social crime prevention programmes	Ngqayi, Tlokoeng	R100 000
Support of Community Safety Forum	Elundini	R60 000
Safety ambassadors (educate community on safety issues)	Nqanqarhu	R60 000
Capacitation of community safety structures	Nqanqarhu, Ngqayi, Tlokoeng	R60 000
Assessment of the functionality of CPFs	Zamuxolo, Ngqayi, Ugie	R15 000

5.13 Department of Health

Project Name	Scope of work	Implementing agent	Budget allocated	Implementation commencement	Completion date
Ugie clinic Phase 1 – Construction structures	Rehabilitation, renovations and refurbishments	DPWI	R6M	November 2024	6 Months
Taylor Bequest Hospital-Dr & Health Professional accommodation	Upgrade and additions to Doctor & Professional accommodation	DPWI	R20M		3 years
Taylor Bequest hospital – Upgrade & additions to water and Sanitation plant	Water and Sanitation Plant upgrade	DPWI	R4.5M		2 years

5.14 Department of Education

Project Name	Implementing Agent	Type of Infrastructure	Project Status	Budget 2025/26 R
Bethania SSS	DOE	Natural Disaster Projects	Stage 5: Works	987,609
Bethania SSS	IDT	Replacement Schools	Stage 2: Concept / Feasibility	773,437
Bethania SSS	CDC	Provision / Upgrade of Fence	Stage 3: Design development	2,044,206
Botsabelo JSS	DPWI	Natural Disaster Projects	Stage 5: Works	8,000,000
Botsabelo JSS	CDC	Provision / Replacement of Sanitation	Stage 2: Concept / Feasibility	331,395
Edward Zibi SSS	AW	Provision / Upgrade of Water	Stage 2: Concept / Feasibility	123,870
Etyeni JSS	TMT	Provision / Upgrade of Water	Stage 4B: Procurement	120,000
Ezingonyameni JSS	DOE	Provision / Replacement of Sanitation	Stage 1: Initiation / Pre-Feasibility	1,663,771
Ilingelethu JSS	DPWI	Grade R Classrooms	Stage 6: Handover	100,000
Khalatsu SSS	CDC	Provision / Replacement of Sanitation	Stage 2: Concept / Feasibility	331,395
Khanya SSS	DOE	Additional Classrooms / Teaching Space	Stage 5: Works	940,000
Khorong SSS	CDC	Provision / Upgrade of Fence	Stage 3: Design development	1,457,680
Kuyasa SSS	TMT	Provision / Upgrade of Water	Stage 4B: Procurement	120,000
Lehana's Pass JSS	DOE	Natural Disaster Projects	Stage 5: Works	504,036
Lower Esinxaku JSS	TMT	Provision / Upgrade of Water	Stage 5: Works	3,408
Luzie Drift SSS	CDC	Provision / Upgrade of Fence	Stage 3: Design development	1,896,445
Mabandla JSS	DOE	Provision / Replacement of Sanitation	Stage 1: Initiation / Pre-Feasibility	977,500
Mabandla JSS	IDT	Provision / Nutrition centres	Stage 2: Concept / Feasibility	500,000
Mabandla JSS	DOE	Natural Disaster Projects	Stage 5: Works	4,462,423
Maclear High School	IDT	Provision / Replacement of Sanitation	Stage 4B: Procurement	200,000
Maclear Public School	DOE	Provision / Upgrade of Fence	Stage 6: Handover	40,156
Mamontoeli JSS	DOE	Provision / Replacement of Sanitation	Stage 1: Initiation / Pre-Feasibility	880,820
Mbidlana JSS	DOE	Provision / Upgrade of Fence	Stage 6: Handover	55,436
Mhlontlo JSS	DPWI	Replacement Schools	Stage 5: Works	2,149,789
Morulane JSS	DOE	Natural Disaster Projects	Stage 5: Works	7,140,748
Mt Fletcher Village JSS	IDT	Provision / Replacement of Sanitation	Stage 4B: Procurement	200,000
Ncembu JSS	CDC	Provision / Upgrade of Fence	Stage 3: Design development	1,316,400
Ncembu JSS	DOE	Natural Disaster Projects	Stage 5: Works	3,960,197
Ngcele JSS	TMT	Provision / Upgrade of Water	Stage 5: Works	2,848
Nkunyana JSS	DOE	Natural Disaster Projects	Stage 5: Works	3,831,610

Nkunyana JSS	DOE	Provision / Replacement of Sanitation	Stage 1: Initiation / Pre-Feasibility	2,831,610
Nqalweni PS	IDT	Additional Classrooms / Teaching Space	Stage 5: Works	386,689
Ntywenka JSS	DOE	Provision / Replacement of Sanitation	Stage 1: Initiation / Pre-Feasibility	977,500
Phirintsu JSS	DOE	Natural Disaster Projects	Stage 5: Works	795,931
Sidinane SSS	IDT	Replacement Schools	Stage 2: Concept / Feasibility	313,623
Sondaba SPSl	DOE	Provision / Replacement of Sanitation	Stage 1: Initiation / Pre-Feasibility	1,663,771
Sondaba SPS (Replaced Bhongolethu JSS)	TMT	Provision / Upgrade of Water	Stage 4B: Procurement	120,000
Thaba-Khubelu SPS	DOE	Natural Disaster Projects	Stage 5: Works	3,339,314
Zanyeni JSS	DOE	Natural Disaster Projects	Stage 5: Works	2,605,083

5.15 Department of Sport, Recreation, Arts & Culture

Activity	Date	Budget	Venue
Move For Health –	May 2025	R15 000	Tlokoeng, lsolomzi, Ward 15
Ugie Hub Festivals	June 2025	R15 000	Sisonke Location, Ugie, Ward 2
Traditional Horse Racing & Riding: Jockey, Fun Run, Football& Netball	Sept 2025	R224 000	Nqanqarhu
Women In Recreation: -	August 2025	R15 000	Tlokoeng, Ward 15
Lower Tsitsana Hub Festivals: -	Aug 2025	R15 000	Lower Tsitsana Village , Ward 4.
Elundini Road Race:	September 2025	R130 000	Nqanqarhu, Ward 3
Clubs supported with equipment/ and or attire • Mount Fletcher Rural Rugby Club • Ngcele Rugby Club • Shorten Motors NC • Kwa Wicks • Boys to Men FC	July 2025-March 2026	R246 000	Elundini

CHAPTER SIX -PERFORMANCE MANAGEMENT SYSTEM

6.1. Introduction

ELM's PMS is divided into two, i.e. institutional and individual. The institutional PMS is managed in the PMS, Monitoring & Evaluation Unit in the Office of the Municipal Manager and the individual PMS is managed in the Corporate Services Department. The municipality has since migrated from a manual PMS System to an automated system and has cascaded performance management to lower levels until Task Grade 07. This process necessitated the review of the municipality's PMS Policy. The PMS review process has taken place and the reviewed PMS Policy has been adopted by the municipal council. ELM conducts quarterly, mid-term and annual performance reviews for all employees on performance management and performance bonuses are therefore paid to all deserving individuals. At the end of every quarter, departments and individuals on performance management system upload their reports backed by supporting evidence on the system, which are then verified and assured by the PMS Unit for correctness. After the assurance process is completed Internal Audit Unit performs its audit function before the performance reports are submitted to the Audit Committee, EXCO and Council.

In terms of the Municipal Planning and Performance Management Regulations (2001), the Performance Management System:

"entails a framework that describes and represent how the municipality's cycle and processes of performance planning, management, measurement, review, reporting and Improvement will be conducted, organised and managed including determining of roles of different role players"

Accepting this definition as contained in the Act, the ELM has reviewed and adopted its PMS Policy to drive towards the following objectives:

- To give effect to the legislative obligations of the ELM in an open, transparent and focused manner;
- To incorporate the already implemented performance management processes applicable to Section 57 Managers and how these relate to and link with the system in a holistic, institution wide, policy;
- To provide a firm foundation from which to steer the process of performance management through all phases of implementation and devolvement; and
- To link and eventually to lock the IDP, the Budget and a Performance Management System in a cycle of prioritised, affordable and accountable municipal planning and effective service delivery involving all staff and the local community.
- The establishment of a system which translates the IDP into measurable objectives and targets;
- The institutionalisation of sound management principles ensuring effective and efficient governance of service delivery;

- Adequate provision for community consultation and the opportunity to have a clearer insight in the performance of the municipality; and
- The promotion of an accountable municipality.

6.2. Principles Governing Elundini PMS

The following principles guided and informed the process of developing the Performance Management System for Elundini Local Municipality:

- Simplicity
- Politically acceptable
- Transparency and accountability
- Efficiency and Sustainability
- Consultation and Community Involvement
- Incremental Implementation

6.3. Role Players in ELM Performance Management System

The roles and responsibilities regarding the implementation of PMS as contained in ELM policy for PMS is discussed in the table below:

Table 56: Role of Council:

PLANNING	MONITORING		
	REVIEW	REPORTING	PERFORMANCE ASSESSMENT
• Adopts priorities and objectives of the Integrated Development Plan • Adopts the municipal scorecard • Establishes the oversight committee for the purpose of the annual report.	• Approves the annual review program of the IDP. • Approves the top level SDBIP. • Approves changes to the SDBIP and adjustment Budget • Approves any changes to the priorities, objectives, key performance indicators and performance targets of the municipality.	• Report the performance of the municipality to the Community at least twice a year. (through a public Report). • Receives externally audited performance reports from the Executive Committee twice a year. • Approves the recommendations for the improvement of the PMS.	• Approves the annual Audit Plan and any substantial standards to it.

		• Annually receives report on the Municipal Manager and the s57 managers' performance. • Submits the annual report to the MEC and Auditor General.	

Table 57: Role of Municipal Manager:

PLANNING	IMPLEMENTATION	MONITORING		
		REVIEW	REPORTING	PERFORMANCE ASSESSMENT
• Submits priorities and objectives of Integrated Development Plan to Council for Approval. • Approves Service Delivery and Budget Implementation Plan. • Enters into Performance Agreement with Municipal Manager on behalf of the Council. • Assigns the responsibility for the management of the PMS to the	• Manages the overall implementation of the IDP. • Ensures that all role players implement the provisions of the role players • Ensures that the Departmental scorecards serve the strategic scorecard of the municipality.	• Formulation of the annual review program of the IDP, including the review of KPI's and targets for consideration by Council and Executive Mayor. • Formulation of the annual performance improvement measures. • Quarterly and annually reviews the performance of	• Receives performance reports quarterly from the internal audit unit • Receives performance reports twice a year from Performance Audit Committee. • Submits annual report of the municipality to Council.	• Formulates response to the performance audit report the Auditor General and makes recommendations to the executive mayor.

Municipal Manager. • Tables the budget and the Top level SDBIP to Council for Approval.		Departmental Managers.		

Table 58: Role of S57 Managers:

PLANNING	IMPLEMENTATION	MONITORING		
		REVIEW	REPORTING	PERFORMANCE ASSESSMENT
• Participate in the identification of IDP priorities and the whole IDP. • Process. • Participate in the Formulation and Revision of the municipal strategic scorecard. • Participate in the formulation of the Top level SDBIP. • Manages Subordinates performance measurement system. • Enters into a performance agreement with	• Manages the implementation of the SDBIP. • Ensures that the annual programs are implemented according to the targets and timeframes agreed to. • Implements performance improvement measures approved by the Executive Committee. • Ensures that performance objectives in the performance	• Participates in the Formulation of the annual review of the KPI and targets. • Annually reviews the performance of the department to improve the economy, efficiency and effectiveness of the departments. . • Quarterly and annually evaluates the performance	• Submit quarterly departmental performance reports.	• Participates in the formulation of the response to the performance audit report of the Auditor-General and makes recommendations to the municipal manager. • Participates in the formulation of the response to the recommendations of the internal auditor and PAC.

the Municipal Manager. • Reports quarterly to Municipal Manager.	agreements are achieved.	of the department • Participates in Mid – Term Review.		

Table 59: Role of the Audit Committee:

PLANNING	MONITORING	
	REVIEW	REPORTING
• Participates in the formulation of the annual audit plan.	• Review quarterly reports from the internal auditors.	• Reports twice a year to the Municipal Council.

The ELM does not have a separate Performance Audit Committee, institutional performance information is reviewed by the Internal Audit Unit and then submitted to the Audit Committee on a quarterly basis. The KPIs and Targets of the S.57 managers were an essential first step in the implementation of performance management and laid the foundation for the devolvement of the KPIs and Targets process of the system down to the next level of management and thereafter to the entire workforce.

6.4. Individual Performance Management

Elundini Local Municipality seeks to manage municipal performance towards the achievement of municipal objectives and comply with legislative imperatives. The Departmental and Individual Key Performance Areas, Deliverables and Standards are formulated and aligned with IDP Objectives. With effect from July 2019, Individual Performance Management has been cascaded down from Senior Management to TASK Grade 8 including uploading of signed Annual Performance Agreements and output plans by employees from senior management, middle management down to TASK Grade 8 employees. Employees are required to sign a performance agreement within thirty (30) days of the beginning of a financial year/ assumption of duties.

Municipality is implementing performance management in line with the municipality's policy on PMS as well as the Local Government: Municipal Staff Regulations of 2021 (Reg. 890), which necessitate a feedback session which is facilitated through quarterly formal assessments. The municipality is currently facilitating performance assessments, and later will identify employees who qualify for performance bonuses and shall be rewarded in accordance with the performance management policy.

6.5. Culture and Work Situation

The ELM is committed to establish and maintain a culture and work situation conducive for the implementation and maintenance of a performance management system including regular performance appraisals and establishing a factual foundation for the system. The activities to be embarked on will, of necessity, be running concurrently with actual monitoring and measuring of performance and will include the following:

- To introduce the performance management system via an internal brief prepared by the Management Team, having consulted the Local Labour Forum (in its PMS Subcommittee should this be established) and approved by the Council.
- The brief will be circulated to all departments and employees via formal communication channels.
- The brief will inter alia explain the legislative obligations underlying the system, the process to be followed and the principles that will be adhered to by the Council.
- The system will be regularly reviewed and, in doing so, employee evaluations and constructive suggestions will, where possible, be incorporated to ensure the system is organisation-specific while adhering to the legislative framework.
- Amendments to the system will be communicated to departments and employees in the same manner as outlined above.
- To establish and maintain a factual basis for the performance appraisals, the job analysis of each position in the Municipality will be regularly updated with respect to line functional activities and linked to the relevant department's objectives and targets as derived from the IDP.
- Based thereon, the appraisors and appraisees will determine mutually agreed to performance criteria, based on a format designed and approved by the Corporate Services Department for standardisation and equality purposes.

The annual process of managing performance at organizational level in ELM involves the steps as set out in the diagram overleaf:

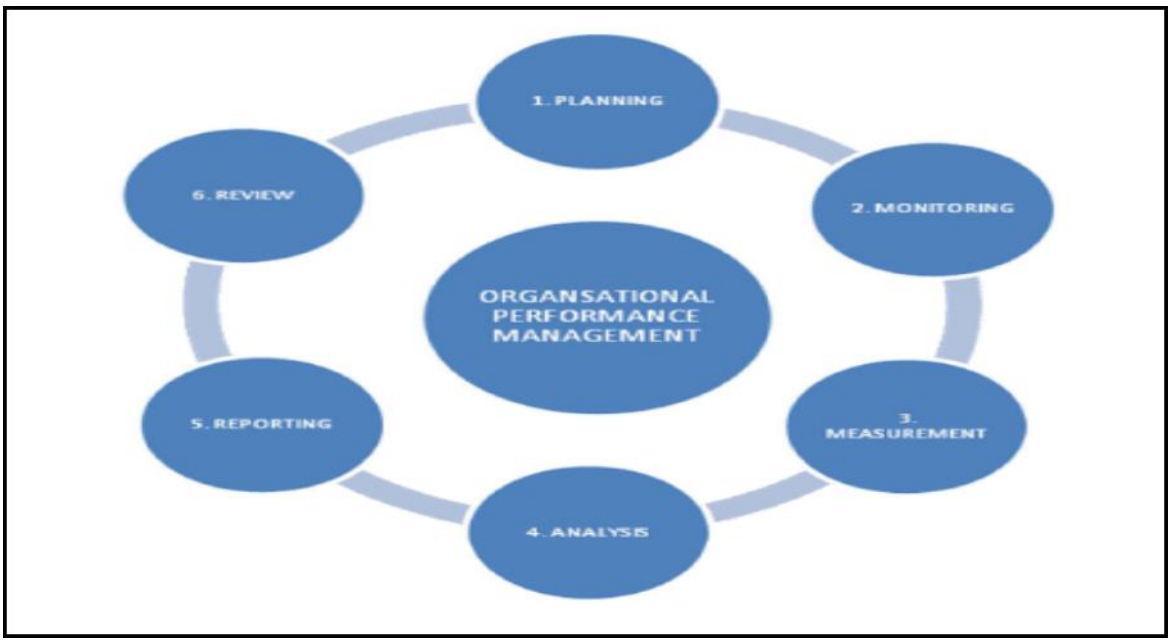


Figure 12: PMS

6.6. Planning for Performance

The process of compiling an IDP and the annual review thereof constitutes the process of planning for performance.

6.6.1. Setting Key Performance Indicators

Many of the key performance indicators are prescribed in Section 10 of the Regulations and in terms of Section 43 of the Municipal Systems Act. These are listed as:

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- The percentage of households earning less than R1100 per month with access to basic free services;
- The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP;
- The number of jobs created through municipality's LED initiatives including Capital projects;
- The number of people from employment equity target groups employed in three highest levels of management in compliance with an approved employment equity plan;
- The percentage of a municipality's budget actually spent on implementing its workplace skills plan;
- Financial viability.

6.6.2. Alignment of The PMS to The IDP and Budget

The IDP fulfils the planning stage of Performance Management, which in turn fulfils the implementation, management, of IDPs. The last component of the cycle of OPMS is review, and the outcome of the performance review process must inform the next cycle of the IDP compilation/review. There are several components to the integration of the PMS. PMS determines the visions of the municipality as well as its IDP priorities, objectives, performance management and budget, Council's priorities and objectives. They are based on community needs, the Constitutional mandate of Local Government, national legislation and the general KPIs within the framework of powers and functions of ELM. The Regulations for Municipal Managers and Managers directly accountable to the Municipal Managers (2006) 26(6) outlines five Key Performance Areas for Municipal Manager and the S57 Managers and these are as follows:

- Basic Service Delivery
- Municipal Transformation and Institutional Development
- Local Economic Development
- Municipal Financial Viability and Management; and
- Good Governance and Public Participation

The KPA's of the Elundini Municipality IDP 2024/25 has been reviewed and aligned accordingly.

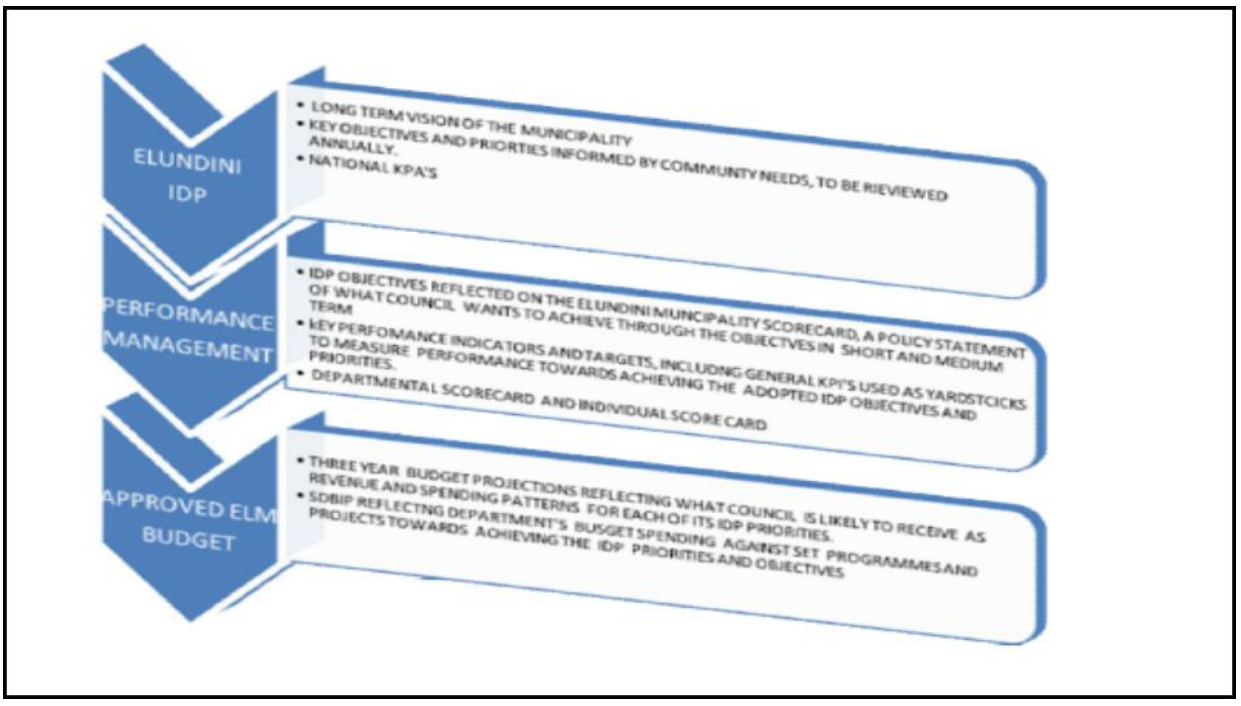


Figure 13: Linkage between IDP Budget & PMS

6.6.3. Tracking and Reporting Progress

Since the municipality has migrated for the manual performance management system to an automated one, the Office of Municipal Manager through its PMS, Monitoring & Evaluation Unit, verifies the performance reports submitted by departments and develops quarterly reports which it submits to the Internal Audit Unit to perform audit of performance information and then submits them to the municipal manager, Audit Committee, Standing Committee, EXCO and eventually the municipal council.

- The Internal Auditors provide quarterly audit reports to the Municipal Manager and the Performance Audit Committee.
- The Audit Committee convenes at least four times per annum and four audit committee reports are submitted to the Council. These reports must include enough details so that early warning signals of underperformance can be detected. The reports must also indicate corrective measures where such under-performance has been identified.
- The Municipal Manager oversees the compilation of an annual performance report to the Council, which report is then also submitted to the Auditor General.
- Within one month of receiving the AG's audit report on the Performance Information and the Audited Financial Statements of the previous financial year, the Municipal Manager must submit to the Council a consolidated Annual Report for adoption. The media, community, AG and MEC must be informed of the meetings at which this report will be tabled. The minutes of the meeting/s should be provided to the Auditor General and the MEC. The adopted annual report must be made available to the media, public and interested parties and submitted to the MEC.

The Consolidated Annual Report to include:

- Performance of the Municipality and any service provider based on the KPIs and specifying the extent to which targets were achieved;
- Measurements taken or to be taken to improve performance;
- Development and service delivery priorities and targets set for the following year and reasons for significant differences in these targets from the one to the other year;
- A statement by the external auditor concerning the reasonableness of the report.
- Audited financial statements for the year
- Annual audit of the Auditor General on the PMS report

- Any other legislated matters for reporting.

6.6.4. Publication of Performance Reports

The ELM publishes at least once a year a public report on its performance in terms of the MSA, 2000.

Existing Public Participation Structures and mechanism for ELM which will be used include:

- IDP Rep Forum
- Youth & Women Groups
- Disability Groups
- Local Newspaper
- AUDIO MEDIA / LOUD HAILERS
- Public Notices
- Municipal Website

6.6.5. Public Feedback Mechanisms

The public Feedback on reported performance can be obtained if the public are aware of dedicated mechanisms for submitting feedback such as:

- Telephone numbers (toll free)
- Emails
- Feedback boxes at Municipal Services offices

The Elundini will develop a comprehensive Communications strategy to among other things propose public feedback mechanism and structures for ELM. Upon its adoption this section will be read together with that policy and or strategy.

6.6.6. Performance Reviews and Assessments

Performance review is a process whereby the municipality, after measuring its own performance, assesses whether it is doing the right things and doing them right. The municipality is required to identify strengths, weaknesses, opportunities and threats of the municipality in meeting the key performance indicators and performance targets set by it. The Municipal Manager utilises Institutional Scorecard as a basis for reporting to the Mayor, Council and most importantly to the Public through quarterly reports, Mid-Year assessments, Annual Report and performance assessment. The review framework for Elundini Municipality is conducted based on the following:

- Baseline Indicators – this entails assessing whether the current level of performance is better than the previous year by using baseline indicators.

- Community Feedback – survey to obtain feedback from the community about their views of the performance of the municipality in one PMS cycle.
- Performance Review in ELM will take place annually at least a month after all Performance Information (PI) has been audited and Auditor Report issued on PI.
- In the review process, a careful analysis of the municipality performance will be done in order to understand why it has performed well or underperformed in that particular financial year.
- The results of the review will be used to develop measures to improve performance and inform the planning stage of the following years' institutional scorecards and annual programs.

The lines of accountability with regard to Performance Review can be summarized as follows:

- Managers/Sectional Heads will review performance of their respective functions or sections on a regular basis and should cover all the organisational priorities relevant to the function or section
- Executive Management:
  - Review performance quarterly to minimise risks and poor performance.
  - Review performance before reporting to the Executive Committee. This will enable them to prepare and control the quality of performance reports and include adequate response strategies in cases of poor performance.
- Executive Committee: As the delegated authority for the management of development of the performance management system in terms of the Act, the Executive Committee plays a most significant role in reviewing the performance of the administration. Review at this level should be strategic and not restrained by operational discussions. The content of the review should be confined to agreed or confirmed priority areas and objectives.
- Standing or Portfolio Committees need to review the performance of functions or sections according to their assigned portfolios on a regular basis, i.e. quarterly.
- Council should review the performance of the municipal council, its committees and the administration at least twice per year.
- The public: It is required by the Act and the Regulations published in accordance therewith, that the municipality secure community participation in the review process. This could ideally be done when the annual report is compiled at the end of the financial year.

6.6.7. Monitoring and Measurement Framework

Monitoring is a continuous process of measuring, assessing and analysing and evaluating the performance with regard to the SDBIP, KPI's and targets. Performance measurement is essentially the process of analysing the data provided by the monitoring system on order to assess performance. The preferred and adopted model for Performance Management in Elundini Municipality is the Municipal Scorecard Model.

According to this model, in measuring performance municipalities need to look at:

- Inputs: (Resources, Financial Perspective)
- Outputs: (Results, Service Delivery Perspective)
- Outcomes: (Impact, Customer satisfaction, growth, Quality of Life)

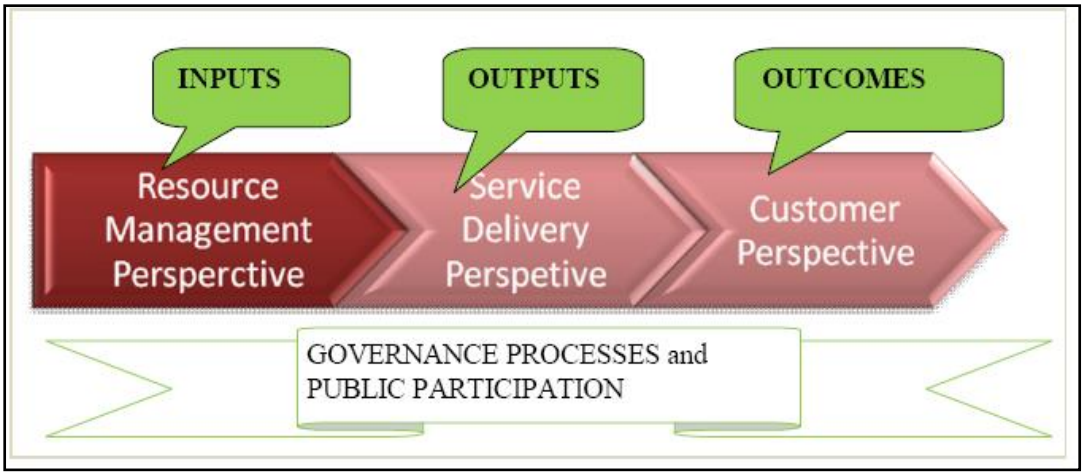


Figure 14: Governance Process and Public Participation

6.6.8. Performance Audit

The Municipal Planning and Performance Management Regulations, 2001, require municipalities to develop and implement mechanisms, systems and processes for auditing results of performance measurements as part of its auditing processes:

- Internal Auditors audit on a continuous basis which will result in quarterly reports being submitted to the Municipal Manager;
- Audit Committee receives quarterly reports from the Internal Auditors which it reviews together with PMS's economy, efficiency, effectiveness and impact based on the KPI's and Targets;
- The Audit Committee must submit at least two audit reports to the Council in a financial year.

6.6.9. Evaluation

- In terms of the adopted PMS, the Municipal Manager evaluates the quarterly performance reports from the S.57 Managers and use them to inform the steps to be taken to improve performance to meet annual targets and to intervene in case of red flag situations.
- The Municipal Manager must submit a consolidated quarterly report to the Internal Auditors. The Auditors must evaluate these reports together with other information obtained through their auditing obligations and in turn must provide the Municipal Manager with quarterly Audit Reports.
- The Municipal Manager then submits such reports as prescribed to the Council including a consolidated annual report for adoption by the Council.
- The Council must assess the performance of the Municipal Manager and S.57 Managers during June/July of each year with the assistance of an independent facilitator as further detailed in their performance agreements.
- The S.57 Managers must evaluate the quarterly performance reports from the Sectional Heads and use these to inform their own quarterly reports to the Municipal Manager.

6.7. Employee Performance Appraisal

- The performance appraisal of the Managers/ Sectional Heads will be the responsibility of the S.57 Managers with the assistance of an independent facilitator.
- These appraisals will be done on an annual basis as further detailed in the performance agreements of Managers and Sectional Heads prior to the Council's appraisal of the S.57 Managers.
- The S.57 Managers and Managers must ensure performance appraisal interviews are done on a regular basis by the appraisers within their respective departments/sections as further set out below, co-ordinate the results thereof and through their own quarterly reports report on the progress with implementation of the system, successes and failures thereof and problems experienced.
- Managers will be responsible for the performance interviews with their respective middle management employees.
- The first round of assessments executed for middle management staff could be done with the assistance of an independent facilitator should the staff so prefer.
- Thereafter the option of requesting a co-appraiser to be present at their interviews will be available to these employees.

- The appraisals of lower level employees must be carried out by their immediate supervisor or line manager who has the best knowledge of the content of the job concerned and, in a position, to observe the employee's performance on a daily basis.
- If no suitable supervisor or line manager is available to do the performance appraisal, the head of the section must take responsibility for the performance appraisal.
- If an employee is of the opinion that exceptional circumstances exist which requires a co-appraiser to be present at the appraisal interview, the matter must be taken up with the relevant S.57 Manager. In such circumstances the S.57 Manager or the S.57 Manager of the CSD could also fulfil the role of a co-appraiser.
- The first formal performance appraisals of a staff level will take place three months after introduction of the system to such a staff level and thereafter on an annual basis.
- The steps to be taken to rectify substandard performance or enable continued support, coaching and counselling based on the results of the performance appraisals will be implemented on a continuous basis determined by the circumstances of each individual case. These performance meetings must be of a more informal nature but still recorded in writing.
- The time and place of annual interviews must be mutually agreed between the appraiser and appraisee. An employee must not be given less than two weeks to prepare for the appraisal interview. The time allowed for the actual interview will vary according to the complexity of the job and each individual's circumstances.
- The place where a performance interview is conducted must be comfortable for both the appraiser and the appraisee and care must be taken that the place is quiet, no interruptions will occur during the duration of the interview and confidentiality is protected.
- Written feedback on the annual performance appraisal must be given to an employee within a reasonable period after the performance interview. A reasonable period would not exceed four weeks.

6.8. Performance Improvement

Although the municipality should strive to continuously improve performance to meet the needs of communities, it is poor performance that needs to be addressed as a matter of priority:

- The Council must advise the Municipal Manager on steps to be taken to improve performance based on the Auditor General's assessment. The IDP review process must provide a barometer of how well the Municipality performed in terms of service delivery and, if as prescribed, the

community is provided with the Consolidated KPIs and Targets document, the latter could serve to inform the community's input in the review process.

- The training needs of staff, originating from their performance appraisals shall be fed into the Workplace Skills Plan and addressed by the sourcing of relevant providers and training courses to largely address the internal capacity shortcomings of the Municipality.

6.9. Performance Incentives and Rewards

- The municipality has reviewed its performance management system in 2018 to accommodate the performance rewards to the deserving lower level staff.
- The performance reward system of the Municipal Manager and the S.57 Managers is built into their contracts of employment and performance agreements as prescribed by the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.
- The Council adopted the Rewards and Incentives Policy and this policy necessitates the existence of performance agreements with employees who may benefit from such a policy.

6.10. Institutional Scorecard 2025/2026

KEY PERFORMANCE AREA (KPA) 1: Basic Service Delivery												
Goal 1: Accelerate delivery of reliable basic services and resilient infrastructure												
Strategic Objective: To ensure efficient construction, rehabilitation and maintenance of municipal infrastructure To Promote environmental health and safety of local communities To provide reliable basic services to households and business sector												
Strategy	**Project**	**Output Indicator**	**Budget Allocation 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Infrastructure development	• Ugie Parks Street (800m) • Surfacing of Mt Fletcher Urban Road (400m)	Kms of Paved Roads constructed	R 14.9 million	New	Wards 2, 9	1.2km	N/A	N/A	N/A	1.2KM	Road construction report with Package order, Appointment letters practical completion certificate, APR Listing	Director IP&D
Infrastructure development	• Westhoek access road (6.5KM) • Delibawo to Maweni access road (6KM) • R56 to Khalankomo (2.5M) • Eppainete Mbeki access road (2.5KM)	Kms of unpaved roads constructed	R27.1 Million	New	Ward 1, 9 & 10,	17.5 Km	N/A	N/A	2.5KM	15Km	Road construction report with Package order, Appointment letters practical completion certificate, APR Listing	Director IP&D
infrastructure development	Maintenance of gravel roads	KMs of access roads maintained	R 9 million	90 km	Wards 2,3,4,7,8,9, 10,11,13,14 ,15,16	100km	15Km	35Km	25Km	25Km	Quarterly Progress report, Maintenance acknowledgement Certificate signed by Ward CLLR, APR Listing	Director IP&D
Expand infrastructure development	Urban road maintenance (surfaced roads)	No. of Square Metres of urban surfaced roads maintained (Slurry sealing and pothole patching)	R 2.1 million		Ward 2,3, and 9	3500m^2	744 m^2	2506 m^2	125m^2	125m^2	Quarterly Progress Report, APR listing, Hand-over Certificate signed by Ward CLLR	Director IP&D
Infrastructure development	Households' electrification Makoatlane Phase 2 (33)	No.of of households in electrification programme connected	R3,5 million		Ward 13	88	88	N/A	N/A	N/A	Households Electrification Report, Beneficiary List; Package order, Quarterly progress	Director IP&D

	Koebung (55)										report Practical completion certificate; APR Listing, PSC Minutes	
Infrastructure development	Kms of 33kv Makotlane Link line	kms of Link line constructed	0,55 million	4km	Ward 13	1,3km	1,3km	N/A	N/A	N/A	Progress report; Package order; completion certificate; APR Listing	Director IP&D
Infrastructure development	Electricity network maintenance distribution lines, substations, transformers	% of maintenance completed for the electricity network as per the maintenance plan	R3.5 million	100%	Ward 3, 4, 17	100%	N/A	N/A	50%	50%	Maintenance for completed electrification, Maintenance report, Maintenance Plan, Inspection sheet	Director IP&D
Infrastructure development	Maclear Mall Electricity Network Upgrade	% electricity network upgraded.	R1.4 Million	100%	Ward 3,4	100%	N/A	N/A	N/A	100%	Customer Application Form, Package Order / Work Order Form and or Progress Report / Practical Completion Certificate; APR Listing	Director IP&D
Infrastructure development	Streetlights Highmast lights	% maintenance of public lighting	R200,000	100%	Ward 2,3,4,9,17	100%	100%	100%	100%	100%	Public Lighting Maintenance report, Maintenance plan; Inspection sheet; APR Listing	Director IP&D
Infrastructure development	Smart meter installation	Number of Licensed DCUs installed, to enable Smart Meter functionality	R8 million	New	Ward 2,3,4 & 17	93	N/A	N/A	N/A	93	Package Order; Progress Report, Completion Certificate, APR Listing	Director IP&D

Infrastructure development	Maintenance of public amenities Ugie Public ablution facility Maclear public ablution facility Municipal offices ablution facilities	Number of public amenities under the control of the department maintained.	R 3.3 million	New	Ward 1,2, 3,4,7,9,12, 13,15 & 17	3	N/A	2	1	N/A	Packaged Order and or Quarterly Progress Report; and or Practical Completion Certificate (construction)	Director IP&D
Indigent beneficiation on Free Basic Services	Free Basic Services	Number of indigent Households receiving Free Basic Services	R7 943 760	5 867	All Wards	5742	5497	5742	1819	1819	Free Basic Services status quo report Contour, Munisoft and KES attachments signed by CFO with APR/Beneficiary list	CFO
Provision of basic services to promote healthy environment	Refuse Collection	Number of areas receiving refuse collection, for household and commercial properties.	R5 168 204	59	Ward 2,3 & 9	59	59 areas	59 areas	59 areas	59 areas	Refuse Collection Report; approved collection schedule, collection register.	Director Community Services
KEY PERFORMANCE AREA (KPA) 3: LOCAL ECONOMIC DEVELOPMENT												
Goal(s) 2: Promote economic growth, environmental sustainability through job absorbing sectors												
Strategic Objective: To promote creation of employment opportunities and decent jobs To support the development of SMME to participate in a diversified and growing economy To increase investment through land and socio-economic infrastructure development												
Strategy	**Project**	**Output Indicator**	**Budget Allocation 2025/2026**	**Baseline**	**Spatial Reference**	**Annual Target 2025/ 2026**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Coordinate job creation	EPWP	Number of work opportunities created through EPWP	R 0		Whole of municipality	355 160 (IPD :90 PMU; 10 Elec; 60 Roads) 185 (CS) 10 OMM	120 10 OMM 61 PMU 30 Roads 50 CS	19 PMU	205 10 PMU 30 Roads 135 CS 10 Elec	N/A	EPWP Reports with incentive grant agreement signed by the MM / proof of transfer of funds from DEDEAT and list of	Director: IP&D; Community Services; SM: SSS

											beneficiaries with APR Listing; Contract register.	
SMME development	Local SMMEs sub-contracting work	Number of work packages awarded to SMMEs contractor	R6 Million	9	Whole of municipality	6	4	2	N/A	N/A	Package orders for main contractor and sub-contractor; Appointment letters of main contractor and sub-contractor	Director: IP&D
SMME development	SMME Capacitation in transport sector	Number of Local SMMEs capacitated through LED initiatives	R500,000	83	All wards	25	N/A	10	N/A	15	Capacitation of Local SMMEs Report, APR listing and attendance register.	Director Planning and Economic Development
Agro Processing Hub	Enterprise development programmes implanted for the establishment of the Agro Hub processing Poultry Beef Maize	Number of Agro Hub enterprise development programmes implemented	N/A	New	Ward 2,4,17	4	N/A	N/A	N/A	4	Report Beneficiary list	Director Planning and Economic Development
KPA 4: Financial Viability and management												
Goal3: Improve the effectiveness of governance administrative and financial systems.												
Strategic objective: To enhance organisational performance, financial viability and management of municipal resources To improve public participation and oversight to enhance accountability To strengthen integrated planning, monitoring and evaluation of Municipal programmes												
Strategic Objective	**Project**	**Output Indicator**	**Budget Allocation 2025/2026**	**Baseline**	**Spatial Reference**	**Annual Target 2025/ 2026**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Improve infrastructure grant expenditure	Expenditure of infrastructure Grants	% expenditure on all infrastructure grants	R56.8 million	100%	Head Office	100%	30%	30%	25%	15%	Expenditure Reports, printout from Muni soft for MIG and INEP	Director: IP&D and Finance Manager: Projects
Analysis of municipal financial health	Cost coverage Ratio	Number of months for the municipality ability to meet monthly fixed operating commitments from cash and short-term investments without collecting any additional revenue. (cost coverage ratio)	R0	1-3 months	Head Office	1-3 Months	1-3 Months	1-3 Months	1-3 Months	1-3 Months	Signed Section 52d Report	Manager Budget and Reporting

Analysis of municipal financial health	Debtors Billing rate	Percentage collection on billed revenue	R0	95%	Head office	95%	95%	95%	95%	95%	Signed Section 52d Report	Manager Income & Expenditure
Payment of Creditors within stipulated periods	Creditors Payment	Average Number of days taken to pay Creditors	R0	30 days	Head Office	30 days	30 Days	30 Days	30 Days	30 Days	Creditors Payment Reports signed by CFO	Manager: Income & Expenditure
Analysis of municipal financial health	Current Ratio	Municipality's ability to payback its short-term liabilities with its short term loans	R0	1.5-2:1	Head Office	1.5-2:1	1.5-2:1	1.5-2:1	1.5-2:1	1.5-2:1	Signed Section 52(d) Report	Manager Budget and Reporting
Analysis of municipal financial health	Asset management ratios (budgeted)	% of Capital expenditure to total expenditure (budgeted)	R0	20%	Head Office	20%	20%	20%	20%	20%	Signed Section 52d Report	Manager SCM and Assets
Improved financial health, budget planning and reporting	Preparation of Annual FS	Number of Annual Financial Statements submitted to the Auditor General (AGSA) on or before 31 August	**R0**	annual FS submitted to AG on or before 31 August	Head Office	1 annual financial statement submitted to AG on or before 31 August	1 Annual Financial Statements submitted to AG on or Before 31 August	N/A	N/A	N/A	Proof of submission of AFS to AG. on or before 31 August	CFO
Improved financial health, budget planning and reporting	4x Section 52(d) (30 days after the end of the quarter 1x Section 72 (Midyear) 25 January each year	Number of days taken to submit financial statutory documents to Council	**R0**	New Indicator	Head Office	Within 30 days after the end of the quarter	1 Section 52(d)30 days after the end of the quarter	1 Section 52(d)30 days after the end of the quarter	2 Section 52(d)30 days after the end of the quarter 1 Section 72	1 Section 52(d)30 days after the end of the quarter	Compliance report developed, Proof of submission to Council and Council resolution	CFO
Improved financial health, budget planning and reporting	Submission of funded budget to Council within 30 days before the start of the financial year Submission of draft budget on the 28 of February	Number of days taken to submit funded annual and adjusted budgets submitted to Council as per MFMA	**R0**	New Indicator	Head Office	2 funded budgets developed and submitted to Council	N/A	N/A	1 Adjusted funded budget submitted to council by the 28th of February	1 Annual funded Budget submitted to council by the 31st May	Annual budget and Adjusted Budget submitted to council, proof of submission to Council and Council resolution	CFO
KPA 2: Municipal Transformation and Organisational Development												
GOAL 3: Improve effectiveness of governance administrative and financial systems												

Strategic Objective: To enhance organisational performance, financial viability and management of municipal resources												
Strategy	**Project**	**Output Indicator**	**Budget Allocation 2025/2026**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Implementation of the Workplace Skills Plan	Workplace Skills Plan	Percentage expenditure of the municipality's budget for training and development	R1 759 996	New	Head Office	100%	N/A	25%	50%	100%	Annual Training Plan Training report Attendance registers	Director: Corporate Services
KPA 5: Good Governance and Public Participation												
Goal : To improve the effectiveness of governance and financial systems												
Strategy	**Project**	**Output Indicator**	**Budget Allocation 2025/2026**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Integrated municipal planning	Municipal Strategic Plan	Number of municipal strategic plans developed.	R900 000	New	Municipal offices	1 Municipal Strategic Plan developed	N/A	N/A	1 Municipal Strategic Plan developed	N/A	Strategic Plan developed and Report of strategic plan session signed by the MM, proof of submission to council and council resolution	Senior Manager Strategic Support Services
Improve effectiveness and efficiency of the internal audit	Submission of Audit and Risk committee reports to Council	Number of audit and risk committees oversight reports submitted to council	R0.0	New	Municipal offices	2	N/A	1	N/A	1	ARC reports submitted to Council which is drafted by the chairperson to report on oversight functions conducted by ARC and Council resolution	Manager: Internal Audit
To ensure compliance with legislation	1. Employment Equity & 2. COIDA – DoEL 3. Workplace Skills Plan – LGSETA	Number of legislative compliance reports submitted to relevant public bodies	N/A	3	Head Office	3	N/A	N/A	1	2	HR compliance report with copies of acknowledgment letter and proof of submission.	Director: Corporate Services
Promote good governance and compliance	Compliance with Risk Adjusted Strategy (RAS)	Percentage of grant spent to meet RAS compliance.		New	Head Office	100%	30%	60%	80%	100%	Quarterly RAS expenditure report, PMU quarterly report	Director IP&D
Strengthen functionality of oversight and	1. Ward committee co-ordination. 2. Section 79	Number of public participation and oversight projects implemented	R2 407 913	5	All wards	5	4	4	5	4	Public Participation and oversight reports signed by SM: SSS with attendance registers;	Manager: Governance and Political office support

ward committees	Committee co-ordination. 3. Public participation events 4.Petition Management 5. Annual Report Community Consultation											

6.10.1 Departmental (Lower Layer) SDBIP

6.10.1.1 Infrastructure Planning and Development

KEY PERFORMANCE AREA (KPA) 1: Basic Service Delivery												
Goal 1: Accelerate delivery of reliable basic services and resilient infrastructure												
Strategic Objective: **To ensure efficient construction, rehabilitation and maintenance of municipal infrastructure** **To provide reliable basic services to households and business sector**												
Strategy	**Project**	**Output Indicator**	**Budget 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Infrastructure development	• Ugie Parks Street (800m) • Surfacing of Mt Fletcher Urban Road (400m)	Kms of Paved Roads Constructed	R 14.9 Million	New	Wards 2, 9	1.2km	N/A	N/A	N/A	1.2km	Road construction report with Package order, Appointment letters practical completion certificate, APR Listing	Director IP&D
Infrastructure development	• Westhoek access road (6.5KM) • Delibawo to Maweni access road (6KM) • R56 to Khalankomo (2.5M) • Eppainete Mbeki access road (2.5KM)	Kms of unpaved roads constructed	R27.1 Million	New	Ward 1, 9 & 10,	17.5 Km	N/A	N/A	2.5km	15km	Road construction report with Package order, Appointment letters practical completion certificate, APR Listing	Director IP&D

KEY PERFORMANCE AREA (KPA) 1: Basic Service Delivery												
Goal 1: Accelerate delivery of reliable basic services and resilient infrastructure												
Strategic Objective: To ensure efficient construction, rehabilitation and maintenance of municipal infrastructure To provide reliable basic services to households and business sector												
Strategy	**Project**	**Output Indicator**	**Budget 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Expand infrastructure development	Procurement of material for fencing of landfill site Tlokoeng and Ugie landfill site	% Rehabilitation of public amenities	R1.5 million	New	Ward 02, 09	100% procurement material	N/A	N/A	N/A	100%	Package Order and Progress report.	Director IP&D
infrastructure development	Maintenance of gravel roads	KMs of access roads maintained	R 9 million	90 km	Wards (1,2,3,4,6,7, 8, 9,14,15,16 &17)	100km	15Km	35Km	25Km	25Km	Access Roads Maintenance Report, Quarterly Progress report, Maintenance acknowledgement Certificate signed by Ward CLLR, APR Listing	Director IP&D
Expand infrastructure development	Urban road maintenance (surfaced roads)	No. of Square Metres of urban surfaced roads maintained (Slurry sealing and pothole patching)	R 2.1 million		Ward 2,3, and 9	3500m^2	744 m^2	2506 m^2	125m^2	125m^2	Quarterly Progress Report, APR listing, Hand-over Certificate signed by Ward CLLR	Director IP&D
Expand infrastructure development	Maintenance of bridges culvert & pipe crossing	Number of bridges (culvert & pipe crossings) repaired/maintaine d	1.2 million	New	Ward 5,6,13	3	N/A	N/A	3	N/A	Quarterly Progress report with before and after pictures or appointment letter, package order and completion certificate	Director IP&D
Infrastructure development	Households electrification Makoatlane Phase 2 (33) Koebung (55)	No.of of households in electrification programme connected	R3,5 Million		Ward 13	88	88	N/A	N/A	N/A	Households Electrification Report, Beneficiary List; Package order, Quarterly progress report Practical completion certificate; APR Listing, PSC Minutes	Director IP&D

KEY PERFORMANCE AREA (KPA) 1: Basic Service Delivery												
Goal 1: Accelerate delivery of reliable basic services and resilient infrastructure												
Strategic Objective: To ensure efficient construction, rehabilitation and maintenance of municipal infrastructure To provide reliable basic services to households and business sector												
Strategy	**Project**	**Output Indicator**	**Budget 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Infrastructure development	Lubisini Jojweni (Nkunyana) Khalazembe Thabatlana Gqaqala Makgadiseng	Number of Households completed for electrification Pre-Eng designs	R1.1 Million	New	Ward , 8, 11, 12, 13 & 17	385	N/A	N/A	385	N/A	Package Order, Progress Report, Final Design Package	Director IP&D
Infrastructure development	Kms of 33kv Makotlane Link line	kms of Link line constructed	0,55 million	4km	Ward 13	1,3km	1,3km	N/A	N/A	N/A	Progress report; Package order; completion certificate; APR Listing	Director IP&D
Infrastructure development	Electricity network maintenance distribution lines, substations, transformers	% of maintenance completed for the electricity network as per the maintenance plan	R3.5 Million	100%	Ward 3, 4, 17	100%	N/A	N/A	50%	50%	Maintenance for completed electrification, Maintenance report, Maintenance Plan, Inspection sheet	Director IP&D
Infrastructure development	Maclear Mall Electricity Network Upgrade	% electricity network upgraded.	R1.4 Million	100%	Ward 3,4	100%	N/A	N/A	N/A	100%	Customer Application Form, Package Order / Work Order Form and or Progress Report / Practical Completion Certificate; APR Listing	Director IP&D
Infrastructure development	Streetlights Highmast lights	% maintenance of public lighting	R200,000	100%	Ward 2,3,4,9,17	100%	100%	100%	100%	100%	Public Lighting Maintenance report, Maintenance plan; Inspection sheet; APR Listing	Director IP&D
Infrastructure development	Smart meter installation	Number of Licensed DCUs installed to complete Smart Meter Project	R8 million	New	Ward 2,3,4 & 17	93	N/A	N/A	N/A	93	Package Order; Progress Report, Completion Certificate, APR Listing	Director IP&D

KEY PERFORMANCE AREA (KPA) 1: Basic Service Delivery												
Goal 1: Accelerate delivery of reliable basic services and resilient infrastructure												
Strategic Objective: To ensure efficient construction, rehabilitation and maintenance of municipal infrastructure To provide reliable basic services to households and business sector												
Strategy	**Project**	**Output Indicator**	**Budget 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Infrastructure Development	Maintenance of Vehicle Testing Station	Number of VTS maintained	R1.8m	New	Ward 9		N/A	N/A	N/A	1	Public Amenities Maintenance Report, Packaged Order; Quarterly Progress Report; Practical Completion Certificate	Director IP&D
Infrastructure development	Maintenance of public amenities Ugie Public ablution facility Maclear public ablution facility Municipal offices ablution facilities	Number of public amenities under the control of the department maintained.	R 3.3 million	New	Ward 1,2, 3,4,7,9,12, 13,15 & 17	3	N/A	2	1	N/A	Packaged Order and or Quarterly Progress Report; and or Practical Completion Certificate (construction)	Director IP&D
Human Settlements	Improved building control environmen t	Turnaround time for building plans response (Within 60 days after receiving all required information	Internal human resource	60 days	All wards	60 days	60 days	60 days	60 days	60 days	Building plan register Building plan and approval or disapproval letters	Manager: Housing
Human Settlements	Inspection of Low-cost houses	% of inspections upon invitation	R0	New	All wards	100%	100%	100%	100%	100%	Progress report, Evidence of invitation, attendance registers	Manager: Housing
KEY PERFORMANCE AREA (KPA) 3: LOCAL ECONOMIC DEVELOPMENT												
Goal(s) 2: Promote economic growth, environmental sustainability through job absorbing sectors												
Strategic Objective: To promote creation of employment opportunities and decent jobs. To support the development of SMME to participate in a diversified and growing economy												

KEY PERFORMANCE AREA (KPA) 1: Basic Service Delivery												
Goal 1: Accelerate delivery of reliable basic services and resilient infrastructure												
Strategic Objective: To ensure efficient construction, rehabilitation and maintenance of municipal infrastructure To provide reliable basic services to households and business sector												
Strategy	**Project**	**Output Indicator**	**Budget 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Strategy	**Project**	**Output Indicator**	**Budget Allocation 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Coordinate job creation	EPWP	Number of work opportunities created through EPWP	R 0		Whole of municipality	160 90 PMU 10 Electricity 60 Roads maintenance	90 61 PMU 30 Roads maintenance	19PMU	55 10 PMU 30 Roads 10 Elec	N/A	EPWP Report with APR Listing; Contract register.	Director: IP&D
SMME development	Local SMMEs sub-contracting work	Number of work packages awarded to SMMEs contractor	R6 Million	9	Whole of municipality	6	4	2	N/A	N/A	Package orders for main contractor and sub-contractor; Appointment letters of main contractor and sub-contractor	Director: IP&D
KPA 4: Financial Viability and management												
Goal3: Improve the effectiveness of governance administrative and financial systems.												
Strategic objective: To enhance organisational performance, financial viability and management of municipal resources												
Strategic Objective	**Project**	**Output Indicator**	**Budget Allocation 2025/2026**	**Baseline**	**Spatial Reference**	**Annual Target 2025/ 2026**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Improve infrastructure grant expenditure	Expenditure of infrastructure Grants	% expenditure on all infrastructure grants	R56.8 million	100%	Head Office	100%	30%	60%	85%	100%	Expenditure Reports with relevant evidence	Director: I P & D and Finance Manager: Projects
KPA 5: Good Governance and Public Participation												
Goal 3: To improve the effectiveness of governance and financial systems												
Strategic Objective: To strengthen integrated planning, monitoring and evaluation of municipal programmes.												

KEY PERFORMANCE AREA (KPA) 1: Basic Service Delivery												
Goal 1: Accelerate delivery of reliable basic services and resilient infrastructure												
Strategic Objective: To ensure efficient construction, rehabilitation and maintenance of municipal infrastructure To provide reliable basic services to households and business sector												
Strategy	**Project**	**Output Indicator**	**Budget 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Strategy	**Project**	**Output Indicator**	**Budget Allocation 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Promote good governance and compliance	1. Risk Adjusted Strategy (RAS)	Percentage implementation of RAS compliance	R0	New	Head Office	100%	30%	60%	80%	100%	RAS Project tracker, quarterly MIG expenditure report, PMU quarterly report	Manager: PMU. Finance Manager: Projects

6.10.1.2 Community Services

Key Performance Area (KPA)1 : Basic Service Delivery												
Goal-1: Accelerate delivery of reliable basic services and resilient infrastructure **Goal 2: promote economic growth, Environmental sustainability through Job 'absorbing sectors**												
Strategic Objective: To promote environmental health and safety of local communities **To promote the protection and conservation of natural resources through green lifestyle**												
Strategy	**Project**	**Output Indicator**	**Budget 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Provision of basic services to promote healthy environment	1. Abor Month, 2. Waste and environment, 3. fire and disaster, 4. Road safety Awareness Campaign	Number of environmental and public safety awareness campaigns conducted.	N/A	34	Ward 2,3 & 9	35	(9) Arbor month (1) waste and environment awareness campaign (4) Fire and disaster (4)	(9) Road Safety awareness campaign (1) waste and environment 4, fire and disaster (4)	(8) Waste and environment 4, fire and disaster (4),	(9) Road Safety 1 waste and environment 4 Fire and disaster (4)	Environmental and public safety awareness Campaigns quarterly reports attendance registers.	Director: Community Services
Promote public safety and healthy environment	Roadblocks	Number of road blocks conducted	N/A	25	Ward 2,3 & 9	20	5	5	5	5	Roadblocks Report with attendance register & itinerary.	Director Community Services
	Joint Public Safety Operations	Number of joint public safety operations conducted.	N/A		Ward 2, 3 & 9	12	3	3	3	3	Joint public safety operations report with attendance register	Director Community Services
	7. Library management	Number of functional libraries managed through SLA with DSRAC		New	Ward 2, 3, 9	6	N/A	N/A	6	6	Library management quarterly report signed by Director	Director Community Services
KEY PERFORMANCE AREA (KPA) 1: Basic Service Delivery												
Goal 1: Accelerate delivery of reliable basic services and resilient infrastructure												
Strategic Objective: To provide reliable basic services to households and the business sector.												

Key Performance Area (KPA)1 : Basic Service Delivery												
Goal-1: Accelerate delivery of reliable basic services and resilient infrastructure **Goal 2: promote economic growth, Environmental sustainability through Job 'absorbing sectors**												
Strategic Objective: To promote environmental health and safety of local communities **To promote the protection and conservation of natural resources through green lifestyle**												
Strategy	**Project**	**Output Indicator**	**Budget 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Provision of basic services to promote healthy environment	Refuse Collection	Number of areas receiving refuse collection, for household and commercial properties.	R5 000 004	59	Ward 2,3 & 9	59	59 areas	59 areas	59 areas	59 areas	Refuse Collection Report; approved collection schedule, collection register.	Director Community Services
KPA 3: Local Economic Development												
Goal(s) 2: Promote economic growth, environmental sustainability through job absorbing sectors												
Strategic Objective : To promote creation of employment opportunities and decent jobs.												
Strategy	**Project**	**Output Indicator**	**Budget Allocation 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Creation of job opportunities to alleviate poverty	EPWP Work Opportunities	Number of work opportunities created through EPWP	R2 079 000 (Incentive Grant) R1 500 000 (DEDEAT) Grant	414	Whole of municipality	185	50	N/A	135	N/A	EPWP Report with incentive grant agreement / proof of transfer of funds from DEDEAT and list of beneficiaries and list of beneficiaries	Director Community Services
KEY PERFORMANCE AREA (KPA) 4: FINANCIAL MANAGEMENT & VIABILITY												
Goal(s) 3: To improve the effectiveness of governance administrative and financial systems												
Strategic Objective: To enhance organisational performance, financial viability and management of municipal resources.												
Strategic Objective	**Project**	**Output Indicator**	**Budget Allocation 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**

Key Performance Area (KPA)1 : Basic Service Delivery												
Goal-1: Accelerate delivery of reliable basic services and resilient infrastructure Goal 2: promote economic growth, Environmental sustainability through Job 'absorbing sectors												
Strategic Objective: To promote environmental health and safety of local communities To promote the protection and conservation of natural resources through green lifestyle												
Strategy	**Project**	**Output Indicator**	**Budget 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Revenue generation	Revenue generated	Rand value of revenue generated from vehicle's registration and licensing (rand value)	R,00	R3.6 million	Head Office	R3 200 000	R800 000	R800 000	R800 000	R800 000	Revenue Generation Report signed by Director,	Director Community Services
KEY PERFORMANCE AREA (KPA) 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION												
Goal(s) 3: To improve the effectiveness of governance administrative and financial systems												
Strategic Objective :												
Strategy	**Project**	**Indicator**	**Budget Allocation 2025/2026**	**Baseline**	**Spatial Reference**	**Annual Target 2024/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Development of new policy and reviewal of available policies/bylaws	Policy / strategy Review EPWP policy Destitute & Pauper Burial policy Integrated Environmental Management policy Green procurement strategy Firearm policy	Number of departmental policies reviewed	R0	12	Whole of municipality	4	N/A	N/A	N/A	4 EPWP policy Destitute & Pauper Burial policy, Integrated environmental Management policy, Green procurement strategy , Firearm policy	Report; Council Resolution; copies of reviewed strategy / policy	Director Community Services
Environmental Management promote healthy environment	Climate Change Strategy Disaster management plan	Number of environmental management and disaster Management policies developed	R1 million	New	Ward 2,3 & 9	2	N/A	N/A	N/A	2	Council Resolution	Director Community Services

6.10.1.3 Planning and Economic Development

KEY PERFORMANCE AREA (KPA) 3: LOCAL ECONOMIC DEVELOPMENT												
Goal(s) 2: Promote economic growth, environmental sustainability through job absorbing sectors												
Strategic Objective: To support the development of SMME to participate in a diversified and growing economy To Facilitate industrialisation that unlocks the manufacturing potential of the local economy To increase investment through land and socio-economic infrastructure												
Strategy	**Project**	**Indicator**	**Budget Allocation 2025/2026**	**Baseline**	**Spatial Ref.**	**Annual Target 2025/2026**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
SMME Development	Street trading facilities	Number of street trading facilities maintained	R500 000	New	Ward 2,3,9	20	N/A	N/A	20	N/A	Report with pictures of the renovated street trading facilities	Director Planning and Economic Development
Mansory industry development support	Mansory Development	Number of verification report on Mansory development project by Coega	R300 000	New	N/A	1	N/A	N/A	N/A	1	Masonary verification report by Coega submitted to council and Council resolution	Director Planning and Economic Development
Tourism development	Tourism awareness	Number of rural tourism awareness campaigns conducted (protection of assets) Partnership with Tour guides	R150 000	4	All wards	4	1	1	1	1	Report signed by the Director on awareness campaign with attendance registers	Manager: LED & Property Development
Marketing of Elundini as a prime tourist destination	Destination Marketing	Number of destination marketing initiatives	R400 000	2	All wards	2	N/A	N/A	1 Tourism Conference	1 Durban Arts Festival (Marketing ELM Tourism attraction)	Performance reports signed by the Director supported by the tourism destination marketing initiatives	Manager: LED & Property Development
Property Development	Property development	Number of Tlokoeng Mall lease agreements completed	N/A	New	Ward 9	1	1	N/A	N/A	N/A	Copy of the agreement and implementation plan	Director Planning and Economic Development

KEY PERFORMANCE AREA (KPA) 3: LOCAL ECONOMIC DEVELOPMENT												
Goal(s) 2: Promote economic growth, environmental sustainability through job absorbing sectors												
Strategic Objective: To support the development of SMME to participate in a diversified and growing economy To Facilitate industrialisation that unlocks the manufacturing potential of the local economy To increase investment through land and socio-economic infrastructure												
Strategy	**Project**	**Indicator**	**Budget Allocation 2025/2026**	**Baseline**	**Spatial Ref.**	**Annual Target 2025/2026**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Property Investment Attraction	Property investment attraction	Number of investment attraction initiatives implemented (property development)	Internal human resource	1.property plan	All wards	1	N/A	N/A	N/A	1 Expression of interest	Proof of expression of interest	Director planning and economic development
Property Investment Attraction	Layout plans for human settlements in traditional areas	Number of layout plans developed for traditional areas in partnership with SALGA	R0	1 (Shape file is completed)	Ward 5	1	N/A	N/A	N/A	1	Report and Layout plan submitted to the Council; proof of submission	Director Planning and Economic Development
Improved land use planning & management	Improved land use planning & management	Turnaround time for land use applications processed (30)	Internal human resource		All wards	30 days	30 days	30 days	30 days	30 days	Listing of applications considered authorised official; Decision notice; Register as proof of submission and record of decision	Director Planning and Economic Development
Improved business licencing & permitting	Improved business licencing and permitting	% of businesses licenses issued on compliance	Internal human resource		All wards	100%	100%	100%	100%	100%	1. Copy of business license issued 3. Business licence register with beneficiaries' signature.	Director Planning and Economic Development
KPA 5: Good Governance and Public Participation												
GOAL 3: Improve effectiveness of governance administrative and financial systems												
Strategic Objective: To enhance organisational performance, financial viability and management of municipal resources												

KEY PERFORMANCE AREA (KPA) 3: LOCAL ECONOMIC DEVELOPMENT												
Goal(s) 2: Promote economic growth, environmental sustainability through job absorbing sectors												
Strategic Objective: To support the development of SMME to participate in a diversified and growing economy To Facilitate industrialisation that unlocks the manufacturing potential of the local economy To increase investment through land and socio-economic infrastructure												
Strategy	**Project**	**Indicator**	**Budget Allocation 2025/2026**	**Baseline**	**Spatial Ref.**	**Annual Target 2025/2026**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Review General Valuation Roll	Review General Valuation Roll	Number of final General Valuation Rolls submitted	R2.2 million	New	Ward;	01	N/A	N/A	N/A	01	Proof of submission by the Valuer to the municipality	Director Planning and Economic Development

6.10.1.4 Budget and Treasury Office

KPA 1: Basic Service Delivery												
Goal 1: Accelerate service delivery and infrastructure development.												
Strategic Objective: To provide reliable basic services to households and the business sector.												
Strategy	**PROJECT**	**Output Indicator**	**Budget allocation 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Indicator Custodian**
Improved financial health, budget planning and reporting	Preparation of Interim FS	Number of interim Financial Statements developed and submitted to council	**R0**	Interim FS submitted to Council	Head Office	1 interim financial statement developed and submitted to CFO	N/A	N/A	1 Interim Financial Statement developed and submitted to CFO	N/A	Interim FS submitted to CFO and proof of submission	CFO
Indigent beneficiation on Free Basic Services	Free Basic Services	Indigent register developed	R7 943 760	New Indicator	All Wards	1	1	1	1	1	Copy of developed indigent register	Manager: Income & Expenditure
KPA 4: Financial Viability and management												
Goal3: Improve the effectiveness of governance administrative and financial systems.												
Strategic objective: To enhance organisational performance, financial viability and management of municipal resources												

Strategy	PROJECT	Output Indicator	Budget allocation 2025/26	Baseline	Spatial Reference	Annual Target 2025/26	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Indicator Custodian
Analysis of municipal financial health	Repairs & Maintenance to PPE Ratio	% of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery	R0	8%	Head Office	8%	8%	8%	8%	8%	Section 52(d) Report	Manager SCM and Assets
Revenue enhancement	Cost Containment	Number of cost containment measures implemented as per the approved strategy.	**R0**	20	Head Office	20	20	20	20	20	Cost Containment Report with relevant evidence signed by CFO	Manager SCM and Assets
Revenue enhancement	Revenue enhancement strategy	% of revenue enhancement strategies implemented	**R0**	1	Head Office	100%	100%	100%	100%	100%	Revenue Enhancement Report signed by CFO	Manager : Income & Expenditure
Revenue enhancement	Revenue enhancement strategy	Number of revenue enhancement strategies reviewed	**R0**	New	Head Office	1 draft Revenue enhancement strategy	N/A	N/A	N/A	1 draft revenue enhancement strategy	Draft Revenue Enhancement Strategy, proof of consultation sessions on the draft	CFO
Improve efficiency of asset and fleet management	1. Asset verification 2. Asset reconciliations	Number of Asset Projects implemented:	R0	2	Head Office	2 asset verification on 12 asset reconciliation	3 Asset reconciliations	1 Asset verification 3 asset reconciliations	3 asset reconciliations	1 Asset verification 3 Asset reconciliations	Asset Verification and reconciliation Report signed by CFO	Manager: SCM & Assets

KPA 5: Good Governance and Public Participation

Goal 3 : To improve the effectiveness of governance and financial systems

Strategic Objective: To strengthen integrated planning, monitoring and evaluation of municipal programmes.

Strategy	Project	Output Indicator	Budget Allocation 2025/26	Baseline	Spatial Reference	Annual Target 2025/26	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian
Maximise efficiency in demand management, acquisition, and contract management	Implementation of 1. Demand management plan 2. Contract Management 3. SCM Reporting 4. Deviations	Number of SCM projects implemented:	**R0**	4	Head Office	4	4 1. Demand management plan 2. Contract Management 3. SCM Reporting	4 1. Demand management plan 2. Contract Management 3. SCM Reporting 4. Deviation	4 1. Demand management plan 2. Contract Management 3. SCM Reporting	4 1. Demand management plan 2. Contract Management 3. SCM Reporting	Quarterly SCM Report signed by CFO and proof of submission to CFO	Manager: SCM and Assets

							4. Deviations		4. Deviation	4. Deviation		
Improved financial health, budget planning and reporting	Review Budget related policies and tariffs and submit to council	Number of budget related policies and tariffs reviewed and submitted to council	**R0**	New Indicator	Head Office	15	N/A	N/A	N/A	15 Budget related policies and tariffs (Final)	Draft and Final Annual Budget, Adjusted Budget and Budget related Policies and tariffs with their proof of submission to CFO and Treasury	Manager: Budget & Reporting;
Promote good governance and compliance	Grants Expenditure Monitoring 2. FMCMM & E monitoring Reporting 3. UIFW Monitoring	Number of municipal compliance indicators implemented	New Indicator	R0	Head Office	3	3	3	3	3	Municipal Compliance Indicators consolidated Report signed by the CFO with proof of implementation.	Manager : Budget & Reporting; Manager : Income & Expenditure; Manager: SCM and Assets;

6.10.1.5 Corporate Services

KPA 2: Municipal Transformation and Organisational Development												
GOAL 3: Improve effectiveness of governance administrative and financial systems												
Strategic Objective: To enhance organisational performance, financial viability and management of municipal resources												
Strategy	**Project**	**Output Indicator**	**Budget Allocation 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
To promote sound labour relations	Local Labour Forum	Percentage functionality of local labour forum and its committees	R0	100%	Head Office	100%	100%	100%	100%	100%	Local Labour Forum Report with attendance register	Manager : HRM&D
Review of the organisational structure	Review of the Organisational structure	Review of the organizational structure	R0	New	Head Office	Organisational structure reviewed	N/A	N/A	N/A	Organisational structure reviewed	Adopted Organizational structure and organizational review report	Director: Corporate Services

KPA 2: Municipal Transformation and Organisational Development												
GOAL 3: Improve effectiveness of governance administrative and financial systems												
Strategic Objective: To enhance organisational performance, financial viability and management of municipal resources												
Strategy	**Project**	**Output Indicator**	**Budget Allocation 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Promote the well-being of employees	Wellness Strategy Implementation	Percentage of implementation of Wellness Strategy Implementation plan.		100%	Head Office	100%	100%	100%	100%	100%	Wellness Report with evidence of implementation.	Manager : HRM&D
Promote occupational health & safety of employees	OHS	Percentage of implementation of OHS strategy		100%	Head Office	100%	100%	100%	100%	100%	Occupational Health & Safety Reports with evidence of implementation.	Manager : HRM&D
Promote the safety & security of municipal resources	Security system	Number of reports on security services functionality	R11m	1	Head Office	1	1	1	1	1	Security services functionality report	Manager : Admin. & Council Support
KPA 5: Good Governance and Public Participation												
Goal(s) 3: To improve the effectiveness of governance administrative and financial systems												
Strategic Objective: To improve public participation and oversight to enhance accountability												
Policy development and review	Policy review	Number of departmental policies reviewed	N/A	New Indicator	Head Office	31	N/A	N/A	N/A	31	Departmental Policy Review Report with a copy of policies (HR. Admin. ICT), council resolution	Director: Corporate Services
Provision of ICT services	1. Upgrade of LAN to Cat6 2. Migration of systems to cloud based 3.Monitoring of Remote Backups (RB) 4.Developement of ICT asset register	Number of ICT projects implemented	R2 Million	5	Head Office	4	1 (Remote Backup)	2 1.Migration of systems to cloud based 2. Upgrade of LAN to Cat6	N/A	1 1. ICT Asset Register	ICT Report with system generated report on remote backups, Approved information security plans	Director: Corporate Services

KPA 2: Municipal Transformation and Organisational Development												
GOAL 3: Improve effectiveness of governance administrative and financial systems												
Strategic Objective: To enhance organisational performance, financial viability and management of municipal resources												
Strategy	**Project**	**Output Indicator**	**Budget Allocation 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Provision of administration and secretariat support to council and its committees	Council Functionality	Percentage functionality of council and its committees	R500 000	100%	Head Office	100%	100%	100%	100%	100%	Council Functionality Report submitted to MM with copies of attendance registers resolution registers	Director: Corporate Services

6.10.1.6 Municipal Manager's Office

1. KPA2: Municipal Transformation and organisation Development												
Goal 3: improve the effectiveness of governance and financial systems												
Strategic Objective: To strengthen integrated planning, monitoring and evaluation of municipal programmes. To enhance organisational performance , financial viability and management of municipal resources												
Strategy	**Project**	**Output Indicator**	**Budget Allocation 2025/2026**	**Baseline**	**Spatial Reference**	**Annual Target 2025/2026**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Performance Management	Institutional Performance management	% Implementation of Institutional PMS process plan	R300 000	100%	Municipal Offices	100%	100%	100%	100%	100%	PMS Process Plan Implementation Report signed by SM:SSS with evidence of activity implementation.	Manager: M&E, IDP/PMS
Integrated municipal planning	IDP process plan implementation	% implementation of IDP process plan	R126 924		Municipal Offices	100%	100%	100%	100%	100%	IDP Process Plan Implementation Report signed by SM:SSS with evidence of activity implementation.	Manager: M&E, IDP/PMS
Promote risk management culture	1. Risk management, Anti-Fraud & Corruption policies 2. Ethics & Integrity management, Anti-Fraud & Corruption, Risk Management strategies review 3. Fraud Prevention Plan Review 4. Strategic Annual Risk Assessment	Number of policies and strategy risk assessment reviewed	R294 846	New Indicator	Head Office	3	N/A	N/A	1	2	Policy and strategies review report signed by MM; Proof of submission to council structures; strategic risk register;	Senior Manager Strategic Support Services
Improve effectiveness and efficiency of the internal audit	1. Development of Internal audit plan	% of completed internal audit projects of the approved internal audit plan	R1.5m	85% (21)	Municipal offices	14	90% (3)	90% (3)	90% (4)	90% (4)	Internal Audit Progress against the Plan & internal audit reports signed by MM; approved internal audit plan with proof of submission to Audit Committee.	Manager: Internal Audit
KEY PERFORMANCE AREA (KPA) 3: LOCAL ECONOMIC DEVELOPMENT												
Goal(s) 2: Promote economic growth, environmental sustainability through job absorbing sectors												

Strategic Objective: To promote creation of employment opportunities and decent jobs. To support the development of SMME to participate in a diversified and growing economy												
Strategy	**Project**	**Output Indicator**	**Budget Allocation 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Custodian**
Coordinate job creation	EPWP Work Opportunities	Number of work opportunities created through EPWP	R210 000 (SPU)	10	Whole of municipality	10 SPU	10 SPU	N/A	N/A	N/A	EPWP Work opportunities report; APR Listing; Employment Contract register (physical contracts verifiable on request)	Manager: SPU
Focus Group Mainstreaming	Conduct Information session	Number of information session conducted	R0.00	New	All Wards	1	N/A	N/A	N/A	1	Report of information session conducted, and attendance registers	Manager: SPU
KPA 5: Good Governance and Public Participation												
Goal(s) 3: improve the effectiveness of governance administrative and financial systems												
Strategic Objective: To improve public participation and oversight to enhance accountability												
Strategy	**PROJECT**	**Output Indicator**	**Budget allocation 2025/26**	**Baseline**	**Spatial Reference**	**Annual Target 2025/26**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Means of Verification**	**Indicator Custodian**
Integrated municipal planning	Municipal Strategic Plan	Number of municipal strategic plans developed.	R900 000	New	Municipal offices	1 Municipal Strategic Plan developed	N/A	N/A	1 Municipal Strategic Plan developed	N/A	Strategic Plan developed and Report of strategic plan session signed by the MM, proof of submission to council and council resolution	Senior Manager Strategic Support Services
Improve effectiveness & efficiency of communications	1. Social media analysis, 2. Municipal Publication, 3. website management, 4. Local Communicators Forum 5.Branding Management	Number of communications projects implemented	R900 000	7	Municipal offices	5	5	5	5	5	Communications Report signed by SM: SSS with evidence of social media analysis, website management, LCF, copies of publication & Branding management	Strategic Communications Coordinator

Customer service	1.Community Satisfaction Survey (CSS); 2.Presidential hotline. 3.IMIS walk-ins. 4.Proof of residence	Number of customer care projects implemented	R0	5	All wards	4	4	4	4	4	Customer Care Report Signed by SMSSS with Community Satisfaction Survey Outcomes; Presidential Hotline; IMIS Report & Proof of Residence reports	Manager: Governance and Political office support
Focus Group Mainstreaming	1. PWD program 2. Gender-based Violence & Femicide program	Number of focus groups social projects implemented	R224 000	6	All Wards	5	1. PWD support	1 PWD support	2 GBVF RRT meeting PWD Support	1 PWD support	Focus Group Social Projects, (RRT minutes and attendance registers, PDW consolidated Report, PWD NGO Partnership agreements)	Manager: SPU
HIV & AIDS Coordination	1.Local Aids Council 2.HCBC Support	Number of HIV/AIDS projects implemented	R 968 000	2	All wards	2	2 LAC HCBC Support	2 LAC HCBC Support	2 LAC HCBC Support	2 LAC HCBC Support	HIV/AIDS report with copies of SLA; LAC report and attendance registers, monitoring report and attendance register	Manager: SPU
Social relief and skills development	1. Bursary	Number of MSI projects implemented.	R358 000	3	All wards	1	N/A	N/A	1 Bursary	N/A	MSI Report with Bursary Report and POP	Manager: SPU
Promote good governance and compliance	1. Internal & external Audit Action Plans 2. Risk Registers 3. Circular 88 4.Implementation of resolutions of strategic planning	Number of municipal compliance indicators implemented	New Indicator	R0	Head Office	4	4	4	4	4	Municipal Compliance Indicators consolidated report signed by MM with proof of implementation .	Senior Manager: Strategic Support Service

CHAPTER 7: ALIGNMENT

7.1. Introduction

The strategic approach to the development of the ELM's integrated development plan is underpinned by policies and strategies of the national and the provincial government. The development objectives of these policies have influenced the development of the strategic direction that the Municipality has identified. The national development plan is an overarching national policy that has informed the municipal strategy formulation. The other recent and relevant developmental policies which the municipal strategy has been aligned to are National Strategic Infrastructure Projects, Millennium Development Goals, Service Delivery Agreement Outcome 9, the King IV Code and the Provincial Government Development priorities. The section will also list the sector strategies that led the strategic direction of the municipality.

7.1. National Development Plan

7.1.1. Introduction

Through previous programs (reconstruction and development program) South Africa looks different from 1994. However, there is much that looks the same. There are still short coming in the development path. There is insufficient progress in reducing poverty and inequality and unemployment**.** South Africa has a potential and capacity to eliminate poverty and reduce in equality over the next decade – Long term development plan. Elundini municipality should in the future have a long term development plan aligned to the National Plan. It should integrate the plans to the IDP and also promotes that people should be champion of their own development and government must work effectively to develop people's capabilities to lead the lives they desire.

The National development plan is based on:

- effective participation of South African Citizens in their own development;
- redressing of the injustice of the past effectively;
- faster economic growth and higher investment and employment;
- rising standard of education;
- a healthy population and effective social protection;
- strengthening the linkages between the social and economic strategies;
- effective capable government, collaboration between government and private sector, strong sector leadership

7.1.2. Strategic Projects Priorities by President's Infrastructure Coordinating Commission

The ELM through the district initiatives has also aligned its strategies to the national strategic project initiatives which it could benefit from such as follows:

SIP 6: INTEGRATED MUNICIPAL INFRASTRUCTURE PROJECT

Develop national capacity to assist the 23 least resourced districts (19 million people) to address all the maintenance backlogs and upgrades required in water, electricity and sanitation bulk infrastructure. The road maintenance program will enhance service delivery capacity thereby impacting positively on the population.

SIP 10: ELECTRICAL INFRASTRUCTURE

Electricity transmission and distribution for all. Expand the transmission and distribution network to address historical imbalances, provide access to electricity for all and support economic development. Align the 10-year transmission plan, the services backlog, the national broadband roll-out and the freight rail line development to leverage off regulatory approvals, supply chain and project development capacity.

SIP 11: AGRO PROCESSING INFRASTRUCTURE

Investment in agricultural and rural infrastructure that supports expansion of production and employment, small-scale farming and rural development, including facilities for storage (silos, fresh-produce facilities, packing houses); transport links to main networks (rural roads, branch train-line, ports), fencing of farms, irrigation schemes to poor areas, improved R&D on rural issues (including expansion of agricultural colleges), processing facilities (abattoirs, dairy infrastructure), aquaculture incubation schemes and rural tourism infrastructure.

SIP 18: WATER AND SANITATION INFRASTRUCTURE

A 10-year plan to address the estimated backlog of adequate water to supply 1.4 million households and 2.1 million households to basic sanitation. The project will involve provision of sustainable supply of water to meet social needs and support economic growth. Projects will provide for new infrastructure, rehabilitation and upgrading of existing infrastructure, as well as improve management of water infrastructure.

7.2. Millennium Development Goals

The Millennium Declaration signed by world leaders of 189 countries in 2000, established 2015 as the deadline for achieving most of the millennium development goals. South Africa adopted vision 2014, which is derived directly from the United Nations Millennium Goals. Vision 2014 outlined the following:

- Reduce unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self- employment and sustainable community livelihoods.
- Reduce poverty by half through economic development, comprehensive social security, land reform and improved household and community assets.
- Provide the skills required by the economy, build capacity and provide resources across society to encourage self-employment with an education system that is geared for productive work, good citizenship and a caring society.
- Ensure that all South Africans, including, especially the poor and those at risk – children, youth, women, the aged and people with disabilities- are fully able to exercise their constitutional rights and enjoy the full dignity of freedom.
- Compassionate government service to the people, national, provincial and local public representatives who are accessible, and citizens who know their rights and insist on fair treatment and efficient service.
- Massively reduce cases of TB, diabetes, malnutrition and maternal deaths, and turn the tide against HIV and AIDS, and, working with the rest of Southern Africa, strive to eliminate malaria, and improve services to achieve a better national health profile and reduction of preventable causes of death, including violent crime and road accidents.
- Significantly reduce the number of serious and priority crimes as well as cases awaiting trial, with a society that actively challenges crime and corruption, and with programs that also address the social roots of criminality.
- Position South Africa strategically as an effective force in global relations, with vibrant and balanced trade and other relations with countries of the South and the North, and in an Africa that is growing, prospering and benefiting all Africans, especially the poor.

The goals consist of quantified targets to address extreme poverty in its many dimensions viz. poverty, hunger, disease, lack of adequate shelter, and exclusion whilst promoting gender equality, education,

and environmental sustainability. At the same time the goals also represent basic human rights i.e. the rights of each person on the planet to health, education, shelter, and security.

7.3. Delivery Agreement: Outcome 9

The aim of Delivery Agreement: Outcome 9 is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.:

- Implement a differentiated approach to municipal financing, planning and support;
- Improve access to basic services;
- Implementation of the Community Work Program;
- Actions supportive of the human settlement outcome;
- Deepen democracy through a refined Ward Committee Model;
- Improve administrative and financial capability;
- A single window of coordination.

The outputs consist of targets, indicators and key activities which need to be achieved. The achievement of these outputs will go a long way in improving the lives of residents whilst at the same time improving the processes within government so they are able to operate more effectively and efficiently.

7.4. Alignment with National and Provincial Policies

National outcome	Provincial Goal	Municipal Goal	Municipal Strategic Objective	Municipal Strategy
Outcome 1: Improved quality of basic education	Goal 2: An educated, empowered, and innovative citizenry	To improve effectiveness of o governance administrative and financial systems	To enhance organisation performance, financial viability and management of municipal resources	Implementation of workplace skills plan
Outcome 2: A long and healthy life for all South Africans	Goal 3: A healthy population		To promote environmental health and safety of local communities	Provision of basic services to promote healthy environment
Outcome 3: All people in South Africa are and feel safe			To promote environmental health and safety of local communities	Promote Public safety

Outcome 4: Decent employment through inclusive economic growth	Goal 1: A growing, inclusive and equitable economy	Goal Two: Promote economic growth, environmental sustainability through job-absorbing sectors	To promote creation of employment opportunities and decent jobs.	▪ Create job opportunities through EPWP and other sectors Establishment of agro-processing ▪ SMME capacitation ▪ Improve participation of local farmers in the agricultural sector
Outcome 6: An efficient, competitive and responsive economic infrastructure network		Goal One: Accelerate service delivery and infrastructure development.	To ensure efficient construction, rehabilitation and maintenance of municipal infrastructure	Infrastructure development
			To facilitate industrialisation that unlocks the manufacturing potential of the local economy	Investment on infrastructure land and property
			To increase investment through land and socio-economic infrastructure development	Infrastructure planning and development
Outcome 8: Create sustainable human settlements and improved quality of household life			To provide reliable basic services to households and the business sector	▪ Provision of basic services to promote health environment ▪ To increase quantum of household receiving free basic services
Outcome 9: A responsive, accountable, effective & efficient local government system.	Goal 5: Capable, conscientious and accountable institutions	Goal Three: Improve the effectiveness of governance administrative and financial systems.	To improve public participation and oversight to enhance accountability.	▪ Strengthen functionality of oversight and ward committees ▪ Improve effectiveness and efficiency of communications ▪ Improve effectiveness and efficiency of customer care
			To strengthen integrated planning, monitoring and evaluation of municipal programmes.	▪ Improve short, Medium and long term planning ▪ Synergy municipal planning with that of national, provincial, District and other parties that operate in the space of the municipal

			To enhance organisational performance, financial viability and management of municipal resources.	▪ Promotion of performance driven culture ▪ Improve efficiencies in management of financial resources ▪ Promote risk awareness and risk-based decision making ▪ Improve effectiveness and efficiency of internal audit
Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced			To promote the protection and conservation of natural resources through green lifestyle.	▪ Provision of parks ▪ Waste management ▪ Disaster awareness

7.5. Other Polices and Strategies

The other polices and strategies that the ELM has aligned its strategies to are:

7.5.1. Provincial and National

- Provincial Growth and Development Strategy
- Cooperative Development Strategy
- Provincial Job Creation Strategy
- Rural Development Strategy
- Spatial Development Framework
- Investment and Promotion Strategy

7.5.2. District Municipality

- Integrated Transport Plan
- District Environmental Plan
- Water Services Development Plan
- Integrated Solid Waste Management Plan
- Disaster Management Plan
- Environmental Management Plan
- Agricultural Development Plan
- Forestry Sector Plan



LOCAL MUNICIPALITY

IKAMVA ELIQAQAMBILEYO

Acknowledgement

The Addendum replaces Chapter 4 of the adopted 2025/2026 Integrated Development Plan and Budget (Council Resolution No. CONA/132/25). The addendum is as a result of adjustments to DoRA allocation in Elundini Local Municipality which necessitated changes in budget tables.

CHAPTER FOUR: BUDGET

4.1. Financial Viability and management

In accordance with the outcomes of the latest assessment conducted as part of the mid-term review for the 2024/25 financial year with reference to the provisions of section 72 of the Municipal Finance Management Act, the Elundini Local Municipality remains financially sustainable and can meet its financial commitments. Significant reforms within the adoption of new accounting standards, being Generally Recognised Accounting Practice (GRAP), coupled with significant reforms within Municipal Budgeting and Reporting Regulations has significantly enhanced the credibility, sustainability, transparency, accuracy and reliability of financial planning, management and reporting within the Elundini Local Municipality. In meeting the demands associated with modernised practices towards sustaining and enhancing financial viability; and addressing the specific needs of Elundini LM within the context of limited resources and mounting service delivery expectations, has necessitated that a comprehensive integrated approach towards financial sustainability be developed.

In terms of the approach adopted, the report will clearly define financial risks which have been identified as being a financial threat to the long termed sustainability of the Organisation, linked to key challenges, with a detailed focus on effective strategies employed to mitigate against financial threats and weaknesses, concluded by a detailed analysis of the service delivery package and associated financial implications on the operations, statement of financial position and cashflows for the MTREF which collectively aims to position Elundini LM on a sustainable approach to service delivery.

4.1.1. Financial Risks and Key Challenges

In order to maintain and improve on the financial efficiencies and position of ELM, certain risks need to be managed, while financial management practices need to be continuously improved. The key financial risks confronting the municipality can be summarised as follows:

- Limitation on Revenue Raising Capacity due to high poverty indices;
- Maintaining existing collection levels and arresting the debt composition associated with Low level Service Offerings;

- Financial Distress- ratio analysis- specific on Working capital elements - containment of costs within set benchmarks as established within the budget process;
- The escalation of electricity costs due to tariff increases imposed by Eskom and the effect on affordability and non-payment levels;
- Deficit position associated with trading services
- Electricity distribution losses estimated in excess of 20%
- Increases associated with deferred maintenance and backlog eradication;

Key Challenges

- Maintaining an unqualified audit opinion, with material finding by 2023
- Affordability of a desired Organisational Structure;
- Reducing overall cost exposure, maximise productivity and enhance revenue streams;
- The need to improve customer care functioning;
- The need to ensure legal compliance through all procedures and programmes;
- Recurring under spending of the capital budget;
- % Capital budget allocations to refurbishment of existing infrastructure;
- Deficit position of trading services operations

4.2 Financial Strategies

The Financial Strategy has been formulated to ensure that the Elundini Local Municipality maximises all available opportunities that would enhance Councils financial strength especially considering the cost-shift environment that has been created with the implementation of assigned powers and functions. Council's overall Financial Strategy is structured into the following core components to allow for a clearer understanding of the overall task:

- Revenue enhancement and maximisation Strategies
- Asset Management strategies
- Financial Management Strategies
- Capital Financing Strategies
- Operational Financing Strategies
- Supply Chain Management turn-around Strategy
- Cost Containment Strategies
- Free Basic Services and indigent Support

These segments are intended to provide operational guidance to staff to assist them in achieving identified objectives and goals. Importantly the Strategies formulated are deemed to be primary

mitigating tool against the financial risks identified, and giving effect to the objectives of the Integrated Development Plan, through ensuring that the performance targets as per the Budget underlying the IDP are achieved. The strategies are premised on ensuring compliance with adopted financial policies, modelled on modernised reform practices applicable to Local Government

4.2.1 Revenue Enhancement and Maximisation Strategy

The purpose of this strategy is to ensure that all possible avenues are explored to maximise the receipt of any monies available to Council by way of intergovernmental transfers and Grants or Donations, including expanding the billing database and maximising income opportunities on every registered serviced site within the LM's jurisdiction. The second component of this strategy focuses on strengthening and building capacity within credit control and debt management practices and processes of Council, ensuring the attainment and exceeding of collection rates in line with key budgetary requirements. The third component of the strategy focuses on maximising the registration of households eligible for participation within the Free Basic Services programme of Council, this component is aimed at arresting spiralling **debts associated with this user group, and limiting consumption of services in line with the FBS allocation threshold.**

In line with the strategy employed, Council has formalised the appointment of a Specialist Service Provider on a contingency arrangement over three years to undertake revenue enhancement and debt reduction, with a special focus on skills transfer to a dedicated internal unit that will be created during this financial year. The success of this programme has been profound, in that the organisation has effectively been able to sustain collection rates in excess of 80% in line with budget expectations over the Medium-term Revenue Expenditure Framework. Financial performance as per the adopted midterm assessment reveals that the organisation is poised to achieve the anticipated revenue inflows underpinning the budget framework adopted, being a minimum of 95%. The additional revenue inflows beyond planned performance has provided significant impetus to funding additional programmes to enhance service delivery offerings eg. Outsourcing of the solid waste management site within Ugie estimated at R 1 Million per annum. The targeted debt collection rate over the MTREF is positioned at 95%, increasing to 100%, and 100% respectively.

4.2.2 Valuation of Property Rates

ELM in line with the Municipal Property Rates Act, has in October 2023 reviewed the valuation roll of all the registered properties within its area of jurisdiction to supplement the current general valuation

roll with considerations of new properties, alterations through approved building plans and/or changes to property values contained in the current general valuation roll.

Every three years we appoint a service provider to assist with the general valuation and supplementary valuations and the budget is included on the operational budget. Project plan for conducting valuation roll in terms of Section 81 of the MPRA was submitted to council for adoption in August 2023, per council resolution number **CONA 140/23.** Every time the property rates policy and by-laws are amended, they are published and gazetted in the provincial gazette, notices on libraries and also to the municipal website. Every occurrence of a general or supplementary valuation is publicized soliciting comments and objections from rate payers. An amount of R2 Million has been set aside in the budget for general valuation.

4.2.3 Billing

The municipality has accurate database in place, and bills its consumer debtors on monthly bases. The municipality has effective and efficient billing system in place in order to bill consumers on monthly bases as per norms and standards of revenue management.

4.2.4 Subsidies and Grants

In order for Elundini LM to obtain maximum benefit from external monies available, a policy laying out the relevant procedures has been put in place within the Institution to ensure that all grants, donations and subsidies are investigated, applied for and received at the appropriate times. The policy will ensure that Council receives maximum benefit from external funding available. The Municipality has prioritised an initiative to appoint a funding agent over the MTREF to conclude business plan development and applications through various government funding agents.

Capital Transfers- MTREF

In terms of the DORA the indicative allocations as defined within table SA18 clearly defines that over the MTREF, ELM will receive R 192.4 Million prioritized for road infrastructure.

4.2.6 In Kind Allocation

Eskom's electrification program funded through the Integrated National Electrification Grant (INEG) will see R169.9 million being invested over the MTREF within Elundini service area to address inherent service delivery backlogs.

4.3 Finance Policies – Implementation Approach

The policies below with the IDP and Budget were adopted and approved by the Council, (Council resolution: CONA/131/25) for implementation in the 2025/26 financial year. All budget related policies are reviewed annually.

Table 60: Financial Policies

Document	Purpose	Status
Admin Fee Policy	The Administration Fee Policy has been updated to address the needs of Council with regards to administration of contracts on behalf of third parties. Importantly, this component will result in R266.2 Million being appropriated to own revenue over the MTREF from conditional grants held within the Organisation	In place
Credit Control and debt collection Policy	The Policy sets out to control and manage the recovery of outstanding debt due to Council. This policy is in place and is subject to regular updates. The policy lays down the basis for distribution of accounts, collection procedures, interest and penalties to be charged in the event of non-payment, with strong focus on management reporting requirements pursuant of key legislative requirements and performance management. Giving effect to the administration of this policy, Council through the appointment of a revenue specialist has invested in a Revenue Management and Debt Collection System fully compliant with Municipal Bylaws and objects of the policy framework, the system effects have result in macro approach to debt management and collection being effected, in an effective and efficient manner, maximise the return on investment and per household	In place

Tariff Policy	This policy sets key guidelines on what should be considered when pricing services and guiding principles for the compilation of water, sanitation, solid waste and electricity tariffs. This policy is subject to constant review, given significant reforms within the electrification and water sectors, which impact on the price cost of services rendered, and ultimately on the sustainability of trading services. Through the policy framework adopted and implemented, Council has for the MTREF prioritised the continuation of the revenue protection strategy employed during the current financial year to further reduce existing losses of 25% to an acceptable technical loss of 10%.	
Irrecoverable debt Policy	To provide a framework for the writing off of irrecoverable debt, in order to ensure that Council is in a position where it is not carrying debt that is irrecoverable	In place
Rates Policy	To ensure that all the stipulation of the Municipal Property Rates Act are effected administratively and also lay-out and stipulate all the requirements for rebates for all qualifying property owners	In place
Budget Policy	Sets out the budgeting principles which Elundini Local Municipality will follow in preparing each annual budget To give effect to the requirements and stipulations of the MFMA	In Place
Borrowing, Funding and Reserves Policy	To provide a framework to ensure that the annual budget of Elundini Local municipality is fully funded To give effect to the requirements and stipulations of the MFMA	In place
Cash Management and Investment Policy	To regulate and provide directives in respect of investment of funds and maximise returns from authorised investments consistent with the primary objective of minimising risk	In place

Accounting Policy	To provide the accounting framework applicable to the finances of the municipality and is informed by the MFMA	In place
Petty Cash Policy	To stipulate clear processes and procedures to ensure that all transactions are processed effectively and efficiently in a bid to ensure prudent financial control	In place
Virementation Policy	The policy sets out the virement principles and processes which the Elundini Local Municipality will follow during a financial year. These virements will represent a flexible mechanism to effect budgetary amendments within a municipal financial year	In place
Asset Management Policy	This policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The policy is in place and is subject to regular review. The prime objectives of the policy are to ensure that the assets of Elundini are properly managed and accounted for by: Ensuring the accurate recording of asset information The accurate recording of asset movements Exercising strict control over all assets Providing correct and meaningful management information Compliance with Council's Insurance Policy and Payment Procedure Effecting adequate insurance of all assets Maintenance of Council's Assets	In place
Supply Chain Management Policy	To provide a system of procurement gives effect to the principles of: Fairness Equity Transparency Competitiveness Cost Effectiveness	In place

4.4 Asset Management Strategy

The purpose of the strategy is to optimise the use of all assets under the control of Elundini Local Municipality, given the financial exposure and the revenue streams earned by the Municipality in the rendering of services to the community. Due to the strategic importance that the entire asset base presents around the continued viability of the organisation R 169.9 million will be invested over the MTREF in capital expansion programmes.

The implication of this policy on the administration and planning of assets has been profound, in that the organisation has a comprehensive understanding of all assets under the Management Control of the Municipality, has an acute understanding of the conditions and remaining lifespan etc of the asset base, all of which are aimed at ensuring that sound financial planning occurs, especially around investment choices and reserve creation to safe guard against ageing infrastructure; the Funding and Reserves policy is directly influenced through the outcomes of the annualised conditional assessment on all infrastructural assets. The Municipality likewise has incurred losses amounting to R1.5 million due to loss on disposal on monitory assets adequately verified and accounted for in line with GRAP requirements and has received no negative audit reports in this regard. Most importantly the municipality has and maintain a GRAP Compliant Register. It is envisaged that strict adherence to policy framework will continue to be applied in order to protect the resource of the community, and ensure the continued viability of the Municipality.

4.5 Asset Movement System

At the time of commissioning a GRAP compliant Asset Register, an asset tracking system using bar-coded discs and scanners was put in place. With the completion of the Asset Register, the asset tracking system is now fully operational. The system allows for regular audits of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register. Asset verifications are undertaken twice a year for purposes of validating the existence and proper recording of all assets; all assets not accounted for are thoroughly investigated and reported to Council.

4.6 Financial Management Strategy

The purpose of this strategy is to ensure that the Financial Systems in place at Elundini Local Municipality are of such quality to allow for the generation of accurate and timely reporting at all times. The Strategy has culminated in the institution being able to effectively make informed decisions around service delivery, identify financial risks and impeding financial problems, through having an acute understanding of the financial affairs of the Municipality, through a simplified qualitative analysis being provided based on the in-year reports focusing on budgeted performance(revenue, expenditure, capital);

impact of the trading activity on the financial position and cash-flows within the Organisation, this is in compliance with international standards on in year reporting.

4.7 Supply Chain Management Turnaround Strategy

The Municipality has during the course of the financial year implemented a comprehensive SCM turnaround strategy aimed at significantly enhancing overall compliance with SCM regulations and addressing internal control deficiencies addressed within the last year's audit report issued by the Auditor-General, whilst improving significantly on operational efficiencies aimed at promoting quicker turnaround times and improving overall internal and external client satisfaction. This strategy has been hailed a success as evidenced by the fact that the organisation for the audited financial year received less findings relating to SCM processes. Importantly the turnaround strategy employed has seen the creation of a fully-fledged SCM unit fully compliant with SCM regulations, reporting to the office of the Chief Financial Officer. The organisational structure has been redesigned to ensure logical arrangement of critical functions overseen by the Supply Chain Manager, and is segmented into the following core functional areas, namely:

- Demand and Acquisition Management
- Bid Administrations and Contracts Management
- Logistics Management
- Disposal Management

The municipality has an effective contract management system as legislated, under the bid administration and contract management segment.

In terms of the systems of delegations adopted, the Municipality currently uses a fully functional bid committee system that regulates all competitive bids ranging from R200 000. In terms of the committee system in use, three distinct committees are in existence, each comprising of specialists within various fields that assist in the discharge of roles and responsibilities assigned, the committee system in use comprise the following:

- Bid Specifications Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

The Chairmanship in all bid committees are highly regulated and all appointment are authorised by the Accounting Officer in line with Municipal Regulations issued; all committees are furthermore represented by a senior supply chain practitioner. Importantly in terms of the code of conduct applicable to bid committees, all members are required to declare annually, financial interests.

4.7.1 Budget and Finance Reform

A considerable amount of time and effort has been expended on ensuring that Elundini Local Municipality has the capacity to deliver on the finance and budget reporting requirements as prescribed by National Treasury. The institution has reaffirmed its commitment to the development of capacity to service local government interest within financial management and administration and as such has invested R 5 Million towards this program over the MTREF.

The process is being overseen by a Finance Standing committee and significant progress has been made in some areas. Specific tasks being performed are:

- Employment of 5 interns and short-term contract workers
- Reconciliation of assets
- Training
- Supply Chain Management
- Liability Management
- Revenue Management
- Financial Systems Reporting
- Automation of Section 71 reporting

4.7.2 Policy for Accessing Donor Funds

Due to the large number of projects that are being requested from the community, a policy has been developed and implemented which creates a framework for accessing funds both locally and internationally. The policy outlines the type of donors available and the conditions related to the donations. All procedures and special conditions attributable the different donors will be catalogued in the policy to ensure the smoothest approach to these donors when the occasion arises.

This policy implementation lies with the Municipal Manager's Office as an extension of the Subsidies and Grants Policy. Please refer to section on Subsidies and Grants around the successful application of the policy framework.

4.7.3 Operational Financing Strategy

The purpose of this strategy is to assess the viability (IA) of any association or alliance or partnership that may arise from time to time. Elundini Local Municipality has been assigned various functions and authorities by the MEC for Local Government, Housing and Traditional Affairs or Structures Act.

Council, through National Treasury have begun a formal process of exploring a PPP option on the landfill sites within the areas of Nqanqarhu, Ugie and Tlokoeng on a 10 year outsourced option, aimed at significantly passing financial risk onto the private party (R30 Million over 10 years); Council has provided R 7.8 Million over the MTREF for this purpose financed through enhanced debt collection initiatives.

4.7.4 Strategies to Enhance Cost Effectiveness

The purpose of this strategy is to ensure that Elundini Local Municipality employs the most cost effective operating practices. Importantly, this strategy is driven on the principles enshrined within the Costing policy, which amongst other things advocates that the sustainability of Elundini LM is not primarily driven on resource generation capacity, rather a combination of effective resource utilisation, premised on cost-conscious decision-making practices and processes. The Municipality over the MTREF has adopted a formal cost reduction plan in line with the strategy requirements that will see a material shift away from consumptive based practices in favour of enhancing allocations towards building internal working capital reserves and capital replacement reserves.

4.7.5 Benchmarking and Performance Indicators

A set of performance indicators will be developed in so as to conform to Local Government benchmark indicators set for financial sustainability and performance; the Long-Term Plan presented is modelled to ensure a sustain approach to align existing performance to that of a desired performance level. Benchmarking these against similar organisations will allow for regular internal assessment and upgrading. These bench mark indicators will supplement the battery of indicators that have been developed as part of the new budget reporting formats and regulations, aimed at gauging the efficacy of financial performance and management.

4.7.6 Training and Staff Development

Training sessions and courses are continually being planned to ensure that all financial as well as non-financial, senior staff and councillors will be in a better position to evaluate the financial position of the Municipality. The Council also has an approved skills development plan, which is being implemented and is used to guide training of both Councillors and Officials. The training related budget provided over the MTREF supporting the workplace skills plan equates to R 6 Million. Similarly, the organisation has enrolled 2 employees on the Minimum Municipal Competency training programme for the current financial year; it is anticipated that by the end of March 2026 all officials required to be fully competent would have complied with the regulations issued.

4.7.7 Cost-Effectiveness

In line with the cost containment strategy formulated and implemented, line functions are thoroughly assessed from a business process perspective, in terms of the outcomes reports furnished line departments will be engaged in business process reengineering aimed at enhancing overall performance and reducing ELM's cost footprint. Departments will be required to develop departmental specific reduction strategies for approval and implementation in line with the key strategy developed.

4.7.8 Post Retirement Benefits

Post-retirement benefit obligations have been quantified and disclosed with the AFS in compliance with relevant accounting standards, the Funding and Reserves policy adopted has quantified the basis of cash back provisioning required to provide to wholly fund the obligations presented.

4.7.9 Free Basic Services

The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Elundini LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction. The indigent support policy is an integral part of the Elundini's tariff policy that is developed and implemented in a transparent manner to ensure the sustainability of local public services to all of its citizens at an affordable cost. The indigent policy is intended to provide poor households ongoing access to a specified level of service. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery.

Critically as part of Elundini LM commitment to improve continued access to service and provide a basket of free services as part of the poverty alleviation programme, Council has resolved to accelerate the provision of solar system to non-grid electrified homes within the region(7 500 new applications over the MTREF), to this effect the service delivery targets have been amended to reflect this target; indigent support funding envelope has significantly increased to R23.7 Million over the MTREF. For the past two years the actual costs for FBS were R7.3 million and R8.1 million respectively.

4.7.10 The Indigent Support Policy:

The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Elundini LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction. The indigent support

policy is an integral part of the Elundini's tariff policy that is developed and implemented in a transparent manner to ensure the sustainability of local public services to all of its citizens at an affordable cost. The indigent policy is intended to provide poor households ongoing access to a specified level of service. The Indigent Register is reviewed on an annual basis. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery.

The municipality has a fully-fledged Free Basic Services unit and Indigent Steering Committee to deal with indigent and free basis services matters. The amount budgeted for FBS in 2025 amounted to R7.5 million and in 2026 it amounted to R7.8 million. Critically as part of Elundini LM commitment to improve continued access to service and provide a basket of free services as part of the poverty alleviation programme, Council has resolved to accelerate the provision of solar system to non-grid electrified homes within the region(7 500 new applications over the MTREF), to this effect the service delivery targets have been amended to reflect this target; indigent support funding envelope has significantly increased to R37 Million over the MTREF.

4.7.11 mSCOA (Municipal Standard Chart of Accounts)

The Constitution of the Republic of South Africa, Act 108 of 1996, substituted by section 1(1) of Act 5 of 2005, section 216 deals with treasury control and determines generally recognised accounting practices, Uniform expenditure classifications, Uniform treasury norms and standards. Section 168 (1) of the MFMA states that the minister of finance, acting with the concurrence of the Cabinet member responsible for local government, may make regulations for, among the other things-

- any matter that may be prescribed
- any other matter that may facilitate the enforcement and administration of the Act.

Elundini Local Municipality conformed to the above legislation in terms of the implementation of MSCOA in the municipality. Implementation of MSCOA came into effect on the 01 July 2017 where all municipalities expected to prepare budget in terms of MSCOA. All legislative requirements were met and the budget has been prepared in terms of the new legislation. The municipality is incompliant with the mSCOA, the IDP and budget data strings are being uploaded in compliance with the regulations. The mSCOA regulations have been implemented within the municipality. mSCOA steering committee has been established, mSCOA implementation team has also been established, msCOA champion and mSCOA project manager.

4.8 Annual Financial Statements Plan

Table 61 : AFS Implementation Plan

AFS IMPLEMENTATION PLAN	
WEEK ENDING	ACTIVITY
31-May	Produce restated and interim AFS
07-Jun	Internal Audit review on re-stated and interim AFS
21-Jun	Audit committee review on re-stated and interim AFS
11 -Jun	Notice to department to close procurement
14-Jul	Compilation of the first draft of the AFS
21-Jul	Internal Audit and Provincial Treasury review the draft AFS
31-Jul	Audit committee review of the draft AFS
08-Aug	AG review the restated, Interim, and Draft AFS
22-Aug	Submission of the final AFS to Internal Audit for review
28-Aug	Internal Audit review of the final AFS
29-Aug	Submission of the final AFS to AG and Treasuries

1.9 Financial Plan

4.9.1 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programs so as to maintain sound financial stewardship.

The Municipality has embarked on implementing revenue enhancement strategy to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. National Treasury's MFMA Circular No. 130 was used to guide the compilation of the 2025/26- 2027/28 MTREF.

The main challenges experienced during the compilation of the 2025/26 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;

- Inadequate resources to reduce roads and electricity infrastructure backlogs;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents.

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

- The 2024/25 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2025/26 final budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should consider the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- There's also a budget allocation set for the following items:
    - Special Projects;
    - Consultant Fees;
    - Assets;
    - Special Events;
    - Subsistence, Travelling & Conference fees (national & international).

In view of the aforementioned, the following table is a consolidated overview of the proposed Medium-term Revenue and Expenditure Framework:

Table A62 Consolidated Overview of the 2025/26-2027/28 MTREF

Catergory	2024/2025 Budget Year	2025/2026 Budget Year	2026/2027 Budget Year	2027/2028 Budget Year
Property Rates	4.9%	4.3%	4.6%	4.4%
Electricity	12.7%	12.7%	4.6%	4.4%

Solid waste	4.9%	4.3%	4.6%	4.4%

Total operating expenditure increased by 4% or R18.3 million for this budget year when compared with prior year budgeted expenditure. For two outer years, operating expenditure increased by 4% and 3% .

Operating expenditure has been appropriated at R466.2 million for the budget year, R487.9 million and R500.1 million for the two outer years and translates into a budgeted surplus of R0.0 million, R1602 and R0.0 for the two outer years respectively. It must also be noted budget circular 115 requires us to fund the depreciation costs from our own revenue or Equitable share and we are not allowed to use non-funding items when preparing this MTREF.

The capital program is positioned to R60.3 million, and R78.6 million and R82.2 million for the outer years. A substantial portion of the capital budget will be funded by government grants from National and Internal generated funds over the MTREF.

4.9.2 Operating Revenue Framework

In order for Elundini Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;

- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2024/2026 MTREF (classified by main revenue source):

Table A4 Summary of revenue classified by main revenue source

Table A4 Budgeted Financial Performance (revenue and expenditure)

EC141 Elundini - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	39 535	36 511	43 393	29 649	183 693	183 693	40 514	54 033	56 518	59 005
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	14	10	7	–	–	–	–	–	–	–
Service charges - Waste Management	2	936	1 140	7 020	7 368	29 472	29 472	6 126	7 692	8 046	8 400
Sale of Goods and Rendering of Services		114	385	930	1861	7 455	7 455	788	1946	2 035	2 125
Agency services		–	–	–	654	2 617	2 617	–	683	714	746
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		7 980	5 520	4 934	2 036	8 145	8 145	9 526	2 354	2 462	2 571
Interest earned from Current and Non Current Assets		4 786	6 367	6 267	5 661	25 189	25 189	4 052	6 574	6 877	7 179
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1739	1758	2 289	2 479	9 917	9 917	1822	4 866	5 090	5 314
Licence and permits		1413	1416	1631	2 789	14 425	14 425	1232	3 765	3 938	4 112
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		4 925	20 651	14 362	151 332	533 977	533 977	2 069	141 164	158 798	166 832
Non-Exchange Revenue											
Property rates	2	26 482	27 909	29 509	30 745	109 305	109 305	26 738	28 529	29 841	31 154
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		913	2 367	1641	397	1811	1811	(5 443)	509	532	556
Licences or permits		–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		174 338	188 378	201946	211061	844 244	844 244	206 018	209 299	205 240	214 522
Interest		1835	3 197	4 272	–	19 736	19 736	–	5 151	5 388	5 625
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		376	882	(598)	1155	4 620	4 620	–	365	382	399
Other Gains		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and		**265 387**	**296 491**	**317 602**	**447 188**	**1794 605**	**1794 605**	**293 441**	**466 931**	**485 863**	**508 539**
Expenditure											
Employee related costs	2	114 782	124 528	135 629	165 009	652 225	652 225	119 466	177 056	184 922	192 945
Remuneration of councillors		12 679	13 413	13 418	15 803	58 194	58 194	12 091	14 549	15 218	15 887
Bulk purchases - electricity	2	27 666	27 313	32 029	32 413	144 349	144 349	31809	37 675	39 408	41 142
Inventory consumed	8	1046	1434	651	1596	3 873	3 873	211	1 164	1218	1271
Debt impairment	3	–	–	–	4 197	16 790	16 790	–	4 382	4 584	4 785
Depreciation and amortisation		47 574	49 116	53 840	51672	201888	201888	–	50 915	53 257	55 600
Interest		2 165	4 177	6 676	5 966	23 866	23 866	1996	6 635	6 941	7 246
Contracted services		67 068	57 634	61964	90 059	331537	331537	45 734	84 982	86 717	91908
Transfers and subsidies		917	1085	5 496	–	–	–	3 041	–	–	–
Irrecoverable debts written off		12 041	17 439	24 324	15 735	62 940	62 940	–	16 330	17 081	17 833
Operational costs		42 354	57 745	51798	64 737	298 939	298 939	40 622	73 241	76 517	79 920
Losses on disposal of Assets		(263)	31	899	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**328 029**	**353 916**	**386 723**	**447 187**	**1794 601**	**1794 601**	**254 971**	**466 930**	**485 862**	**508 538**
Surplus/(Deficit)		**(62 643)**	**(57 425)**	**(69 121)**	**1**	**4**	**4**	**38 470**	**1**	**1**	**1**
Transfers and subsidies - capital (monetary	6	53 727	42 170	48 681	56 067	257 681	257 681	49 161	51 148	69 085	72 165
Transfers and subsidies - capital (in-kind)	6	–	2 552	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**257 685**	**257 685**	**87 631**	**51 149**	**69 086**	**72 166**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**257 685**	**257 685**	**87 631**	**51 149**	**69 086**	**72 166**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**257 685**	**257 685**	**87 631**	**51 149**	**69 086**	**72 166**
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**257 685**	**257 685**	**87 631**	**51 149**	**69 086**	**72 166**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit. Our total revenue mix comprises of revenue generated from rates and services charges which are Electricity and solid waste and other revenue derived from rentals, plant income investment income and others.

Property rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

Revenue generated from Property Rates totals to R28.5 million for the budget year and has increased to R29.7 million and R30.5 million for the two outer years.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 35 per cent rebate will be granted on all residential properties (including state owned residential properties);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
    - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
    - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
    - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place, and
    - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

4.9.3 Revenue from Services

4.9.3.1 Electricity

Electricity and Solid waste services are the main revenue sources for the municipality. Revenue generated from electricity totals to R47.9 million for the budget year and increases to R50.9 million and R51 million for the two outer years. NERSA has announced the revised bulk electricity pricing structure of 12.7% for the two outer years as detailed in budget circular 129. The tariff structure will be effective from 1 July 2025.

Considering the Eskom increases, the consumer tariff had to be increased by 12.7% to offset the additional bulk purchase cost from 1 July 2025. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge. In addition to those residential customers that are not registered as indigent, but that consume less than 50 kWh per 30-day period will receive 50 kWh free of charge.

Currently Electricity is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of Electricity function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. Currently the smart meters are being installed in order to minimize the electricity losses.

4.9.3.2 Solid Waste

Revenue generated from Solid waste totals to R7.6 million for the budget year and increases to R8 million and R8.2 million for the two outer years. An increase of 4.4% has been applied as this service is operating at a deficit. It must also be noted that an amount of free basic refuse has been reduced from the total revenue expected from refuse removal.

These services are operating at a deficit, the revenue derived from these services is unable to cover expenditure in relation to these services. It is important that the municipality should consider come up

with a cost recovery strategy to ensure that they are cost reflective. It is widely accepted that the rendering of this service should at least break even, which is currently not the case.

The Municipality will have to implement a revenue enhancement strategy to ensure that this service can be rendered in a more sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration as well as to some extent lack of billing of commercial businesses in terms of the recognized Polluter Pays Principle as outline in the National Waste Management Strategy of 2008. Considering the deficit, it is recommended that a comprehensive investigation into the possibility of reviewing our approach to billing in terms of the existing tariff structure as approved by Council.

4.9.3.3 Other Revenue

Other sources of revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, vat income, investment income and interest from debtors. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

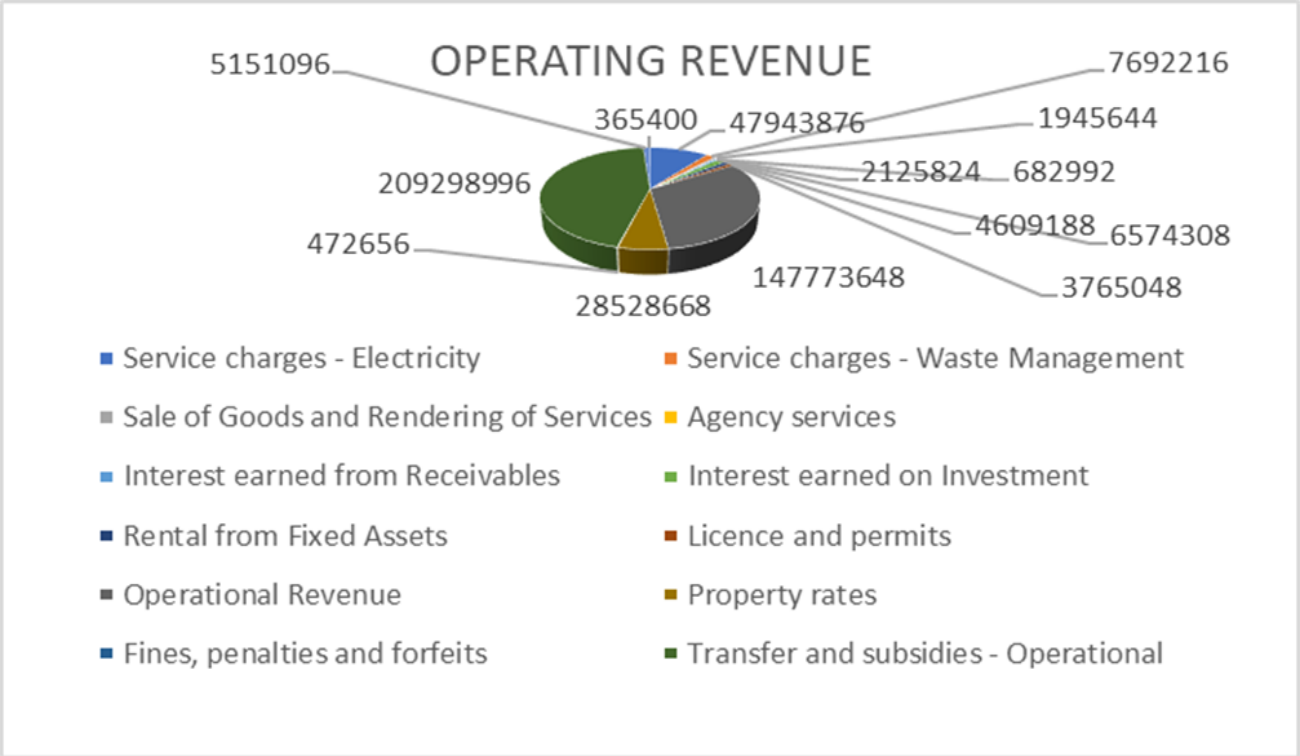
4.9.4 Operating and Capital Grants

Operating grants and transfers totals R206.6 million in the budget year and steadily increases to R215.2 million and R224.6 million for the two outer years. Capital grants and transfers total R51.1 million in the budget year and it increased to R69.1 million and R72.2 million for the two outer years. The following table gives a breakdown of the revenue and operating grants and subsidies allocated to the municipality over the medium term:

Table SA18 Operating Transfers and Grant Receipts

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants	rant									
National Government:		171 450	184 573	194 075	206 749	826 996	217 644	206 487	203 928	213 151
Expanded Public Works Programme Integrated Grant		2 569	2 539	1 930	2 114	8 456	2 114	2 079	-	-
Local Government Financial Management Grant		1 650	1 650	1 700	1 700	6 800	1 700	1 800	2 000	2 100
Municipal Infrastructure Grant		-	-	-	2 267	9 068	13 162	2 385	2 583	2 698
Energy Efficiency and Demand Side Management G		1 000	-	-	-	-	-	-	-	-
Equitable Share		166 231	180 384	190 445	200 668	802 672	200 668	200 223	199 345	208 353
Provincial Government:		750	750	5 750	4 312	17 248	4 312	2 812	1 312	1 371
Specify (Add grant description)		-	-	5 000	3 000	12 000	3 000	1 500	-	-
Specify (Add grant description)		750	750	750	1 312	5 248	1 312	1 312	1 312	1 371
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	172 200	185 323	199 825	211 061	844 244	221 956	209 299	205 240	214 522
Capital Transfers and Grants		60 771	55 433	78 196	56 067	265 681	41 172	51 148	69 085	72 165
National Government:										
Municipal Disaster Relief Grant		-	-	-	-	45 413	-	-	-	-
Municipal Infrastructure Grant		41 031	41 033	50 430	43 073	172 292	32 178	45 331	49 085	51 261
Integrated National Electrification Programme Grant		19 740	14 400	15 459	12 994	47 976	8 994	5 817	20 000	20 904
Municipal Disaster Recovery Grant		-	-	12 307	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	60 771	55 433	78 196	56 067	265 681	41 172	51 148	69 085	72 165
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	232 971	240 756	278 021	267 128	1 109 925	263 128	260 447	274 325	286 687

Summary of Operating Revenue using Chart



4.9.5 Tariff-Setting

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions and the affordability of services were considered to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The table below indicates the tariffs increases as per circular No. 130 and Nersa guidelines in tariff determination.

Catergory	2024/2025 Budget Year	2025/2026 Budget Year	2026/2027 Budget Year	2027/2028 Budget Year
Property Rates	4.9%	4.3%	4.6%	4.4%
Electricity	12.7%	12.7%	4.6%	4.4%
Solid waste	4.9%	4.3%	4.6%	4.4%

4.9.6 Operating Expenditure Framework

The municipality's expenditure framework for the MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital program is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the MTREF (classified per main type of operating expenditure):

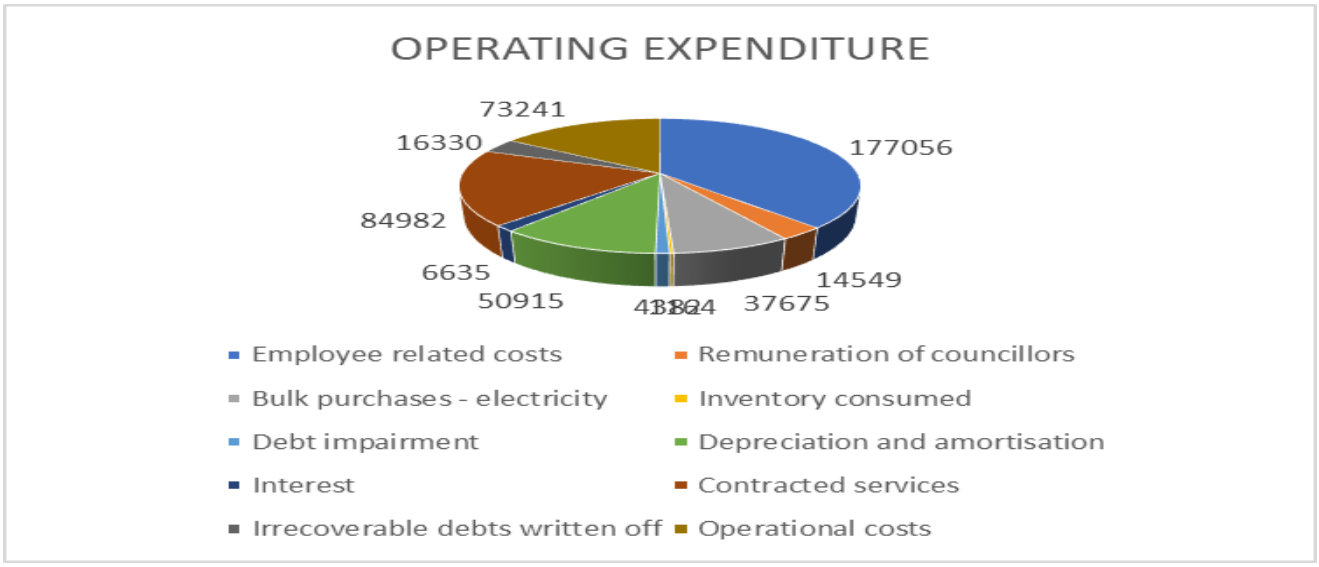


Table A4 Summary of operating expenditure by standard classification item

EC141 Elundini - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	39 535	36 511	43 393	29 649	183 693	183 693	40 514	54 033	56 518	59 005
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	14	10	7	–	–	–	–	–	–	–
Service charges - Waste Management	2	936	1 140	7 020	7 368	29 472	29 472	6 126	7 692	8 046	8 400
Sale of Goods and Rendering of Services		114	385	930	1861	7 455	7 455	788	1946	2 035	2 125
Agency services		–	–	–	654	2 617	2 617	–	683	714	746
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		7 980	5 520	4 934	2 036	8 145	8 145	9 526	2 354	2 462	2 571
Interest earned from Current and Non Current Assets		4 786	6 367	6 267	5 661	25 189	25 189	4 052	6 574	6 877	7 179
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1739	1758	2 289	2 479	9 917	9 917	1822	4 866	5 090	5 314
Licence and permits		1413	1416	1631	2 789	14 425	14 425	1232	3 765	3 938	4 112
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		4 925	20 651	14 362	151332	533 977	533 977	2 069	141 164	158 798	166 832
Non-Exchange Revenue											
Property rates	2	26 482	27 909	29 509	30 745	109 305	109 305	26 738	28 529	29 841	31 154
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		913	2 367	1641	397	1811	1811	(5 443)	509	532	556
Licences or permits		–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		174 338	188 378	201946	211061	844 244	844 244	206 018	209 299	205 240	214 522
Interest		1835	3 197	4 272	–	19 736	19 736	–	5 151	5 388	5 625
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		376	882	(598)	1155	4 620	4 620	–	365	382	399
Other Gains		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and		**265 387**	**296 491**	**317 602**	**447 188**	**1 794 605**	**1 794 605**	**293 441**	**466 931**	**485 863**	**508 539**
Expenditure											
Employee related costs	2	114 782	124 528	135 629	165 009	652 225	652 225	119 466	177 056	184 922	192 945
Remuneration of councillors		12 679	13 413	13 418	15 803	58 194	58 194	12 091	14 549	15 218	15 887
Bulk purchases - electricity	2	27 666	27 313	32 029	32 413	144 349	144 349	31809	37 675	39 408	41 142
Inventory consumed	8	1046	1434	651	1596	3 873	3 873	211	1 164	1218	1271
Debt impairment	3	–	–	–	4 197	16 790	16 790	–	4 382	4 584	4 785
Depreciation and amortisation		47 574	49 116	53 840	51672	201888	201888	–	50 915	53 257	55 600
Interest		2 165	4 177	6 676	5 966	23 866	23 866	1996	6 635	6 941	7 246
Contracted services		67 068	57 634	61964	90 059	331537	331537	45 734	84 982	86 717	91908
Transfers and subsidies		917	1085	5 496	–	–	–	3 041	–	–	–
Irrecoverable debts written off		12 041	17 439	24 324	15 735	62 940	62 940	–	16 330	17 081	17 833
Operational costs		42 354	57 745	51798	64 737	298 939	298 939	40 622	73 241	76 517	79 920
Losses on disposal of Assets		(263)	31	899	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**328 029**	**353 916**	**386 723**	**447 187**	**1 794 601**	**1 794 601**	**254 971**	**466 930**	**485 862**	**508 538**
Surplus/(Deficit)		**(62 643)**	**(57 425)**	**(69 121)**	**1**	**4**	**4**	**38 470**	**1**	**1**	**1**
Transfers and subsidies - capital (monetary	6	53 727	42 170	48 681	56 067	257 681	257 681	49 161	51 148	69 085	72 165
Transfers and subsidies - capital (in-kind)	6	–	2 552	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**257 685**	**257 685**	**87 631**	**51 149**	**69 086**	**72 166**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**257 685**	**257 685**	**87 631**	**51 149**	**69 086**	**72 166**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**257 685**	**257 685**	**87 631**	**51 149**	**69 086**	**72 166**
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**257 685**	**257 685**	**87 631**	**51 149**	**69 086**	**72 166**

4.9.6.1 Employee Related Costs

The budgeted allocation for employee related costs for the budget year totals R177 million, which equals 38 per cent of the total operating expenditure. Municipalities are urged to consider projecting salaries and wage increases that would reflect their affordability given the economic challenges. We have projected 7.7% including 2.5% notch increase for this budget year.

4.9.6.2 Remuneration of Councillors

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. Budget appropriation in this regard totals to R14.5 million and equates to 3 percent of the total operating expenditure.

4.9.6.3 Debt impairment Provision

The provision of debt impairment was determined based on an annual collection rate of 80 per cent and the Debt Write-off Policy of the municipality. For the budget year this amount equates to R4.3 million and equates to 1% of the total operating expenditure and escalates to R4.5 million and R4.6 million for the two outer years. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

4.9.6.4 Depreciation Provision

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation in this regard refers to the systematic write off of assets over their useful lives. Budget appropriations in this regard total R50.9 million for the budget year financial and equates to 11% of the total operating expenditure. It escalated to R53 million and R53.4 million for the two outer years.

4.9.6.5 Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Budget appropriations in this regard total to R37 million for the budget year and equates to 8 % of the total operating budget. The expenditure also includes distribution losses.

4.9.6.6 Irrecoverable bad debts

The budgeted amount for dept impairment amounted to R16.3 million for the budget year and it equates to 3 percent of the total operating budget, it escalates to R17 million and R17.1 million for the two outer years.

4.9.6.7 Other Material

Budget appropriations in this regard totals to R1.1 million and equates 0.3% for the budget year and escalates to R1.2 and R1.2 million for the two outer years.

4.9.6.8 Contracted Services

Contracted expenditure totals to R84.9 million and equates to 18% of the total operating budget.

4.9.6.9 Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budget appropriations in this regard totals to R73.2 million and equates to 16 percent.

Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 10 000 or more indigent households during this budget year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table SA21.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual division of Revenue Act. In this budget year the municipality made a provision of R7.5 million, R8 and R8.2 for the two outer years for free basic services.

4.9.7 CAPITAL EXPENDITURE FRAMEWORK

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

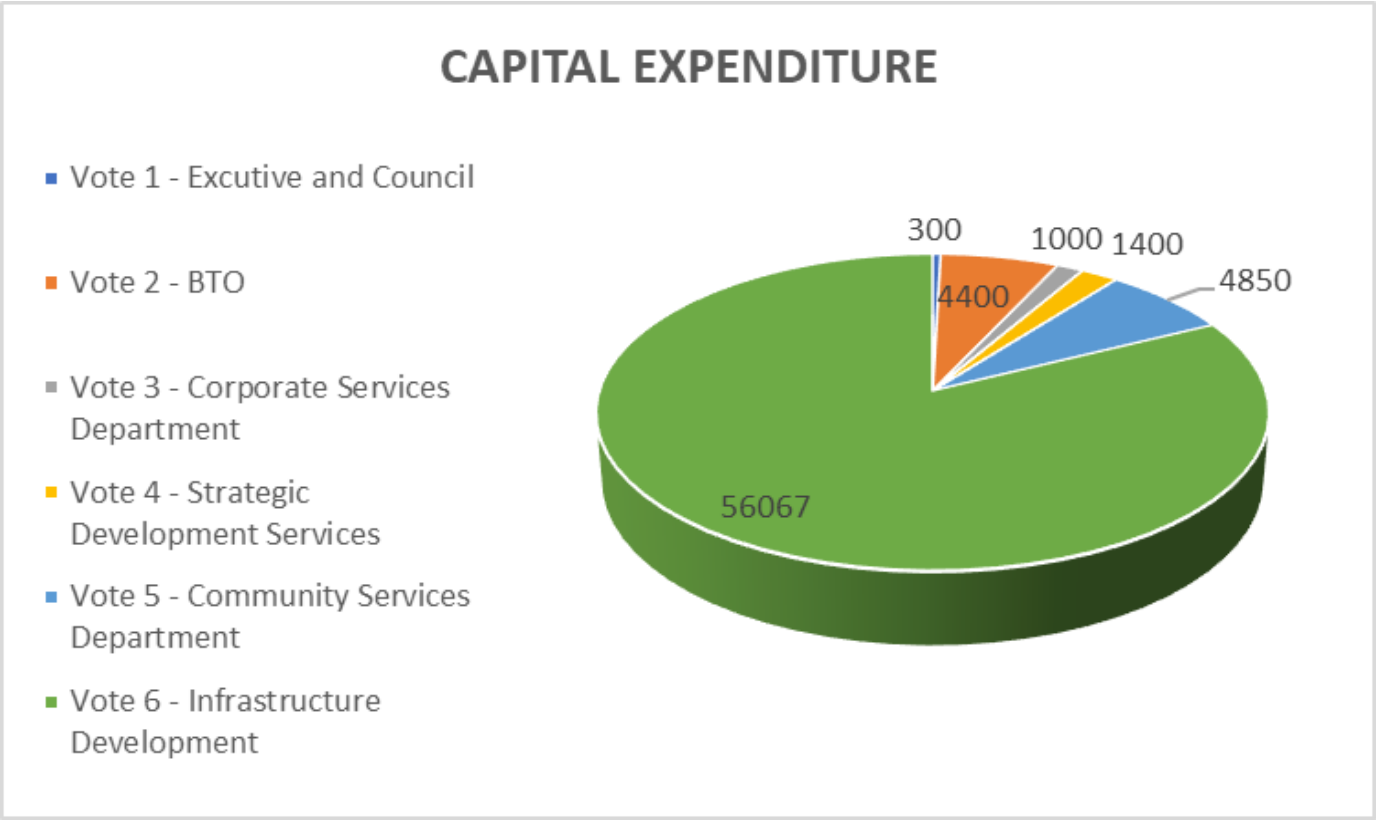
Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

EC141 Elundini - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	## # 1	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1	Budget Year +2
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1- Excutive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - BTO		–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services Department		–	–	–	–	–	–	–	–	–	–
Vote 4 - Strategic Development Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services Department		–	–	–	–	–	–	–	–	–	–
Vote 6 - Infrastructure Development		–	–	–	–	–	–	–	–	–	–
Vote 7 -		–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11-		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*	2										
Vote 1- Excutive and Council		1232	1182	151	300	100	100	–	1500	1567	1636
Vote 2 - BTO		6362	10189	4358	4400	2900	2900	–	1300	1358	1418
Vote 3 - Corporate Services Department		357	36	22	1000	200	200	–	–	–	0
Vote 4 - Strategic Development Services		1339	–	–	1400	1110	1110	–	750	784	818
Vote 5 - Community Services Department		642	549	2221	4850	3228	3228	–	700	732	764
Vote 6 - Infrastructure Development		53921	61975	77724	56067	82506	82506	–	56089	74248	77566
Vote 7 -		–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11-		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**63 854**	**73 931**	**84 476**	**68 017**	**90 044**	**90 044**	**–**	**60 339**	**78 689**	**82 202**
Total Capital Expenditure - Vote		**63 854**	**73 931**	**84 476**	**68 017**	**90 044**	**90 044**	**–**	**60 339**	**78 689**	**82 202**
Capital Expenditure - Functional											
Governance and administration											
Executive and council Finance and administration Internal audit		**7 952**	**11 407**	**4 531**	**5 700**	**3 200**	**3 200**	**1844**	**2 800**	**2 926**	**3 058**
Community and public safety Community and social services Sport and recreation		1232	1182	151	300	100	100	–	1500	1569	1638
Public safety Housing Health		6719	10225	4380	5400	3100	3100	1844	1300	1360	1420
Economic and environmental services		–	–	–	–	–	–	–	–	–	–
Planning and development Road transport Environmental protection		**125**	**549**	**2 221**	**650**	**528**	**528**	**–**	**100**	**104**	**109**
Trading services Energy sources Water management		17	369	907	–	29	29	–	100	105	109
Waste water management Waste management		108	180	–	250	0	0	–	–	–	–
Other		–	–	1314	400	500	500	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		34 348	**38 293**	**54 588**	**44 473**	**62 483**	**62 483**	**41 500**	**49 552**	**53 496**	**55 871**
		1339	–	–	1400	1110	1110	–	750	785	819
		33009	38293	54588	43073	61373	61373	41500	48802	52712	55052
		–	–	–	–	–	–	–	–	–	–
		21 428	**23 682**	**23 136**	**17 194**	**23 832**	**23 832**	**10 245**	**7 887**	**22 163**	**23 164**
		20912	23682	23136	12994	21132	21132	10245	7287	21538	22509
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		517	–	–	4200	2700	2700	–	600	528	655
		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**63 854**	**73 931**	**84 476**	**68 017**	**90 044**	**90 044**	**53 589**	**60 339**	**78 689**	**82 202**
Funded by:											
National Government Provincial Government District Municipality		46242	47312	56128	56067	67420	67420	47183	51148	59085	72185
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**46 242**	**47 312**	**56 128**	**56 067**	**67 420**	**67 420**	**47 183**	**51 148**	**59 085**	**72 185**
Borrowing	6	–	4521	5139	–	6638	6638	3424	–	–	–
Internally generated funds		17288	21993	22739	11950	15986	15986	2982	9191	9605	10037
Total Capital Funding	7	**63 531**	**73 826**	**84 006**	**68 017**	**90 044**	**90 044**	**53 589**	**60 339**	**78 689**	**82 202**

For this budget year an amount of R60.3 million has been appropriated for the development of infrastructure which represents 13 per cent of the overall total expenditure budget. The amount totals to R78.6 million and R82.2 million for the outer years.

The following chart gives a breakdown of the Capital expenditure by vote for the 2025/26 financial year.



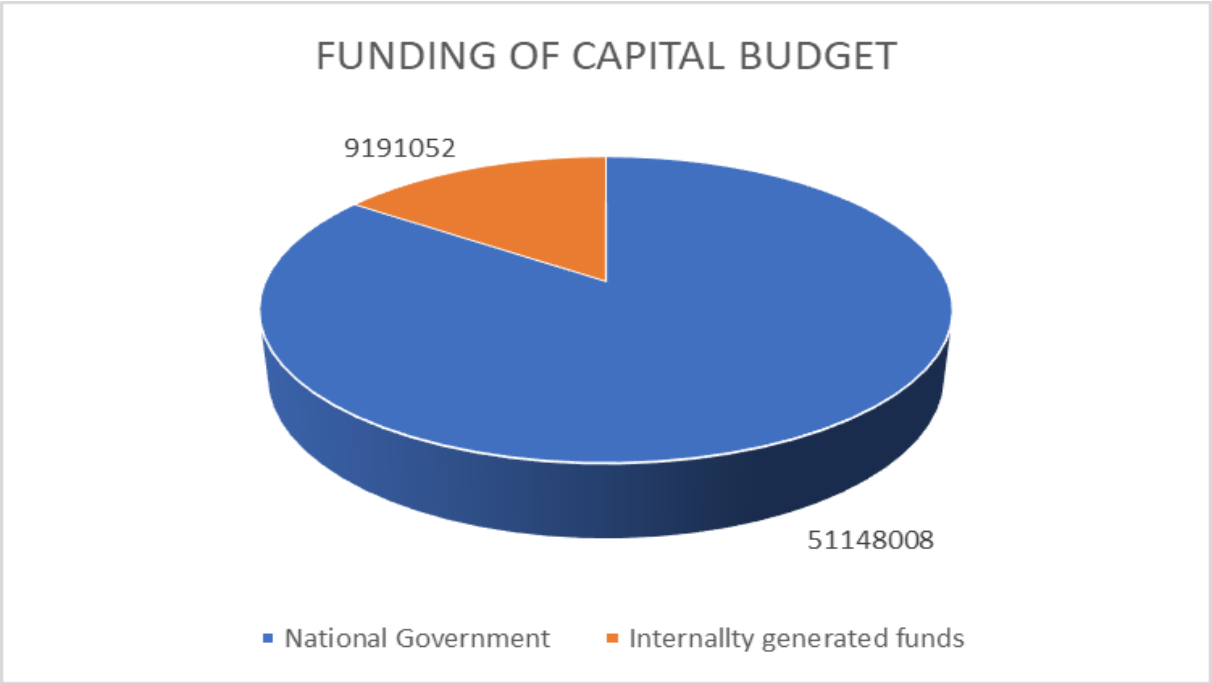
FUNDING OF THE CAPITAL BUDGET

The capital program is funded from National grants and internally generated funds. Capital transfers totals to R51.1million and R9.2 million from internally generated funds.

EC141 Elundini - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Transfers recognised - capital	4	24,442	48,986	43,572	56,067	257,681	257,681	49,161	51,148	69,085	72,165
Borrowing	6	–	(455)	5,139	–	26,553	26,553	3,424	–	–	–
Internally generated funds		26,389	9,264	21,212	11,950	63,943	63,943	3,255	9,191	9,614	10,037
Total Capital Funding	7	50,831	57,796	69,922	68,017	348,176	348,176	55,840	60,339	78,698	82,202

The graph below illustrates the funding sources for Capital Expenditure



4.9.7.1 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2024/25 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

Table A1 - budget summary

EC141 Elundini - Table A1 Budget Summary

Description R thousands	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance Property rates Service charges	26,482	27,909	29,509	30,745	109,305	109,305	109,305	28,529	29,841	31,154
Investment revenue	40,486	37,662	50,419	37,017	213,165	213,165	213,165	61,725	64,564	67,405
Transfer and subsidies - Operational	4,786	6,367	6,267	5,661	25,189	25,189	25,189	6,574	6,877	7,179
Other own revenue	174,338	188,378	201,946	211,061	844,244	844,244	844,244	209,299	205,240	214,522
	19,295	36,175	29,461	162,703	602,702	602,702	602,702	160,804	179,341	188,279
Total Revenue (excluding capital transfers and contributions)	265 387	296 491	317 602	447 188	1 794 605	1 794 605	1 794 605	466 931	485 863	508 539
Employee costs Remuneration of councillors Depreciation and amortisation Interest	114,782	124,528	135,629	165,009	652,225	652,225	652,225	177,056	184,922	192,945
Inventory consumed and bulk purchases Transfers and subsidies	12,679	13,413	13,418	15,803	58,194	58,194	58,194	14,549	15,218	15,887
Other expenditure **Total Expenditure**	47,574	49,116	53,840	51,672	201,888	201,888	201,888	50,915	53,257	55,600
Surplus/(Deficit)	2,165	4,177	6,676	5,966	23,866	23,866	23,866	6,635	6,941	7,246
Transfers and subsidies - capital (monetary allocations)	28,712	28,747	32,680	34,009	148,222	148,222	148,222	38,839	40,626	42,414
Transfers and subsidies - capital (in-kind)	917	1,085	5,496	–	–	–	–	–	–	–
	121,200	132,849	138,984	174,728	710,206	710,206	710,206	178,935	184,899	194,446
							1,794,601			
	328 029	353 916	386 723	447 187	1 794 601	1 794 601	4	466 930	485 862	508 538
	(62,643)	(57,425)	(69,121)	1	4	4	49,161	1	1	1
	53,727	42,170	48,681	56,067	257,681	257,681	–	51,148	69,085	72,165
	–	2,552	–	–	–	–		–	–	–
Surplus/(Deficit) after capital transfers & contributions	(8,916)	(12,703)	(20,441)	56,068	257,685	257,685	49,165	51,149	69,086	72,166
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(8 916)	(12 703)	(20 441)	56 068	257 685	257 685	49 165	51 149	69 086	72 166
Capital expenditure & funds sources **Capital expenditure**	69,090	68,676	70,638	68,017	348,176	348,176	55,840	60,339	78,698	82,202
Transfers recognised - capital	24,442	48,986	43,572	56,067	257,681	257,681	49,161	51,148	69,085	72,165
Borrowing	–	(455)	5,139	–	26,553	26,553	3,424	–	–	–
Internally generated funds	26,389	9,264	21,212	11,950	63,943	63,943	3,255	9,191	9,614	10,037
Total sources of capital funds	50,831	57,796	69,922	68,017	348,176	348,176	55,840	60,339	78,698	82,202
Financial position Total current assets Total non current assets Total current liabilities	119,688	78,928	85,583	184,596	705,734	705,734	95,450	170,814	256,403	359,087
Total non current liabilities Community wealth/Equity	584,854	600,314	620,112	645,314	2,662,161	2,662,161	677,568	656,037	681,478	708,080
	94,130	74,607	87,426	145,633	597,375	597,375	76,597	134,746	176,690	225,865
	16,153	29,974	64,195	30,541	122,165	122,165	64,195	62,502	62,502	62,502
	596,139	574,660	554,219	653,736	2,648,356	2,648,356	636,382	629,603	698,689	778,800
Cash flows	119,791	141,231	158,801	146,787	588,423	588,423	588,423	140,720	162,077	169,436
Net cash from (used) operating Net cash from (used)	(70,710)	(73,830)	(97,701)	(67,475)	(355,556)	(355,556)	(355,556)	(59,974)	(78,316)	(81,803)
investing Net cash from (used) financing	–	–	39,607	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	159,610	144,714	146,459	125,064	415,875	415,875	415,875	132,660	216,421	304,054
Cash backing/surplus reconciliation	77,313	45,752	49,726	125,064	415,875	415,875	28,707	132,660	216,421	309,218
Cash and investments available:	4,311	(30,613)	(50,984)	105,526	421,381	421,381	(60,606)	84,238	125,542	165,210
Total Application of cash and investments:	73,002	76,366	100,709	19,539	(5,505)	(5,505)	89,313	48,422	90,879	144,008
Balance - surplus (shortfall)										
Asset management	523,234	545,027	585,121	586,497	2,346,939	2,346,939	2,346,939	600,718	554,426	507,013
Asset register summary (WDV) Depreciation	46,556	38,405	35,589	51,672	201,888	201,888	201,888	50,915	53,257	55,600
Renewal and Upgrading of Existing Assets Repairs and	–	15,037	2,340	1,500	5,074	5,074	5,074	–	–	–
Maintenance	13,036	8,261	8,818	27,483	65,596	65,596	65,596	18,292	19,133	19,975
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	12	2 492	8 898	54 319	54 319	54 319	15 581	16 298	17 015
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to Table A1 - Budget Summary

- Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - The operating surplus/deficit (after Total Expenditure) is positive over the MTREF

- Capital expenditure is balanced by capital funding sources, of which
  - ✓ Transfers recognized is reflected on the Financial Performance Budget;
  - ✓ Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

- The Cash backing/surplus reconciliation indicates that the municipality is paying much attention in managing of its finances mainly building of internal reserves that can be cash- backed to fund the budget.
- Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

EC141 Elundini - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional										
Governance and administration		207 240	226 574	238 706	246 585	988 739	988 739	250 202	251 740	263 065
Executive and council		67	52	82	-	-	-	-	-	-
Finance and administration		207 173	226 522	238 624	246 585	988 739	988 739	250 202	251 740	263 065
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		7 103	10 467	11 006	9 929	40 392	40 392	6 492	2 987	3 120
Community and social services		3 519	6 468	7 200	6 442	25 785	25 785	4 912	1 334	1 394
Sport and recreation		(3)	-	-	27	0	0	-	-	-
Public safety		3 586	3 998	3 806	3 460	14 607	14 607	1 580	1 653	1 725
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		37 123	44 869	49 644	194 182	759 824	759 824	188 608	210 181	220 493
Planning and development		2 187	2 699	2 832	3 068	13 180	13 180	3 458	3 706	3 870
Road transport		34 937	42 170	46 812	191 114	746 644	746 644	185 149	206 475	216 623
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		67 648	59 304	66 926	52 558	263 331	263 331	72 777	90 041	94 026
Energy sources		61 177	52 633	59 898	44 876	232 600	232 600	64 757	81 651	85 268
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		6 471	6 670	7 029	7 683	30 730	30 730	8 021	8 390	8 759
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	319 114	341 213	366 282	503 255	2 052 286	2 052 286	518 079	554 948	580 704
Expenditure - Functional										
Governance and administration		145 058	179 895	201 644	198 448	830 346	830 346	216 749	226 680	236 666
Executive and council		42 584	50 511	53 147	59 134	248 654	248 654	65 140	67 979	70 970
Finance and administration		102 474	129 384	148 496	139 313	581 693	581 693	151 609	158 701	165 695
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		26 360	27 972	35 263	46 812	194 257	194 257	47 449	47 129	50 580
Community and social services		7 947	7 384	11 880	16 302	71 914	71 914	15 447	13 655	15 632
Sport and recreation		6 578	7 712	8 421	12 345	49 427	49 427	12 658	13 241	13 823
Public safety		11 835	12 877	14 963	18 165	72 916	72 916	19 344	20 234	21 124
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		64 802	59 276	66 297	106 437	365 606	365 606	97 559	102 042	106 442
Planning and development		14 116	15 608	19 924	25 540	98 574	98 574	26 588	27 806	28 939
Road transport		50 686	43 668	46 374	80 897	267 033	267 033	70 971	74 236	77 502
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		91 810	86 774	83 519	95 490	404 391	404 391	105 173	110 011	114 851
Energy sources		70 428	62 869	65 701	67 827	289 596	289 596	75 707	79 190	82 674
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		21 382	23 905	17 818	27 663	114 794	114 794	29 466	30 821	32 178
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	328 029	353 916	386 723	447 187	1 794 601	1 794 601	466 930	485 862	508 538
Surplus/(Deficit) for the year		(8 916)	(12 703)	(20 441)	56 068	257 685	257 685	51 149	69 086	72 166

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for Electricity and Waste management functions. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue and Equitable share.

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

EC141 Elundini - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Excutive and Council		67	52	82	-	-	-	-	-	-
Vote 2 - BTO		207 173	226 522	238 624	246 585	988 739	988 739	250 202	251 740	263 065
Vote 3 - Corporate Services Department		-	-	-	-	-	-	-	-	-
Vote 4 - Strategic Development Services		2 187	2 699	2 832	3 068	13 180	13 180	3 458	3 706	3 870
Vote 5 - Community Services Department		13 574	17 137	18 035	17 612	71 122	71 122	14 513	11 376	11 878
Vote 6 - Infrastructure Development		96 113	94 803	106 710	235 990	979 245	979 245	249 906	288 126	301 891
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	**319 114**	**341 213**	**366 282**	**503 255**	**2 052 286**	**2 052 286**	**518 079**	**554 948**	**580 704**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Excutive and Council		42 584	50 511	53 147	59 134	248 654	248 654	65 140	67 979	70 970
Vote 2 - BTO		73 082	97 631	115 546	102 856	413 835	413 835	108 366	113 468	118 473
Vote 3 - Corporate Services Department		29 391	31 752	32 950	36 458	167 858	167 858	43 243	45 232	47 222
Vote 4 - Strategic Development Services		14 116	15 608	19 924	25 540	98 574	98 574	26 588	27 806	28 939
Vote 5 - Community Services Department		47 742	51 877	53 081	74 475	309 052	309 052	76 915	77 951	82 757
Vote 6 - Infrastructure Development		121 114	106 537	112 075	148 724	556 629	556 629	146 678	153 425	160 176
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	**328 029**	**353 916**	**386 723**	**447 187**	**1 794 601**	**1 794 601**	**466 930**	**485 862**	**508 538**
Surplus/(Deficit) for the year	2	**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**257 685**	**257 685**	**51 149**	**69 086**	**72 166**

Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC141 Elundini - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	39 535	36 511	43 393	29 649	183 693	183 693	40 514	54 033	56 518	59 005
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	14	10	7	–	–	–	–	–	–	–
Service charges - Waste Management	2	936	1 140	7 020	7 368	29 472	29 472	6 126	7 692	8 046	8 400
Sale of Goods and Rendering of Services		114	385	930	1861	7 455	7 455	788	1946	2 035	2 125
Agency services		–	–	–	654	2 617	2 617	–	683	714	746
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		7 980	5 520	4 934	2 036	8 145	8 145	9 526	2 354	2 462	2 571
Interest earned from Current and Non Current Assets		4 786	6 367	6 267	5 661	25 189	25 189	4 052	6 574	6 877	7 179
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1739	1758	2 289	2 479	9 917	9 917	1822	4 866	5 090	5 314
Licence and permits		1413	1416	1631	2 789	14 425	14 425	1232	3 765	3 938	4 112
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		4 925	20 651	14 362	151332	533 977	533 977	2 069	141 164	158 798	166 832
Non-Exchange Revenue											
Property rates	2	26 482	27 909	29 509	30 745	109 305	109 305	26 738	28 529	29 841	31 154
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		913	2 367	1641	397	1811	1811	(5 443)	509	532	556
Licences or permits		–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		174 338	188 378	201946	211061	844 244	844 244	206 018	209 299	205 240	214 522
Interest		1835	3 197	4 272	–	19 736	19 736	–	5 151	5 388	5 625
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		376	882	(598)	1 155	4 620	4 620	–	365	382	399
Other Gains		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and		**265 387**	**296 491**	**317 602**	**447 188**	**1 794 605**	**1 794 605**	**293 441**	**466 931**	**485 863**	**508 539**
Expenditure											
Employee related costs	2	114 782	124 528	135 629	165 009	652 225	652 225	119 466	177 056	184 922	192 945
Remuneration of councillors		12 679	13 413	13 418	15 803	58 194	58 194	12 091	14 549	15 218	15 887
Bulk purchases - electricity	2	27 666	27 313	32 029	32 413	144 349	144 349	31809	37 675	39 408	41 142
Inventory consumed	8	1046	1434	651	1596	3 873	3 873	211	1164	1218	1271
Debt impairment	3	–	–	–	4 197	16 790	16 790	–	4 382	4 584	4 785
Depreciation and amortisation		47 574	49 116	53 840	51672	201888	201888	–	50 915	53 257	55 600
Interest		2 165	4 177	6 676	5 966	23 866	23 866	1996	6 635	6 941	7 246
Contracted services		67 068	57 634	61964	90 059	331537	331537	45 734	84 982	86 717	91908
Transfers and subsidies		917	1085	5 496	–	–	–	3 041	–	–	–
Irrecoverable debts written off		12 041	17 439	24 324	15 735	62 940	62 940	–	16 330	17 081	17 833
Operational costs		42 354	57 745	51798	64 737	298 939	298 939	40 622	73 241	76 517	79 920
Losses on disposal of Assets		(263)	31	899	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**328 029**	**353 916**	**386 723**	**447 187**	**1 794 601**	**1 794 601**	**254 971**	**466 930**	**485 862**	**508 538**
Surplus/(Deficit)		**(62 643)**	**(57 425)**	**(69 121)**	**1**	**4**	**4**	**38 470**	**1**	**1**	**1**
Transfers and subsidies - capital (monetary	6	53 727	42 170	48 681	56 067	257 681	257 681	49 161	51148	69 085	72 165
Transfers and subsidies - capital (in-kind)	6	–	2 552	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**257 685**	**257 685**	**87 631**	**51 149**	**69 086**	**72 166**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**257 685**	**257 685**	**87 631**	**51 149**	**69 086**	**72 166**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**257 685**	**257 685**	**87 631**	**51 149**	**69 086**	**72 166**
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**(8 916)**	**(12 703)**	**(20 441)**	**56 068**	**257 685**	**257 685**	**87 631**	**51 149**	**69 086**	**72 166**

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

- Total revenue is 466.9 million in the budget year and escalates to R485.9 million and R508.5 million for the outer years.
- Revenue to be generated from property rates is R28.5 million in the budget year and increases to R29.8 million and R31.1 million in the outer years. The property Rates represents 6.1 per cent of the operating revenue base of the municipality and clearly shows that the municipality is grant depended it cannot sustain itself should the grants be taken away.
- Services charges relating to electricity, and refuse removal constitutes the biggest component of the revenue basket of the municipality totaling R61.7 million in the budget year and increasing to R64.6 million and R67.4 million for the outer years. For the budget year services charges amount to 13 per cent of the total revenue over the medium-term.

- Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are decreasing over the MTREF.

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

EC141 Elundini - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	## # 1	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1	Budget Year +2
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1- Excutive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - BTO		–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services Department		–	–	–	–	–	–	–	–	–	–
Vote 4 - Strategic Development Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services Department		–	–	–	–	–	–	–	–	–	–
Vote 6 - Infrastructure Development		–	–	–	–	–	–	–	–	–	–
Vote 7 -		–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*	2										
Vote 1- Excutive and Council		1232	1182	151	300	100	100	–	1500	1567	1636
Vote 2 - BTO		6 362	10 189	4 358	4 400	2 900	2 900	–	1300	1358	1418
Vote 3 - Corporate Services Department		357	36	22	1000	200	200	–	–	–	0
Vote 4 - Strategic Development Services		1339	–	–	1400	1110	1110	–	750	784	818
Vote 5 - Community Services Department		642	549	2 221	4 850	3 228	3 228	–	700	732	764
Vote 6 - Infrastructure Development		53 921	61975	77 724	56 067	82 506	82 506	–	56 089	74 248	77 566
Vote 7 -		–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**63 854**	**73 931**	**84 476**	**68 017**	**90 044**	**90 044**	**–**	**60 339**	**78 689**	**82 202**
Total Capital Expenditure - Vote		**63 854**	**73 931**	**84 476**	**68 017**	**90 044**	**90 044**	**–**	**60 339**	**78 689**	**82 202**
Capital Expenditure - Functional											
Governance and administration											
Executive and council Finance and administration Internal audit		**7 952**	**11 407**	**4 531**	**5 700**	**3 200**	**3 200**	**1844**	**2 800**	**2 926**	**3 058**
Community and public safety Community and social services Sport and recreation		1232	1182	151	300	100	100	–	1500	1569	1638
Public safety Housing Health		6 719	10 225	4 380	5 400	3 100	3 100	1844	1300	1360	1420
Economic and environmental services		–	–	–	–	–	–	–	–	–	–
Planning and development Road transport Environmental protection		**125**	**549**	**2 221**	**650**	**528**	**528**	**–**	**100**	**104**	**109**
Trading services Energy sources Water management		17	369	907	–	29	29	–	100	105	109
Waste water management Waste management		108	180	–	250	0	0	–	–	–	–
Other		–	–	1314	400	500	500	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		34 348	**38 293**	**54 588**	**44 473**	**62 483**	**62 483**	**41 500**	**49 552**	**53 496**	**55 871**
		1339	–	–	1400	1110	1110	–	750	785	819
		33 009	38 293	54 588	43 073	61373	61373	41500	48 802	52 712	55 052
		–	–	–	–	–	–	–	–	–	–
		21428	**23 682**	**23 136**	**17 194**	**23 832**	**23 832**	**10 245**	**7 887**	**22 163**	**23 164**
		20 912	23 682	23 136	12 994	21 132	21 132	10 245	7 287	21538	22 509
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		517	–	–	4 200	2 700	2 700	–	600	528	655
		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**63 854**	**73 931**	**84 476**	**68 017**	**90 044**	**90 044**	**53 589**	**60 339**	**78 689**	**82 202**
Funded by:											
National Government Provincial Government District Municipality		46 242	47 312	56 128	56 067	67 420	67 420	47 183	51148	59085	72185
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**46 242**	**47 312**	**56 128**	**56 067**	**67 420**	**67 420**	**47 183**	**51 148**	**59 085**	**72 185**
Borrowing	6	–	4 521	5 139	–	6 638	6 638	3 424	–	–	–
Internally generated funds		17 288	21993	22 739	11950	15 986	15 986	2 982	9 191	9 605	10037
Total Capital Funding	7	**63 531**	**73 826**	**84 006**	**68 017**	**90 044**	**90 044**	**53 589**	**60 339**	**78 689**	**82 202**

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

- Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding

sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

- Single-year capital expenditure has been appropriated at R60.3 million for the budget year and R78.6 million and R82.2 million for the two outer years.
- Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

Table A6 - Budgeted Financial Position

EC141 Elundini - Table A6 Budgeted Financial Position

Description	## #	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1	Budget Year +2
ASSETS											
Current assets											
Cash and cash equivalents		77 313	45 752	49 726	125 064	415 875	415 875	28 707	132 660	216 421	309 218
Trade and other receivables from exchange transactions	1	22 110	9 096	8 034	21095	121418	121418	22 525	8 674	5 295	1765
Receivables from non-exchange transactions	1	16 516	16 733	16 070	21850	96 989	96 989	29 877	10 903	2 626	1933
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	–	–	0	0	861	861	0	–	0	0
VAT		3 703	4 501	4 941	16 587	70 591	70 591	7 529	18 578	32 060	46 171
Other current assets		46	2 846	6 813	–	–	–	6 813	–	–	–
Total current assets		**119 688**	**78 928**	**85 583**	**184 596**	**705 734**	**705 734**	**95 450**	**170 814**	**256 403**	**359 087**
Non current assets											
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		44 628	44 149	43 657	46 798	187 192	187 192	43 657	40 685	35 567	30 224
Property, plant and equipment		540 185	554 803	575 275	598 042	2 473 075	2 473 075	632 731	614 904	645 463	677 408
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources	3	–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–
Intangible assets		1	430	429	473	1894	1894	429	448	448	448
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		40	931	751	–	–	–	751	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		**584 854**	**600 314**	**620 112**	**645 314**	**2 662 161**	**2 662 161**	**677 568**	**656 037**	**681 478**	**708 080**
TOTAL ASSETS		**704 543**	**679 242**	**705 695**	**829 910**	**3 367 896**	**3 367 896**	**773 018**	**826 851**	**937 881**	**1 067 167**
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		147	0	10 288	13 785	55 139	55 139	2 360	10 030	10 030	10 030
Consumer deposits		590	500	509	424	1696	1696	522	420	420	420
Trade and other payables from exchange transactions	4	49 288	61523	53 119	92 048	365 272	365 272	39 916	82 544	114 480	148 041
Trade and other payables from non-exchange transactions	5	5 588	40	11976	42	8 170	8 170	19 925	12 503	12 503	17 669
Provision		40 934	13 254	10 898	33 781	135 124	135 124	12 342	19 682	19 682	19 682
VAT		(4 436)	(3 187)	(809)	5 553	31975	31975	1531	9 567	19 575	30 023
Other current liabilities		2 019	2 477	1444	–	–	–	–	–	–	–
Total current liabilities		**94 130**	**74 607**	**87 426**	**145 633**	**597 375**	**597 375**	**76 597**	**134 746**	**176 690**	**225 865**
Non current liabilities											
Financial liabilities	6	0	0	15 529	6 073	24 293	24 293	15 529	15 278	15 278	15 278
Provision	7	14 736	28 587	39 261	–	–	–	39 261	37 407	37 407	37 407
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		1417	1387	9 404	24 468	97 872	97 872	9 404	9 818	9 818	9 818
Total non current liabilities		**16 153**	**29 974**	**64 195**	**30 541**	**122 165**	**122 165**	**64 195**	**62 502**	**62 502**	**62 502**
TOTAL LIABILITIES		**110 283**	**104 582**	**151 620**	**176 174**	**719 539**	**719 539**	**140 792**	**197 248**	**239 192**	**288 367**
NET ASSETS		**594 260**	**574 660**	**554 075**	**653 736**	**2 648 356**	**2 648 356**	**632 226**	**629 603**	**698 689**	**778 800**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	596 139	574 660	554 219	653 736	2 648 356	2 648 356	636 382	629 603	698 689	778 800
Reserves and funds	9	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	**596 139**	**574 660**	**554 219**	**653 736**	**2 648 356**	**2 648 356**	**636 382**	**629 603**	**698 689**	**778 800**

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table A6s supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
    - Call investments deposits;
    - Consumer debtors;
    - Property, plant and equipment;
    - Trade and other payables;
    - Provisions noncurrent;
    - Changes in net assets; and
    - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table A7 Cash Flow Statement

Description R thousand	## #	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1	Budget Year +2
CASH FLOW FROM OPERATING ACTIVITIES									30,866	29,841	31,154
Receipts									61,725	64,564	67,405
Property rates Service charges Other revenue		–	6,697	17,502	29,686	95,506	95,506	95,506	168,905	189,560	199,134
Transfers and Subsidies - Operational Transfers and		21,408	18,182	19,380	39,308	190,326	190,326	190,326	209,299	205,240	214,522
Subsidies - Capital Interest		34,775	20,818	17,552	180,586	643,781	643,781	643,781	51,148	69,085	72,165
Dividends	1	176,347	185,081	200,360	211,061	844,244	844,244	844,244	14,080	14,727	15,375
Payments	1	60,771	55,075	78,196	56,067	269,681	269,681	269,681	–	–	–
Suppliers and employees Interest	1	114	368	1,804	5,661	53,070	53,070	53,070	(388,667)	(403,999)	(423,074)
Transfers and Subsidies		–	–	–	–	–	–	–	(6,635)	(6,941)	(7,246)
									–	–	–
		(173,625)	(144,990)	(175,528)	(369,617)	(1,484,319)	(1,484,319)	(1,484,319)			
		–	–	(464)	(5,966)	(23,866)	(23,866)	(23,866)			
		–	–	–	–	–	–	–			
NET CASH FROM/(USED) OPERATING		**119 791**	**141 231**	**158 801**	**146 787**	**588 423**	**588 423**	**588 423**	**140 720**	**162 077**	**169 436**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									365	382	399
Decrease (increase) in non-current receivables		–	–	–	542	4,620	4,620	4,620	–	–	–
Decrease (increase) in non-current investments		40	931	(920)	–	–	–	–	–	–	–
Payments		–	–	–	–	–	–	–	(60,339)	(78,698)	(82,202)
Capital assets											
		(70 750)	(74 761)	(96 782)	(68 017)	(360 176)	(360 176)	(360 176)			
NET CASH FROM/(USED) INVESTING		**(70 710)**	**(73 830)**	**(97 701)**	**(67 475)**	**(355 556)**	**(355 556)**	**(355 556)**	**(59 974)**	**(78 316)**	**(81 803)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	30,000	–	–	–	–	–	–	–
Payments		–	–	–	–	–	–	–	–	–	–
Repayment of borrowing											
		–	–	9 607	–	–	–	–			
NET CASH FROM/(USED) FINANCING		**–**	**–**	**39 607**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	2	**49 081**	**67 401**	**100 707**	**79 312**	**232 866**	**232 866**	**232 866**	**80,746**	**83,761**	**87,633**
Cash/cash equivalents at the year begin: Cash/cash	2	**110 529**	**77 313**	**45 752**	**45 752**	**183 009**	**183 009**	**183 009**	**51,913**	**132,660**	**216,421**
equivalents at the year end:		**159 610**	**144 714**	**146 459**	**125 064**	**415 875**	**415 875**	**415 875**	**132,660**	**216,421**	**304,054**

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue.

Table A8 Cash Backed Reserves/Accumulated Surplus Reconciliation

Description R thousand	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1	Budget Year +2
Cash and investments available Cash/cash equivalents at the year end Other current	1	159,610	144,714	146,459	125,064	415,875	415,875	415,875	132,660	216,421	304,054
investments > 90 days	1	(82,297)	(98,962)	(96,734)	0	–	–	(387,169)	–	–	5,164
Non current Investments		–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**77 313**	**45 752**	**49 726**	**125 064**	**415 875**	**415 875**	**28 707**	**132 660**	**216 421**	**309 218**
Application of cash and investments Unspent conditional transfers Unspent		5,588	40	11976	42	8,170	8,170	19,925	12,503	12,503	17,669
borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements											
Other working capital requirements Other provisions	2										
Long term investments committed	3	(84 578)	(104 435)	(124 374)	(11035)	(38 616)	(38 616)	145 290	(9 010)	(12 486)	(16 149)
Reserves to be backed by cash/investments	4	40 348	58 050	49 071	82 737	316 703	316 703	(213 479)	61063	105 842	144 007
	5	42 953	15 731	12 342	33 781	135 124	135 124	(12 342)	19 682	19 682	19 682
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**4 311**	**(30 613)**	**(50 984)**	**105 526**	**421 381**	**421 381**	**(60 606)**	**84 238**	**125 542**	**165 210**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief		**73 002**	**76 366**	**100 709**	**19 539**	**(5 505)**	**(5 505)**	**89 313**	**48 422**	**90 879**	**144 008**
Creditors transferred to Debt Relief - Non-Current portion		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**73 002**	**76 366**	**100 709**	**19 539**	**(5 505)**	**(5 505)**	**89 313**	**48 422**	**90 879**	**144 008**

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

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

Table A9 Asset Management

Description R thousand	## ##	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1	Budget Year +2
CAPITAL EXPENDITURE	1									
Total New Assets	2	**69 090**	**53 639**	**68 298**	**66 517**	**84 776**	**84 776**	**60 339**	**78 698**	**82 202**
Roads Infrastructure		26 604	34 615	45 772	41573	54 426	54 426	45 331	49 085	51261
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		8 120	16 038	9 303	12 994	17 132	17 132	7 287	21538	22 509
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		11994	–	–	2 100	1500	1500	600	628	655
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***46 719***	***50 654***	***55 075***	***56 667***	***73 058***	***73 058***	***53 218***	***71 250***	***74 426***
Community Facilities		4 055	(6 877)	–	1250	800	800	700	732	764
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***4 055***	***(6 877)***	**–**	***1 250***	***800***	***800***	***700***	***732***	***764***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		12 370	4 198	7 306	250	2 726	2 726	3 471	3 631	3 790
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***12 370***	***4 198***	***7 306***	***250***	***2 726***	***2 726***	***3 471***	***3 631***	***3 790***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**984**	**2 178**	**1 862**	**2 000**	**1 799**	**1 799**	**1 000**	**1 046**	**1 092**
Furniture and Office Equipment		**831**	**495**	**1 567**	**1 000**	**2 170**	**2 170**	**550**	**575**	**601**
Machinery and Equipment		**2 979**	**1 227**	**551**	**2 500**	**1 022**	**1 022**	**–**	**–**	**–**
Transport Assets		**1 152**	**1 764**	**1 936**	**2 850**	**3 200**	**3 200**	**1 400**	**1 464**	**1 529**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets		**–**	**15 037**	**2 340**	**1 500**	**500**	**500**	**–**	**–**	**–**
Roads Infrastructure		–	3 136	2 340	1500	500	500	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		**–**	***3 136***	***2 340***	***1 500***	***500***	***500***	**–**	**–**	**–**
Community Facilities		–	11902	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	***11 902***	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	–	–	–	–	769	769	–	–	–
Roads Infrastructure		–	–	–	–	769	769	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	*769*	*769*	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	**69 090**	**68 676**	**70 638**	**68 017**	**86 044**	**86 044**	**60 339**	**78 698**	**82 202**
Roads Infrastructure		26 604	37 751	48 112	43 073	55 695	55 695	45 331	49 085	51261
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		8 120	16 038	9 303	12 994	17 132	17 132	7 287	21538	22 509
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		11994	–	–	2 100	1500	1500	600	628	655
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*46 719*	*53 789*	*57 415*	*58 167*	*74 327*	*74 327*	*53 218*	*71250*	*74 426*
Community Facilities		4 055	5 025	–	1250	800	800	700	732	764
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*4 055*	*5 025*	–	*1 250*	*800*	*800*	*700*	*732*	*764*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		12 370	4 198	7 306	250	2 726	2 726	3 471	3 631	3 790
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*12 370*	*4 198*	*7 306*	*250*	*2 726*	*2 726*	*3 471*	*3 631*	*3 790*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		**984**	**2 178**	**1 862**	**2 000**	**1 799**	**1 799**	**1 000**	**1 046**	**1 092**
Furniture and Office Equipment		**831**	**495**	**1 567**	**1 000**	**2 170**	**2 170**	**550**	**575**	**601**
Machinery and Equipment		**2 979**	**1 227**	**551**	**2 500**	**1 022**	**1 022**	–	–	–
Transport Assets		**1 152**	**1 764**	**1 936**	**2 850**	**3 200**	**3 200**	**1 400**	**1 464**	**1 529**
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

TOTAL CAPITAL EXPENDITURE - Asset class		**69 090**	**68 676**	**70 638**	**68 017**	**86 044**	**86 044**	**60 339**	**78 698**	**82 202**
ASSET REGISTER SUMMARY - PPE (WDV)	5	***523 234***	***545 027***	***585 121***	***586 497***	***586 735***	***586 735***	***600 718***	***554 426***	***507 013***
Roads Infrastructure		269 398	273 118	285 278	(25 672)	(25 672)	(25 672)	(25 672)	(52 524)	(80 559)
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		60 499	63 891	79 973	(3 249)	(3 249)	(3 249)	598 808	596 947	595 004
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		23 164	14 383	14 719	(3 500)	(3 500)	(3 500)	(3 500)	(7 161)	(10 983)
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***353 061***	***351 392***	***379 969***	***(32 421)***	***(32 421)***	***(32 421)***	***569 636***	***537 251***	***503 462***
Community Assets		53 074	68 718	84 468	–	–	–	–	1 714	4 420
Heritage Assets		–	–	–	–	–	–	–	–	–
Investment properties		44 628	44 149	43 657	46 798	46 798	46 798	40 685	35 567	30 224
Other Assets		48 336	54 984	49 834	(5 888)	(5 888)	(5 888)	(12 55)	(2 567)	(3 937)
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		1	430	329	473	473	473	448	448	448
Computer Equipment		5 763	5 632	7 348	1275	2 574	2 574	239	489	749
Furniture and Office Equipment		2 150	1 772	2 097	(1 173)	(1 536)	(1 536)	(1 735)	(3 549)	(5 444)
Machinery and Equipment		6 857	6 911	6 744	583 166	580 886	580 886	(13 22)	(2 705)	(4 148)
Transport Assets		6 970	8 644	8 381	(5 734)	(4 151)	(4 151)	(5 979)	(12 232)	(18 761)
Land		2 394	2 394	2 394	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**523 234**	**545 027**	**585 121**	**586 497**	**586 735**	**586 735**	**600 718**	**554 426**	**507 013**
EXPENDITURE OTHER ITEMS		**59 592**	**46 666**	**44 407**	**79 155**	**66 871**	**66 871**	**69 207**	**72 390**	**75 575**
Depreciation	7	46 556	38 405	35 589	51672	50 472	50 472	50 915	53 257	55 600
Repairs and Maintenance by Asset Class	3	**13 036**	**8 261**	**8 818**	**27 483**	**16 399**	**16 399**	**18 292**	**19 133**	**19 975**
Roads Infrastructure		4 220	1724	1545	6 924	5 924	5 924	6 051	6 329	6 608
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		3 615	1694	2 158	5 500	3 500	3 500	3 500	3 661	3 822
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***7 834***	***3 418***	***3 863***	***12 424***	***9 424***	***9 424***	***9 551***	***9 990***	***10 430***
Community Facilities		–	–	61	5 185	0	0	2 000	2 092	2 184
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	***61***	***5 185***	***0***	***0***	***2 000***	***2 092***	***2 184***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		553	751	995	–	1800	1800	1879	1966	2 052
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***553***	***751***	***995***	**–**	***1 800***	***1 800***	***1 879***	***1 966***	***2 052***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**80**	**420**	**388**	**500**	**1 050**	**1 050**	**602**	**630**	**658**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**2 176**	**2 037**	**1 788**	**6 960**	**410**	**410**	**449**	**470**	**491**
Transport Assets		**2 393**	**1 635**	**1 782**	**2 415**	**3 715**	**3 715**	**3 809**	**3 985**	**4 160**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		**59 592**	**46 666**	**44 407**	**79 155**	**66 871**	**66 871**	**69 207**	**72 390**	**75 575**
Renewal and upgrading of Existing Assets as % of total capex		*0.0%*	*21.9%*	*3.3%*	*2.2%*	*1.5%*	*1.5%*	*0.0%*	*0.0%*	*0.0%*
Renewal and upgrading of Existing Assets as % of deprecn		*0.0%*	*39.2%*	*6.6%*	*2.9%*	*2.5%*	*2.5%*	*0.0%*	*0.0%*	*0.0%*
R&M as a % of PPE		*2.5%*	*1.5%*	*1.5%*	*4.7%*	*2.8%*	*2.8%*	*3.0%*	*3.5%*	*3.9%*
Renewal and upgrading and R&M as a % of PPE		*2.5%*	*4.3%*	*1.9%*	*4.9%*	*3.0%*	*3.0%*	*3.0%*	*3.5%*	*3.9%*

Table A10 Basic service delivery measurement

Choose name from list - Table A10 Basic service delivery measurement										
Description	## #	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1	Budget Year +2
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling) Using public tap (at least min.service level) Other water supply (at least min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	2	–	–	–	–	–	–	–	–	–
Using public tap (< min.service level) Other water supply (< min.service level) No water supply	4	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	3	–	–	–	–	–	–	–	–	–
Total number of households		–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	4	–	–	–	–	–	–	–	–	–
Flush toilet (connected to sewerage) Flush toilet (with septic tank) Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	5	–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level) No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households		–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level) Electricity - prepaid (min.service level)										
Minimum Service Level and Above sub-total										
Electricity (< min.service level) Electricity - prepaid (< min. service level) Other energy sources										
Below Minimum Service Level sub-total										
Total number of households		–	–	–	–	–	–	–	–	–
Refuse:		–	–	–	–	–	–	–	–	–
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week Using communal refuse dump										
Using own refuse dump Other rubbish disposal No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	5	–	–	–	–	–	–	–	–	–
Total number of households		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
	5	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	2 239	2 239	2 239	2 337	2 445	2 552
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	12	2 492	5 905	10 588	10 588	12 457	13 030	13 604
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	753	753	753	787	823	859
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		**–**	**12**	**2 492**	**8 898**	**13 580**	**13 580**	**15 581**	**16 298**	**17 015**

Supporting Table SA18 Operating Transfers and Grant Receipts

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants	rant									
National Government:		171 450	184 573	194 075	206 749	826 996	217 644	206 487	203 928	213 151
Expanded Public Works Programme Integrated Grant		2 569	2 539	1 930	2 114	8 456	2 114	2 079	-	-
Local Government Financial Management Grant		1 650	1 650	1 700	1 700	6 800	1 700	1 800	2 000	2 100
Municipal Infrastructure Grant		-	-	-	2 267	9 068	13 162	2 385	2 583	2 698
Energy Efficiency and Demand Side Management G		1 000	-	-	-	-	-	-	-	-
Equitable Share		166 231	180 384	190 445	200 668	802 672	200 668	200 223	199 345	208 353
Provincial Government:		750	750	5 750	4 312	17 248	4 312	2 812	1 312	1 371
Specify (Add grant description)		-	-	5 000	3 000	12 000	3 000	1 500	-	-
Specify (Add grant description)		750	750	750	1 312	5 248	1 312	1 312	1 312	1 371
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	172 200	185 323	199 825	211 061	844 244	221 956	209 299	205 240	214 522
Capital Transfers and Grants		60 771	55 433	78 196	56 067	265 681	41 172	51 148	69 085	72 165
National Government:										
Municipal Disaster Relief Grant		-	-	-	-	45 413	-	-	-	-
Municipal Infrastructure Grant		41 031	41 033	50 430	43 073	172 292	32 178	45 331	49 085	51 261
Integrated National Electrification Programme Grant		19 740	14 400	15 459	12 994	47 976	8 994	5 817	20 000	20 904
Municipal Disaster Recovery Grant		-	-	12 307	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	60 771	55 433	78 196	56 067	265 681	41 172	51 148	69 085	72 165
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	232 971	240 756	278 021	267 128	1 109 925	263 128	260 447	274 325	286 687

Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Operating transfers and grants:	1,3									
National Government										
Balance unspent at beginning of the year		(0)	(2,052)	(4,618)	–	–	–	–	–	5,166
Current year receipts		171,450	184,573	194,075	206,749	826,996	826,996	206,487	203,928	213,151
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		173,502	187,139	196,777	206,749	826,996	826,996	206,487	203,928	213,151
Conditions still to be met - transferred to liabilities		(2,052)	(4,618)	(7,320)	0	0	0	–	–	5,166
Provincial Government:										
Balance unspent at beginning of the year		614	527	39	–	–	–	–	–	–
Current year receipts		750	750	5,750	4,312	17,248	17,248	2,812	1,312	1,371
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		837	1,238	5,168	4,312	17,248	17,248	2,812	1,312	1,371
Conditions still to be met - transferred to liabilities		527	39	621	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		68	1	1	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		68	1	1	–	–	–	–	–	–
Total operating transfers and grants revenue		174,338	188,378	201,946	211,061	844,244	844,244	209,299	205,240	214,522
Total operating transfers and grants - CTBM	2	(1,456)	(4,577)	(6,698)	0	0	0	–	–	5,166
Capital transfers and grants:	1,3									
National Government										
Balance unspent at beginning of the year		(0)	7,044	4,618	42	170	170	12,503	12,503	12,503
Current year receipts		60,771	55,433	78,196	56,067	265,681	265,681	51,148	69,085	72,165

Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**53,727**	**57,859**	**64,140**	**56,067**	**257,681**	**257,681**	**51,148**	**69,085**	**72,165**
Conditions still to be met - transferred to liabilities		7,044	4,618	18,674	42	8,170	8,170	12,503	12,503	12,503
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		**53,727**	**57,859**	**64,140**	**56,067**	**257,681**	**257,681**	**51,148**	**69,085**	**72,165**
Total capital transfers and grants - CTBM	2	**7,044**	**4,618**	**18,674**	**42**	**8,170**	**8,170**	**12,503**	**12,503**	**12,503**
TOTAL TRANSFERS AND GRANTS REVENUE		**228,065**	**246,236**	**266,085**	**267,128**	**1,101,925**	**1,101,925**	**260,447**	**274,325**	**286,687**
TOTAL TRANSFERS AND GRANTS - CTBM		**5,588**	**40**	**11,976**	**42**	**8,170**	**8,170**	**12,503**	**12,503**	**17,669**

Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual Budget. For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

4.9.8 Overview of The Annual Budget Process

The above is tabled in the process plan **(Table).**

4.9.9 IDP and Service Delivery and Budget Implementation Plan

This is the forth review of the IDP as adopted by Council in May 2025. It started in July 2025 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2025/26 MTREF in June 2024. The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;

- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2024/25-2025/26 MTREF, based on the approved 2024/25 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections. With the compilation of the 2024/25-2025/26 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2024/25 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

4.9.10 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2025/26-2027/28 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2025/26-2027/28 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2024/25 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 130 has been taken into consideration in the planning and prioritisation process.

Community Consultation

The draft 2025/2026; 2025/2026-2027/2028 MTREF as tabled before Council on 31 March 2025 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries. Ward Committees were utilised to facilitate the community consultation process from 19-21 April 2025, in all 17 wards of Elundini Local Municipality. The applicable dates and venues were published in municipal website. Individual sessions were scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs. Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2026/28 MTREF. Feedback and responses to the submissions received are available on request.

4.9.11 Overview of Alignment of Annual Budget With IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget.

An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery. Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development.

Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements. The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2021 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2026/28 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

2021-2026 Council Term		2025/26MTREF	
1.	Accelerate delivery of reliable basic service and resilient infrastructure.	1.	Accelerate delivery of reliable basic service and resilient infrastructure
2.	Promote economic growth, environment sustainability through job absorbing sectors	2.	Promote economic growth, environment sustainability through job absorbing sectors
3.	Improve the effectiveness of governance administrative and financial systems	3.	Improve the effectiveness of governance administrative and financial systems

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements. Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

Provision of quality basic services and infrastructure which includes, amongst others:

- Provide electricity;
- Provide waste removal;
- Provide roads and storm water;
- Constructing and maintaining the infrastructure of the Municipality.

Economic growth and development that leads to sustainable job creation by:

- Ensuring there is a clear structural plan for the Municipality;
- Ensuring planning processes function in accordance with set timeframes;
- Facilitating the use of labour-intensive approaches in the delivery of services and the building of infrastructure.

Fight poverty and build clean, healthy, safe and sustainable communities:

- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective city cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring save working environments by effective enforcement of building and health regulations;

- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimizing effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above. In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners. This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;

- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area-based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2025/26- 2027/28 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

4.10 Overview of budget assumptions

4.10.1 External factors

It must be noted that Elundini municipality is predominantly rural, therefore there are limited job opportunities within the municipal area. Be that as it may the municipality has managed to give jobs to many households through Expanded Public Works Programme. The municipality has set aside from its own reserves an amount of R2 million for the expansion of the EPWP programme in order to give more jobs to the community. Financial resources are limited due to the non-payment of debtors, most households are indigent they cannot afford to pay municipal accounts. The municipality is forced to implement Indigent policy and write off debts for the qualifying debtors.

4.10.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2025/2026-2027/2028 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses

- The impact of municipal cost drivers;
- The increase in prices for bulk electricity
- The increase in the cost of remuneration. Employee related costs comprise 40 per cent of total operating expenditure for the 2026/28 MTREF.

4.10.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate of 4.3%. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term. The rate of revenue collection is currently expressed as a percentage (80 per cent) of annual billings. Cash flow is assumed to be 80 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

4.10.4 Salary increases

The collective agreement regarding salaries/wages will come into operation on 1 July 2025 and shall remain in force until 30 June 2026. The salary increase has not yet been finalised pending negotiations however, 7.7 percent for the 2025/2026 budget year has been budgeted for.

4.10.5 Creditors and Loans

The municipality is procuring goods and services from service providers, when good and services are delivered then municipality is paying its creditors within 30 days as per the norm. The municipality has a long term loan with Standard Bank financial institution for an amount of R30 Million for a period of three years, the municipality is servicing its loan on monthly basis as per service level agreement.

4.10.6 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and, in this regard, various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;

- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

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

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure (all operational grants) and 100 per cent on the capital programme (MIG and INEP) for the MTREF of which performance has been factored into the cash flow budget. Municipal Disaster Recovery Grant (MDRG) which was a multi-year grant, which was gazetted in May 2024 and only 8% was spent as at 30 June 2024, resulting in unspent portion.

4.11 Consolidated Investment Register for each and every grant received

		ELUNDINI INVESTMENT REPORT					
		01 February 2025 TO 28 February 2025					
NAME OF INVESTMENT	PURPOSE	ACCOUNT NO	BALANCE AS AT 01/02/2025	INTEREST RECIVED	WITHDRAWALS	DEPOSIT	TOAL AS AT 28/02/2025
ELUNDINI EXPAND PUBLIC WOR	EX PUBLIC WORKS PRO	388497173-001	R 25 418.22	R 1 738.05		R 635 000.00	R 662 156.27
ELUNDINI VOTER STATION	INFRASTRUCTURE GRAN	388497165-001	R 1 706.65	R 5.30			R 1 711.95
EQUITABLE SHARE FNB	SUBSIDY FOR POOR	62189194170	R 257 107.23	R 968.65	R 253 625.09		R 4 450.79
FINANCE MANAGEMENT GRANT	CONDITIONAL GRANT	388493410-002	R 1 773 308.43	R 8 026.04			R 1 781 334.47
MAYOR'S SOCIAL INVESTMENT	MAYORS SOCIAL INVEST	62378875226	R 651 465.10	R 3 141.31			R 654 606.41
MUNICIPAL DISASTER GRANT	CONDITIONAL GRANT	388493003-001	R 3 442 744.11	R 12 572.93	R 1 431 995.21		R 2 023 321.83
MIG	CONDITIONAL GRANT	62189180111	R 4 182 312.47	R 45 972.03	R 2 306 151.74	R 6 348 000.00	R 8 270 132.76
NER	ELECTRICITY UPGRADIN	388490810-001	R 1 766 711.26	R 7 996.18			R 1 774 707.44
WORKING CAPITAL RESERVE	RESEVERS	62284785121	R 126 180.96	R 763.13	R 120 000.00		R 6 944.09
JOE GQABI	WATER AND SANITAION	62557779322	R 5 828 158.27	R 31 296.41			R 5 859 454.68
ENERGY EFFICIANCY	CONDITIONAL GRANT	62785909650	R 6 270.32	R 33.67			R 6 303.99
SOLIDARITY FUND	SOLIDARITY GRANT	62852498023	R 163 147.64	R 876.08			R 164 023.72
SMART METERS	SMART METERS	63043360592	R 7 623 786.26	R 25 420.40	R 5 916 672.45		R 1 732 534.21
CLEANSING PROJECT	CONDITIONAL GRANT	63062748513	R 865 585.97	R 4 318.21	R 860 000.00		R 9 904.18
SECURITY ACCOUNT	SECURITY	388490365-001	R 3 405 172.60	R 23 934.25			R 3 429 106.85
LIBRARY ACCOUNT	CONDITIONAL GRANT	63101211372	R 1 033.65	R 5.55			R 1 039.20
RETENTION ACCOUNT	RETENTION	63101209921	R 540 417.80	R 1 770.46	R 540 000.00	R 1 200 000.00	R 1 202 188.26
INEP	INEP	63111791380	R 18 394.62	R 98.78			R 18 493.40
TOTAL			**R 30 678 921.56**	**R 168 937.43**	**R 11 428 444.49**	**R 8 183 000.00**	**R 27 602 414.50**
		FNB	R 20 263 860.29	R 114 664.68	R 9 996 449.28	R 7 548 000.00	R 17 930 075.69
		STD BANK	R 10 415 061.27	R 54 272.75	R 1 431 995.21	R 635 000.00	R 9 672 338.81
		TOTAL	R 30 678 921.56	R 168 937.43	R 11 428 444.49	R 8 183 000.00	R 27 602 414.50
		CURRENT ACCOU	R 5 808 540.48	R 15 756.67	R 359.00	R 2 597 437.69	R 1 093 823.90

4.12 Grants receipts and Expenditure

Grants Receipts and Expenditure					
ELUNDINI LOCAL MUNICIPALITY					
DRAFT BUDGET 2025/26					
CONDITIONAL GRANTS					
	2023/24 Year		**2024/25 Year**		**2025/26 Year**
Segment Desc	**Receipts**	**% Spent**	**Receipts**	**% Spent**	**Receipts**
Operational Grants					
Equitable Share	190 445 000	100%	200 668 000	75%	200 223 000
Financial Management Grant	1 700 000	100%	1 700 000	43%	1 800 000
EPWP	1 930 000	100%	2 079 000	100%	2 079 000
Library Grant	750 000	100%	1 312 000	62%	1 312 000
Dedea Grant - Allien	5 000 000	88%	3 000 000	61%	1 500 000
MIG Operational	2 702 250	100%	2 267 000	100%	2 385 000
Capital Grants					
MIG Capital Grants	45 160 630	100%	43 073 000		45 331 000
INEP Grants	15 456 000	100%	12 994 000		5 817 000
Disaster Grants	12 307 000	8%	11 354 218	82%	-
TOTAL	**275 450 880**		**278 447 218**		**260 447 000**

4.13 Overview of budget funding

4.13.1 Medium-term outlook: operating revenue

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

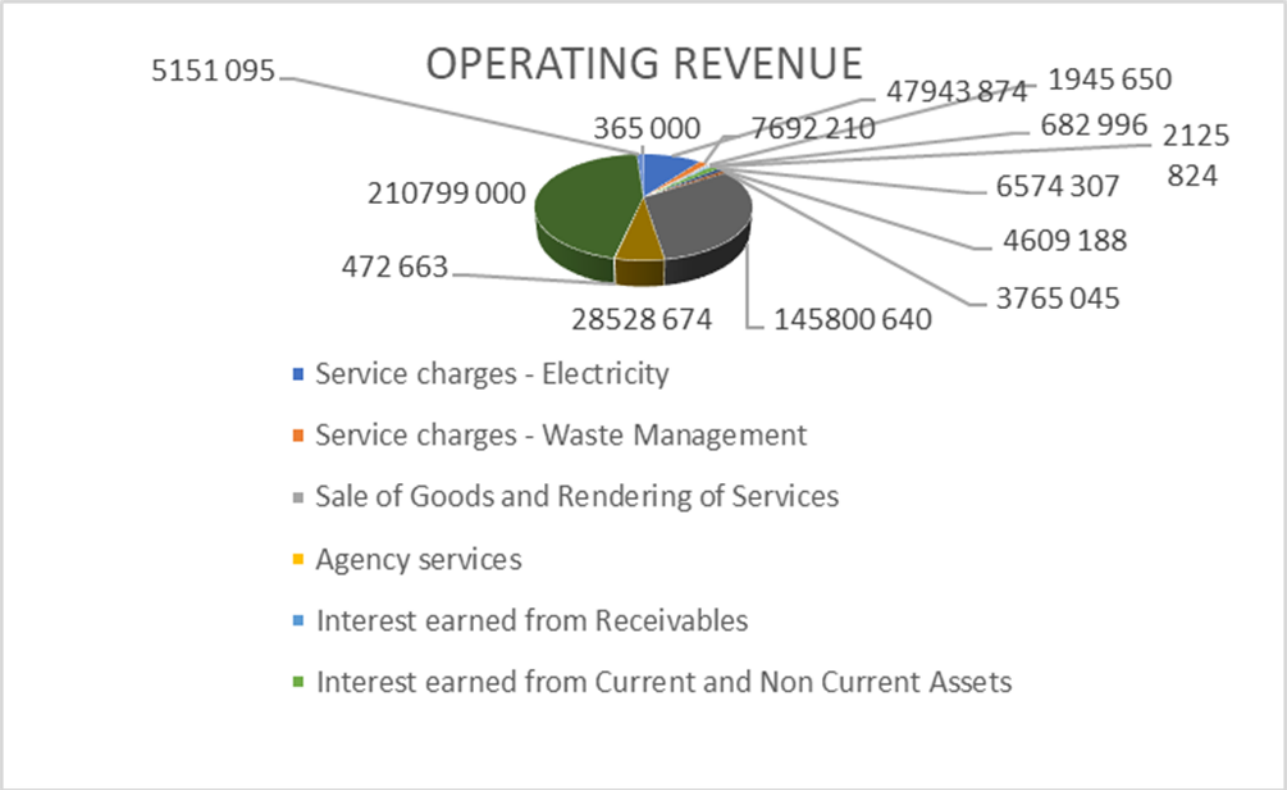


Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1	Budget Year +2
Cash and investments available. Cash/cash equivalents at the year end Other current	1	159,610	144,714	146,459	125,064	415,875	415,875	415,875	132,660	216,421	304,054
investments > 90 days	1	(82,297)	(98,962)	(96,734)	0	–	–	(387,169)	–	–	5,164
Non current Investments		–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**77 313**	**45 752**	**49 726**	**125 064**	**415 875**	**415 875**	**28 707**	**132 660**	**216 421**	**309 218**
Application of cash and investments. Unspent conditional transfers Unspent		5,588	40	11,976	42	8,170	8,170	19,925	12,503	12,503	17,669
borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements											
Other working capital requirements Other provisions	2										
Long term investments committed	3	(84 578)	(104 435)	(124 374)	(11035)	(38 616)	(38 616)	145 290	(9 010)	(12 486)	(15 149)
Reserves to be backed by cash/investments	4	40 348	58 050	49 071	82 737	316 703	316 703	(213 479)	61063	105 842	144 007
	5	42 953	15 731	12 342	33 781	135 124	135 124	(12 342)	19 682	19 682	19 682
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**4 311**	**(30 613)**	**(50 984)**	**105 526**	**421 381**	**421 381**	**(60 606)**	**84 238**	**125 542**	**165 210**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief		**73 002**	**76 366**	**100 709**	**19 539**	**(5 505)**	**(5 505)**	**89 313**	**48 422**	**90 879**	**144 008**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**73 002**	**76 366**	**100 709**	**19 539**	**(5 505)**	**(5 505)**	**89 313**	**48 422**	**90 879**	**144 008**

4.14 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

4.15 Capital expenditure details

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

4.16 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

4.16.1 In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

4.16.2 Quarterly Reports

Reporting to National Treasury in electronic format was fully complied with on quartery basis. Section 52(d) reporting to the Executive Mayor (within 30 working days) has progressively improved and includes quarterly published financial performance on the municipality's website.

4.16.3 Mid Year Reporting

Reporting to National Treasury in electronic format was fully complied with on half yearly basis. Section 72 reporting to the Executive Mayor on the 25th of January each year has progressively improved and includes mid-year published financial performance on the municipality's website.

4.16.4 Annual Reporting

Reporting to National Treasury in electronic format was fully complied with on annual report which is reported on annual bases, each year has progressively improved and it is published on the municipality's website.

4.16.5 Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.

4.16.6 MFMA Training

The MFMA training module in electronic format is presented at the municipality's internal centre and training is ongoing.