



1. PURPOSE

To publish the executive summary of the final IDP for 2022/2027 and Budget for 2023/2024 of Tswelopele Local Municipality. The two strategic documents were approved by Tswelopele Local Municipality at its ordinary Council held on the 31 May 2023.

Tswelopele Local Municipality has adopted and approved the Medium-Term Revenue and Expenditure Framework and IDP in a very difficult local economic environment. Locally, load-shedding has become more persistent and prolonged, impacting on service delivery and threatening the survival of many businesses. The municipality is under immense financial pressures and constraints to meet the ever-increasing development needs of the community. Over the years, the financial pressure comes mainly from the decrease in municipal revenue sources that limit the capacity to deliver on the sustainable services. We therefore call all those who can pay for municipal services to do so and those who cannot to come register for indigent subsidy.

We are making immense progress in ensuring that critical service delivery assets are prioritised and procured in line with identified needs as our IDP dictates. Our immediate challenges in service delivery include:

- Fixing water and electricity meters and refurbishment of infrastructure to reduce abnormal water losses and electricity losses
- Water interruptions (Meeting the current water demand)
- Insufficient EPWP allocation used to appoint project workers
- Poor economic environment
- Filling of critical service delivery positions
- Non-replacement and regular maintenance of service delivery assets
- Potholes and lack of budget to rehabilitated road network
- Lack of specialised waste collection equipment
- Municipal tariffs are not cost-reflective



2. BACKGROUND

The vision and mission of Tswelopele Local Municipality:

VISION

- To be an accountable, transparent, non-racial Municipality that promotes economic development and provides sustainable services and improves the quality of life in the Community.

MISSION

Tswelopele Local Municipality is committed to effective and transparent governance by:

- (a) Promoting economic development;
- (b) Providing sustainable services; and
- (c) Improving the quality of life of all people.

The Council of Tswelopele Local Municipality has adopted its Integrated Development Plan and Budget for the year 2023/2024. These two strategic documents have been subjected to public consultation processes to ensure that the final document is a product of the people in line with the Municipal System Act and Municipal Finance Management Act.

EXECUTIVE SUMMARY OF THE FINAL IDP AND BUDGET 2023/2024 OF TSWELOPELE LOCAL MUNICIPALITY



3. SUMMARY OF THE BUDGET FOR 2023/2024

OPERATING REVENUE

FS183 Tswelopele - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	40 773	43 248	46 528	53 681	53 681	53 681	53 681	62 262	68 815	72 944
Service charges - Water	2	5 641	5 589	5 688	5 333	5 333	5 333	5 333	5 760	7 922	8 397
Service charges - Waste Water Management	2	5 740	6 061	6 072	6 408	6 408	6 408	6 408	7 011	9 235	9 790
Service charges - Waste Management	2	3 728	3 921	3 891	3 743	3 743	3 743	3 743	4 048	6 153	6 522
Sale of Goods and Rendering of Services		889	718	714	655	1 065	1 065	1 065	1 140	1 197	1 269
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		1 420	795	840	1 300	1 300	1 300	1 300	1 300	1 365	1 447
Dividends		61	65	96	130	180	180	180	130	137	145
Rent on Land		500	1 044	1 058	385	385	385	385	600	630	668
Rental from Fixed Assets		959	1 534	545	347	387	387	387	490	515	545
Licence and permits		75	68	97	70	70	70	70	80	84	89
Operational Revenue		344	1 234	2 285	1 320	4 320	4 320	4 320	1 350	1 418	1 503
Non-Exchange Revenue											
Property rates	2	22 334	25 445	26 429	27 867	31 367	31 367	31 367	29 557	30 115	30 982
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		372	529	744	596	596	596	596	666	385	408
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		77 692	94 669	85 268	94 460	94 460	94 460	94 460	100 292	105 409	106 723
Interest		1 622	1 799	3 173	281	281	281	281	300	315	334
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		(29)	-	-	-	-	-	-	-	-	-
Other Gains		-	440	181	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		162 123	187 158	183 610	196 575	203 575	203 575	203 575	214 986	233 693	241 764

Municipality budgeted for Operating Revenue of **R215 million** for 2023/2024 Financial Year.



OPERATING EXPENDITURE

FS183 Tswelopele - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure											
Employee related costs	2	66 581	69 215	71 960	78 740	78 875	78 875	78 875	88 639	92 962	98 510
Remuneration of councillors		5 670	5 670	6 120	6 569	6 569	6 569	6 569	6 226	6 537	6 929
Bulk purchases - electricity	2	36 277	38 766	42 987	55 009	44 066	44 066	44 066	49 933	52 429	55 575
Inventory consumed	8	12 681	15 202	19 606	16 459	16 884	16 884	16 884	8 801	9 241	9 796
Debt impairment	3	6 751	15 006	16 290	-	-	-	-	-	-	-
Depreciation and amortisation		28 246	33 259	33 432	20 000	20 000	20 000	20 000	20 000	20 000	20 000
Interest		1 662	3 591	4 671	1 500	4 000	4 000	4 000	2 500	2 625	2 783
Contracted services		14 880	20 202	30 003	26 070	40 706	40 706	40 706	43 174	43 213	45 816
Transfers and subsidies		-	-	-	15	15	15	15	15	16	17
Irrecoverable debts written off		9 453	2 693	8 046	13 000	13 000	13 000	13 000	13 000	13 000	13 000
Operational costs		14 212	18 884	22 508	9 358	18 436	18 436	18 436	12 630	13 231	13 987
Losses on disposal of Assets		8	653	1 652	-	-	-	-	-	-	-
Other Losses		2 998	(180)	(288)	-	-	-	-	-	-	-
Total Expenditure		199 420	222 960	256 987	226 720	242 551	242 551	242 551	244 918	253 254	266 412

Operating Expenditure for the year amounts to **R245 million**. Inclusive is the non-cash items of **R33 Million** (Depreciation and Debt Impairment).



GRANT AND SUBSIDIES

Tswelopele Grants allocation for 2023/2024

Description	2023/24 Medium Term Revenue & Expenditure Framework		
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand			
RECEIPTS:			
Operating Transfers and Grants			
National Government:	100 292 000	105 409 000	106 723 000
Local Government Equitable Share	97 242 000	103 309 000	104 523 000
Finance Management	2 100 000	2 100 000	2 200 000
EPWP Incentive	950 000		
Total Operating Transfers and Grants	100 292 000	105 409 000	106 723 000
Capital Transfers and Grants			
National Government:	34 868 000	42 219 000	36 696 000
Municipal Infrastructure Grant (MIG)	18 889 000	19 563 000	20 265 000
Energy Efficiency and Demand-Side	4 000 000	5 000 000	-
Water Services Infrastructure Grant	11 979 000	13 956 000	14 581 000
Integrated National Electrification Programme	-	3 700 000	1 850 000
Provincial Government:	3 000 000	-	-
Provincial Financial Support - Electricity	3 000 000	-	-
Total Capital Transfers and Grants	37 868 000	42 219 000	36 696 000
TOTAL RECEIPTS OF TRANSFERS & GRANTS	138 160 000	147 628 000	143 419 000



Operating Grants:

a) Equitable Share - R 97 million

Unconditional:

Caters for Indigents Subsidy and other Operations

b) EPWP - R 950 thousands

Conditional:

Caters for Stipend for Project Workers

c) FMG - R 2.1 Million

Conditional:

Caters for Internship salaries, trainings, maintaining financial system.



4. SUMMARY OF THE CAPITAL PROJECTS

2022/23 FINANCIAL YEAR

PROJECT NAME	BUDGET	PROGRESS MARCH 2023
Installation of electricity smart Electricity meters Bultfontein and Hoopstad.	Internal project	60%
Refurbishment of electricity infrastructure in Bultfontein and Hoopstad	R7 Million	Start March 2023
Energy demand management in Hoopstad and Bultfontein (Department of Mineral Sources and Energy)	R5 Million	96%
Fencing of cemeteries in Tikwana Erf 695&3654	R1,8 Million	Start in April 2023
Construction of 2km paved road and storm water damage in Hoopstad	R13 Million	Start in May 2023
Construction of Water Reticulation in Phahameng/Bultfontein Ext 10 (426 sites)	R5,5 Million	100% Complete
Upgrading of bulk water supply in Hoopstad (Phase 3)	R14,8 Million	100% Complete
Upgrading of bulk water supply in Hoopstad (Phase 4)	R20,7 Million	56.3%
Upgrading of bulk water supply in Bultfontein (Phase 3)	R17,1 Million	100% Complete
Upgrading of bulk water supply in Bultfontein (Phase 4)	R27,6 Million	5%
Construction of Sewer Reticulation in Phahameng/Bultfontein Ext 10 (426 sites)	R13,9 Million	100% Complete
Construction of Sewer Reticulation in Phahameng/Bultfontein Ext 9 (476 sites)	R26,7 Million	8%
Refurbishment of pump station in Phahameng	R10,7 Million	92%
Fencing of Waste Water Treatment Plant in Tikwana (Hoopstad)	R2 Million	75%

EXECUTIVE SUMMARY OF THE FINAL IDP AND BUDGET 2023/2024 OF TSWELOPELE LOCAL MUNICIPALITY



2023/2024 FINANCIAL YEAR

PROJECT NAME & FUNDER	BUDGET	ANTICIPATED COMPLETION
Refurbishment of electricity infrastructure in Bultfontein and Hoopstad - CoGTA	R6 000 000-00	July 2023
Fencing of cemeteries in Tikwana Erf 695&3654 - MIG	R1 888 801-40	September 2023
Construction of 2km paved road and storm water damage in Hoopstad - MIG	R13 087 000-00	February 2024
Upgrading of bulk water supply in Bultfontein (Phase 4) - RBIG	R27 651 275-82	February 2024
Construction of Sewer Reticulation in Phahameng/Bultfontein Ext 9 (476 sites) - WSIG	R26 702 158-14	October 2023
Refurbishment of pump station in Phahameng - WSIG	R11 552 958-79	July 2023
Bulk Infrastructure – Replacement Of Asbestos Pipes In Bultfontein	R13 300 000,00	30 June 2024
Bulk Infrastructure – Replacement Of Asbestos Pipes In Hoopstad	R11 300 000,00	30 June 2024



5. CONCLUSION

MUNICIPAL TARIFFS AND BILLING

Tswelopele will increase the Electricity Tariff in line with NERSA guidelines, **15.1%** Tariff Increase.

Proposed tariff increases for trading services

- Prop Rates : 6 %
- Water : 6 %
- Sewerage : 6 %
- Refuse : 6 %

The municipality is intending to start billing Ext 7&8 for the following services in the new financial year (from July 2023).

- Property Rates (In line with Value of the Property)
- Water; R 48.24
- Sewerage; R 88.64
- Refuse Removal. R 61.08

R197.16 p.m (excl: Property Rates)



The growth and prosperity of our municipality is reliant on the quality of our infrastructure. Whilst we have recorded an immense progress with the upgrading and construction of new infrastructure, we have not consistently kept up to the required standards. Our municipality is pleased with the level of implementation of capital infrastructure projects and welcomes the budget of R 40 million for capital expenditure for 2023/24.

In addition to the above listed funded projects, there is a list of projects reflected in the IDP which are not funded and the document can be accessed on the municipal website <https://www.tswelopele.gov.za/> and the following areas:

1. Head Office- Tswelopele Local Municipality Main Building Bultfontein Office; and
2. Hoopstad Unit office.

For more information contact during office hours [07:30am to 16:00 Monday to Friday] the Strategic Manager: **Mr Vuyisile Frans** and Manager Budget and Revenue: **Mr Sello Tsoleli** on 051 853 1111.