

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
EXTRAORDINARY COUNCIL MEETING**

2024.06.14

ITEM A-F (20-2024)

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 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 2024/25 gazetted allocations released in April 2024;
- 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.

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

Description	Budget Year 2023-24			2024/25 Medium Term Revenue and Expenditure Framework		
	Revised Budget - 2023/24	YTD Actual - 2023/24	% Actuals	Budget - 2024/25	Budget - 2025/26	Budget - 2026/27
	R	R		R	R	R
Total Revenue (excluding capital transfers and contributions)	55,559,146,553	44,462,285,095	80%	60,672,979,527	65,273,047,610	70,781,935,041
Total Expenditure	55,087,843,144	38,810,867,394	70%	60,071,044,819	64,643,057,465	70,123,421,056
Surplus/(Deficit)	471,303,409	5,651,417,702		601,934,708	629,990,145	658,513,985

The table above shows Operating Surpluses of R601.9 million, R629.9 million and R658.5 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 Budget Book;

Annexure C: 2024/25 Capital Budget per ward;

SECTION THREE: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Annexure D: 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.

Annexure H: Summary of Revenue Enhance Programme

Purposes of the attachments to this report

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- 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.

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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 released in April 2024;
- The City of Ekurhuleni Growth and Development Strategy (GDS 2055)
- 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 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 revised 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

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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 amendments to the 2022/2023-2026/2027 IDP are summarised as follows:

1. Chapter 2 (Intergovernmental Alignment) has been reviewed and amended based on the latest 2024 State of the City; State of the Nation and State of the Province Addresses; 2024 National and Provincial budget speeches; as well as the latest or updated national/provincial projects to be implemented in Ekurhuleni.
2. Chapter 3 (COE Situational analysis) has been reviewed and amended based on the latest information/statistics from Census 2022, Statistics South Africa (Stats SA).
3. Chapter 4 (Community and Stakeholder Participation) has been reviewed and amended based on the review process of the development priorities and the process followed to public participate the 2024/2025 IDP and 2024/2025-2026/2027 MTERF based on the COE Communication and Digital Strategy.
4. Chapter 6 (City of Ekurhuleni Development Objectives) has been reviewed and amended to align the IDP pillars/programmes to the COE outcomes, strategic objectives and initiatives as well as to the national and provincial plans discussed in Chapter 5.
5. Chapter 7 (MSDF) discusses the progress on the review of the COE MSDF and the Capital Investment Framework (CIF).
6. Chapter 8 (Multi-year Financial Plan) provides a summary of the 2024/2025 – 2026/2027 MTREF contained in Annexure B of the IDP/Budget documents.
7. Chapter 10 (Governance and Institutional Arrangements) is amended as a result of the changes brought upon by the filling of vacancies.
8. Chapter 11 (Risk Management) the Institutional Risks are reviewed and amended based on changing circumstances affecting the implementation and achievement of the IDP objectives.
9. Chapter 12 (Disaster Management Plan summary) there is an amended of the top hazards or disaster risks based on changing circumstances.

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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, guided by the theme **“a responsive city working with agility to restore service delivery to the people”**

This theme heralds the beginning of recovery and rebuilding of the institution and the state machinery while restoring the culture of service delivery in all areas. This era will be characterized by quality, sustained and equitable service delivery. The revised IDP for the 2022/23 - 2026/27 serves as a catalyst to fast-track service delivery projects, job creation and a massive drive to attract investment through the identified Six Key Pillars that will drive the administration for the remaining years of the current term of office.

1. Provision of quality and sustainable services to all residents;
2. Rebuilding of a strong financial base to support the city’s development;
3. Conducting essential repairs and maintenance of public facilities;
4. Investment on critical infrastructure in partnership with the private sector;
5. Economic development growth and job creation with a special focus on the Aerotropolis and the revitalisation of the manufacturing sector; and
6. Preserving Good and Ethical Governance.

The IDP is anchored by the following GDS Thematic Areas which are translated into IDP Strategic Objectives that are then aligned into a log frame to reflecting IDP programmes linked to departments as well as the outcome and output indicators. This approach also cascades down to the Service Delivery Budget Implementation Plan (SDBIP) for the City and the Departments, ultimately allowing the City to constantly monitor progress towards attainment of the GDS.

GDS Thematic Area	IDP Strategic Objectives
Re-Urbanise: <i>To achieve Urban Integration</i>	1. To deliver reliable, affordable, and sustainable services and ensure improved infrastructure maintenance.
Re- Govern: <i>To achieve co-operative governance</i>	2. To build a clean, capable, and modernised local state
Re-Mobilise: <i>To achieve social empowerment</i>	3. To promote safer, healthy, and socially empowered communities.
Re-Generate: <i>To achieve environmental well being</i>	4. To protect the natural environment and promote resource sustainability.
Re-industrialise: <i>To achieve job creating economic growth</i>	5. To create an enabling environment for inclusive growth and job creation.

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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.

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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	

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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

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Department	IDP Pillars/Programme	Outcome	Indicator Ref No	Outcome Indicator	Output Indicator
Finance	Responsiveness Service Delivery	to 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 Service Delivery	to 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 Service Delivery	to 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 Service Delivery	to FM2. Improved financial sustainability and liability management	FM2.1	Percentage of total operating revenue to finance total debt	
Finance	Responsiveness Service Delivery	to 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 Service Delivery	to FM3. Improved liquidity management	FM3.1	Percentage change in cash and cash equivalent (short term)	FM3.11 Cash/Cost coverage ratio
Finance	Responsiveness Service Delivery	to 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 Service Delivery	to FM3. Improved liquidity management	FM3.1	Percentage change in cash and cash equivalent (short term)	FM3.13 Trade payables to cash ratio
Finance	Responsiveness Service Delivery	to FM3. Improved liquidity management	FM3.1	Percentage change in cash and cash equivalent (short term)	FM3.14 Liquidity ratio
Finance	Responsiveness Service Delivery	to 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 Service Delivery	to FM4. Improved expenditure management	FM4.2	Percentage of total operating expenditure on remuneration	
Finance	Responsiveness Service Delivery	to FM4. Improved expenditure management	FM4.3	Percentage of total operating expenditure on contracted services	FM4.31 Creditors payment period
Finance	Responsiveness Service Delivery	to 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 Service Delivery	to 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

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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

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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)

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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	

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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	

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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 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 and Comments from Political Parties
Caucuses as per Council Resolution on Friday 07 June 2024**

After the tabling of the Draft Budget/ IDP to Council on 28th March 2024, the documents were referred to Oversight Committees to obtain input from Legislature. The Draft Budget was also be made available to the caucuses of the political parties.

Question	Response/Inputs
No specific plan in place how we are going to reach 90% collection rate	<ul style="list-style-type: none"> • There are credit control measures in place • Revenue war-room • Monitoring of interim billing, energy, water finance and ICT • Disconnection urgencies • Revenue blitz supported by EMPD to remove illegal connection
No specific plan to get all the areas that are below 50% payment rate to increase to atleast to 50% payment rate	<ul style="list-style-type: none"> • Water restrictors • Revenue blitz supported by EMPD to remove illegal connection • Memorandum of Understanding with Eskom
No plan in place to deal with those who are not paying at the moments in the areas that are paying.	<ul style="list-style-type: none"> • There are credit control measures in place • Revenue war-room • Monitoring of interim billing, energy, water finance and ICT • Disconnection urgencies • Revenue blitz supported by EMPD to remove illegal connection
No monitoring is taking place to monitor when last somebody did actually buy electricity (will help with illegal connections)	<ul style="list-style-type: none"> • 90 days report on low purchase or non-purchase is generated and department of energy follows up on them for any reasonable explanation.
No actions against those who are caught with illegal connections.	<ul style="list-style-type: none"> • Removal of illegal connected cables • Prosecution of residents

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<p>Nersa has been taken to court because they did not follow the correct procedure as set out by a previous court order to increase the electricity at the rate they proposed, what plan have you in place if the court order is successful.</p>	<p>The request for tariff increase has been based on NERSA revenue requirements application documents and in Eskom supplied areas with tariff increase approved for Eskom.</p>
<p>Your actual on revenue collected is well below the proposed budget of 2023/2024 and yet you use the budget figures for 2023/2024 and not the actuals for 2023/2024 to budget for 2024/2025. This is not correct and is going to put the 2024/2025 budget under pressure. You need to budget from actuals (history).</p>	<p>The budget on service charges is determined based on the expected units to be sold in a financial year not inline with the budget allocation of the previous financial period</p>
<p>The R30m capital budget is too low. You train between 200 and 500 EMPD members at a time and R30m can't even buy enough cars and uniforms (with safety equipment) for the new members what about the replacement of old vehicles and equipment. There should be no new EMPD intakes until the budget can make provision for it.</p>	<p>EMPD to provide a list of vehicles to be replaced.</p> <p>Capital allocation is done on a multi-plan, all requirements cannot be addressed in a single financial year due to budget limits</p> <p>Patrol vehicles</p>
<p>There are wards without any projects requested by communities and it needs to be addressed.</p>	<p>A minimum of 1 priority was allocated to each ward.</p> <p>A separate presentation or repots on each ward allocation must be prepared.</p>
<p>There should be a balance of projects for areas that are paying over 85%. Potholes and streetlights as well as grass cutting need to take place in these areas as a matter of urgency before these areas start stop paying.</p>	<p>Roads department has been allocated a budget of 475 million for repairs and maintenance. This should cover maintenance requirements of the department.</p>
<p>Ward councilors in the wards that are paying below 50% need understand that they need to motivate their residents to start paying and these residents need to understand more money can only pump into these areas when they increase their payment levels.</p>	<p>Noted</p>
<p>There should be investigation into contractors getting work in Ekurhuleni that are linked to political parties.</p>	<p>Noted</p>
<p>Water consumption measures (tricklers) should be installed at all properties where residents qualify for indigent status. The Metro does not have R900m to foot this bill.</p>	<p>The department will transfer the risk to revenue enhancement strategy</p>
ACTION SA	
<p>According to the last report we received on the resolution that was taken in council on insourcing of security guards and cleaners, a funding module was supposed to be tabled in May this year and we believe a result of budgetary provision would have been made in the budget. We would therefore like to ask that we can be given a clear indication of funds made available for this process to enable implementation.</p>	<p>Costs saving on the outsourced contracted services will be utilized to pay the salaries of insourced personnel.</p> <p>HR is conducting a research on the costs implications of insourcing of these functions.</p>

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<p>We also note with great concern that there is still no budgetary provision mentioned for the absorption of the 160 reservists working for the city in emergency services at the moment, especially, considering it was a much needed decision taken by council earlier this year.</p>	<p>The reservists have been ringfenced and absorbed based on open vacancies and approved recruitment plans, the number is gradually decreasing.</p>
<p>Most parts of Palm ridge and Tsakane have been riddled with a ongoing water crisis and it is sad to see there is no plans in place to eradicate the situation as it currently stands, We would therefore ask that budget be made available to supply the basic need of water to these residents because the city lacks capacity to provide for them on a constant bases.</p>	<p>Palmridge reservoir is completed and in testing phase for operational.</p> <p>In Tsakane we have constructed two reservoirs, Duduza reservoir and Xhosa reservoir, and as well as Peter Wessels pumpstation to address the water challenges.</p>
<p>We also note with great concern the neglect to allocate budget for the Benoni reservoir and this could see the residents of Benoni further struggling with water pressure and the entire supply of water for them. We therefore ask that this be looked at.</p>	<p>Benoni reservoir is in construction phase, the contractor is busy with pipe installation, completion is expected within the next financial year.</p>
<p>We also note the 5Million additional funds that was allocated to the Zonke bridge that according to reports was supposed to be complete already, we would like to request these funds be redirected to a more pressing issue while we investigate the clear mismanagements of funds to the project.</p>	<p>The implementation of the project is deferred to the next financial year. IPW was withdrawn due to constraints in SCM processes limited time available in the current year</p>
<p>With so many projects in the city dependant on revenue collection of 90% and the city not having been able to achieve that for some time, we understand that a lot of what we would like to achieve might be at a stand still and delayed. We would like to therefore request that we take a closer look into more revenue enhancing strategies for us to realise many of these plans.</p>	<p>A separate presentation on revenue enhancement strategy will be done.</p>
ICM	
<p>As a matter of principle, any changes effected should not affect the integrity and credibility of the budget and result in it considered unfunded by the National Treasury, which has already given us a green light. These changes should further be in line with the IDP and responsive to our SOCA commitments.</p>	<p>No changes to the budget allocation or limits, reallocation within the same budget but between programs.</p>
<p>Provision for the payment of all invoices that are current and due within the first quarter of the financial year to SMMEs and Developers. Lack of payment not only is it in violation of treasury regulations, but it also affects cashflows and thus implementation of projects and development of the City.</p>	<p>Commitments for full payments of all long outstanding invoices greater than 90 days in July.</p>
<p>Provision to honour all Service Level Agreements signed with developers in the</p>	<p>Annual allocation of 30 mill in cash over MTREF for the repayment of all bulk contribution</p>

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<p>City and avoid unnecessary litigations as resolved by Economic Development Oversight Committee. This includes:</p> <ol style="list-style-type: none"> 1. R29million (Riverfields), 2. R49,9million JR Investment Pty LTD (M&T) and 3. Revised invoice for payment of R1,1million by GIDZ 	
<p>Local Government is becoming systematically underfunded and therefore Municipal Systems Act Section 78 processes should be considered for how we continue doing our business. For example, consideration of establishing Ekurhuleni Fresh Produce Market as a Separate Entity.</p>	<p>The section 78 report is being updated with council inputs and will be resubmitted to council for approval.</p>
<p>Focus should be given to developmental projects and bulk infrastructure provision (electricity, roads, water & sanitation services). If economy doesn't grow, local government cannot work.</p>	<p>The city priorities the allocation of Capex budget to the trading services in line with National treasury, to water, energy, roads, Human Settlement and Waste.</p>
<p>Focused programmes with Champions to address non-revenue water, non-revenue electricity, metering & billing challenges, and debt collection targeting top 1000 debtors.</p>	<p>A presentation on the revenue enhancement will be done separately.</p>
<p>We must be radical and intentional in ensuring economic development happens in the city,</p> <ol style="list-style-type: none"> 1. Seamless township application processes 2. One-stop-shop for developers, 3. go back SUD approach for all major developments, 4. reconsider establishment and capacitation of Ekurhuleni Development Agency (EDA). 	<ol style="list-style-type: none"> a. Building Control application system is live. b. Investments and finance committees were established to work on developers applications and improve turnaround application processes. c. 11 SUD centres are operation within the city. d. EDA, was approved and gazetted. The operational element is impacted by limited funds to start operations.
<p>Review the Aerotropolis Masterplan with immediate effect and start with the implementation of the 21 catalyst developments projects to increase the revenue base of the city.</p>	<p>The Aerotropolis Master plan is a 30 years programme.</p> <p>The city review progress of the implementation of the plan every 5 years</p>
<p>Explore more Private-Public-Partnerships (PPP Framework) and unsolicited proposals to encourage innovation. Our SCM policy should be revised to accommodate this.</p>	<p>The EPMD in collaboration with other are working on the processes of establishing PPP in the following sectors, Landfills, Mix-use Housing developments, retails and water and waste treatment facilities and power stations</p>
<p>Implementation of Energy generation program and Independent Power Producers (IPPs) to curb the increasing cost of electricity from Eskom.</p>	<p>Item on route to council to approve the second phase of IPP procurement strategy and plan.</p> <p>First phase of IPP in implementation stage.</p>
VF PLUS	
<p>Our residents are really struggling in Ekurhuleni and with the current economic crisis we need to take that into</p>	<p>Tariff increases were determined in accordance with the applicable bulk increase as proposed by bulk suppliers and internal services with CPI and plus additional rate for</p>

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<p>consideration the following is just our proposal to consider. Property Rates - 4.6% Sanitation – 5.9% or 6% Refuse Removal – 5.3% Water – 5.9% or 6 % Electricity – 11.75%</p>	<p>maintenance and repairs and other costs to provide such services. Example of costs are staff costs, overtime, generators, fuel.</p>
<p>The sinkhole in Rondebult rd in Comet, Boksburg needs urgent attention as the sinkhole keeps on growing and filling with water is there any plans with the Sinkholes in Ekurhuleni can that be reflected in the budget.</p>	<p>Annual allocation of between 60 – 80 m is provided for in each financial year over the MTREF for the rehabilitation of the sinkholes within the city over the MTREF period</p>
<p>Streetlights are a major issue and throughout Ekurhuleni residents are complaining that the streetlights not working at night makes them feel unsafe and pushing up the crime rate in Ekurhuleni. We need to address this issue.</p>	<p>Roads department has been allocated a budget of 475 million for repairs and maintenance. This should cover maintenance requirements of the department.</p>
<p>In Benoni there are Traffic lights that has not been working since December 2023 and it has been reported. Great North Road.</p>	<p>Roads department has been allocated a budget of 475 million for repairs and maintenance. This should cover maintenance requirements of the department.</p>
<p>Road signs are faded, and some are even removed and stolen by thieves we need to prioritize this as well even if only the big 4 way stops and warning signs on certain roads are replaced it's a step in the right direction. Like the height of the bridges for truck drives.</p>	<p>Roads department has been allocated a budget of 475 million for repairs and maintenance. This should cover maintenance requirements of the department.</p>
<p>The size of potholes in some streets are dangerously big, I did some research on using some recycling material that is melted and mixed with the tar to fill potholes which I feel can be experimented with and would allow Ekurhuleni to become the trend setter.</p>	<p>Roads department has been allocated a budget of 475 million for repairs and maintenance. This should cover maintenance requirements of the department.</p>
<p>Our big intersections the paint on the road has faded very badly and you can hardly see the lanes. I also did research on photo-luminising powder that is mixed with the road marking paint it charges up in the daytime and slowly releases a green glow at night which also assists with some light where there are no streetlights.</p>	<p>Roads department has been allocated a budget of 475 million for repairs and maintenance. This should cover maintenance requirements of the department.</p>
<p>Our economy will only grow if our CBDs are fully functioning, clean, sustainable energy and well looked after our residents' source of income is from the CBD's there needs to be a balance of where the budget is spent equally in CBD's and informal settlements.</p>	<p>Budget allocation prioritization, and assets renewals programme. Human settlement to prioritise the urban renewal programme in accordance with the NDPG framework,.</p>
<p>The water and Electricity infrastructure needs to be maintained, repaired and where needed upgraded to prevent the infrastructure from collapsing and abandoning residents.</p>	<p>Repairs and Maintenance budget allocation for each infrastructure department is presented in the budget item, on the repairs manintance slide.</p>
<p>A full assessment of all our stock rooms needs to be done and filled with the necessary stock so that in an emergency</p>	<p>Inventory levels are stocked based on the available budget allocation for spares requirements, unfortunately the cash</p>

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where the infrastructure collapsed and left residents without electricity for two weeks can be attended to immediately without needing to appoint a private contractor or to wait for stock to arrive.	position does not allow the city to hold high value items and the risk associated with those items as they are vulnerable to theft.
Applying for indigent status child headed households we need to assist these household with an easier application process maybe get social workers involved to assist or a help desk especially for these applicants.	Help desk Clericals staff in each CCA to assist with the application process. Health department to review policy to simplify the application process especially for guardians or caretakers holding of assuming ownership on behalf of beneficiaries under legal age (minors) to take ownership of those properties.
Strategic plan to get our megacities started and the aerotropolis both these projects have not progressed. A Full report on the progress made so far is needed.	The Aerotropolis master plan is a 30 year plan or strategy. The department reviews the progress of implementation over a five year period or every five years thereof.
EMPD Vehicles the budget is R 15 000 000 will this be for the EMPD Officers to get to scenes or is it for the officials in the offices?	
The Revenue Generation Opportunities there need to be an Audited Assets register done on all the assets Ekurhuleni has regarding buildings that we can lease and maintain also including sport grounds that need repair so that it can be hired or leased out.	Separate presentation on the revenue enhancement strategy.
Investor will invest once we can prove that our budget is set out to encourage growth and service delivery in Ekurhuleni and not just there to fill the holes where there is a sore eye.	Budget is assessed to be funded in terms of sec 18 of MFMA. Budget was taken to public participation
Democratic Alliance	
Zero increase on property rates and consider increasing the municipal value of property value for assessment from R135 000 to R500 000 in line with the Deemed Indigent Policy.	Properties up to 500K qualify for deemed indigent status except people who are in a working environment earning above minimum wage
Zero increase on Refuse Removal.	It is not possible, currently the waste collection function of the city is unfunded. The city needs capital budget to replace waste fleet (i.e compactors)
Zero Increase on CoE-based tariff increases (cemeteries, bus fares, and sports and recreation facilities, etc).	Free basic services are provided for inline with National Treasury recommendation and similar allocation by metropolitan municipality
Reinstate the 100KW Electricity and 9KL Water as a form of social relief, as demanded by governance partner,	It Is not possible as National Treasury will not increase the equitable share allocation to fund the change in the policy directive. Free basic services are provided for inline with National Treasury recommendation and similar allocation by metropolitan municipality.
Increase the pensioners' rebate earnings criteria to R22,000. 00 from the current R20,900.00 maximum provided for lower rebates.	Rebate is based on a sliding scale based on the remuneration or earning position of each pensioner.

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75% debt write blanket write-offs as promised by governance partner, the African National Congress.	It is not possible as debt write-off are in accordance with council policy. Any debt write-off will lead to a culture of non-payment by residents.
• Increase the 2% Discount Rebate for paying customers to 5%.	The city is not in position to increase the rebate rate, as such costs must be absorbed or subsidized by the city.
Consider reviewing the CAPEX Budget from R2.7 billion to R5.2 billion (Infrastructure decay considerations).	The Capex budget allocation is based on the financial health of the city, and working capital requirements, taking into account the funding strategy. Investors are not willing to lend municipalities with liquidity constraints.
Consider allocating more funding to Capital projects in Thembisa. A majority of the Wards in Thembisa have no capital projects despite Tembisa being the highest-paying Township in the City.	Capex allocation is based on ward priorities as per the public participation process based on the limited available financial position of the city.
Minority	
Ald. Izak Berg (IRASA)- request for allocation of Budget on areas that are paying, e.g. Alberton. Granted the Budget must be pro poor but there must be a balance between paying and non-paying areas. There is a significant decline in services from the municipality and the business forums are now organizing themselves to emerge the privatization of services, deducting the amount from the municipality. The City must strongly consider incentives on areas that are paying to enable a culture of payment.	Capex allocation is based on ward priorities as per the public participation process based on the limited available financial position of the city. Pressing or urgent matters must be directed to the relevant MMC for the attention of the HoD to respond to the crises
Cllr. Tom Mofokeng (COPE) – provision on an understanding on what funds the subsidization of indigents. Is there a possibility of consideration of a flat rate.	Free basic services are the same to all indigent residents
There are properties belonging to business that are old and are financially struggling, what incentives does the City have for struggling business, given that punitive measures are harsher on businesses than residents.	Noted, can be included as part of the revenue enhancement strategy for possible partnership.
Cllr. Tambo Mokoena (ACDP) – fast track issues of investors, CoE is no longer investor friendly. The City moves at a snail pace when it comes to projects that are in partnership with the private sector, for example the development of the mall in Duduza and Palmridge. There was a developer who withdrew his investment given that the process to kickstart the project was moving at an extremely slow pace.	Building Control System has been developed. The investments and finance committees were established for assisting investors with the application for development opportunities within the city.
The City must resuscitate the City owned buildings that are left to decay. Buildings must be user friendly to generate revenue.	Can be addressed through the revenue enhancement strategy.
Swimming Pools are maintained properly, the City must consider entrance fees for communities in order to sustain maintenance and generate revenue. E.g.,	Minimal fees are levied to access the facilities and annual budget allocation are provided for the maintenance of these facilities.

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<p>Vosloorus and Boksburg Swimming Pools are non-functional and require maintenance.</p>	
<p>Cllr. John Senona (ATM) – the City must look into the application processes in the Indigent offices as many deserving families are being rejected because of smaller technicalities. The policy is accommodative, but the implementation and application processes are stringent on those deserving.</p>	<p>A policy review process is being considered to included accepted improvements and to ensure seamless application process</p>
<p>Cllr. Joe Mojapelo (ICM) – CoE is one of the few municipalities that are still funded by National Treasury.</p>	<p>Noted. Mostly of the Capex allocations</p>
<p>The draft Budget as it stands is thin on bulk infrastructure development and where is no growth, it will be difficult to attain revenue. The City must indeed increase its revenue base and focus on making money in order to fund all the pro poor projects.</p>	<p>A separate presentation of the revenue enhancement is to be done to increase the revenue base of the city.</p>
ANC CAUCUS	
<p>Institutionalisation of the 75% Debt Write Off programme for debt longer than 120 days.</p>	<p>The purposed debt write off is to provide relief to our residents and equally so to ensure financial sustainability of the city. As the city is currently under financial recovery, any debt write off should not make the city worse off financially inclusive of the liquidity ratio and it should engage residents to continuing in servicing the municipal account. Any debt write off that is not providing a financial sustainability will also affect the credit rating of the city. The current policy on <u>Approved and Deemed</u> debt write off it provide 100% write off which is way more than the 75% is proposed. What is key to the current policy is that it requires residents to service current accounts.</p> <p>The city doesn't have any reserve currently and the city should collect revenue for the service rendered in order to be able to pay for bulk services on time and service providers.</p> <p>Revenue Monthly <u>RESIDENTIAL</u> debt within 120 day ageing amounts to ± R 522 million – excluding current approved and deemed indigents. Based on 75% Residential debt write-off, this will amount to an additional write-off to value of ± R 4,7 billion per annum. This additional write-off to be funded through Bad Debt Provision contribution in the operational budget.</p> <p>Write-off against all residential customers within ageing group will not promote culture of payment as debt will be left to accumulate and then be written off.</p> <p>Current Indigent support policy, Incentive and arrangement provisions sufficient to address customers in need.</p>
<p>Institutionalisation of the 100% Debt Write Off for deceased accounts</p>	<p>Existing Approved and Deemed Indigent policy makes provision for treatment of qualifying deceased accounts in respect of surviving spouse /husband / children. Deceased accounts outside of Approved and Deemed indigent policy dependant on status of account holder of surviving household members and accumulated debt status – if any – which will be addressed through property transfer process as per Section 118 of Municipal Systems Act. Prescription claims available on transfer.</p>

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<p>Scrapping of two accounts</p>	<p>Arrangement and debt hand-over accounts represents accounts linked administrative accounts in order to ring-fence debt. All debt as per account type reflected on monthly account statement.</p> <p>Alternative method of reflecting consolidated debt on statement will be investigated.</p> <p>Tenant accounts – Phasing out of tenant accounts and consolidation to owners account applied where possible on application of new accounts. This however a long term and on-going process as accounts are terminated and new applications received. Policy in place to address going forward.</p>
<p>Complete removal of a policy provision that refers to cutting or terminating of water for households as it is a violation of Human Rights.</p>	<p>Disconnection of water supply applied against non-residential properties only.</p> <p>Restriction of water supply applied in high value residential properties only and will entail installation of water restrictor which limits supply of water – within the free basic requirement.</p> <p>Should be noted that within ESKOM supplied areas, water restriction (Residential) and disconnection (non residential) only means of effective credit control.</p>
<p>That the analysis of the 2024/25 MTREF, SDBIP, IDP and Budget BE NOTED.</p>	<p>Noted</p>
<p>That a principle of a funding of 2-Needs per Ward across the MTREF BE ADOPTED.</p>	<p>A minimum of 1 priority was allocated to each ward.</p> <p>A separate presentation or repots on each ward allocation must be prepared.</p>
<p>That the Executive FUNDS Ward needs that can be implemented focusing on service delivery departments.</p>	<p>The top priorities per wards are focusing on service delivery matters and service delivery departments are appropriately funded to respond to the mentioned priorities.</p>
<p>That the Executive CLARIFIES on the Budgets for the Departments that have been merged, after the Institutional Review, e.g City Planning</p>	<p>The budget is made up of vote numbers, the functions and roles of those departments will still be applicable but under a new umbrella, merging will not lead to an increase nor decrease of the budget.</p>
<p>That the Executive CONSIDERS leasing land for fibre connections instead of selling for revenue generation.</p>	<p>Currently we are leasing on a contract of 9 years and 11 months, the lease need to be motivated by business case.</p> <p>Depending on the case we it can be a normal lease or turnover base lease.</p> <p>The city is currently not selling land.</p>
Generic Comments/Inputs	
<p>The Revenue Enhancement and Financial Sustainability aspects;</p>	<p>A Presentation on revenue enhancement will be made</p>
<p>The consolidated inputs from the IDP Public Participation meetings, youth and business stakeholder engagements, including all submissions made through the City's digital platforms;</p>	<p>Chapter 4 of the IDP book, reflect the status of the public participation process</p>
<p>IDP Ward Priorities as presented in the Mayoral Committee Meeting held on May 15th, 2024, by HoD Strategy and GCFO are considered in the Capex and Opex Budget;</p>	<p>Included as annexure I of the IDP Book</p>
<p>The finance consolidated oversight reports;</p>	<p>All finance oversight report were attended to and including response to political questions.</p>

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The respective MMCs are afforded the opportunity to review the Capex and Opex Budgets to ensure that SoCA priorities are incorporated;	
The inputs from Political Party Caucuses as reported in the Special Mayoral Committee Meeting held on June 6th, 2024, are considered into the Budget (Attached as Annexes).	Consultative session were held with all MMC as part of the budget steering committee meetings

6.2.1 COMMUNITY PARTICIPATION AND STAKEHOLDER ENGAGEMENTS ON THE 2024/2025 DRAFT IDP/BUDGET

The Local Government Municipal Finance Management Act 56 of 2003 in Section 22 requires that immediately after an annual budget is tabled in a municipal council the accounting officer of the municipality must – (a) in accordance with Chapter 4 of the Municipal Systems Act- (i) make public the annual budget and the documents referred to in section 17 (3) and, (ii) invite the local community to submit representations in connection with the budget, and (b) submit the annual budget- (i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury, and (ii) in either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.

The documents on the tabled draft 2024/2025 amended IDP and the 2024/2025-2026/2027 MTREF were published for comments from 02 April until 19 April 2024. Soft copies of the draft tabled IDP and budget were sent to all the libraries within the city. The following media platforms were used to communicate the draft 2024/2025 IDP and Budget public participation process:

- Legal IDP public notices were placed in local newspapers such as The Star and The Sowetan.
- The city created posters, which had details of the date, venue, and time of where the consultation meetings will be held. These posters were placed on municipal notice boards at the CoE Customer Care Centres, and entrances to municipal buildings.
- Loud hailing was done in the various wards a day prior to scheduled meetings.
- A digital flyer was distributed via WhatsApp to civic society and community groups.
- A dedicated page was established on the city's website for IDP consultation-related content.
- IDP public consultation content was published on the city's social media platforms (X, formerly Twitter and Facebook).
- An Interactive Voice Response (IVR) message with information about the IDP was posted at the city's call centre.
- SMS's were sent out prior to the day of the meetings per CCA.
- Booklets on the IDP and budget were distributed at the various Customer Care Areas.

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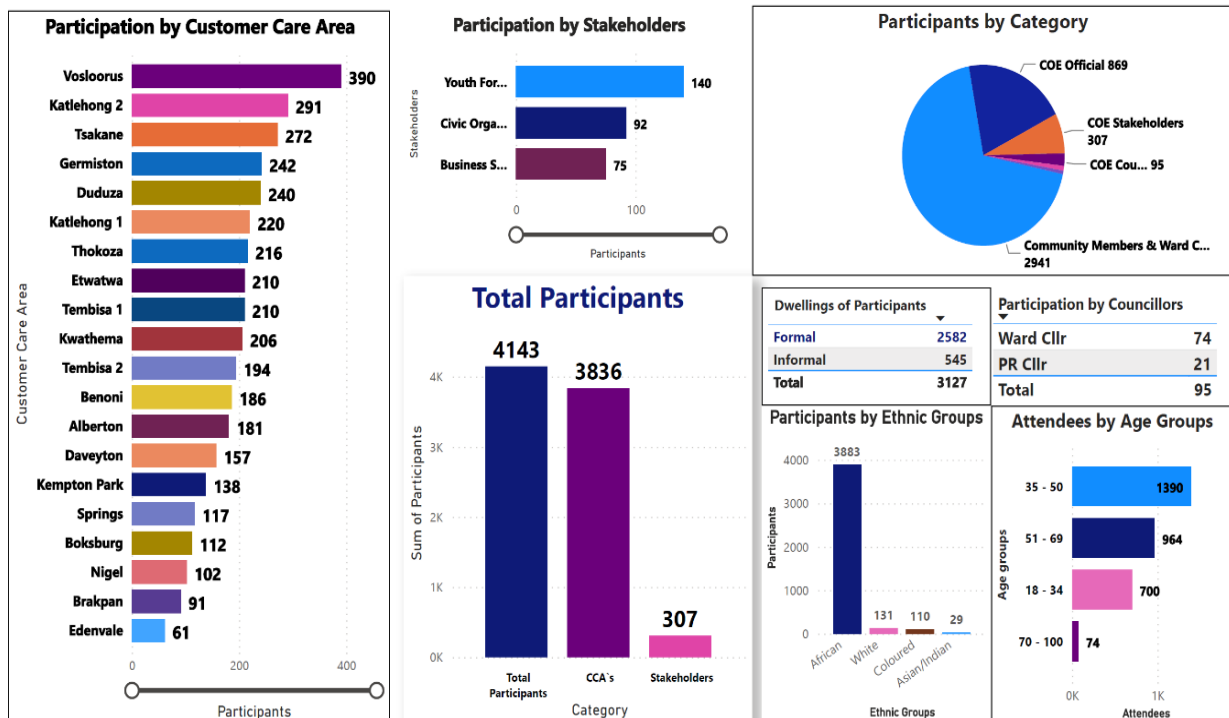
IDP and Budget Public Participation meetings held with the Ekurhuleni community and stakeholders during April 2024

Public participation meetings were held in the City of Ekurhuleni between 09 April and 19 April 2024 at the various COE Customer Care Areas (CCA) on the tabled 2024/2025 draft amended IDP and draft Budget as outlined in the table below, to solicit comments from the community and stakeholders on the tabled documents. A total of 23 meetings were held, including meetings with civic organisations, business forums and the youth forums. Notwithstanding a isolated incidents, at the Alberton, Brakpan and Katlehong 1 CCA meetings all other meetings were able to conclude their business. Of importance is the fact that all community members were able to submit their inputs through different platforms even where the meetings were disrupted.

A total number of 4143 individuals participated during the city's IDP and Budget public consultation process during April 2024. Meetings were held with communities at the various CCA's and the Vosloorus CCA recorded the highest participants at 390, followed by Katlehong 2 and Tsakane. Edenvale had the lowest participants with total number of 61.

Consultation meetings with the City of Ekurhuleni business forums, youth organisation and civic organisations were held on 13, 18 and 19 April 2024, with a total of 307 attendees. 140 youth forums members, 92 members of civic organisations and 75 members of the business forums attended the IDP and budget consultation meetings, as summarised in the figure below.

2024/25 Draft IDP Public Consultation Participants (9 - 19 April 2024)



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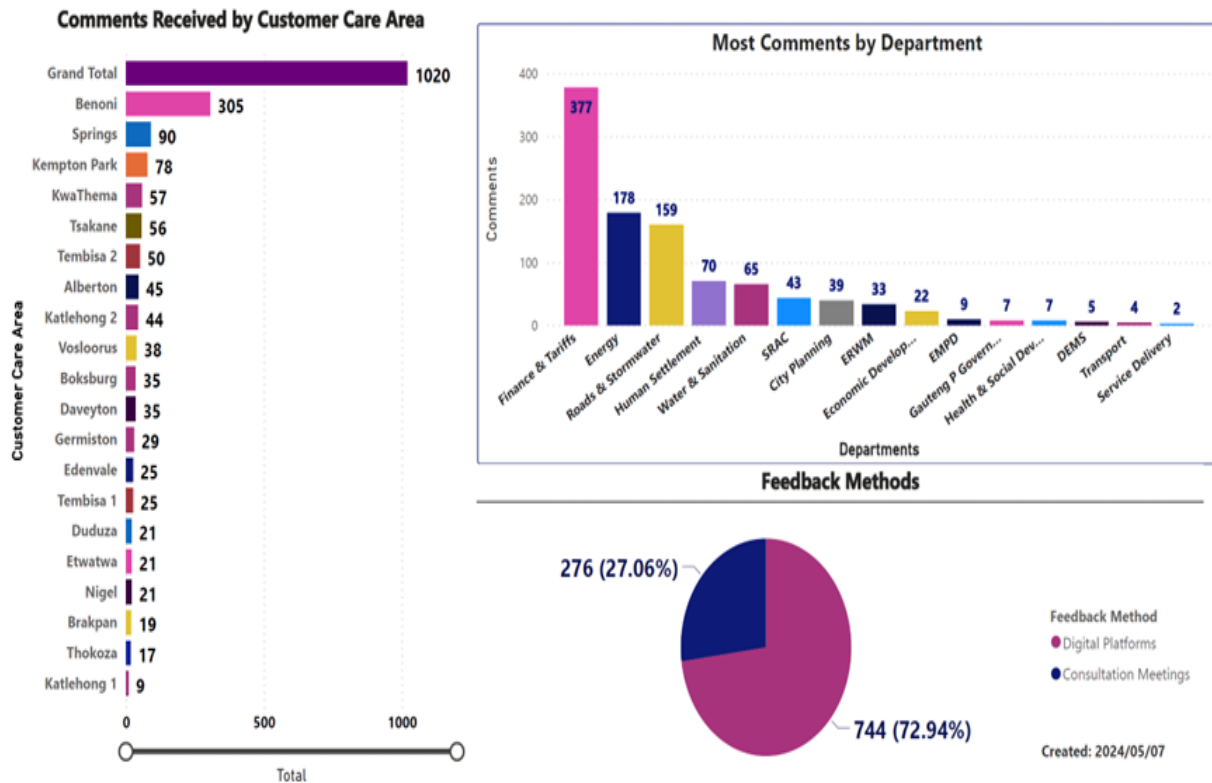
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Summary of issues raised in the April 2024 Public Participation Meetings on the draft 2024/2025 IDP and budget

The city received a total of 1020 comments during the IDP consultation period, 276 comments were received during the actual meetings held at the various CCAs, and 744 comments via digital media. The digital platforms included the submission of comments via a traditional email address (budgettips@ekurhuleni.gov.za) and the creation of a Microsoft Form with a link shared on the website, posters, social media platforms, as well as the placement of a Quick Response Code (QRC) on leaflets and posters, and posters with the QRC at public consultation meeting venues. The image below provides a summary of the comments received, as well as the comments per department.

Feedback & Comments from IDP Consultations (9 – 19 April 2024)



As illustrated in the figure above most comments were received on finance issues and tariffs. The highest number of service delivery issues were received for Energy followed by Roads and Stormwater, Human Settlement and Water and Sanitation. The main issues raised for roads and storm water included the resurfacing and tarring of roads and patching of potholes, as well as general road maintenance and improvement of the stormwater drainage systems.

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The energy concerns largely related to the upgrading of electrical infrastructure, as well as streets light and high mast light maintenance and repairs. Human settlements, issues raised were essentially related to the illegal occupation of RDP houses by nonverified occupants and pensioners who are still waiting for title deeds. Concerns from residents who live in flats who cannot afford the rent and blocked municipal accounts. Re-blocking and electrification of informal settlements, cable theft and robberies also featured prominently in the meetings. The concerns for SRAC related to recreational facilities not being enough and lack of sport facilities for the youth, as well as the bad state of libraries and request for new libraries to be constructed.

Issues received through emails and other non-contact means included/were related to Roads and Storm Water, Energy as well as Water and Sanitation. The fixing of potholes, resurfacing, and tarring roads (including gravel roads) and the need for speed humps and paved pedestrian walkways, as well as the upgrading and installation of storm water drainage systems

Energy, comments included the fixing of streetlights and high mast lights., due to poor visibility at night, and general maintenance, and upgrade of the electricity infrastructure, as well as concerns relating to cable theft, and illegal connections.

Power outages and load shedding resulting in damage to infrastructure was another issue of concern. Water and Sanitation, issues included the upgrade of sewer infrastructure as well as the need to repair or upgrade the water supply system and low water pressure or lack of water in some areas, as well as fixing of burst water pipes and blocked sewers. The detail of all the comments received can be found in Annexure A of the item.

The issues/comments raised during the April 2024 IDP and Budget public participation meetings are summarised in the following tables/figures by CCA, Civic organisation, Youth Forum and Business Forum.

CCA	Wards in CCA	Top issues raised
Duduza	111, 86, 87, 98	<ul style="list-style-type: none"> • Poor road maintenance and pothole repairs. • Sewer blockages. • Re-blocking of informal settlements and provision of houses. • Poor response to power outages. • Tarring of roads.
Boksburg	22, 23, 32, 33, 34, 43	<ul style="list-style-type: none"> • Objections to tariffs increases. • Poor road maintenance and pothole repairs. • Constant power outages. • Upgrading of the stormwater drainage systems. • Repairs and installation of high mast lights and streetlights.
Katlehong 1	48,49, 50, 51, 52,55, 107,	<ul style="list-style-type: none"> • Upgrading of the stormwater drainage systems. • Provision of houses. • Maintenance of sports ground/facilities.
Katlehong 2	59,60,61,62,63,101,103, 108	<ul style="list-style-type: none"> • Upgrading of the stormwater drainage systems. • Provision of houses

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CCA	Wards in CCA	Top issues raised
		<ul style="list-style-type: none"> Poor road maintenance and pothole repairs. Expansion and tarring of roads. Provision of high mast lights.
Etwatwa	26,65,66,67,109	<ul style="list-style-type: none"> Sewer blockages and water issues. Upgrading of the stormwater drainage systems. Poor road maintenance and pothole repairs Re-blocking of informal settlements and provision of houses Tarring of roads.
Kwa-Thema	74,77,78,79,80,81	<ul style="list-style-type: none"> Upgrading of the stormwater drainage systems. Sewer blockages. Provision of electricity. Re-blocking of informal settlements and provision of houses. Repairing of streetlights.
Germiston	21,35,36,37,39,40,41,42,92,93	<ul style="list-style-type: none"> Objections to tariffs increases. Restoring of streetlights. Poor response to power outages. Upgrading of the stormwater drainage systems.
Brakpan	31,97,105	<ul style="list-style-type: none"> Objections to tariffs increases. Poor road maintenance and pothole repairs Constant power outages Upgrading of the stormwater drainage systems. Lack of maintenance and grass cutting.
Tembisa 1	4,5,6,8,9,12,14,90	<ul style="list-style-type: none"> Upgrading of the stormwater drainage systems. Poor road maintenance and pothole repairs Repairing of streetlights and provision of high mast lights. Re-blocking of informal settlements and provision of houses
Edenvale,	10,11,12,18,19,20,	<ul style="list-style-type: none"> Objections to tariffs increases. Restoring of high mast lights and streetlights. Poor response to power outages. Upgrading of the stormwater drainage systems. Patching of potholes and tarring of roads
Springs	72,74,75,76	<ul style="list-style-type: none"> Poor road maintenance and pothole repairs. Objections to tariffs increases. Fixing of streetlights and provision of high mast lights Provision of electricity. Upgrading of the stormwater drainage systems.
Alberton	37,38,53,58,94,106	<ul style="list-style-type: none"> Objections to tariffs increases. Fixing of streetlights. Poor response to power outages. Poor road maintenance and pothole repairs Lack of response to illegal dumping
Kempton Park	13,15,16,17,23,25,91,104	<ul style="list-style-type: none"> Objections to tariffs increases. Poor road maintenance Poor response to power outages. Upgrading of the stormwater drainage systems. . Poor Water supply Patching of pothole and tarring of roads
Nigel	88,111	<ul style="list-style-type: none"> Objections to tariffs increases. Fixing of streetlights. Poor road maintenance and pothole repairs Poor response to power outages. Provision of houses
Tsakane	81,82,83,84,85,99,112	<ul style="list-style-type: none"> Re-blocking of informal settlements and provision of houses Upgrading of the stormwater drainage systems.

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CCA	Wards in CCA	Top issues raised
		<ul style="list-style-type: none"> • Upgrading and tarring of roads • Fixing of streetlights • Provision of water supply
Thokoza	52,54,56 & 57	<ul style="list-style-type: none"> • Provision of pedestrian bridge • Upgrading of the stormwater drainage systems. • Objections to tariffs increases. • Request for consultation during budgeting process.
Benoni,	24,27,28,29,30,73 ,110	<ul style="list-style-type: none"> • Upgrading of the stormwater drainage systems. . • Objections to tariffs increases. • Poor road maintenance and pothole repairs • Poor response to power outages. • Poor collection of waste and illegal dumping
Vosloorus	44; 45; 46; 47; 64; 95, 107	<ul style="list-style-type: none"> • Upgrading of the stormwater drainage systems. • Provision of houses • Objections to tariffs increases. • Repairing of streetlights. • Road's maintenance and construction of speedhumps
Tembisa 2	1,2,3,7,89,100,102	<ul style="list-style-type: none"> • Re-blocking of informal settlements and provision of houses • Tarring of roads • Upgrading of the stormwater drainage systems. • Restoring of streetlights and provision of high mast lights • Poor response to power outages.
Daveyton	25,68, 69, 70, 71, 96	<ul style="list-style-type: none"> • Upgrading of the stormwater drainage systems. • Sewer pipeline blockages • Poor road maintenance and pothole repairs • Re-blocking of informal settlements and provision of houses • Tarring of roads

Below is a summary of issues/comments raised during the meetings with business, civic organisations, and youth formations.

Business Forum Comments:

- Loadshedding affects production in factories.
- Power failure (Infrastructure damage)
- How the Lesotho Highland water project will affect water supply in manufacturing (e.g., Coca-Cola plant).
- Vandalization of substations, other infrastructure and metals sold to scrapyards.
- Strengthening of partnership between Businesses and CoE through collaboration and connection
- Under-budget on CAPEX due to lack of maintenance or ageing infrastructure such as Water and Sanitation and energy.
- Demolition of rail Infrastructure.
- Linkage of higher education system to industries to combat the high rate of unemployment.
- Withdrawal of business associates from the airport.
- Water reservoir to supply the airport precinct.
- Incorrect billing from the city.
- High outstanding debt due to delay of payment for service providers/business by CoE.
- Mechanisms in place to settle CoE debt to Business sector.

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- Call centre officials have inappropriate attitude to callers and sometimes calls not answered.

Germiston as a city improvement district should establish partnership to address dilapidated, vandalized and abandoned buildings.

Civic Organizations Comments:

- Payment of service must be linked to value for money.
- Withdrawal of municipal debt from residence
- Inclusion of OPEX budget in the IDP presentation/public participation process.
- Strengthening of community involvement in monitoring of MTREF project implementation
- Reinforce the ward committee functionality and include civic organization in the processes.
- Poor condition of clinics and shortage of nurses
- CRM position at Thokoza CCA should be filled.
- Enforcement of By-Laws to illegal traders in the streets.
- Monitoring of closed issues reported through call-centre.
- Civic organization want to be part of NERSA due to the over-charging.
- Inappropriate behaviour of officials and inaccessibility of Etwatwa CCC manager.
- Review of the city's GDS 2055
- Status of the sewer master plan, because there is a huge challenge of sewer blockages.
- Waste removal contractors don't collect waste due to non-payment from the CoE.
- Ward 26 Proclamation outstanding since 2016 (title deeds)
- Minimal budget allocated for sewer in Etwatwa.
- Poor service in clinics and SAPS
- Tarring of roads
- Electrification/installation and fixing of high mast lights and streetlights
- Construction of rehabilitation centre for youth taking drugs in Vosloorus
- Provision of land to construct an Art centre in Vosloorus

Youth Forums Comments:

- High rate of substance/drug abuse by youth.
- The cultural village in zone 10 ward 60 should be revamped and maintained.
- Mechanisms to combat high rate of crime.
- Maintenance of parks in the townships
- Re-gravel of sport grounds and sports centres
- Revival of Ekurhuleni creative sector
- Boksburg Theatre should be fixed and completed to be used.
- Refurbishment of tennis court in ward 63
- Linkage of higher education system to industries to combat the high rate of unemployment.
- Establishment of business and Innovation Hub
- Minimal allocation budget for health and social development
- Scrapyards should be relocated from the townships to industrial sites.
- Tender process issues.

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- Tarring of roads and patching of potholes
- Unblocking of sewer drainage system
- Bursaries application process to be improved.
- Dysfunctional EkuApp.
- Proposal to be included in the youth development plan/policy: Youth Missionary and framework entail EPWP and technical skills also inclusion of Business mentorship programme.
- Reconsideration of age restriction for learnership applications
- Youth directorate office at Tsakane.
- Request for budget allocation to tackle issues of Gender-Based-Violence.
- Civic education about IDP and budget processes.
- Youth and women empowerment Programmes.

6.3. KEY ASPECTS CONTAINED IN THE 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%

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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 11.02% 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:

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Service category	2023/24 Approved tariff increase	2024/25 Proposed tariff increase	2025/26 Proposed tariff increase	2026/27 Proposed tariff increase
	%	%	%	%
Property rates	4.4	4.9	4.6	4.6
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 11.02% and 12.74%	Ranges between 11.02% and 12.74%	Ranges between 11.02% 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 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.

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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 AND EXPENDITURE FRAMEWORK		
	Revised Budget - 2023/24 R	YTD Actual - 2023/24 R	% Actuals	Budget Year - 2024/25 R	Budget Year - 2025/26 R	Budget Year - 2026/27 R
Revenue						
Service charges - electricity revenue	22,881,906,663	16,495,499,592	72%	26,092,264,765	28,855,026,845	32,263,510,315
Service charges - water revenue	6,552,633,456	5,739,208,899	88%	7,219,869,737	7,868,542,286	8,569,288,818
Service charges - sanitation revenue	4,687,505,648	3,624,820,258	77%	5,216,532,796	5,562,612,540	5,931,825,956
Service charges - refuse revenue	1,810,348,336	1,299,066,679	72%	1,712,004,241	1,814,697,569	1,923,551,149
Sale of Goods and Rendering of Services	187,434,915	272,413,633	145%	158,953,233	162,388,867	166,167,682
Interest earned from Receivables	1,015,740,367	865,539,949	85%	1,076,101,483	1,076,101,483	1,076,101,483
Interest earned from current and Non Current	154,430,989	146,699,247	95%	154,478,656	154,529,678	155,189,649
Dividends received	-	87,869	100%	-	-	-
Rental from fixed Assets	144,690,714	132,722,763	92%	157,138,846	164,584,974	172,384,508
Operational Revenue	96,580,309	166,710,666	173%	104,014,356	104,021,255	104,028,500
Property rates	8,480,921,428	7,256,739,895	86%	8,921,125,193	9,331,496,952	9,760,745,820
Fines, penalties and forfeits	814,746,803	211,334,087	26%	819,031,023	819,031,023	819,031,023
Licences and permits	325,611,570	279,179,233	86%	325,611,570	325,611,570	325,611,570
Transfers and subsidies- Operational	6,291,698,745	5,890,307,729	94%	6,613,189,018	6,949,774,958	7,451,458,958
Interest	275,880,610	230,510,476	84%	275,880,610	275,880,610	275,880,610
Fuel Levy	1,839,016,000	1,839,016,000	100%	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)	55,559,146,553	44,462,285,095	80%	60,672,979,527	65,273,047,610	70,781,935,041

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

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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	Budegt Year 2023-24			2024/25 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	Revised Budget - 2023/24	YTD Actual - 2023/24	% Actuals	Budget Year - 2024/25	Budget Year - 2025/26	Budget Year - 2026/27
	R	R		R	R	R
Expenditure						
Employee related costs	11,579,882,257	8,847,880,430	76%	12,234,764,470	12,800,587,405	13,406,292,335
Remuneration of councillors	164,361,355	132,649,818	81%	172,415,066	180,346,156	188,642,083
Debt impairment	6,083,068,269	4,256,717,312	70%	6,697,965,249	7,196,192,201	7,986,944,453
Depreciation & asset impairment	3,078,889,307	101,513,297	3%	3,230,027,974	3,411,731,386	3,646,158,211
Finance charges	1,546,189,557	615,904,645	40%	1,635,041,035	1,637,534,236	1,740,198,283
Bulk purchases - electricity	17,943,097,118	12,599,136,483	70%	20,265,459,072	22,843,225,466	25,748,883,745
Inventory consumed	6,282,446,870	5,399,747,833	86%	6,818,013,888	7,289,433,543	7,809,264,328
Contracted services	6,132,044,068	4,985,342,475	81%	6,503,960,202	6,754,282,238	7,013,246,411
Transfers and subsidies	685,601,275	494,252,794	72%	781,813,670	733,516,670	749,116,670
Irrecoverable debts written off	12,264,875	38,623,611	315%	1,742,850	1,742,850	1,865,895
Other expenditure	1,579,998,193	1,320,095,144	83%	1,729,841,343	1,794,465,314	1,832,808,642
Loss on disposal of PPE	-	1,934,391	100%	-	-	-
Other Losses	-	17,069,162	100%	-	-	-
Total Expenditure	55,087,843,144	38,810,867,394	70%	60,071,044,819	64,643,057,465	70,123,421,056

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.

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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 5.4% (R149.9 million)** more when compared to the 2023/24 Adjusted Budget of **R2.76 billion**.

2024/25 - 2026/27 MULTI YEAR CAPITAL BUDGET - PER DEPARTMENT				
Department	Adjusted Budget 2023/24	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Water and Sanitation	577 000 000	590 000 000	609 566 000	648 993 000
Energy	632 631 643	552 214 824	528 081 652	677 529 492
Human Settlements	374 529 511	492 511 321	508 433 348	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	26 231 000	30 500 000	34 000 000
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	2 760 341 150	2 910 313 343	2 938 137 123	3 287 859 769
Parent Municipality	2 624 311 342	2 814 878 940	2 816 681 000	3 144 880 840
Entities	136 029 808	95 434 403	121 456 123	142 978 929
Total	2 760 341 150	2 910 313 343	2 938 137 123	3 287 859 769

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**.

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2024/25 - 2026/27 MULTI YEAR CAPITAL BUDGET - PER SOURCES OF FINANCE				
Source Of Finance	Adjusted Budget 2023/24	Budget Year 2024/25	Budget Year 2025/26	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	12 000 000	12 000 000	12 000 000
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)	1 220 577 622	1 376 246 000	1 437 207 000	1 704 433 000
Informal Settlement Upgrading Partnership Grant (ISUPG)	736 030 000	729 428 000	769 707 000	805 397 000
Total	2 760 341 150	2 910 313 343	2 938 137 123	3 287 859 769

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 and Provincial Gazette.

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 approval of the IDP and Budget in March 2024 will ensure compliance with Section 24 of the MFMA.

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6.10 COMMUNICATION IMPLICATIONS

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

REVENUE ENHANCEMENT PROGRAMME

Informed by global current economic recession and other exogeneous economic factors that have negatively affected the entire world, the country, the residents of the city and the organization (City of Ekurhuleni) due to the aftereffects of covid-19, the Accounting Officer issued an appeal for revenue/income enhancement initiatives to compliment the revenue base of the city finances and improve the liquidity of the City. This Revenue Enhancement Plan (REP) is introduced to ensure that the City improves its liquidity and ensure financial sustainability. The successful implementation of this plan will hinge on a multi-disciplinary department, responsible for analysing factors that contribute to the status quo and impact on the City's finances; after which they will be expected to develop bespoke (realistic, implementable) and rapid responses to improving the City's cash position.

This plan anchors itself on the current planning frameworks in includes the Budget, the SDBIP as well as the IDP/Budget Planning guidelines for 2023/24 financial year. It must be emphasized that this revenue enhancement plan is not a financial recovery plan as contemplated in Section 141 and 142 of the Municipal Financial Management Act 56 of 2003; rather it is senior managements response to status quo.

This Revenue enhancement programme aims at identifying revenue leakages and new possible revenue opportunities by implementing already funded projected that that will contribute to the achievable methods of generating and collecting revenue optimally thus allowing the City to honour its financial obligations timeously as legislated by the revenue and expenditure management framework Section 64 and 65 of the Municipal Financial Management Act 56 of 2003. Improved revenue base by optimising the revenue enhancement capabilities will ensure that there is quality service delivery for the residents of Ekurhuleni.

The departments are in the process of exploring other initiatives that will assist the city in generating income while the service delivery is not compromised. To name a few the city will look into but not limited to the following i.e developing partnerships with the private sector by investing on the strategic land parcels of the city, development of landfills, construction of power stations and water and sewerage plants, massive advertising strategies on the billboards, coming with the by-laws that will enable the city to generate income.

It should be noted that the city will not only focus on the revenue enhancement but will look into the cost containments measures and cost reduction initiatives e.g insourcing of cleaning and security. Reduction of overtime, reduction of litigations to the city. The department of Legal is exploring best practices that will benefit the city in contract management, especially where there is a poor performance of service providers.

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Annexure H lists a summary of the revenue enhancement programmes that the departments will be undertaking in the coming financial year, in this regard a detailed report will be submitted to council in July 2024

Beyond the above programmes council should encourage its constituency and community member to commit to maintaining and improving the collection rate to be above 95%, below is the collection rate trend since 2020/21 financial year to date. Specifically ward councillors should engage their community members to understand that the higher the collection rate the more revenue will be at the disposal of the city to provide quality services more so that the budget of the City is not appropriated and is dependent on the collection rate from the communities.

Customer Care Area	Collection rate per area									
	2023-24			2023-22		2022-21				
	METRO Only			Eskom Supply			CoE	Eskom	CoE	Eskom
Billed	Receipts	%	Billed	Receipts	%					
Alberton	3,346,118,633	3,201,081,406	95.67%				96.91%		97.84%	
Benoni	2,506,976,673	2,382,370,705	95.03%	120,660,500	91,783,547	76.07%	93.81%	82.01%	92.08%	64.45%
Boksburg	3,229,697,236	3,061,300,672	94.79%				96.17%		95.19%	
Brakpan	2,113,987,655	1,989,578,260	94.11%				97.30%		96.33%	
Daveyton	99,811,318	113,876,841	114.09%	179,698,022	94,690,883	52.69%	77.84%	43.18%	75.09%	26.81%
Duduza	99,903,068	55,937,732	55.99%	31,685,859	7,507,057	23.69%	54.47%	-43.72%	54.09%	8.64%
Edenvale	2,584,463,440	2,508,759,592	97.07%				96.82%		94.02%	
Etwatwa	-	-	#DIV/0!	51,640,165	20,021,698	38.77%	0.00%	19.70%	0.00%	7.15%
Germiston	5,243,947,027	4,936,467,804	94.14%				97.32%		93.14%	
Katlehong 1	521,756,950	400,234,663	76.71%	277,010,968	39,554,568	14.28%	69.63%	14.66%	75.98%	10.19%
Katlehong 2	159,121,746	38,165,085	23.98%	318,715,879	42,770,974	13.42%	26.93%	30.66%	25.26%	6.30%
Kempton Park	6,786,586,275	6,691,976,215	98.61%				96.10%		96.95%	
Kwa-Thema	98,377,943	26,187,647	26.62%				-138.09%		18.08%	
Nigel	1,095,001,554	1,005,248,810	91.80%				94.24%		88.34%	
Springs	1,417,506,395	1,313,012,524	92.63%				88.95%		88.76%	
Sundries and Other	80,780,404	47,481,289	58.78%				55.87%		71.90%	
Tembisa 1	197,269,288	149,165,327	75.62%				73.26%		89.03%	
Tembisa 2	2,205,576,660	2,042,265,328	92.60%				89.72%		92.61%	
Tokoza	528,973,538	184,585,624	34.90%				42.04%		36.31%	
Tsakane	65,169,116	25,987,019	39.88%	283,795,557	115,466,912	40.69%	39.32%	75.62%	31.28%	25.55%
Vosloorus	898,830,143	719,742,905	80.08%	634,678,175	102,297,265	16.12%	99.31%	18.02%	75.56%	16.55%
	33,279,855,065	30,893,425,449	92.83%	1,897,885,126	514,092,904	27.09%	93.66%	33.05%	91.63%	16.68%

7. COMMENTS FROM RELEVANT DEPARTMENTS

All Departments participated in the development of the 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 Budget Book.**
- Annexure C: 2024/25 Capital Budget per ward.**
- Annexure D: Departmental Service Delivery and Budget Implementation Plan (SDBIP) (Measurable Performance Indicators section).**
- Annexure E: Reviewed Budget Related Policies and By-Laws.**
- Annexure F: Tariffs.**

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Annexure G: Service Level Standards.

9. RECOMMENDATIONS

- 1. That** the report regarding the 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 Budget-related Policies, as contained in the Budget Document in terms of Section 16 of the Municipal Finance Management Act, **BE NOTED**.
- 3. That** the City of Ekurhuleni's **revised** IDP for **2022/23 – 2026/27** as contained in **Annexure A BE ADOPTED**.
- 4.** To guide the implementation of the municipality's annual budget, the Council of the City of Ekurhuleni **APPROVES** the amended **Policies** and **By-Laws** as contained in **Annexure E**
- 5.** The Council of the City of Ekurhuleni, 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 all services, as set out in the various tariff schedules as contained in **Annexure F**
- 6. 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.
- 7.** That a detailed report of the revenue enhancement programmes by departments be submitted to council in the July meeting.
- 8. That** the revenue enhancement programme in section 7 of this item **BE NOTED** and monitored through the 2024/25 Service Delivery Budget Implementation Plans (SDBIP) of the affected departments.
- 9. That** indicators in the SDBIP be linked to the performance agreements of the City Manager and Heads of Departments in line with Section 53(1)(c)(iii) of the Municipal Finance Management Act.