

**C.15.4 DRAFT 2024/2025, 2025/2026 AND 2026/2027 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) FOR THE CAPE WINELANDS DISTRICT MUNICIPALITY (5/1/1/10)**

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**PURPOSE OF SUBMISSION**

That Council consider to adopt the draft 2024/2025, 2025/2026 and 2026/2027 Medium Term Revenue and Expenditure Framework (MTREF) for the Cape Winelands District Municipality for inspection, public representations, inputs and comment.

**BACKGROUND**

In terms of section 16 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) a council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year.

In order for a municipality to comply with section 16(1) of the said Act, the mayor must table the annual budget at a council meeting at least 90 days before the start of the budget year.

Section 15 of the MFMA prescribes that a municipality may incur expenditure only:

- 15 (a) *In terms of an approved budget; and*
- (b) *Within the limits of the amounts appropriated for the different votes in an approved budget.*

The contents of the annual budget must consist of the following documents as prescribed in terms of section 17 of the MFMA:

1. Realistically anticipated income and expenditure per vote for the budget year and the two financial years following the budget year;
2. Budget related policies of the Council (Tariff, Rates & Credit Control Policies);
3. Details of Council's investments for the budget year;
4. Details of all proposed service delivery agreements, including material amendments to existing service delivery agreements;
5. Particulars of any proposed allocations or grants by the municipality in terms of sections 67 and 17(3)(j) of the MFMA;

6. The proposed cost to the municipality for the budget year of the salary, allowances and benefits of political office bearers and senior managers;
7. Capital expenditure and projects envisioned within the budget year.

## **COMMENT**

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Attached as Annexures “A” to “R” is a copy of the draft 2024/2025, 2025/2026 and 2026/2027 Medium Term Revenue and Expenditure Framework (MTREF) for the Cape Winelands District Municipality as well as related documents as prescribed by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

The IDP/Budget process for the 2024/2025 financial year was a consultative process – including the Budget Steering Committee, Executive Directors, Senior Managers, Councillors and other stakeholders.

The MTREF (2024 – 2027) has been compiled in accordance with the budget growth guidelines determined by National Treasury. Personnel expenditure (Salaries, Wages and Allowances) increased by 5% for 2024/2025, 2025/2026 and 2026/2027. The Budget Steering Committee, established in terms of the Budget and Reporting Regulations, 2008, comprehensively scrutinised the proposed MTREF.

## **IMPLICATIONS**

### **PERSONNEL**

None.

*Comment prepared by: Ms. G.C.N. Julie*

### **FINANCIAL**

Financial implications were addressed adequately in the contents of the item and concomitant Annexures.

*Comment prepared by: Ms. F.A. du Raan-Groenewald*

### **LEGAL**

Legal implications are adequately addressed in the contents of the item.

*Comment prepared by: Ms. S.S. Sanders*

## **DECLARATION BY MANAGEMENT**

Management declare that they followed all guidelines prescribed by the relevant legislation during the budget process.

**RECOMMENDATION BY MUNICIPAL MANAGER:**

- (a) That the Executive Mayor together with the Mayoral Committee consider to recommend to Council to adopt the draft 2024/2025, 2025/2026 and 2026/2027 Medium Term Revenue and Expenditure Framework (MTREF) for the Cape Winelands District Municipality as outlined in the attached Annexures for public participation for inspection, public representations, inputs and comment:
- (i) The draft Medium Term Revenue and Expenditure Framework for the 2024/2025, 2025/2026 and 2026/2027 financial years as set out in Annexure "A";
  - (ii) Adjustments to the budget related policies submitted as Annexure "B";
  - (iii) Details of Council's investments as set out in Annexure "C";
  - (iv) Details of all proposed service delivery agreements, including material amendments to existing service delivery agreements as set out in Annexure "D";
  - (v) Cape Winelands District Municipality Draft 2<sup>nd</sup> Review Integrated Development Plan (IDP) 2024/2025 as set out in Annexure E;
  - (vi) Details of employment costs – salaries, allowances and benefits – of all political office-bearers, councillors and senior managers of the Cape Winelands District Municipality as set out in Annexure "F";
  - (vii) Capital expenditure within the budget year as set out in Annexure "G";
  - (viii) Projects to be undertaken within the budget year as set out in Annexure "H";
  - (ix) Particulars of all proposed allocations and grants by the District Municipality in terms of section 67 of the MFMA, as set out in Annexure "I";
  - (x) Proposed Tariffs for the 2024/2025 financial year as set out in Annexure "J";
  - (xi) Service Delivery Standard as set out in Annexure "K";
  - (xii) Measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the District Municipality's Integrated Development Plan (IDP) as part of Annexure "L"; and
  - (xiii) Demand Plan as set out in Annexure "M";

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- (b) That cognisance be taken of –
- (i) MFMA Circular No. 126: Municipal Budget Circular for the 2024/2025 MTREF – 07 December 2023, attached as Annexure “N”;
  - (ii) The Cape Winelands District Municipality’s:
    - (aa) Air Quality Management Plan, attached as Annexure “O”;
    - (bb) Draft Spatial Development Framework (2021-2025), attached as Annexure “P”;
    - (cc) Integrated Waste Management Plan, attached as Annexure “Q”;
    - (dd) Corporate Disaster Management Planning Framework, attached as Annexure “R”.

Annexure “E” and all the annexures referred to in subsection (b) of the recommendation by the Municipal Manager, will be distributed via flash drive to the Councillors receiving a hard copy of the Mayoral Committee agenda.

**MAYORAL COMMITTEE: 5 MARCH 2024: ITEM MC.8.2.1**

**RESOLVED:** That –

- (a) It be recommended to Council to adopt the draft 2024/2025, 2025/2026 and 2026/2027 Medium Term Revenue and Expenditure Framework (MTREF) for the Cape Winelands District Municipality as outlined in the attached Annexures for public participation for inspection, public representations, inputs and comment, subject thereto that adjustments be made within the current appropriation, based on the verbal input tabled during the meeting:
- (i) The draft Medium Term Revenue and Expenditure Framework for the 2024/2025, 2025/2026 and 2026/2027 financial years as set out in Annexure “A”;
  - (ii) Adjustments to the budget related policies submitted as Annexure “B”;
  - (iii) Details of Council’s investments as set out in Annexure “C”;
  - (iv) Details of all proposed service delivery agreements, including material amendments to existing service delivery agreements as set out in Annexure “D”;
  - (v) Cape Winelands District Municipality Draft 2<sup>nd</sup> Review Integrated Development Plan (IDP) 2024/2025 as set out in Annexure E;

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- (vi) Details of employment costs – salaries, allowances and benefits – of all political office-bearers, councillors and senior managers of the Cape Winelands District Municipality as set out in Annexure “F”;
  - (vii) Capital expenditure within the budget year as set out in Annexure “G”;
  - (viii) Projects to be undertaken within the budget year as set out in Annexure “H”;
  - (ix) Particulars of all proposed allocations and grants by the District Municipality in terms of section 67 of the MFMA, as set out in Annexure “I”;
  - (x) Proposed Tariffs for the 2024/2025 financial year as set out in Annexure “J”;
  - (xi) Service Delivery Standard as set out in Annexure “K”;
  - (xii) Measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the District Municipality’s Integrated Development Plan (IDP) as part of Annexure “L”;
  - (xiii) Demand Plan as set out in Annexure “M”;
- (b) Cognisance be taken of –
- (i) MFMA Circular No. 126: Municipal Budget Circular for the 2024/2025 MTREF – 07 December 2023, attached as Annexure “N”;
  - (ii) The Cape Winelands District Municipality’s:
    - (aa) Air Quality Management Plan, attached as Annexure “O”;
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    - (cc) Integrated Waste Management Plan, attached as Annexure “Q”;
    - (dd) Corporate Disaster Management Planning Framework, attached as Annexure “R”.

Annexure “E” and all the annexures referred to in subsection (b) of the recommendation by the Municipal Manager, will be distributed via flash drive to the Councillors receiving a hard copy of the Mayoral Committee agenda.

**RECOMMENDATION BY MAYORAL COMMITTEE:**

- (a) That it be recommended to Council to adopt the draft 2024/2025, 2025/2026 and 2026/2027 Medium Term Revenue and Expenditure Framework (MTREF) for the Cape Winelands District Municipality as outlined in the attached Annexures for public participation for inspection, public representations, inputs and comment, subject thereto that adjustments be made within the current appropriation, based on the verbal input tabled during the meeting:
- (i) The draft Medium Term Revenue and Expenditure Framework for the 2024/2025, 2025/2026 and 2026/2027 financial years as set out in Annexure "A";
  - (ii) Adjustments to the budget related policies submitted as Annexure "B";
  - (iii) Details of Council's investments as set out in Annexure "C";
  - (iv) Details of all proposed service delivery agreements, including material amendments to existing service delivery agreements as set out in Annexure "D";
  - (v) Cape Winelands District Municipality Draft 2<sup>nd</sup> Review Integrated Development Plan (IDP) 2024/2025 as set out in Annexure E;
  - (vi) Details of employment costs – salaries, allowances and benefits – of all political office-bearers, councillors and senior managers of the Cape Winelands District Municipality as set out in Annexure "F";
  - (vii) Capital expenditure within the budget year as set out in Annexure "G";
  - (viii) Projects to be undertaken within the budget year as set out in Annexure "H";
  - (ix) Particulars of all proposed allocations and grants by the District Municipality in terms of section 67 of the MFMA, as set out in Annexure "I";
  - (x) Proposed Tariffs for the 2024/2025 financial year as set out in Annexure "J";
  - (xi) Service Delivery Standard as set out in Annexure "K";
  - (xii) Service Delivery Standard as set out in Annexure "K"; and Measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the District Municipality's Integrated Development Plan (IDP) as part of Annexure "L";
  - (xiii) Demand Plan as set out in Annexure "M";

- (b) That cognisance be taken of –
- (i) MFMA Circular No. 126: Municipal Budget Circular for the 2024/2025 MTREF – 07 December 2023, attached as Annexure “N”;
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Annexure “E” and all the annexures referred to in subsection (b) of the recommendation by the Mayoral Committee, will be distributed via flash drive to the Councillors receiving a hard copy of the Council agenda.

#### **COUNCIL MEETING: 20 MARCH 2024: ITEM C.15.4**

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The Executive Mayor presented her Budget Speech on the draft 2024/2025, 2025/2026 and 2026/2027 Medium Term Revenue and Expenditure Framework (MTREF) for the Cape Winelands District Municipality to Council, a copy of which is attached as Annexure “A” to the minutes.

Councillor J.H.P. Steyn congratulated the Executive Mayor on her budget speech and indicated his support for the draft 2024/2025, 2025/2026 and 2026/2027 Medium Term Revenue and Expenditure Framework (MTREF) for the Cape Winelands District Municipality.

The Executive Mayor, Alderman (Dr.) H. von Schlicht, seconded by Councillor J. Kriel, proposed that the draft 2024/2025, 2025/2026 and 2026/2027 Medium Term Revenue and Expenditure Framework (MTREF) for the Cape Winelands District Municipality, as outlined in the attached Annexures, be approved for public participation, inspection, public representations, inputs and comment.

The matter was put to the vote and thirty (30) Councillors voted in favour of the proposal by the Executive Mayor, Alderman (Dr.) H. von Schlicht.

Councillor C.F. Wilskut abstained from voting.

**RESOLVED (30 Councillors) : That –**

- (a) The draft 2024/2025, 2025/2026 and 2026/2027 Medium Term Revenue and Expenditure Framework (MTREF) for the Cape Winelands District Municipality as outlined in the attached Annexures, be approved for public participation, inspection, public representations, inputs and comment:
- (i) The draft Medium Term Revenue and Expenditure Framework for the 2024/2025, 2025/2026 and 2026/2027 financial years as set out in Annexure “A”;
  - (ii) Adjustments to the budget related policies submitted as Annexure “B”;
  - (iii) Details of Council’s investments as set out in Annexure “C”;
  - (iv) Details of all proposed service delivery agreements, including material amendments to existing service delivery agreements as set out in Annexure “D”;
  - (v) Cape Winelands District Municipality Draft 2<sup>nd</sup> Review Integrated Development Plan (IDP) 2024/2025 as set out in Annexure E;
  - (vi) Details of employment costs – salaries, allowances and benefits – of all political office-bearers, councillors and senior managers of the Cape Winelands District Municipality as set out in Annexure “F”;
  - (vii) Capital expenditure within the budget year as set out in Annexure “G”;
  - (viii) Projects to be undertaken within the budget year as set out in Annexure “H”;
  - (ix) Particulars of all proposed allocations and grants by the District Municipality in terms of section 67 of the MFMA, as set out in Annexure “I”;
  - (x) Proposed Tariffs for the 2024/2025 financial year as set out in Annexure “J”;

The tariffs for Waste Management Services - Landfill Site Worcester be amended to read as follows:

TARIFF DESCRIPTION	<u>Tariff</u> <u>(per</u> <u>tonne)</u>	<u>Amount</u> <u>Excl.</u> <u>V.A.T.</u>	<u>V.A.T.</u>
Cost per tonne - dumping of general household waste - Private	<b>R383.82</b>	<i>R333.76</i>	<i>R50.06</i>
Cost per tonne - general household waste - Municipalities	<b>R230.81</b>	<i>R200.70</i>	<i>R30.11</i>

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Cost per tonne - rehabilitation contribution - Municipalities	<b>R28.68</b>	<i>R24.94</i>	<i>R3.74</i>
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- (xii) Service Delivery Standard as set out in Annexure “K”;
  - (xii) Service Delivery Standard as set out in Annexure “K”; and Measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the District Municipality’s Integrated Development Plan (IDP) as part of Annexure “L”;
  - (xiii) Demand Plan as set out in Annexure “M”;
- (c) That cognisance be taken of –
- (i) MFMA Circular No. 126: Municipal Budget Circular for the 2024/2025 MTREF – 07 December 2023, attached as Annexure “N”;
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