CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
ORDINARY COUNCIL MEETING

2024.03.28

ITEM A-F (20-2024)

DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) FOR 2024/25 - 2026/27 AND THE REVIEW OF THE 2022/23 - 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

1. PURPOSE

The purpose of this report is to submit the Draft Medium-Term Revenue and Expenditure Framework (MTREF) for the 2024/25 - 2026/27, and the review of the 2022/23 - 2026/27 Integrated Development Plan (IDP) to Council for consideration in terms of Section 16(2) of the Municipal Finance Management Act (56 of 2003).

2. STRATEGIC PRIORITY

To promote good governance and financial sustainability of the City.

3. WARD/S AFFECTED

All wards are affected.

4. IDP LINKAGE

Good governance.

5. EXECUTIVE SUMMARY

The compilation of the tabled budget and the development of the Municipality's Integrated Development Plan started already 10 months before the beginning of the 2024/25 Financial Year when the report regarding the key deadlines was approved by Council on the 31st August 2023 Item A-Corp (12-2023) as required by Section 21(b) of the MFMA.

A number of factors were taken into consideration in the compilation of this MTREF, including but not limited to:

- The Division of Revenue Bill tabled by the National Minister of Finance in February 2024;
- Gauteng Province 2023/24 gazetted allocations as the 2024/25 gazette is not yet released;
- The City of Ekurhuleni Growth and Development Strategy;
- The City of Ekurhuleni Long Term Funding Strategy;
- Guidelines from National Treasury contained in latest Budget Circulars; and
- Published tariff increases from NERSA, Rand Water and ERWAT.

The 2024/25 revenue and expenditure figures were arrived at after deliberations between Finance Department and the Senior Management Team (SMT) as well as the Budget Steering Committee (BSC). The two outer year figures are based on the outcome of these deliberations as well as application of tariff increases and CPI. These outer year figures **are indicative** and may change before the beginning of each year.

The **consolidated 2024/25 Draft MTREF budget** (including entities) reflects the following totals:

Description	Budget Year 2023/24			2024/25 Medium Term Revenue Expenditure Framework		
	Revised Budget - 2023/24	YTD Actual - 2023/24	% Actuals	Draft Budget - 2024/25	Draft Budget - 2025/26	Draft Budget - 2026/27
	R	R		R	R	R
Total Revenue (excluding capital transfers and contributions)	55,539,197,553	35,152,964,108	63%	60,650,394,539	65,232,674,719	70,714,368,488
Total Expenditure	55,067,894,144	30,736,890,062	56%	60,048,459,832	64,603,388,013	70,056,863,494
Surplus/(Deficit)	**471,303,409**	**4,416,074,045**		**601,934,707**	**629,286,706**	**657,504,994**

The table above shows Operating Surpluses of R601.9 million, R629.2 million and R657.5 million in 2024/25, 2025/26 and 2026/27, respectively.

The following attachments are provided:

SECTION ONE: INTEGRATED DEVELOPMENT PLANNING

Annexure A: 2022/23 - 2026/27 Revised Integrated Development Plan (IDP);

SECTION TWO: MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK

Annexure B: 2024/25 Draft Budget Book;
Annexure C: 2024/25 Draft Capital Budget per ward;

SECTION THREE: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Annexure D: Draft Departmental Service Delivery and Budget Implementation Plan (SDBIP) (Measurable Performance Indicators section); To be tabled in June 2024 to the Executive Mayor. **To be approved in June 2024** after approval of the budget as required by section 53(1)(c)(ii) of the MFMA;

SECTION FOUR: POLICIES AND TARIFFS

Annexure E: Reviewed Budget Related Policies and By-Laws;
Annexure F: Tariffs; and
Annexure G: Service Level Standards.

Purposes of the attachments to this report

- Departments refined and set targets for their respective Departmental plans which are included in the IDP. The proposals contain results which Departments

will work towards achieving and to support the achievement of the programmes contained in the GDS 2055. **Annexure A** contains the Revised 2022/23 - 2026/27 IDP;

- **Annexure B** Medium-term Revenue and Expenditure Framework – Complete Budget Document as per Municipal Budget and Reporting Regulations;
- A detailed Capital Budget which makes reference to the ward information is included as **Annexure C.** Though this annexure is not required in terms of legislation, it assist in many ways when the budget is scrutinised during public participation;
- **Annexure D** is required in terms of legislation, the Service Delivery and Budget Implementation Plan (SDBIP) (Measurable Performance Indicators section) of Council must be reflected in National Treasury MBRR Table SA7;
- Reviewed Budget-related Policies and By-Laws are attached in **Annexure E**;
- **Annexure F** contains the new Tariff Schedules for the Municipal Services.
- **Annexure G** contains the Service Level Standards that customers can expect from the City.

6. BACKGROUND / MOTIVATION / DISCUSSION

6.1. LEGISLATIVE REQUIREMENTS

Section 16 of the Municipal Finance Management Act (56 of 2003) [MFMA] dealing with the tabling of the annual budget requires that:

(1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

This Item, together with all accompanying documents and annexures, contain the budget that is tabled in terms of the abovementioned legislative requirements. This is the budget that will be taken through the public consultation process during April 2024 in terms of sections 22 and 23 of the MFMA ***read with*** Chapter 4 of the Municipal Systems Act.

As part of the public participation process, National Treasury will schedule a benchmarking meeting with the City around April/May 2024 to do a comparison of the Draft Budget with the budgets of other Metropolitan Municipalities, and to determine whether the budget is **funded, credible and sustainable**.

PROCESS FOLLOWED

The compilation of the 2024/25 budget started already 10 months before the beginning of the 2024/25 Financial Year when the report regarding the key deadlines was approved by Council on the 31st August 2023, Item A-Corp (12-2023) as required by Section 21(b) of the MFMA.

A number of factors were taken into consideration in the compilation of this MTREF, including but not limited to:

- The Division of Revenue Bill tabled by the national Minister of Finance in February 2024;
- Gauteng Province 2023/24 gazetted allocations as the 2024/25 gazette is not yet released;
- The City of Ekurhuleni Growth and Development Strategy:
- The City of Ekurhuleni Long Term Funding Strategy;
- Guidelines from National Treasury contained in latest Budget Circulars; and
- Published tariff increases from NERSA, Rand Water and ERWAT.

Finance Department compiled the technical budget document for consultation with the departments within the City and its entities. The new administration revived the Budget Steering Committee (BSC) as required by sub-regulation 4 of the Municipal Budget and Reporting Regulations. The purpose of the BSC is to provide guidance over the budget process in terms of immediate and long-term priorities and oversee the allocation of the resources of the City.

6.2. **REVISED 2022/23-2026/27 INTEGRATED DEVELOPMENT PLAN AND DRAFT 2024/25 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

Background

Each Municipal Council is required by Chapter 5; Section 25 of the Local Government Municipal Systems Act, 32 of 2000 (MSA) to within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of its Municipality which;

- links, integrates and coordinates plans and takes into account proposals for the development of the Municipality;
- aligns the resources and capacity of the Municipality with the implementation plan;
- forms the policy framework and general basis on which annual budgets must be based;
- complies with the provisions of the chapter; and
- is compatible with National and Provincial development plans and planning requirements binding on the municipality in terms of legislation.

The 2022/23 – 2026/27 IDP is amended in terms of Section 34 of the Municipal Systems Act, 32 of 2000 (MSA) which requires that “a Municipal Council review its Integrated Development Plan, annually in accordance with an assessment of its performance measurements in terms of section 41 and to the extent that changing circumstances so demand and may amend its Integrated Development Plan in accordance with a prescribed process”.

Annexure A contains the Draft IDP for the 2022/23 - 2026/27. The IDP must in terms of section 26 of the MSA reflect; the Municipal Councils vision for the long term development of the Municipality, an assessment of the level of development of the Municipality, the Councils development priorities and objectives for its elected term,

the Councils development strategies which must be aligned with any National and Provincial sectoral plans and planning requirements binding the Municipality in terms of legislation, a Spatial Development Framework, the Councils operational strategies, applicable disaster management plans, a financial plan which must include budget projection for at least the next three years, and the Key Performance Indicators and Performance Targets determined in terms of section 41 of the MSA.

The table below outlines development priorities and objectives for the elected term, the Municipality's long term objectives (GDS 2055), the IDP strategic objectives and outcome indicators.

2024/2025 IDP/SDBIP Alignment table

2024-2025 IDP/SDBIP ALIGNMENT TABLE					
Department	**IDP Pillars/Programme**	**Outcome**	**Indicator Ref No**	**Outcome Indicator**	**Output Indicator**
INFRASTRUCTURE SERVICES CLUSTER					
GDS Thematic Area: Re-Urbanise: To achieve urban integration. **Strategic Objective 1: To deliver reliable, affordable, and sustainable services and ensure improved infrastructure maintenance.**					
Energy	Responsiveness to Service Delivery	EE1. Improved access to electricity	EE1.1.	Percentage of households with access to electricity	EE1.11 Number of dwellings provided with connections to the mains electricity supply by the municipality
					EE1.13 Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards
Energy	Sustainable Provision of Basic Services	EE3. Improved reliability of electricity service	EE3.5	Average System Interruption Duration Index	
Energy	Sustainable Provision of Basic Services	EE3. Improved reliability of electricity service	EE3.6	Average System Interruption Frequency Index	
Energy	Sustainable Provision of Basic Services	EE4. Improved energy sustainability	EE4.5	Municipal electricity consumption per 10 000 of the population	
Human Settlements	Land and Housing	HS1. Improved access to adequate housing (incl. security of tenure)	HS1.1	Percentage of households living in adequate housing	HS1.11 Number of subsidised housing units constructed using various Human Settlements Programmes
					HS1.12 Number of serviced sites
					HS1.13 Hectares of land acquired for human settlements in the municipal area
Human Settlements	Land and Housing	HS1. Improved access to adequate housing	HS1.3	Percentage of informal settlements upgraded to Phase 3	HS1.31 Number of informal settlements assessed (enumerated and classified)
					HS1.32 Number of informal settlements upgraded to Phase 2
Human Settlements	Land and Housing	HS2. Improved functionality of the residential property market	HS2.3	Percentage of households living in formal dwellings who rent	
Human Settlements	Land and Housing	Adequate housing and improved quality living environments.	HSD1	% reduction in housing backlog	HS1.11 Number of subsidised housing units constructed using various Human Settlements Programmes
Human Settlements	Land and Housing	Increased provision of services to informal settlements	HSD.2	% of informal settlements provided with interim basic services	HSD1.2 Number of informal settlements provided with interim basic services
Real Estate and Development Planning	Land and Housing	Increased access to land for development	RED.1	Number of land parcels packaged and released for developments city wide.	RED 1.1 Number of land parcels released for developments city wide.

2024-2025 IDP/SDBIP ALIGNMENT TABLE					
Department	**IDP Pillars/Programme**	**Outcome**	**Indicator Ref No**	**Outcome Indicator**	**Output Indicator**
Roads and Transport Management (Roads and Storm water)	Responsiveness to Service Delivery	Improved quality of municipal road network	TR6.2	Number of potholes reported per 10kms of municipal road network	TR 6.21 Percentage of reported pothole complaints resolved within standard municipal response time
Roads and Transport Management (Roads and Storm water)	Sustainable Provision of Basic Services	Improved condition of roads	RSD1	km of municipal roads provided to reduce backlogs	
Roads and Transport Management (Roads and Storm water)	Sustainable Provision of Basic Services	Flooding and damage to infrastructure risks reduced	RSD2	No of required municipal storm water drainage network added	RSD 1.3 Number of Storm water systems constructed
Roads and Transport Management (Roads and Storm water)	Sustainable Provision of Basic Services	Improved quality of municipal road network	RSD3	KM of road network maintained.	RSD 1.2 Kilometers of road network maintained
Roads and Transport Management (Transport and Fleet Management)	Sustainable Provision of Basic Services	TRAF3. Reduced travel time	TRAF3.1A	KM of Harambee routes Operationalized	
Water and Sanitation	Sustainable Provision of Basic Services	WS1. Improved access to sanitation	WS1.1	Percentage of households with access to basic sanitation	WS1.11 Number of new sewer connections meeting minimum standards
Water and Sanitation	Sustainable Provision of Basic Services	WS2. Improved access to water	WS2.1	Percentage of households with access to basic water supply	WS2.11 Number of new water connections meeting minimum standards.
Water and Sanitation	Responsiveness to Service Delivery	WS3. Improved quality of water sanitation services	WS3.1	Frequency of sewer blockages per 100 KMs of pipeline	WS3.11 Percentage of callouts responded to within 48 hours (sanitation/wastewater)
Water and Sanitation	Responsiveness to Service Delivery	WS3. Improved quality of water sanitation services	WS3.2	Frequency of water mains failures per 100 KMs of pipeline	WS3.21 Percentage of callouts responded to within 48 hours (water)
Water and Sanitation	Sustainable Provision of Basic Services	WS3. Improved quality of water sanitation services	WS3.3	Frequency of unplanned water service interruptions	
Water and Sanitation	Sustainable Provision of Basic Services	WS4. Improved quality of water (incl. wastewater)	WS4.1	Percentage of Drinking Water Compliance to SANS241	WS4.11 Percentage of water treatment capacity unused
Water and Sanitation	Sustainable Provision of Basic Services	WS4. Improved quality of water (incl. wastewater)	WS4.2	Percentage of wastewater samples compliant to water use license conditions	WS4.21 Percentage of industries with trade effluent inspected for compliance
Water and Sanitation	Responsiveness to Service Delivery	WS5. Improved water sustainability	WS5.1	Percentage of non-revenue water	WS5.1 Percentage non-revenue water
Water and Sanitation	Responsiveness to Service Delivery	WS5. Improved water sustainability	WS5.3	Total per capita consumption of water	WS5.31 Percentage of total water connections metered
Water and Sanitation	Sustainable Provision of Basic Services	WS5. Improved water sustainability	WS5.4	Percentage of water reused	

2024-2025 IDP/SDBIP ALIGNMENT TABLE					
Department	**IDP Pillars/Programme**	**Outcome**	**Indicator Ref No**	**Outcome Indicator**	**Output Indicator**
GDS Thematic Area: Re- Govern to achieve effective cooperative governance. Strategic Objective 2: To build a clean capable and modernized local state					
Energy	Responsiveness to Service Delivery	EE4. Improved energy sustainability	EE 4.4	Percentage total electricity losses	
Water and Sanitation	Responsiveness to Service Delivery	WS5. Improved water sustainability	WS5.2	Total water losses	WS5.21 Infrastructure leakage index
GOVERNANCE AND ECONOMIC DEVELOPMENT CLUSTER					
GDS Thematic Area: Re-Urbanise: To achieve urban integration. Strategic Objective 1: To deliver reliable, affordable, and sustainable services and ensure improved infrastructure maintenance.					
Real Estate and Development Planning/ Finance	Responsiveness to Service Delivery	HS2. Improved functionality of the residential property market	HS2.2	Percentage of residential properties in the subsidy market	HS2.22 Average number of days taken to process building applications of less than 500 square meters
Real Estate and Development Planning/ Finance	Sustainable Provision of Basic Services	Improved security of tenure	CP1	Number of post 1994 townships regularized	
Information and Communications Technology (ICT)	Sustainable Provision of Basic Services	Improved communications	ICT1	Number of new Wi-Fi hotspots/nodes provided with Wi-Fi	ICT 1.2 Number of Wi-Fi hotspots /nodes provided with Wi-Fi
Information and Communications Technology (ICT)	Sustainable Provision of Basic Services	Improved communications	ICT2.	Km of (fibre) broadband installed	ICT 1.1 Kilometer of (fibre) broadband installed and commissioned.
GDS Thematic Area: Re- Govern to achieve effective cooperative governance. Strategic Objective 2: To build a clean capable and modernized local state					
Finance	Responsiveness to Service Delivery	GG3. More effective city administration	GG 3.1	Audit Opinion	GG 3.11 Number of repeat audit findings
Finance/ Real Estate and Development Planning	Responsiveness to Service Delivery	HS2. Improved functionality of the residential property market	HS2.2	Percentage of residential properties in the subsidy market	HS2.21 Number of residential properties developed through state-subsidised human settlements programmes entering the municipal valuation roll
Finance/ Enterprise Programme Management Office (EPMO)	Responsiveness to Service Delivery	FM1. Enhanced municipal budgeting and budget implementation	FM1.1	Percentage of expenditure against total budget	FM1.11 Total Capital Expenditure as a percentage of Total Capital Budget
Finance	Responsiveness to Service Delivery	FM1. Enhanced municipal budgeting and budget implementation	FM1.1	Percentage of expenditure against total budget	FM1.12 Total Operating Expenditure as a percentage of Total Operating Expenditure Budget

2024-2025 IDP/SDBIP ALIGNMENT TABLE					
Department	**IDP Pillars/Programme**	**Outcome**	**Indicator Ref No**	**Outcome Indicator**	**Output Indicator**
Finance	Responsiveness to Service Delivery	FM1. Enhanced municipal budgeting and budget implementation	FM1.1	Percentage of expenditure against total budget	FM1.13 Total Operating Revenue as a percentage of Total Operating Revenue Budget
Finance	Responsiveness to Service Delivery	FM1. Enhanced municipal budgeting and budget implementation	FM1.1	Percentage of expenditure against total budget	FM1.14 Service Charges and Property Rates Revenue as a percentage of Service Charges and Property Rates Revenue Budget
Finance	Responsiveness to Service Delivery	FM1. Enhanced municipal budgeting and budget implementation	FM1.2	Municipal budget assessed as funded (Y/N) (National)	FM1.21 Funded budget (Y/N) (Municipal)
Finance	Responsiveness to Service Delivery	FM2. Improved financial sustainability and liability management	FM2.1	Percentage of total operating revenue to finance total debt	
Finance	Responsiveness to Service Delivery	FM2. Improved financial sustainability and liability management	FM2.2	Percentage change in cash backed reserves reconciliation	FM2.21 Cash backed reserves reconciliation at year end
Finance	Responsiveness to Service Delivery	FM3. Improved liquidity management	FM3.1	Percentage change in cash and cash equivalent (short term)	FM3.11 Cash/Cost coverage ratio
Finance	Responsiveness to Service Delivery	FM3. Improved liquidity management	FM3.1	Percentage change in cash and cash equivalent (short term)	FM3.12 Current ratio (current assets/current liabilities)
Finance	Responsiveness to Service Delivery	FM3. Improved liquidity management	FM3.1	Percentage change in cash and cash equivalent (short term)	FM3.13 Trade payables to cash ratio
Finance	Responsiveness to Service Delivery	FM3. Improved liquidity management	FM3.1	Percentage change in cash and cash equivalent (short term)	FM3.14 Liquidity ratio
Finance	Responsiveness to Service Delivery	FM4. Improved expenditure management	FM4.1	Percentage change of unauthorised, irregular, fruitless and wasteful expenditure	FM4.11 Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure
Finance	Responsiveness to Service Delivery	FM4. Improved expenditure management	FM4.2	Percentage of total operating expenditure on remuneration	
Finance	Responsiveness to Service Delivery	FM4. Improved expenditure management	FM4.3	Percentage of total operating expenditure on contracted services	FM4.31 Creditors payment period
Finance	Responsiveness to Service Delivery	FM5. Improved asset management	FM5.1	Percentage change of own funding (Internally generated funds + Borrowings) to fund capital expenditure	FM5.11 Percentage of total capital expenditure funded from own funding (Internally generated funds + Borrowings)
Finance	Responsiveness to Service Delivery	FM5. Improved asset management	FM5.1	Percentage change of own funding (Internally generated funds + Borrowings) to fund capital expenditure	FM5.12 Percentage of total capital expenditure funded from capital conditional grants

2024-2025 IDP/SDBIP ALIGNMENT TABLE					
Department	**IDP Pillars/Programme**	**Outcome**	**Indicator Ref No**	**Outcome Indicator**	**Output Indicator**
Finance	Responsiveness to Service Delivery	FM5. Improved asset management	FM5.2	Percentage change of renewal /upgrading of existing Assets	FM5.21 Percentage of total capital expenditure on renewal/upgrading of existing assets
Finance	Responsiveness to Service Delivery	FM5. Improved asset management	FM5.2	Percentage change of renewal /upgrading of existing Assets	FM5.22 Renewal/Upgrading of Existing Assets as a percentage of Depreciation/Asset impairment
Finance	Responsiveness to Service Delivery	FM5. Improved asset management	FM5.3	Percentage change of repairs and maintenance of existing infrastructure	FM5.31 Repairs and Maintenance as a percentage of property, plant, equipment and investment property
Finance	Responsiveness to Service Delivery	FM7. Improved revenue and debtors management	FM7.1	Percentage change in Gross Consumer Debtors' (Current and Non-current)	FM7.11 Debtors payment period
Finance	Responsiveness to Service Delivery	FM7. Improved revenue and debtors management	FM7.1	Percentage change in Gross Consumer Debtors' (Current and Non-current)	FM7.12 Collection rate ratio
Finance	Responsiveness to Service Delivery	FM7. Improved revenue and debtors management	FM7.2	Percentage of Revenue Growth excluding capital grants	
Finance	Responsiveness to Service Delivery	FM7. Improved revenue and debtors management	FM7.3	Percentage of net operating surplus margin	FM7.31 Net Surplus /Deficit Margin for Electricity
Finance	Responsiveness to Service Delivery	FM7. Improved revenue and debtors management	FM7.3	Percentage of net operating surplus margin	FM7.32 Net Surplus /Deficit Margin for Water
Finance	Responsiveness to Service Delivery	FM7. Improved revenue and debtors management	FM7.3	Percentage of net operating surplus margin	FM7.33 Net Surplus /Deficit Margin for Wastewater
Finance	Responsiveness to Service Delivery	FM7. Improved revenue and debtors management	FM7.3	Percentage of net operating surplus margin	FM7.34 Net Surplus /Deficit Margin for Refuse
Finance	Responsiveness to Service Delivery	Optimised closed of billed revenue	F1	Percentage of billed amounts collected	R1 Percentage of billed amounts collected
Human Resources	Responsiveness to Service Delivery	GG1. Improved municipal capability	GG 1.1	Percentage of municipal skills development levy recovered	
Human Resources	Responsiveness to Service Delivery	GG1. Improved municipal capability	GG 1.2	Top Management Stability	GG 1.21 Staff vacancy rate
Human Resources	Responsiveness to Service Delivery	GG1. Improved municipal capability	GG 1.2	Top Management Stability	GG1.22 Percentage of vacant posts filled within 6 months
Internal Audit/Human resources	Responsiveness to Service Delivery	GG5. Zero tolerance of fraud and corruption	GG 5.1	Number of alleged fraud and corruption cases reported per 100 000 population	GG 5.11 Number of active suspensions longer than three months
Legislature	Responsiveness to Service Delivery	GG 2. Improved municipal responsiveness	GG 2.1	Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan).	GG 2.11 Percentage of ward committees with 6 or more ward committee members (excluding the ward councillor)
Legislature	Responsiveness to Service Delivery	GG 2. Improved municipal responsiveness	GG 2.1	Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan).	GG 2.12 Percentage of wards that have held a quarterly councillor-convened community meeting

2024-2025 IDP/SDBIP ALIGNMENT TABLE					
Department	**IDP Pillars/Programme**	**Outcome**	**Indicator Ref No**	**Outcome Indicator**	**Output Indicator**
Legislature	Responsiveness to Service Delivery	GG2. Improved municipal responsiveness	GG 2.2	Attendance rate of municipal council meetings by participating leaders (recognised traditional and/or Khoi-San leaders)	
Legislature	Responsiveness to Service Delivery	GG3. Improved municipal administration.	GG 3.1	Audit Opinion	GG 3.12 Percentage of councillors who have declared their financial interests.
Legislature	Responsiveness to Service Delivery	GG4. Improved council functionality	GG 4.1	Percentage of councillors attending council meetings	
OCOO (Service Delivery Coordination)	Responsiveness to Service Delivery	GG2. Improved municipal responsiveness	GG2.3	Protest incidents reported per 10 000 population	GG2.31 Percentage of official complaints responded to through the municipal complaint management system
GDS Thematic Area: Re-industrialise in order to achieve job creating economic growth. **Strategic Objective 5: To create an enabling environment for inclusive growth and job creation**					
Real Estate and Development Planning	Local Economic Development	LED1. Growing inclusive local economies	LED1.2	Percentage change in the number of individuals in formal employment	LED1.21 Number of work opportunities created by the municipality through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes)
Real Estate and Development Planning	Local Economic Development	LED1. Growing inclusive local economies	LED1.6	Percentage change in the number of formal micro and small firms	
Real Estate and Development Planning	Local Economic Development	LED2. Improved levels of economic activity in municipal economic spaces	LED 2.2	Rateable value of commercial and industrial property per capita	
Real Estate and Development Planning	Local Economic Development	Increase Ekurhuleni GDP growth, employment opportunities and the City's revenue baseline	EDD1	Rand Value of investments attracted	60. R-value of investments attracted
Real Estate and Development Planning	Responsiveness to Service Delivery	Increase Ekurhuleni GDP growth, employment opportunities and the City's revenue baseline	EDD2	R'value of Revenue Generated from leasing of township hubs and Business Licenses & Permits.	EDD1.2 Rand value of revenue generated from leasing of township hubs
Real Estate and Development Planning	Responsiveness to Service Delivery/Food Security	Increase Ekurhuleni GDP growth, employment opportunities and the	EDD3	Rand-value generated in EFPM	EDD1.4 Rand value generated in Ekurhuleni Fresh Produce Market (EFPM)

2024-2025 IDP/SDBIP ALIGNMENT TABLE					
Department	**IDP Pillars/Programme**	**Outcome**	**Indicator Ref No**	**Outcome Indicator**	**Output Indicator**
		City's revenue baseline			
Real Estate and Development Planning	Responsiveness to Service Delivery	Improved skills and capacity amongst Ekurhuleni residents	EDD4	R'value of Skills Development, Job Creation & Enterprise Development Grant Funding Secured.	69. Rand value of grant funding secured through Public Private Partnerships
Real Estate and Development Planning	Local Economic Development	Reduce unemployment	EDD5	Number of work opportunities through EPWP, and other related infrastructure programmes	
Real Estate and Development Planning	Local Economic Development	Improved skills and capacity amongst Ekurhuleni residents	EDD6	Number of CoE enterprises developed	
Finance	Responsiveness to Service Delivery	LED2. Improved levels of economic activity in municipal economic spaces	LED2.1	Rates revenue as a percentage of the total revenue of the municipality	LED2.11 Percentage of budgeted rates revenue collected
Finance	Local Economic Development	LED2. Improved levels of economic activity in municipal economic spaces	LED2.1	Rates revenue as a percentage of the total revenue of the municipality	LED 2.12 Percentage of the municipality's operating budget spent on indigent relief for free basic services
SOCIAL SERVICES CLUSTER					
GDS Thematic Area: Re-Urbanise: To achieve urban integration. **Strategic Objective 1: To deliver reliable, affordable, and sustainable services and ensure improved infrastructure maintenance.**					
Environmental Resource and Waste Management	Sustainable Provision of Basic Services	ENV3. Increased access to refuse removal	ENV3.1	Percentage of households with basic refuse removal services or better	ENV 3.11 Percentage of recognised informal settlements receiving basic waste removal services
Environmental Resource and Waste Management	Sustainable Provision of Basic Services	ENV3. Increased access to refuse removal	ENV3.2	Percentage of scheduled waste collection service users reporting non-collection	
GDS Thematic Area: Re-mobilise to achieve social empowerment. **Strategic Objective 3: To promote safer healthy and socially empowered communities**					
Community Safety (Disaster and Emergency Management Services (DEMS))	Community Safety Responsiveness to Service Delivery	FD1. Mitigated effects of fires and disasters	F D 1.1	Number of fire related deaths per 100 000 population	FD 1.11 Percentage compliance with the required attendance time for structural firefighting incidents
Community Safety (Disaster and Emergency Management Services (DEMS)))	Community Safety	FD1. Mitigated effects of fires and disasters	F D 1.2	Number of disaster and extreme weather-related deaths per 100 000 population	

2024-2025 IDP/SDBIP ALIGNMENT TABLE					
Department	**IDP Pillars/Programme**	**Outcome**	**Indicator Ref No**	**Outcome Indicator**	**Output Indicator**
Community Safety (Disaster and Emergency Management Services (DEMS))	Community Safety	FD2. Reduced risk of fire and disaster vulnerability	FD2.1	Disaster Management Centre Readiness	
Community Safety (Disaster and Emergency Management Services (DEMS))	Community Safety	FD2. Reduced risk of fire and disaster vulnerability	FD2.2	Fire Services function in accordance with prescribed requirements	
Community Safety (Ekurhuleni Metropolitan Police Department (EMPD))	Community Safety	Improved community safety	**EMPD 1**	Percentage increase in interventions to reduce crime and related incidents	EMP2 Number of interventions implemented to reduce crime and related incidents
Community Services (Sports Recreation Arts and Culture (SRAC))	Land and Housing	HS3. Increased access to and utilisation of social and community facilities	HS 3.5	Percentage utilisation rate of community halls	
Community Services (Sports Recreation Arts and Culture (SRAC))	Land and Housing	HS3. Increased access to and utilisation of social and community facilities	HS 3.6	Average number of library visits per library	
GDS Thematic area: Re-generate to achieve environmental well-being. Strategic Objective 4: To protect the natural environment and promote resource sustainability					
Environmental Resource and Waste Management	Sustainable Provision of Basic Services	ENV2. Minimised solid waste	ENV2.1	Tonnes of municipal solid waste sent to landfill per capita	
Environmental Resource and Waste Management	Sustainable Provision of Basic Services	ENV2. Minimised solid waste	ENV2.2	Tonnes of municipal solid waste diverted from landfill per capita	
Environmental Resource and Waste Management	Sustainable Provision of Basic Services	HS3. Increased access to and utilisation of social and community facilities	HS3.7	Percentage of municipal cemetery plots available	
Community Services (Health and Social Development)	Sustainable Provision of Basic Services	ENV1. Improved air quality	ENV 1.3	Percentage of households experiencing a problem with noise pollution	

Section 53 C (ii) of the MFMA requires the Mayor of a Municipality to take reasonable steps to ensure that the Municipality's **Service Delivery and Budget Implementation Plan** (SDBIP) is approved by the Mayor within 28 days after the approval of the budget. The SDBIP contains annual output indicators and targets to be achieved that are aligned to the outcome (IDP) indicators and targets in the IDP. **Annexure D** contains the draft 2024/25 SDBIPs.

The 2022/23 - 2026/27 IDP is reviewed in terms of Section 34 of the Municipal Systems Act (MSA). Section 29 of the MSA stipulates that the process followed to draft the Integrated Development Plan including consideration and adoption of the draft plan must allow for the local community to be consulted on the development needs and priorities and participate in the drafting of the IDP through appropriate mechanisms, processes and procedures established in terms of chapter 4 of the MSA.

Amendments to the IDP may not be adopted by a Municipal Council unless the proposed amendment has been published for public comment for a period of 21 days in a manner that allows the public an opportunity to make representations with regard to the proposed amendment as required by section 3 (b) of the Local Government Municipal Planning and Performance Management Regulations 2001. The public comment process for the IDP is implemented in terms of chapter 4 of the MSA and will commence on the 9th April 2024.

Meetings with the Oversight Committees

After the tabling of the Draft Budget/ IDP to Council on 28th March 2024, the documents will be referred to Oversight Committees to obtain input from Legislature. The Draft Budget will also be made available to the caucuses of the political parties. Administration will be available to attend some meetings when information or clarity on some of the aspects of the Draft Budget/ IDP are required.

6.3. KEY ASPECTS CONTAINED IN THE DRAFT BUDGET

The MFMA Circulars 126 issued on the 7th December 2023, ***read with*** Circular 128 issued on 8th March 2024, provide guidance to Municipalities and their Entities on the preparation of their 2024/25 Medium Term Revenue and Expenditure Framework (MTREF). Some of the guidance provided in the Circulars is highlighted below.

Economic Outlook

- Over the next three years, South Africa's economy is forecast to grow at an average of 1.6%, a moderate improvement on the 1.4% average expected at the time of the 2023 MTBPS.
- The National Treasury estimates real economic growth of 0.6% in 2023. This is a decrease from growth of 0.8% projected in the 2023 MTBPS due to weaker than expected outcomes in the Third Quarter of 2023, resulting in downward revisions to household spending growth and spending on gross fixed investment.
- GDP growth is projected to average 1.6% from 2024 - 2026 as the frequency of power cuts declines, lower inflation supports household consumption, and employment and credit extensions recover gradually.

- Headline inflation is projected to moderate from 6% in 2023 to 4.9% in 2024 and 4.6% in 2025 and 2026 as food and fuel inflation continue to decline.
- The City's economy, which is largely logistics and manufacturing, has been hard hit by the decline in the economy.
- The increase in unemployment, and the challenge of the economy to create jobs, affecting households' ability to pay for services.
- The continued implementation of load shedding on electricity impact negatively the growth of the economy and development initiatives.

MFMA Circular 128 (8th March 2024) showed the CPI projections as follows:

Fiscal year	2022/23 (Actual)	2023/24 (Estimate)	2024/25 (Forecast)	2025/26 (Forecast)	2026/27 (Forecast)
CPI Inflation	6.9%	5.3%	4.9%	4.6%	4.6%

Source: MFMA Budget Circular 128

Increases above the guidelines above will be justified in the Municipal budgets.

National Treasury advises Municipalities against **tabling unbalanced and unfunded budgets**. In the past three years, some Municipalities had their budgets returned by the National Treasury. These Municipalities were required to table Special Adjustment Budgets to align their expenditure plans with projected revenues and ensure that they have plans in place to pay their creditors, including Eskom and the Water Boards. Municipalities that did not table funded Adjustment Budgets had their tranches of the Local Government equitable share withheld as the MFMA (section 18) requires Municipalities to table funded budgets. The City of Ekurhuleni **is not** part of these Municipalities and does not intend to be, now and in the future.

6.4. SUMMARY OF MAJOR TARIFFS

Assessment rates. A tariff increase of 4.9% is proposed in 2024/25 Financial Year to cater for the cost of doing business, and other service delivery obligations increasing with the inflationary rate.

Water tariff increase of 9% is proposed to cater for the cost of doing business, such as water reticulation and overhead costs.

ERWAT proposes a selling **tariff increase of 7% for domestic and industrial sewer customers**, to cater for the cost of doing business, such as sewer purification and overhead costs.

Refuse removal tariff increase is proposed at **6%** for domestic and business customers, to cater for the cost of replacement specialized vehicles.

The **electricity tariff** increase **ranges between 11% and 12.74%** for various tariff categories as per NERSA's draft guidelines.

Sundry tariffs increases are in line with the CPI rate of **4.9%.**

Burial and Cemetery tariff increase is proposed at **4.9% for residents** and **5.9% for non-residents.**

Similarly, the **Municipal Bus Services** tariffs were reviewed. These **increase by an average of 4.8%**.

The table below reflects the tariff assumptions for the 2024/25 MTREF for the major trading services rendered:

Service category	2022/23 Approved tariff increase	2023/24 Proposed tariff increase	2024/25 Proposed tariff increase	2025/26 Proposed tariff increase
	%	%	%	%
Property rates	4.4	4.9	4.9	4.9
Sanitation	5.3	7.0	7.0	7.0
Refuse removal	5.3	6.0	6.0	6.0
Water	12.0	9.0	9.0	9.0
Electricity	Ranges between 15% and 18.65%	Ranges between 11% and 12.74%	Ranges between 11% and 12.74%	Ranges between 11% and 12.74%

The financial sustainability of the 2024/25 MTREF is largely dependent on the collection level of billed income. Provision is made for a **collection level of 90%**. To achieve this collection, the CoE is implementing more robust credit control measures, develop new strategies to bill properties that remain unbilled, reduction of electricity losses and water losses; and optimise existing revenue base and continue to implement the revenue enhancement strategy. This latter project is in progress and subjected to monitoring and valuation.

In terms of Council's social commitment to assist the poorer communities in the City, provision was also made for the **supply of free basic services and social contributions** to deserving households.

All residential owners will **continue to receive assessment rate exemption on the value of their homes. The first R150 000 is exempted for assessment rates**. Various other grants on assessment rates, such as pensioners' rebate, rebate to low income people, properties zoned for religious purposes, will continue in the New Year.

Free basic services to deemed and registered indigents households is aligned to National legislation at 6kl for water and sanitation, and electricity at 50kWh per month.

The current challenge with free basic water is that some indigent households exceed their consumption of free basic water. Past trends shows that the cost of excess

consumption is around R800 million – R900 million per annum and this puts a strain on the City's constraint resources.

Annual Budget Assessment and Bench-marking with other Metros conducted by National Treasury

National Treasury will conduct a benchmark assessment of the budgets, inclusive of the tariff proposals, of all the Metros during April/ May 2024 to compare the budget of the City with those of other Metros. The outcome of this engagement will give a good perspective on how the City performs in comparison with other Metros.

6.5. **2024/25 MTREF SUMMARY (OPERATING BUDGET)**

The 2024/25 revenue and expenditure figures were arrived at after considering the resolutions from Mayoral Strategic Session and deliberations between Finance Department and the Senior Management Team (SMT). The two outer year figures are based on the outcome of these engagements as well as application of tariff increases and CPI. These outer year figures are indicative and may change before the beginning of each year.

The details of the figures are provided in **Annexure B**. The following table is a summary of the **consolidated** 2024/25 MTREF Operating Budget.

2024/25 MTREF Operating Revenue

Description	Budget Year 2023/24			2024/25 Medium Term Revenue Expenditure Framework		
	Revised Budget 2023/24	YTD Actual 2023/24	% Actuals	Draft Budget - 2024/25	Draft Budget - 2025/26	Draft Budget - 2026/27
	R	R		R	R	R
Exchange Revenue						
Service charges - electricity revenue	22,881,906,663	13,554,441,037	59%	26,092,264,765	28,855,026,845	32,263,510,315
Service charges - water revenue	6,552,633,456	4,525,859,632	69%	7,219,869,737	7,868,546,694	8,569,293,442
Service charges - sanitation revenue	4,687,505,648	2,764,490,837	59%	5,203,595,808	5,535,058,819	5,887,807,434
Service charges - refuse revenue	1,810,348,336	1,065,291,336	59%	1,712,004,241	1,814,700,267	1,923,553,982
Sale of Goods and Rendering of Services	187,434,915	204,846,686	109%	158,953,233	162,388,940	166,167,759
Interest earned from Receivables	1,015,740,367	692,383,691	68%	1,076,101,483	1,076,101,483	1,076,101,483
Interest earned from current and Non Current	154,430,989	109,525,018	71%	154,478,656	154,530,700	155,190,722
Dividends received	-	25,429	100%	-	-	-
Rental from fixed Assets	144,690,714	105,493,223	73%	157,138,846	164,639,463	172,441,722
Operational Revenue	96,580,309	101,454,966	105%	104,014,356	104,021,395	104,028,648
Non-Exchange Revenue						
Property rates	8,480,921,428	5,794,643,627	68%	8,921,125,193	9,331,496,952	9,760,745,820
Fines, penalties and forfeits	814,746,803	185,788,333	23%	819,031,023	819,031,023	819,031,023
Licences and permits	325,611,570	231,739,502	71%	325,611,570	325,611,570	325,611,570
Transfers and subsidies- Operational	6,271,749,745	4,397,090,748	70%	6,603,541,018	6,936,892,958	7,427,844,958
Interest	275,880,610	181,451,920	66%	275,880,610	275,880,610	275,880,610
Fuel Levy	1,839,016,000	1,226,010,000	67%	1,826,784,000	1,808,747,000	1,787,159,000
Other Gains	-	12,428,121	100%	-	-	-
Total Revenue (excluding capital transfers and contributions)	**55,539,197,553**	**35,152,964,108**	**63%**	**60,650,394,539**	**65,232,674,719**	**70,714,368,488**

The following factors contributed to changes between the 2023/24 main Adjusted Budget and the 2024/25 Proposed Budget:

- Service charges revenue, including assessment rates, increases due to related tariff increases in section 6.4 of the report;
- Increase on Interest earned on receivables is based on expected collection rate of 90% due to the levels of unemployment and the state of the economy;
- Interest on investments increases as it is projected that the increased operating surplus will enable the City to gradually increase its investments; and
- Increase in other revenue Items is mostly linked to CPI of 4.9%, tariffs of sundry services such as cemeteries, library fees, municipal buses and advertising to name a few.

Operating Revenue increases from R55.5 billion in 2023/24 Adjusted Budget to R60.6 billion in 2024/25, an increase of 9.2%% or R5.1 billion.

The 2024/25 MTREF Operating Expenditure is depicted in the table below.

2024/25 MTREF Operating Expenditure

Description	Budget Year 2023/24			2024/25 Medium Term Revenue Expenditure Framework		
	Revised Budget 2023/24 R	YTD Actual 2023/24 R	% Actuals	Draft Budget - 2024/25 R	Draft Budget - 2025/26 R	Draft Budget - 2026/27 R
Expenditure By Type						
Employee related costs	11,583,753,257	6,999,550,178	60%	12,225,338,550	12,788,362,251	13,383,263,978
Remuneration of councillors	164,361,355	107,651,065	65%	172,415,066	180,346,156	188,642,083
Debt impairment	6,083,068,269	3,392,331,480	56%	6,697,965,249	7,196,628,940	7,987,403,030
Depreciation & asset impairment	3,078,889,307	71,955,428	2%	3,230,027,974	3,411,738,011	3,646,165,165
Finance charges	1,546,189,557	598,098,604	39%	1,635,041,035	1,637,537,920	1,740,202,151
Bulk purchases - electricity	17,943,097,118	10,811,012,347	60%	20,265,459,072	22,843,225,466	25,748,883,745
Inventory consumed	6,277,056,572	3,857,553,691	61%	6,805,104,699	7,288,622,482	7,808,254,705
Contracted services	6,101,871,209	3,539,818,061	58%	6,504,602,108	6,754,717,034	7,013,595,905
Transfers and subsidies	685,601,275	313,532,975	46%	781,813,670	733,516,670	749,116,670
Irrecoverable debts written off	12,264,875	28,862,335	235%	1,742,850	1,742,850	1,865,895
Other expenditure	1,591,741,350	998,263,510	63%	1,728,949,559	1,766,950,233	1,789,470,167
Loss on disposal of PPE	-	1,525,586	100%	-	-	-
Other Losses	-	16,734,801	100%	-	-	-
Total Expenditure	**55,067,894,144**	**30,736,890,062**	**56%**	**60,048,459,832**	**64,603,388,013**	**70,056,863,494**

The 2024/25 MTREF Operating Expenditure was arrived at after taking into account the following factors:

- Employee related costs increase by 5.5%, being salary increases of 4.9% CPI and 0.6% for critical vacancies,
- Remuneration of Councillors is provided for at CPI,
- Debt impairment is based on expected collection rate of 90%,
- Finance charges increase based on servicing rates of existing loans,
- Bulk purchases and water inventory aligned to proposed tariff increases, and
- Increase on Other Expenditure is for Skills Development Levy linked to employee related costs.

Departments to maximise the use of internal staff, use external service providers as additional where internal staff cannot cover the entire service delivery needs of the Department.
No increase on other Operating Expenditure Items in order to improve liquidity position of the City.

Operating Expenditure increases from R55 billion in 2023/24 Adjusted Budget to R60 billion in 2024/25, an increase of 9% or R4.9 billion.

The budgeted Operating Surplus of R471 million for 2023/24 and increases to R601.9 million in 2024/25.

6.6. **2024/25 MTREF SUMMARY (CAPITAL BUDGET)**

The proposed consolidated Capital Budget for 2024/25 (including the two Entities) as contained in the table below amounts to **R2.91 billion and is 7% (R191.7 million)** more when compared to the 2023/24 Adjusted Budget of **R2.71 billion.**

2024/25 - 2026/27 DRAFT MULTI YEAR CAPITAL BUDGET - PER DEPARTMENT				
Department	**Adjusted Budget 2023/24**	**Draft Budget Year 2024/25**	**Draft Budget Year 2025/26**	**Draft Budget Year 2026/27**
Water and Sanitation	577 000 000	580 000 000	594 566 000	648 993 000
Energy	591 010 643	552 214 824	528 081 652	677 529 492
Human Settlements	374 529 511	502 511 321	523 433 348	584 588 348
Transport Planning & Provision	303 627 999	367 369 500	327 800 000	323 920 000
Roads and Stormwater	241 140 123	263 598 355	275 350 000	299 400 000
Information and Communication Technology	226 830 837	196 000 000	212 000 000	200 000 000
Environmental Resources & Waste Management	76 502 040	100 200 000	120 600 000	178 000 000
ERWAT	135 616 091	95 000 000	121 000 000	142 500 000
Service Delivery Coordination	25 000 000	91 000 000	47 000 000	45 000 000
Real Estate	56 444 474	39 000 000	13 500 000	25 000 000
Economic Development	24 650 000	35 253 940	17 000 000	3 500 000
Disaster & Emergency Management Services	31 169 163	30 500 000	58 600 000	62 700 000
Sport Recreation Arts and Culture	27 075 000	26 431 000	32 500 000	35 500 000
Ekurhuleni Metro Police Department	24 210 552	30 000 000	55 500 000	59 500 000
Health and Social Development	3 500 000	1 000 000	2 250 000	2 250 000
Ekurhuleni Housing Company (EHC)	413 717	434 403	456 123	478 929
Executive Office	-	-	10 500 000	500 000
Total	**2 718 720 150**	**2 910 513 343**	**2 940 137 123**	**3 289 359 769**
Parent Municipality	2 582 690 342	2 815 078 940	2 818 681 000	3 146 380 840
Entities	136 029 808	95 434 403	121 456 123	142 978 929
Total	**2 718 720 150**	**2 910 513 343**	**2 940 137 123**	**3 289 359 769**

The Capital Budget, as informed by the City's long term funding strategy remains steady throughout the MTREF with a slightly bigger increase in 2026/27. Until the liquidity position of the City improves, there will be no borrowings during the MTREF as per recommendation by National Treasury

until the liquidity position of the City improves. The detail of Capital Budget projects is in **Annexure C.**

2024/25 - 2026/27 DRAFT MULTI YEAR CAPITAL BUDGET - PER SOURCES OF FINANCE				
Source Of Finance	**Adjusted Budget 2023/24**	**Draft Budget Year 2024/25**	**Draft Budget Year 2025/26**	**Draft Budget Year 2026/27**
Neighborhood Development Partnership Grant (NDPG)	53 590 000	41 804 940	42 000 000	83 155 000
SRAC Provincial Grant	11 823 000	12 200 000	14 000 000	13 500 000
Public Transport Network Grant (PTNG)	296 127 999	336 500 000	296 300 000	279 200 000
Revenue	442 192 529	414 334 403	380 923 123	403 674 769
Urban Settlement Development Grant (USDG)	1 240 577 622	1 376 246 000	1 437 207 000	1 704 433 000
Informal Settlement Upgrading Partnership Grant (ISUPG)	674 409 000	729 428 000	769 707 000	805 397 000
Total	**2 718 720 150**	**2 910 513 343**	**2 940 137 123**	**3 289 359 769**

The following should be noted from the sources of funding table above;

- External loans – The City will not borrow over the MTREF in line with Long Term Funding Strategy and National Treasury's recommendation; and
- Own Revenue funding is limited to a maximum of R420m per Financial Year.
- Grants are as per the published 2024/25 Division of Revenue Act.

Capital Budget per Ward

It is appropriate to supply a complete list of capital projects per ward to councilors as part of this report and it is included as **Annexure C**.

6.7 PROPOSED POLICY CHANGES

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

The entire set of budget related policies can be viewed on the CoE website: http://www.ekurhuleni.gov.za

It is required by legislation that amendments to all budget related policies must form part of the tabled budget. The following budget related policy is included as **Annexure E**.

6.8 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

In terms of the MFMA, the SDBIP is only required 14 days after approval of the MTREF. The SDBIP is numbered as **Annexure D but** is not included in the budget documents. This will be tabled by the Executive Mayor in June 2024.

6.9 LEGAL IMPLICATIONS

The tabling of the IDP and Budget in March 2024 will ensure compliance with Section 16 of the MFMA.

6.10 **COMMUNICATION IMPLICATIONS**

The delivery and approval of the budget to the community is widely communicated by Marketing and Brand Management Department. The tabled document will also be distributed as per the required legislation, which inter alia includes CoE's website.

7. COMMENTS FROM RELEVANT DEPARTMENTS

All Departments participated in the development of the Draft Budget. The recommendations have been presented to the Senior Management Team and the Budget Steering Committee.

8. LIST OF ANNEXURE/S

Annexure A: 2022/23 - 2026/27 Revised Integrated Development Plan (IDP).
Annexure B: 2024/25 Draft Budget Book.
Annexure C: 2024/25 Draft Capital Budget per ward.
Annexure D: Draft Departmental Service Delivery and Budget Implementation Plan (SDBIP) (Measurable Performance Indicators section).
Annexure E: Reviewed Budget Related Policies and By-Laws.
Annexure F: Tariffs.
Annexure G: Service Level Standards.

9. RECOMMENDATION

1. **That** the report regarding the Draft Medium-Term Revenue and Expenditure Framework for 2024/25 - 2026/27 and the reviewed Integrated Development Plan for 2022/23 - 2026/27 for the City of Ekurhuleni, **BE NOTED**.

2. **That** the reviewed 2024/25 - 2026/27 tariffs and Draft Budget-related Policies, as contained in the Budget Document in terms of Section 16 of the Municipal Finance Management Act, **BE NOTED.**

3. **That** authority **BE GRANTED** to the City Manager and the Group Chief Financial Officer to negotiate a bridging finance to a maximum amount of **R500 million** (**five hundred million rand)**, in respect of bank overdraft facilities and/or the raising of short-term loans, including loans at call from Council's bankers, for the Financial Year ending 30 June 2025 in order to finance temporarily (within a period of one year) –
   - Expenditure on the Capital Budget; or
   - Expenditure on the Operating Budget incurred in anticipation of the receipt of revenue estimated and from which the expenditure would have been defrayed.

4. **That** the Draft Medium-term Revenue and Expenditure Framework for 2024/25 - 2026/27 and the reviewed Draft Integrated Development Plan for 2022/23 - 2026/27 Financial Period, inclusive of draft tariffs and Draft Budget-related Policies, as contained in the Budget Document **BE SUBJECTED** to a detailed review and public participation process in terms of Sections 22 and 23 of the Municipal Finance Management Act ***read with*** Chapter 4 of the Municipal Systems Act.

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5. **THAT**, the report regarding the Draft Medium-Term Revenue and Expenditure Framework for 2024/25 - 2026/27 and the reviewed Integrated Development Plan for 2022/23 - 2026/27 for the City of Ekurhuleni, **BE REFERRED** to all section 79 Oversight Committees.