

TABLING OF ANNUAL BUDGET: 2024/25 TO 2026/27 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)

<u>Directorate:</u>	Financial Services	<u>Demarcation:</u> All wards
<u>Portfolio Comm:</u>	Finance & Corporate	<u>Delegation:</u> Council

File Ref: **5/1/1/17**

Attachments: **Annexure A – Budget Narrative Report**
 Annexure B – Detailed 2024/25 Capital Budget
 Annexure C – 2024/25 A- Schedule and Supporting Documents
 Annexure D – Municipal Rates, Tariffs and fees 2024/25
 Annexure E – Budget Related Policies
 Annexure F – Service Delivery Standards
 Annexure G – Quality Certificate
 Annexure H – Service Delivery & Budget Implementation
 Plan 2024/25
 Annexure I – Long-Term Financial Plan
 Annexure J – mSCOA Implementation Roadmap
 Annexure K –Demand Management Plan 2024-2027
 Annexure L – Public Input and responses
 Annexure M – Natures Valley SRA budget 2024/2025
 Annexure N – SIME assessment report Provincial Treasury
 Annexure O – Municipal Response to SIME assessment

Report from: **Director: Financial Services**

Author: **Manager Budget**

Date: **24 May 2024**

PURPOSE OF THE REPORT

To table the Final Multi-year Operating and Capital Budget for the 2024/25; 2025/26 and 2026/27 MTREF, Tariffs, budget related policies and resolutions before Council for consideration and approval.

BACKGROUND

In terms of the MFMA (Section 16)

- (1) The Council of a Municipality must for each financial year approve an annual budget for the Municipality before the start of the financial year.
- (2) In order for a Municipality to comply with subsection (1), the Mayor of the Municipality must table the annual budget at a Council meeting at least 90 days before the start of the budget year.

In order to ensure compliance with the legislative framework in this regard the budget for the 2024/2025 financial year and MTREF was prepared in accordance with the provisions of the MFMA as well as the Municipal Budget and Reporting Regulations (MBRR) and is submitted by the Mayor in council after the public participation process was completed for final adoption.

Financial Implication

As per the report.

Relevant Legislation

Compliance with Municipal Finance Management Act (Act 56 of 2003), Municipal Budget and Reporting Regulations, Municipal Systems Act (Act 32 of 2000) and Municipal Budget Circulars.

RECOMMENDATIONS BY THE MAYOR

1. The Council of Bitou Municipality, acting in terms of Section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2024/25 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted summary as per Table A1
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by standard classification) – Table A2;
 - 1.1.3. Budgeted Financial Performance (revenue and expenditure by municipal vote) – Table A3;
 - 1.1.4. Budgeted Financial Performance (revenue by source and expenditure by type) – Table A4; and
 - 1.1.5. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source – Table A5.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position – Table A6;
 - 1.2.2. Budgeted Cash Flows – Table A7;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation – Table A8;
 - 1.2.4. Asset management – Table A9; and
 - 1.2.5. Basic service delivery measurement – Table A10.
2. The Council of Bitou Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2024:
 - 2.1. the tariffs for property rates as per Annexure “D”,
 - 2.2. the tariffs for electricity as per Annexure “D”,
 - 2.3. the tariffs for the supply of water as per Annexure “D”
 - 2.4. the tariffs for sanitation services as per Annexure “D”

2.5. the tariffs for solid waste services as per Annexure “D”

3. The Council of Bitou Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2024 the tariffs for miscellaneous and other services as contained in the tariff list that is included in the budget document as per Annexure “D”.
4. That Council specifically take note of the fact that the proposed electricity charges and tariff structure contained in the tariff schedule as well as the cost of supply study is subject to NERSA approval that may change from that stated in the tariff listing.
5. To give proper effect to the municipality’s annual budget, the Council of Bitou Municipality approves:
 - 5.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of Section 8 of the Municipal Budget and Reporting Regulations.
 - 5.2. That the municipality be permitted to enter into long-term loans for the funding of the capital programmes in respect of the 2024/25 financial year limited to an amount of R 42 752 000 in terms of Section 46 of the Municipal Finance Management Act.
 - 5.3. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.
6. That the Council of Bitou Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts the following existing and revised policies:
 - 6.1. Accounts payable policy
 - 6.2. Budget Implementation and Monitoring policy
 - 6.3. Cost Containment policy
 - 6.4. Petty Cash Policy
 - 6.5. Subsistence and Travelling allowance policy.
 - 6.6. Borrowing Policy
 - 6.7. Tariff policy
 - 6.8. Supply Chain Management policy
 - 6.9. Property Rates policy
 - 6.10. Liquidity Funding and Reserves Policy
 - 6.11. Investment and Cash Management policy
 - 6.12. Customer care, credit control, debt collection, indigent and tampering policy
 - 6.13. Writing -off of irrecoverable debt policy
 - 6.14. Preferential Procurement Policy
 - 6.15. Infrastructure Procurement and Delivery Management Policy
 - 6.16. Asset Management Policy
7. That the service level standards attached as Annexure “F” be approved.
8. That the draft SDBIP as per Annexure “H” be submitted to the mayor for final consideration and approval.
9. That the Long Term Financial Plan attached as Annexure “I” be approved

10. That the mSCOA roadmap attached as Annexure "J" be approved.
11. That the demand management plan attached as per Annexure "K" be approved
12. That the Public Input and responses on the Budget as per Annexure "L" be noted
13. That the Natures Valley SRA budget 2024/2025 as per Annexure "M" be approved
14. That the SIME Budget assessment as well as municipal response thereon attached as Annexure "N" and Annexure "O" be noted.
15. That where the tariff and other policy revisions necessitate amendments to relevant By-laws, the amendments be effected and made public in accordance with Section 75A of the Municipal Systems Act, (Act 32 of 2000)