ANNUAL BUDGET OF

RICHMOND MUNICIPALITY

RICHMOND
— Local Municipality —

2025/2026 TO 2027/2028

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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- **At www.richmond.gov.za**

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Abbreviations and Acronyms

BSC	Budget Steering Committee
CFO	Chief Financial Officer
MM	Municipal Manager
CPI	Consumer Price Index
DoRA	Division of Revenue Act
EE	Employment Equity
EM	Executive Mayor
FBS	Free basic services
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MSCOA	Municipal Standard Chart of Accounts
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

On March 12, 2025, South Africa's Finance Minister, Enoch Godongwana, delivered the 2025 Budget Speech, outlining the government's fiscal strategies and priorities. The budget focuses on achieving macroeconomic stability through sound fiscal policies, implementing structural reforms to remove growth obstacles, and scaling up infrastructure investments to unlock the economy's productive capacity.

The minister also highlighted financial challenges experienced by local municipalities and that continuous improvements made to the grant system to incentivize municipalities to
access a variety of funding instruments. These financial issues had led to a decline in municipal services which is evident across cities, towns and rural villages highlighting the systemic challenges faced by this varying group of municipalities.
Richmond local municipality is no exception to these economic restraints, as a result the budget being presented today has considered cost saving mechanisms while ensuring maximum service delivery and financial sustainability for the municipality.

We have listened to the needs of Richmond Community and carefully planned programmes and projects to respond to the challenges raised during the public consultation engagements which were held in November 2024.

Therefore, consideration has been given to all the requests received during our community engagements and outcome-based plans are being prepared to ensure that service is delivered in a cost effective and efficient manner.

We remain committed to the realization of our five Key Performance Areas which are:
- Good Governance and Public Participation
- Basic Infrastructure and Service Delivery
- Local Economic Development
- Municipal Financial Viability and
- Municipal Transformation and Organizational Development

……………………………………
His Worship the Mayor
Richmond Local Municipality

1.2 Council Resolutions

1.1 The Council of Richmond Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
   1.1.1 The Final Budget of the municipality for the financial year 2025/2026 and the multi-year and single-year capital appropriations as set out in the following tables:
   1.1.2 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
   1.1.3 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
   1.1.4 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4; and
   1.1.5 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.

1.2 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
   1.2.1 Budgeted Financial Position as contained in Table A6;
   1.2.2 Budgeted Cash Flows as contained in Table A7;
   1.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
   1.2.4 Asset management as contained in Table A9; and
   1.2.5 Basic service delivery measurement as contained in Table A10.

1.3 The Council of Richmond Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2021:
   1.3.1 the tariffs for property rates – as set out in Annexure A1,
   1.3.2 the tariffs for solid waste services – as set out in Annexure A3
   1.3.3 The Council of Richmond Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2024 the tariffs for other services, as set out in Annexure A1 to A5 respectively.

1.4 To give proper effect to the municipality's annual budget, the Council of Richmond Municipality approves:
   1.4.1 That cash backing is implemented as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

1.5 That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium-term revenue and expenditure framework as set out in Supporting Table SA7 are approved.

1.6 That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the amendments to the integrated development plan as set out in Budget Chapter 17 are approved.

1.7 That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget related policies, including any amendments are approved for the budget year 2025/2026, for the following policies:

- 1.7.1 Asset Management Policy
- 1.7.2 Borrowings Policy
- 1.7.3 Budget Policy
- 1.7.4 Cash Management and Investment Policy
- 1.7.5 Rates Policy
- 1.7.6 Rates By Laws
- 1.7.7 Debt Collection and Credit control Policy
- 1.7.8 Funds and Reserve Policy
- 1.7.9 Indigent and Free Basic Service Policy
- 1.7.10 Infrastructure and Capital plan Policy
- 1.7.11 Long term financial Plan policy
- 1.7.12 Supply Chain Management Policy
- 1.7.13 Tariff Setting Policy
- 1.7.14 Virement Policy

1.8 That in terms of sections 22(2)(b) of the Municipal Finance Management Act read together with section 23(3) of the Municipal Budget and Reporting Regulations, council approves an application to National Treasury for the roll-over of any unspent balances (if applicable) of the 2024/25.

1.9 The Final Service standards document is noted by council

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1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and „nice to have" items.

It is about sticking to our plans despite challenging circumstances. The municipality's aim is to eliminate wasteful spending and reduce it on non-critical items so as to sustain service delivery and maintain strong public finances.

The Municipality will embark on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers by implementing the debt collection and credit control policy as well as the implementation of the approved revenue enhancement strategy.

National Treasury's MFMA Circular No. 51,54, 55,57,58,59,66,67,70,72, 74, 75,78,79,82,85, 86, 89, 90, 91, 93, 94, 97, 98, 99, 107, 108, 112, 115, 116, 122,123,126 and 129 were used to guide the compilation of the 2025/26 MTREF.

The main challenges experienced during the compilation of the 2024/25 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and other infrastructure assets;
- The need to reprioritize projects and expenditure within the existing resource envelope given the available sources of funding;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies which makes it difficult to maintain the salaries budget within the acceptable norm as a percentage of the total operating budget; and

The following budget principles and guidelines directly informed the compilation of the 2025/26 MTREF:

- The 2024/25 Adjustments Budget priorities and targets;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI. In addition, tariffs need to remain or move towards being cost reflective, and should consider the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been Gazetted as required by the annual Division of Revenue Act; and

- Local Government budget and Financial reforms: Regulation of a "Standard Chart of Accounts' (SCOA) for local government.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2025/26 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2024/25 MTREF

R thousand	Adjustmnet Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Total Operating Revenue	148,622	153,507	162,248	168,794
Total Operating Expenditure	174,383	176,951	191,297	199,722
Surplus / (Deficit for the year)	(25,761)	(23,444)	(29,049)	(30,927)
Total Capital Expenditure	44,641	23,780	23,176	23,432

Total operating revenue has increased by 3 per cent or R 4.9 million for the 2025/26 budget year when compared to the 2024/25 Adjusted Budget. For the two outer years, operational revenue will increase on average by 5%. The increase in revenue in the budget year 2025/26 can be attributed to the increase on Property rates and Operational Grants in the 2025/2026 financial year. The average increase of 5% can be attributable to the INEP grants that will be received in the 2027 and 2028 budget years.

Total operating expenditure for the 2025/26 financial year has been appropriated at R177 million and translates into a budgeted deficit of R 23 million. When compared to the 2024/25 Adjusted Budget, operational expenditure has been increased by 1% in the 2025/26 budget. The operational expenditure has been increased by 8% in the 2026/27 financial year and 4% in the 2027/28 financial year. The operating expenditure for 2025/26 has been appropriated after considering all budget inputs from the community through IDP engagements in November 2024. Furthermore, the budget is stated through the application of zero-based budgeting principles in most of the votes.

The capital budget of R 24 million for 2025/26 is -47% less when compared to the 2024/25 Adjustment Budget. Capital budget slightly increased in 2026/27 to R 23 million and R23,4 million in the 2027/28 budget year respectively. A marginal portion of the capital budget will be funded from internal funds over MTREF whilst the balance will be funded from conditional grants. Consequently, the capital budget remains relatively flat over the outer years.

1.4 Operating Revenue Framework

For Richmond Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components;

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management which aims to aims to ensure an 90% percent annual collection rate for rates and other service charges;
- The municipality's Property Rates Policy approved in terms of the Municipal Property rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recovers costs;
- The municipality's Indigent Policy and rendering of Free Basic Services;
- The Tariff Policy of the municipality;

Management have further adopted a conservative approach when projecting revenue and cash receipts. Council has also carefully considered the affordability of tariff increases, especially as it relates to domestic consumers whilst considering the level of service versus the associated cost. Particular attention was paid to managing revenue effectively and evaluating all spending decisions.

Table 2 Summary of revenue classified by main revenue source

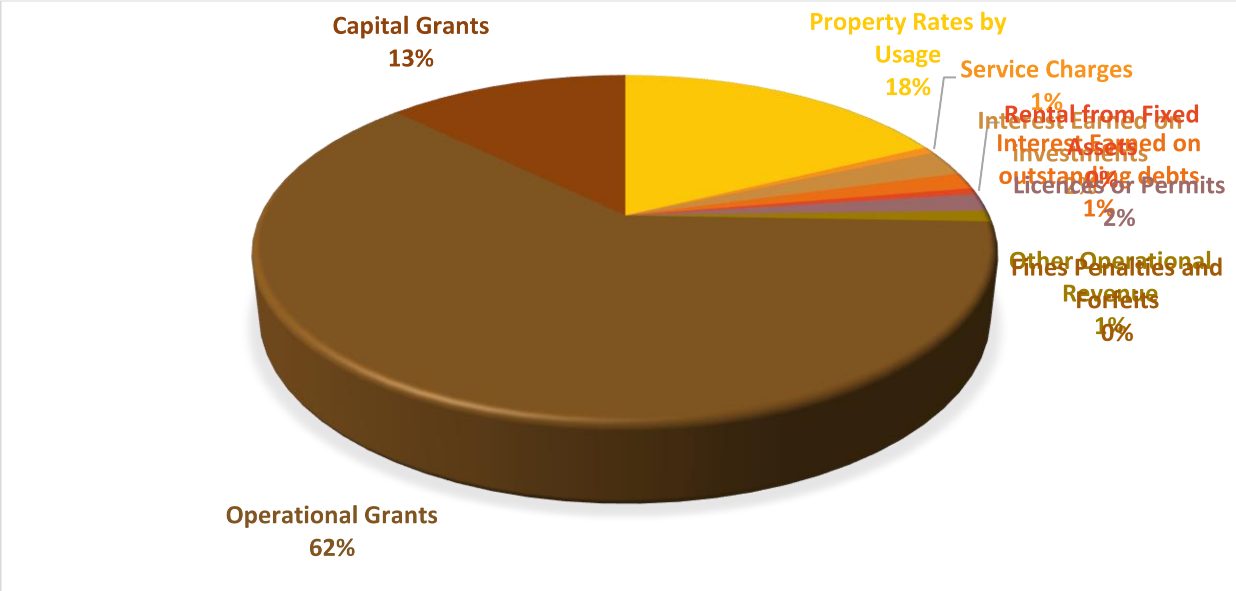
KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	–	–	–	–	–	–	–	–	–	–
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	2	923	966	1,023	1,079	1,079	1,079	939	1,126	1,177	1,206
Sale of Goods and Rendering of Services		436	326	7,352	3,571	502	502	436	524	6,755	7,060
Agency services		–	–	–	–	–	–	–	–	–	–
Interest		99	130	139	144	24	24	14	25	26	27
Interest earned from Receivables		297	278	291	299	487	487	438	508	532	555
Interest earned from Current and Non Current Assets		1,384	3,018	2,939	3,602	3,519	3,519	2,534	3,673	3,842	4,011
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1,089	1,094	899	910	1,009	1,009	1,061	1,054	1,102	1,151
Licence and permits		8	12	11	13	37	37	26	39	40	42
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		1,359	774	1,145	945	1,211	1,211	999	1,265	1,323	1,381
Non-Exchange Revenue											
Property rates	2	19,285	27,115	28,871	28,889	28,889	28,889	29,410	31,092	32,491	33,303
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		3,889	3,695	2,952	2,376	30	30	7	32	33	34
Licences or permits		1,927	2,553	2,419	2,723	2,729	2,729	2,498	2,850	2,981	3,112
Transfer and subsidies - Operational		84,762	98,889	99,868	106,214	106,477	106,477	105,022	108,576	109,076	113,915
Interest		–	–	–	–	2,629	2,629	2,424	2,744	2,871	2,997
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Gains		22	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and conti		**115,479**	**138,851**	**147,909**	**150,764**	**148,622**	**148,622**	**145,807**	**153,507**	**162,248**	**168,794**

Table 3 Percentage growth in revenue by main revenue source

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +1 2027/28	%
Revenue by Source						
Property Rates by Usage	31,091,808	18%	32,490,936	17%	33,303,216	17%
Service Charges	1,126,056	1%	1,176,720	1%	1,206,144	1%
Interest Earned on investments	4,206,564	2%	4,400,052	2%	4,593,672	2%
Interest Earned on outstanding debts	2,744,436	2%	2,870,676	2%	2,996,988	2%
Rental from Fixed Assets	1,053,732	1%	1,102,212	1%	1,150,716	1%
Licences or Permits	2,888,208	2%	3,021,072	2%	3,153,984	2%
Other Operational Revenue	1,789,020	1%	8,077,308	4%	8,440,656	4%
Fines Penalties and Forfeits	31,560	0%	33,012	0%	34,464	0%
Operational Grants	108,575,760.00	62%	109,075,992.00	59%	113,914,608.00	59%
Capital Grants	22,210,260.00	13%	23,760,984.00	13%	24,686,664.00	13%
Total Expenditure	**175,717,404**	**100%**	**186,008,964**	**100%**	**193,481,112**	**100%**



Revenue generated from **rates and services charges** forms an insignificant percentage of the revenue basket for the Richmond Municipality when compared to Transfers and Subsidies. Rates and service charges revenues comprise less than 19 per cent of the total revenue mix. In the 2025/26 financial year, revenue from rates and services charges totaled R32 million or 19 per cent. This increased to R34 million and R35 million in the respective outer financial years of the MTREF.

Total grants and transfers totals R 130,7 million in the 2025/26 financial year and remained fairly the same at R 131 million in 2025/27 with an increase in 2027/28 financial year amounting to R 137 million. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

KZN227 Richmond - Supporting Table SA18 Transfers and grant receipts										
Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		98,146	96,615	95,994	102,354	102,354	101,305	103,511	101,792	106,386
Expanded Public Works Programme Integrated Grant		1,101	1,287	1,125	1,410	1,410	1,410	2,054	–	–
Local Government Financial Management Grant		1,850	1,950	1,950	1,900	1,900	1,900	2,000	2,200	2,300
Municipal Infrastructure Grant		16,889	7,000	–	1,049	1,049	0	1,096	1,174	1,219
Equitable Share		78,306	86,378	92,919	97,995	97,995	97,995	98,361	98,418	102,867
Provincial Government:		**3,048**	**6,454**	**3,700**	**3,860**	**4,960**	**5,883**	**5,065**	**5,230**	**5,474**
Specify (Add grant description)		–	–	500	–	1,100	–	–	–	–
Specify (Add grant description)		–	3,200	3,200	–	–	–	5,065	5,230	5,474
Specify (Add grant description)		–	3,000	–	–	–	2,000	–	–	–
Specify (Add grant description)		3,048	254	–	3,860	3,860	3,883	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	**101,194**	**103,069**	**99,694**	**106,214**	**107,314**	**107,188**	**108,576**	**107,022**	**111,860**
Capital Transfers and Grants										
National Government:		17,322	16,211	22,331	19,925	19,925	20,974	20,819	22,306	23,168
Municipal Infrastructure Grant		10,377	13,511	22,331	19,925	19,925	20,974	20,819	22,306	23,168
Integrated National Electrification Programme Grant		6,945	2,700	–	–	–	–	–	–	–
Provincial Government:		(266)	5,200	323	2,200	2,200	2,827	1,391	–	–
Specify (Add grant description)		–	–	–	1,000	1,000	359	1,391	–	–
Specify (Add grant description)		(266)	–	323	–	–	168	–	–	–
Specify (Add grant description)		–	5,200	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	–	1,200	1,200	2,300	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	**17,056**	**21,411**	**22,654**	**22,125**	**22,125**	**23,801**	**22,210**	**22,306**	**23,168**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	118,250	124,480	122,348	128,339	129,439	130,989	130,786	129,328	135,028

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were considered to ensure the financial sustainability of the municipality. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. The municipality has provisionally increased rates and domestic refuse charges by 4.4%.

1.4.1 Property Rates

The municipality has applied a 4.4% tariff increase in the property rates for the 2025/26 budget year per the Richmond Council resolution during March 2025.

In compliance with Section 32(1) of the Municipal Property Rates Act, No. 6 of 2004, the Municipality implemented a new general valuation roll effective from 1 July 2022. This valuation roll remains valid for a five-year cycle, concluding on 30 June 2027. The 2025/2026 financial year will mark the fourth year of implementation of this current roll.

The increase in overall property values reflected in the 2025/2026 financial year, when compared to the 2024/2025 period, is primarily attributed to the inclusion of properties categorized under "Public Service Purposes." These properties were previously omitted from the valuation roll and have now been incorporated.

Property rates contribute towards covering the costs of the provision of general services. National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the MPRA, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R 15 000 of the market value of a residential property is excluded from the ratable value (Section 17h of the MPRA). In addition to this rebate, a further R 35 000 reduction on the market value of a residential property will be granted in terms of the municipality's property rates policy;
- Rebates will be granted to registered indigents in terms of the Indigent Policy;
- For the aged a maximum rebate of 80 per cent will be granted to the owners of residential ratable property. In this regard the following stipulations are relevant:
- The ratable property concerned must be occupied only by the applicant and his/her spouse, if any. (Other stipulations are contained in the policy)
- The municipality may grant a 100 per cent grant-in-aid on the assessment rates of ratable properties of certain classes such as registered welfare organizations provided they are registered and comply with the requirements as referred to in the Property rates Policy.

- The municipality has resolved to further reduce the value upon which rates will be levied by an amount not exceeding R50 000 in respect of all agricultural properties which are bona fide farmers.

Table 5 Comparison of proposed rates to levied for the 2025/26 financial year:

Property Rate Category	**Current Tariff (1 July 2024)**	**Proposed Tariff (from 1 July 2025)**	**% Increase**	**Rate Ratio**
Residential	0.00924404	0.009650778	4.40%	8%
Industrial	0.018662655	0.019483812	4.40%	17%
Business and Commercial	0.018662655	0.019483812	4.40%	17%
Agricultural	0.002310983	0.002412666	4.40%	2%
Public Service Purposes	0.018662655	0.019483812	4.40%	17%
Public Service Infrastructure	0.002310983	0.002412666	4.40%	2%
Public Benefit Organization	0.002310983	0.002412666	4.40%	2%
Communal Property	0.002310983	0.002412666	4.40%	2%
Municipal	0.002310983	0.002412666	4.40%	2%
Protected Area	0.002310983	0.002412666	4.40%	2%
Place of Worship	0.002310983	0.002412666	4.40%	2%
Vacant land	0.028103295	0.02933984	4.40%	26%

1.4.2 Refuse Removal and Impact of Tariff Increases

Currently waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long term. The municipality has therefore reviewed the tariffs in respect of commercial users and attempted to apply an increase that would address this issue. Further to the above the tariff charge will be raised per unit and not per property. Richmond Local Municipality is currently implementing and evaluating the tariff tool which is meant to capture the correct pricing of refuse removal services offered by the municipality. The aim is not only to provide affordable services but also to ensure sustainability of these services for the future.

A 4.4 per cent increase in the waste removal tariff for domestic and commercial users is proposed from 1 July 2025. Currently indigent residential consumers are subsidized in full for refuse removal.

Table 6 Comparison between current waste removal fees and increases

Category	Current Tariffs 2025/26	Proposed Tariffs 2025/26	% Increase
Refuse removal residential once a week	59.29	61.90	4.40%
Refuse – Residential complex	913.42	953.61	4.40%
Commercial twice a week	471.89	492.65	4.40%
Commercial five times a week	1825.78	1906.11	4.40%
Commercial bulk	3653.67	3814.43	4.40%
Commercial daily	4384.4	4577.31	4.40%
Hire of Skipper bin	5033.12	5254.58	4.40%

The Indigent and Basic Services Policy state that; In respect of household refuse removal, the relief granted shall be a rebate of 100% on the monthly amount billed for the service concerned. Furthermore, the relief shall be granted to households living on properties with a market value of not more than R200 000, which can be classified as low-cost housing".

1.4.3 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been increased by 4.4% per the council approved municipality tariffs.

The municipality is aiming for tariffs that are cost reflective and is currently looking at ways to reduce costs and increase efficiencies in order for this trading service to be sustainable. The municipality is currently applying and evaluate how better to apply the tariffs per National Treasury Tariff Tool.

Table 7 MBRR Table SA14 – Household bills

KZN227 Richmond - Supporting Table SA14 Household bills

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Rand/cent								% incr.			
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		324.00	324.00	324.00	350.00	350.00	350.00	28.60%	450.00	450.00	450.00
Electricity: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Electricity: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Water: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Water: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Sanitation		–	–	–	–	–	–	0.00%	–	-	-
Refuse removal		40.00	40.00	50.00	60.00	70.00	80.00	33.30%	80.00	90.00	90.00
Other		–	–	–	–	–	–	0.00%	–	-	-
sub-total		**364.00**	**364.00**	**374.00**	**410.00**	**420.00**	**430.00**	**29.3%**	**530.00**	**540.00**	**540.00**
VAT on Services		–	–	–	–	–	–	0.00%	–	-	-
Total large household bill:		**364.00**	**364.00**	**374.00**	**410.00**	**420.00**	**430.00**	**29.3%**	**530.00**	**540.00**	**540.00**
% increase/-decrease		**–**	**–**	**2.7%**	**9.6%**	**2.4%**	**2.4%**	**(99.9%)**	**23.3%**	**1.9%**	**–**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		150.00	150.00	150.00	150.00	150.00	150.00	0.00%	150.00	150.00	150.00
Electricity: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Electricity: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Water: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Water: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Sanitation		–	–	–	–	–	–	0.00%	–	-	-
Refuse removal		–	–	–	–	–	–	0.00%	–	-	-
Other		–	–	–	–	–	–	0.00%	–	-	-
sub-total		**150.00**	**150.00**	**150.00**	**150.00**	**150.00**	**150.00**	**–**	**150.00**	**150.00**	**150.00**
VAT on Services		–	–	–	–	–	–	0.00%	–	-	-
Total small household bill:		**150.00**	**150.00**	**150.00**	**150.00**	**150.00**	**150.00**	**–**	**150.00**	**150.00**	**150.00**
% increase/-decrease		**–**	**–**	**–**	**–**	**–**	**–**	**(100.0%)**	**–**	**–**	**–**
				-	-	-	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–	0.00%	–	-	-
Electricity: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Electricity: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Water: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Water: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Sanitation		–	–	–	–	–	–	0.00%	–	-	-
Refuse removal		52.00	53.00	54.00	55.00	56.00	57.00	3.60%	57.00	58.00	59.00
Other		–	–	–	–	–	–	0.00%	–	-	-
sub-total		**52.00**	**53.00**	**54.00**	**55.00**	**56.00**	**57.00**	**3.6%**	**57.00**	**58.00**	**59.00**
VAT on Services		–	–	–	–	–	–	0.00%	–	-	-
Total small household bill:		**52.00**	**53.00**	**54.00**	**55.00**	**56.00**	**57.00**	**3.6%**	**57.00**	**58.00**	**59.00**
% increase/-decrease		**–**	**1.9%**	**1.9%**	**1.9%**	**1.8%**	**1.8%**	**(99.9%)**	**–**	**1.8%**	**1.7%**

1.4.4 Rental of facilities and Equipment

The municipality has increased the budget for rental of facilities and equipment from R 1 million in the 2024/25 adjustment budget to R 1,05 million in the 2025/26 budget year. The CPI was further applied in the 2026/27 and 2027/28 outer years.

1.4.5 Interest earned from External Investments

The municipality has budgeted R4,2 million in the Interest Earned from External Investments for the 2025/2026 budget year which is aligned with the latest interest rate market is SA. The Municipality will continue implementing aggressive investment strategies in the 2025/2026 financial year to maximize returns. The CPI was further applied in the 2026/27 and 2027/28 outer years.

1.4.6 Licenses and permits

The municipality has applied a CPI percentage increment for license and permits that resulting to the budget being increased by only 4.4%. The CPI was further applied in the 2026/27 and 2027/28 outer years.

1.4.7 Transfers recognized

Transfers recognized contributes to about 74 per cent of the total operating income of the municipality.

1.4.8 Other operational Revenue

The municipality has budgeted for other income at R 1,3 million in the 2025/26 budget year. This amount included all anticipated insurance claims to be received by the municipality. The amount was increased in the 2027 budget year by the amount to be received from INEP per Dora of R 6,2 million and R 6,5 million in 2028. The CPI was further applied in the 2026/27 and 2027/28 outer years.

1.5 Operating Expenditure Framework

The Richmond's expenditure framework for the 2025/26 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the 2025/26 budget and MTREF (classified per main type of operating expenditure):

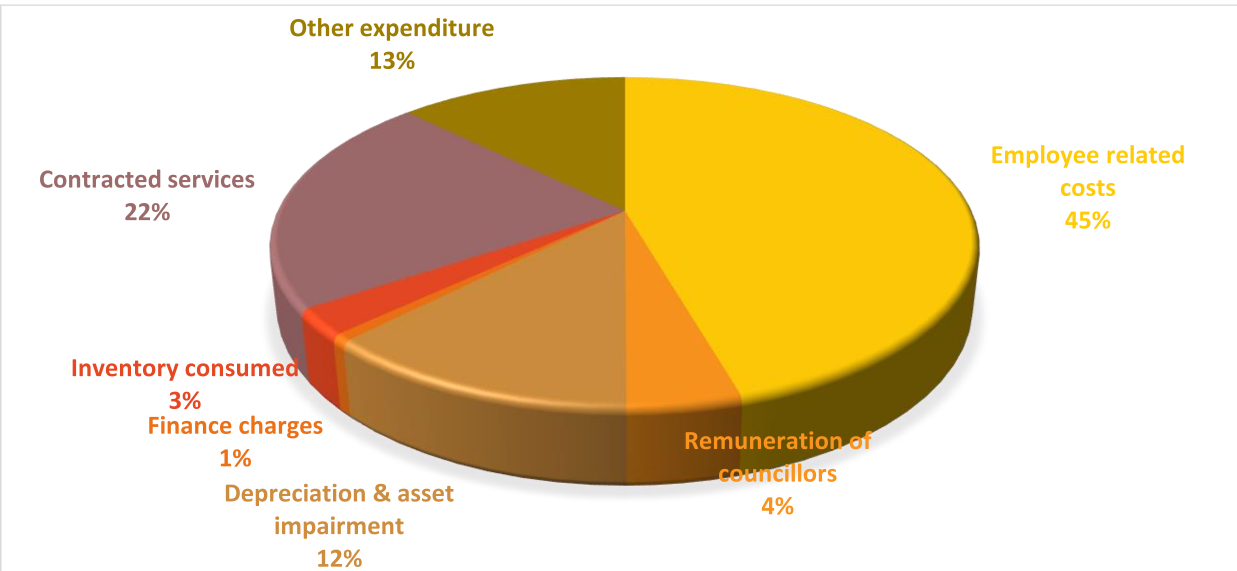
Table 8 Summary of operating expenditure by standard classification item

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure											
Employee related costs	2	59,042	62,291	70,246	73,130	72,985	72,985	70,390	78,361	81,965	85,572
Remuneration of councillors		5,977	6,051	6,549	7,219	7,219	7,219	5,982	7,590	7,939	8,289
Bulk purchases - electricity	2	–	–	–	–	–	–	–	–	–	–
Inventory consumed	8	4,755	8,299	4,705	3,704	4,478	4,478	3,058	4,475	4,681	4,887
Debt impairment	3	4,535	12,776	5,551	6,782	6,782	6,782	3,558	4,468	4,674	4,879
Depreciation and amortisation		20,455	16,189	16,611	20,456	20,456	20,456	14,229	21,358	22,341	23,324
Interest		8	63	33	421	1,110	1,110	12	1,159	1,212	1,266
Contracted services		28,769	29,840	38,964	35,552	34,757	34,757	27,019	37,480	45,410	47,415
Transfers and subsidies		590	556	523	–	–	–	–	–	–	–
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–
Operational costs		16,179	17,639	25,867	25,718	24,539	24,539	19,814	22,060	23,075	24,090
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**140,309**	**153,706**	**169,050**	**172,981**	**172,326**	**172,326**	**144,062**	**176,951**	**191,297**	**199,722**

Table 9 Percentage growth in operating expenditure by main expenditure source

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)						
Description	**Budget Year 2025/26**	**%**	**Budget Year +1 2026/27**	**%**	**Budget Year +1 2027/28**	**%**
Expenditure by Type						
Employee related costs	78,360,792	44%	81,965,448	43%	85,571,880	43%
Remuneration of councillors	7,590,300	4%	7,939,464	4%	8,288,772	4%
Depreciation & asset impairment	21,358,380	12%	22,340,868	12%	23,323,860	12%
Finance charges	1,159,128	1%	1,212,432	1%	1,265,784	1%
Inventory consumed	4,475,200.00	3%	4,681,068.00	2%	4,887,000.00	2%
Contracted services	37,479,596	21%	45,409,668	24%	47,415,480	24%
Other expenditure	21,688,132	12%	22,685,796	12%	23,683,932	12%
Operating Leases	371,760.00	0%	388,848.00	0%	405,972.00	0%
Debt impairment	4,468,000.00	3%	4,673,544.00	2%	4,879,176.00	2%
Total Expenditure	**176,951,288**	**100%**	**191,297,136**	**100%**	**199,721,856**	**100%**



1.5.1 Employee Related Costs

The budgeted allocation for employee related costs for the 2025/26 financial year totals R78 million, which equals 44% of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 4.4 +0.75 per cent for the 2025/26 financial year.

An annual increase of CPI +0.75 per cent has been included for the budget outer years. The budget has also been drawn up considering the budgeting for applicable annual notch increases.

1.5.2 Remuneration of Councilors

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). A 4.4 per cent increase has been factored into the budget for the 2024/25 financial year.

The municipality is legislated to have a full-time mayor, full time speaker, full time deputy mayor, part time member of the executive committee and part time councilors. The positions of full-time speaker and deputy mayor were Gazetted and effective from April.

1.5.3 Depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R21 million for the 2025/26 financial and equates to 12 per cent of the total operating expenditure.

1.5.4 Finance charges

The finance charges budgeted for under Table A4 relates to bank charges, finance charges on the lease of Photocopiers and unwinding of landfill site provision (Which takes place at the end of the year).

1.5.5 Inventory Consumed

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. During the compilation of the 2024/2025 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure.

The inventory consumed for the 2025/26 financial year is R 4,7 million and CPI was applied for the outer years. Most the items included under this line item addressed the repairs (tar hot mix and disaster items for materials and supplies needed).

1.5.6 Contracted Services

The municipality has budgeted R 38 million for Contracted Services for the budget year 2025/2026. These items where combination of items per departmental engagements and also public consultations. The CPI was applied for the outer years. Main items budgeted under this line item was Landfill site, security and legal fees.

Furthermore, the contracted services have been identified as a cost saving area for the Richmond Municipality. As part of the compilation of the 2025/26 MTREF this group of expenditure was critically evaluated, and operational inefficiencies were noted.

1.5.7 Other expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The budget for the 2025/26 is R 22 million and CPI was applied for the outer years

1.6 Capital expenditure

Municipal Infrastructure grant

Number	Projects	Amount
1	Upgrade of Greater Indaleni Passages - Upgrading of Slahla Access Road to Black Top Surface in Ward 2	5,057,400
2	Upgrading of Stormwater in Ward 7 (Khetho to Mjintini)	5,306,040
3	Purchase of Grader and excavator	10,455,816
		20,819,256

Integrated Funded Capital Projects

	Projects	Amount
1	Malufume - sport ground-Goalpost and grandstands	200,000
2	Ward 4- sport ground- Goalpost and grandstands	200,000
3	LED car port	69996
4	Khetho and Mjintini Stormwater	5306040
6	Upgrading of Slahla Access road	5057400
7	Armoury	249996
8	Pavement of walkway/driveway	249996
9	Malufume – sportground	200004
10	Goalpost and grandstands - ward 4	200004
11	Laptop Finance	600000
12	Procurement of OMM boardroom chairs	80004
13	Planning office furniture	60996
14	Office chair per department	69996
15	New community chairs	200004
16	Procurement of Time and attendance system	350004
17	Aircon Replacement project	450000
18	Roads brush cutter machine	90000
19	Community brush cutter machine	90000

Table 10 MBRR Table A1 - Budget Summary

KZN227 Richmond - Table A1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance										
Property rates	19,285	27,115	28,871	28,889	28,889	28,889	28,889	31,092	32,491	33,303
Service charges	923	966	1,023	1,079	1,079	1,079	1,079	1,126	1,177	1,206
Investment revenue	1,384	3,018	2,939	3,602	3,519	3,519	3,519	3,673	3,842	4,011
Transfer and subsidies - Operational	84,762	98,889	99,868	106,214	106,477	106,477	106,477	108,576	109,076	113,915
Other own revenue	9,125	8,862	15,208	10,981	8,659	8,659	8,659	9,040	15,662	16,359
Total Revenue (excluding capital transfers and contributions)	115,479	138,851	147,909	150,764	148,622	148,622	148,622	153,507	162,248	168,794
Employee costs	59,042	62,291	70,246	73,130	72,985	72,985	72,985	78,361	81,965	85,572
Remuneration of councillors	5,977	6,051	6,549	7,219	7,219	7,219	7,219	7,590	7,939	8,289
Depreciation and amortisation	20,455	16,189	16,611	20,456	20,456	20,456	20,456	21,358	22,341	23,324
Interest	8	63	33	421	1,110	1,110	1,110	1,159	1,212	1,266
Inventory consumed and bulk purchases	4,755	8,299	4,705	3,704	4,478	4,478	4,478	4,475	4,681	4,887
Transfers and subsidies	590	556	523	–	–	–	–	–	–	–
Other expenditure	49,483	60,255	70,382	68,051	66,078	66,078	66,078	64,008	73,158	76,385
Total Expenditure	140,309	153,706	169,050	172,981	172,326	172,326	172,326	176,951	191,297	199,722
Surplus/(Deficit)	(24,831)	(14,855)	(21,140)	(22,217)	(23,704)	(23,704)	(23,704)	(23,444)	(29,049)	(30,927)
Transfers and subsidies - capital (monetary allocations)	26,810	20,134	22,213	22,125	23,225	23,225	18,134	22,210	23,761	24,687
Transfers and subsidies - capital (in-kind)	21	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	2,000	5,279	1,073	(92)	(479)	(479)	(5,570)	(1,234)	(5,288)	(6,241)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	2,000	5,279	1,073	(92)	(479)	(479)	(5,570)	(1,234)	(5,288)	(6,241)
Capital expenditure & funds sources										
Capital expenditure	21,110	53,495	21,935	24,090	44,731	44,731	21,927	23,780	23,176	23,432
Transfers recognised - capital	19,788	48,941	18,446	22,214	23,314	23,314	19,701	20,819	21,777	22,735
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	961	3,832	3,361	–	289	289	350	2,961	1,400	697
Total sources of capital funds	20,749	52,774	21,807	22,214	23,603	23,603	20,052	23,780	23,176	23,432
Financial position										
Total current assets	38,803	29,710	24,679	37,223	33,878	33,878	42,792	32,397	28,073	29,562
Total non current assets	359,208	369,646	373,265	377,700	398,340	398,340	378,650	390,438	406,633	423,696
Total current liabilities	26,516	22,404	23,902	19,287	19,034	19,034	26,809	14,860	6,552	7,050
Total non current liabilities	17,516	18,890	14,565	16,664	34,599	34,599	16,015	18,115	18,949	19,782
Community wealth/Equity	354,161	358,062	359,477	378,972	378,586	378,586	388,369	389,860	409,205	426,425
Cash flows										
Net cash from (used) operating	274,086	244,274	233,252	36,039	30,731	30,731	30,731	27,869	31,969	33,376
Net cash from (used) investing	(27,368)	(28,249)	(23,167)	(24,309)	(26,647)	(26,647)	(26,647)	(23,780)	(23,706)	(23,864)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	267,760	242,927	228,827	33,325	25,679	25,679	25,679	16,505	24,769	34,280
Cash backing/surplus reconciliation										
Non current Investments	11,403	7,078	5,022	4,527	4,263	4,263	11,818	5,235	(3,509)	(3,573)
Statutory requirements	5,324	3,391	(2,495)	11,664	8,604	8,604	8,257	18,167	21,331	22,503
Balance - surplus (shortfall)	6,080	3,687	7,517	(7,138)	(4,341)	(4,341)	3,562	(12,931)	(24,840)	(26,076)
Asset management										
Asset register summary (WDV)	330,928	352,223	337,203	355,757	375,298	375,298	375,298	363,753	379,055	395,178
Depreciation	20,447	16,189	16,611	20,456	20,456	20,456	20,456	21,358	22,341	23,324
Renewal and Upgrading of Existing Assets	9,389	15,730	10,833	21,785	22,825	22,825	22,825	10,563	10,840	11,317
Repairs and Maintenance	6,720	12,783	13,347	10,735	11,158	11,158	11,158	18,444	19,293	20,141

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Richmond's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Table 11 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN227 Richmond - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional										
Governance and administration		**61,223**	**91,067**	**132,507**	**137,713**	**138,083**	**138,083**	**132,913**	**134,891**	**136,183**
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		61,223	91,067	132,507	137,713	138,083	138,083	132,913	134,891	136,183
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**49,119**	**38,151**	**3,390**	**4,079**	**4,421**	**4,421**	**8,710**	**8,946**	**13,653**
Community and social services		49,119	38,151	3,390	4,068	4,147	4,147	8,699	8,934	13,641
Sport and recreation		–	1	–	10	10	10	11	11	12
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	263	263	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**30,697**	**28,467**	**32,840**	**29,643**	**27,850**	**27,850**	**27,039**	**35,046**	**36,470**
Planning and development		28,763	20,985	22,855	23,589	24,730	24,730	23,782	25,433	26,426
Road transport		1,935	7,482	9,984	6,054	3,120	3,120	3,257	9,613	10,044
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**1,270**	**1,299**	**1,386**	**1,454**	**1,494**	**1,494**	**7,055**	**7,126**	**7,175**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		1,270	1,299	1,386	1,454	1,494	1,494	7,055	7,126	7,175
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**142,310**	**158,985**	**170,123**	**172,889**	**171,847**	**171,847**	**175,717**	**186,009**	**193,481**
Expenditure - Functional										
Governance and administration		**62,793**	**68,636**	**69,474**	**73,406**	**74,230**	**74,230**	**72,935**	**76,290**	**79,647**
Executive and council		17,135	16,863	19,422	19,307	20,872	20,872	21,302	22,282	23,262
Finance and administration		44,150	50,246	48,476	52,456	51,715	51,715	49,906	52,202	54,498
Internal audit		1,507	1,527	1,576	1,643	1,643	1,643	1,727	1,807	1,886
Community and public safety		**24,118**	**23,921**	**26,771**	**26,144**	**26,730**	**26,730**	**30,526**	**31,930**	**33,335**
Community and social services		20,376	20,024	22,557	21,592	22,138	22,138	24,368	25,489	26,611
Sport and recreation		3,280	3,473	3,745	4,056	4,096	4,096	5,637	5,896	6,155
Public safety		72	–	–	–	–	–	–	–	–
Housing		389	424	469	496	496	496	521	545	569
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**46,648**	**53,604**	**65,754**	**65,486**	**63,972**	**63,972**	**65,886**	**75,123**	**78,437**
Planning and development		7,655	8,537	11,000	11,940	11,948	11,948	12,840	13,430	14,021
Road transport		38,992	45,067	54,754	53,546	52,023	52,023	53,047	61,693	64,415
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**6,751**	**7,545**	**7,050**	**7,945**	**7,394**	**7,394**	**7,603**	**7,953**	**8,303**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		502	456	493	516	536	536	497	520	543
Waste management		6,250	7,089	6,558	7,429	6,858	6,858	7,106	7,433	7,760
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	**140,309**	**153,706**	**169,050**	**172,981**	**172,326**	**172,326**	**176,951**	**191,297**	**199,722**
Surplus/(Deficit) for the year		**2,000**	**5,279**	**1,073**	**(92)**	**(479)**	**(479)**	**(1,234)**	**(5,288)**	**(6,241)**

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.
2. The Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.

Table 12 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN227 Richmond - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Executive And Council		–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		61,223	91,067	132,507	137,713	138,083	138,083	132,913	134,891	136,183
Vote 3 - Housing		–	–	–	–	263	263	–	–	–
Vote 4 - Community and Social Services		49,119	38,151	3,390	4,068	4,147	4,147	8,537	8,766	13,465
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		28,763	20,985	22,855	23,589	24,730	24,730	21,915	23,480	24,387
Vote 7 - Road Transport		1,935	7,482	9,984	6,054	3,120	3,120	3,257	9,613	10,044
Vote 8 - Sport and Recreation		–	1	–	10	10	10	11	11	12
Vote 9 - Waste Management		1,270	1,299	1,386	1,454	1,494	1,494	7,055	7,126	7,175
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**142,310**	**158,985**	**170,123**	**172,889**	**171,847**	**171,847**	**173,689**	**183,887**	**191,266**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Executive And Council		17,135	16,863	19,422	19,307	20,872	20,872	21,302	22,282	23,262
Vote 2 - Finance and administration		44,150	50,246	48,476	52,456	51,715	51,715	49,906	52,202	54,498
Vote 3 - Housing		389	424	469	496	496	496	521	545	569
Vote 4 - Community and Social Services		20,376	20,024	22,557	21,442	21,982	21,982	21,718	22,718	23,717
Vote 5 - Internal Audit		1,507	1,527	1,576	1,643	1,643	1,643	1,727	1,807	1,886
Vote 6 - Planning and Development		7,655	8,537	11,000	11,940	11,948	11,948	1,131	1,183	1,235
Vote 7 - Road Transport		39,065	45,067	54,754	53,546	52,023	52,023	53,047	61,693	64,415
Vote 8 - Sport and Recreation		3,280	3,473	3,745	4,056	4,096	4,096	5,637	5,896	6,155
Vote 9 - Waste Management		6,250	7,089	6,558	7,429	6,858	6,858	7,106	7,433	7,760
Vote 10 - Waste Water Management		502	456	493	516	536	536	497	520	543
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**140,309**	**153,706**	**169,050**	**172,831**	**172,170**	**172,170**	**162,593**	**176,278**	**184,042**
Surplus/(Deficit) for the year	2	**2,000**	**5,279**	**1,073**	**58**	**(323)**	**(323)**	**11,096**	**7,609**	**7,224**

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Richmond. This means it is possible to present the operating surplus or deficit of a vote.

Table 13 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	–	–	–	–	–	–	–	–	–	–
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	2	923	966	1,023	1,079	1,079	1,079	939	1,126	1,177	1,206
Sale of Goods and Rendering of Services		436	326	7,352	3,571	502	502	436	524	6,755	7,060
Agency services		–	–	–	–	–	–	–	–	–	–
Interest		99	130	139	144	24	24	14	25	26	27
Interest earned from Receivables		297	278	291	299	487	487	438	508	532	555
Interest earned from Current and Non Current Assets		1,384	3,018	2,939	3,602	3,519	3,519	2,534	3,673	3,842	4,011
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1,089	1,094	899	910	1,009	1,009	1,061	1,054	1,102	1,151
Licence and permits		8	12	11	13	37	37	26	39	40	42
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		1,359	774	1,145	945	1,211	1,211	999	1,265	1,323	1,381
Non-Exchange Revenue											
Property rates	2	19,285	27,115	28,871	28,889	28,889	28,889	29,410	31,092	32,491	33,303
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		3,889	3,695	2,952	2,376	30	30	7	32	33	34
Licences or permits		1,927	2,553	2,419	2,723	2,729	2,729	2,498	2,850	2,981	3,112
Transfer and subsidies - Operational		84,762	98,889	99,868	106,214	106,477	106,477	105,022	108,576	109,076	113,915
Interest		–	–	–	–	2,629	2,629	2,424	2,744	2,871	2,997
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Gains		22	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and conti		**115,479**	**138,851**	**147,909**	**150,764**	**148,622**	**148,622**	**145,807**	**153,507**	**162,248**	**168,794**
Expenditure											
Employee related costs	2	59,042	62,291	70,246	73,130	72,985	72,985	70,390	78,361	81,965	85,572
Remuneration of councillors		5,977	6,051	6,549	7,219	7,219	7,219	5,982	7,590	7,939	8,289
Bulk purchases - electricity	2	–	–	–	–	–	–	–	–	–	–
Inventory consumed	8	4,755	8,299	4,705	3,704	4,478	4,478	3,058	4,475	4,681	4,887
Debt impairment	3	4,535	12,776	5,551	6,782	6,782	6,782	3,558	4,468	4,674	4,879
Depreciation and amortisation		20,455	16,189	16,611	20,456	20,456	20,456	14,229	21,358	22,341	23,324
Interest		8	63	33	421	1,110	1,110	12	1,159	1,212	1,266
Contracted services		28,769	29,840	38,964	35,552	34,757	34,757	27,019	37,480	45,410	47,415
Transfers and subsidies		590	556	523	–	–	–	–	–	–	–
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–
Operational costs		16,179	17,639	25,867	25,718	24,539	24,539	19,814	22,060	23,075	24,090
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**140,309**	**153,706**	**169,050**	**172,981**	**172,326**	**172,326**	**144,062**	**176,951**	**191,297**	**199,722**
Surplus/(Deficit)		**(24,831)**	**(14,855)**	**(21,140)**	**(22,217)**	**(23,704)**	**(23,704)**	**1,745**	**(23,444)**	**(29,049)**	**(30,927)**
Transfers and subsidies - capital (monetary allocations)	6	26,810	20,134	22,213	22,125	23,225	23,225	18,134	22,210	23,761	24,687
Transfers and subsidies - capital (in-kind)	6	21	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**2,000**	**5,279**	**1,073**	**(92)**	**(479)**	**(479)**	**19,879**	**(1,234)**	**(5,288)**	**(6,241)**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total operational revenue is R 148 million in 2024/25 and increases to R 154 million 2025/26
2. Revenue to be generated from property rates is R 31 million in the 2025/26 financial year and increases to R 32 million in the 2026/27 and to R33 million in the 2027/28 financial year.

Table 14 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN227 Richmond - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28

Single-year expenditure ***to be appropriated***	2										
Vote 1 - Executive And Council		7	749	973	425	550	550	–	80	–	–
Vote 2 - Finance and administration		995	1,926	1,694	1,048	20,254	20,254	–	1,720	1,305	598
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		244	1,804	32	88	103	103	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		101	320	145	2,260	3,396	3,396	–	–	–	–
Vote 7 - Road Transport		19,591	43,959	19,091	20,089	20,188	20,188	–	21,159	21,777	22,735
Vote 8 - Sport and Recreation		172	–	–	150	150	150	–	–	–	–
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**21,110**	**48,758**	**21,935**	**24,060**	**44,641**	**44,641**	**–**	**22,959**	**23,082**	**23,334**
Total Capital Expenditure - Vote		**21,110**	**48,758**	**21,935**	**24,060**	**44,641**	**44,641**	**–**	**22,959**	**23,082**	**23,334**

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table 15 MBRR Table A6 - Budgeted Financial Position

KZN227 Richmond - Table A6 Budgeted Financial Position

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Current assets											
Cash and cash equivalents		26,862	18,755	11,871	25,626	22,281	22,281	27,814	22,661	17,921	19,603
Trade and other receivables from exchange transactions	1	1,868	2,320	1,016	1,025	1,025	1,025	413	146	152	136
Receivables from non-exchange transactions	1	8,832	3,934	5,603	7,192	7,192	7,192	9,447	6,145	6,396	6,060
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	(0)	135	0	–	–	–	(0)	–	–	0
VAT		1,241	4,566	5,811	3,379	3,379	3,379	4,406	3,445	3,603	3,762
Other current assets		0	0	377	–	–	–	712	–	–	–
Total current assets		**38,803**	**29,710**	**24,679**	**37,223**	**33,878**	**33,878**	**42,792**	**32,397**	**28,073**	**29,562**
Non current assets											
Investments		0	0	0	0	0	0	0	0	–	–
Investment property		1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,240	1,240	1,240
Property, plant and equipment	3	357,300	367,944	371,026	374,961	395,770	395,770	376,315	388,508	404,682	421,723
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		213	213	213	393	213	213	213	223	223	223
Intangible assets		508	302	840	1,160	1,171	1,171	936	467	488	510
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		**359,208**	**369,646**	**373,265**	**377,700**	**398,340**	**398,340**	**378,650**	**390,438**	**406,633**	**423,696**
TOTAL ASSETS		**398,011**	**399,356**	**397,944**	**414,923**	**432,218**	**432,218**	**421,443**	**422,835**	**434,705**	**453,258**
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		205	205	919	452	452	452	940	983	1,029	1,074
Consumer deposits		8	11	13	–	–	–	13	14	14	15
Trade and other payables from exchange transactions	4	12,995	13,885	13,468	13,796	13,806	13,806	9,600	4,199	4,387	4,699
Trade and other payables from non-exchange transactions	5	11,403	7,078	5,022	4,527	4,263	4,263	11,818	5,235	(3,509)	(3,573)
Provision		494	514	1,193	514	514	514	1,361	1,423	1,489	1,554
VAT		1,187	489	3,048	–	–	–	3,076	3,004	3,143	3,281
Other current liabilities		224	224	238	–	–	–	–	–	–	–
Total current liabilities		**26,516**	**22,404**	**23,902**	**19,287**	**19,034**	**19,034**	**26,809**	**14,860**	**6,552**	**7,050**
Non current liabilities											
Financial liabilities	6	591	1,163	63	691	18,994	18,994	(195)	1,159	1,212	1,266
Provision	7	10,157	10,959	8,158	9,205	8,838	8,838	9,037	9,453	9,888	10,323
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		6,767	6,767	6,344	6,767	6,767	6,767	7,173	7,503	7,848	8,193
Total non current liabilities		**17,516**	**18,890**	**14,565**	**16,664**	**34,599**	**34,599**	**16,015**	**18,115**	**18,949**	**19,782**
TOTAL LIABILITIES		**44,032**	**41,294**	**38,467**	**35,951**	**53,632**	**53,632**	**42,824**	**32,975**	**25,501**	**26,832**
NET ASSETS		**353,979**	**358,062**	**359,477**	**378,972**	**378,586**	**378,586**	**378,619**	**389,860**	**409,205**	**426,425**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	354,161	358,062	359,477	378,972	378,586	378,586	388,369	389,860	409,205	426,425
Reserves and funds	9	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	**354,161**	**358,062**	**359,477**	**378,972**	**378,586**	**378,586**	**388,369**	**389,860**	**409,205**	**426,425**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. Table A6 is supported by an extensive table of notes (SA3 which can be found in this document) providing a detailed analysis of the major components of a number of items, including:
   - Call investments deposits;
   - Consumer debtors;
   - Property, plant and equipment;
   - Trade and other payables;
   - Provisions non-current;
   - Changes in net assets; and
   - Reserves
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

Table 16 MBRR Table A7 - Budgeted Cash Flow Statement

KZN227 Richmond - Table A7 Budgeted Cash Flows											
Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		28,228	24,815	45,723	26,549	24,204	24,204	24,204	27,894	29,177	30,461
Service charges		626	795	871	969	969	969	969	1,472	1,540	1,608
Other revenue		23,895	48,843	46,560	11,443	11,768	11,768	11,768	5,403	5,651	5,900
Transfers and Subsidies - Operational	1	237,442	202,206	160,164	106,416	106,564	106,564	106,564	111,380	118,270	123,594
Transfers and Subsidies - Capital	1	48,519	38,492	51,895	25,230	23,225	23,225	23,225	20,819	22,306	23,168
Interest		328	1,155	684	3,703	6,277	6,277	6,277	6,598	6,901	7,205
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(64,952)	(72,032)	(72,645)	(137,850)	(141,164)	(141,164)	(141,164)	(145,697)	(151,876)	(158,559)
Interest		–	–	–	(421)	(1,110)	(1,110)	(1,110)	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**274,086**	**244,274**	**233,252**	**36,039**	**30,731**	**30,731**	**30,731**	**27,869**	**31,969**	**33,376**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(27,368)	(28,249)	(23,167)	(24,309)	(26,647)	(26,647)	(26,647)	(23,780)	(23,706)	(23,864)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(27,368)**	**(28,249)**	**(23,167)**	**(24,309)**	**(26,647)**	**(26,647)**	**(26,647)**	**(23,780)**	**(23,706)**	**(23,864)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**246,718**	**216,025**	**210,085**	**11,731**	**4,085**	**4,085**	**4,085**	**4,088**	**8,263**	**9,512**
Cash/cash equivalents at the year begin:	2	**21,042**	**26,902**	**18,742**	**21,594**	**21,594**	**21,594**	**21,594**	**12,417**	**16,505**	**24,769**
Cash/cash equivalents at the year end:	2	**267,760**	**242,927**	**228,827**	**33,325**	**25,679**	**25,679**	**25,679**	**16,505**	**24,769**	**34,280**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Table 17 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN227 Richmond - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at the year end	1	267,760	242,927	228,827	33,325	25,679	25,679	25,679	16,505	24,769	34,280
Other current investments > 90 days		(240,899)	(224,172)	(216,956)	(7,699)	(3,398)	(3,398)	2,135	6,156	(6,848)	(14,677)
Non current Investments	1	0	0	0	0	0	0	0	0	–	–
Cash and investments available:		**26,862**	**18,755**	**11,871**	**25,627**	**22,281**	**22,281**	**27,814**	**22,661**	**17,921**	**19,603**
Application of cash and investments											
Unspent conditional transfers		11,403	7,078	5,022	4,527	4,263	4,263	11,818	5,235	(3,509)	(3,573)
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	(54)	(4,078)	(2,763)	(3,379)	(3,379)	(3,379)	1,330	(440)	(461)	(481)
Other working capital requirements	3	9,471	11,627	10,675	12,302	12,280	12,280	7,770	(1,724)	(929)	(400)
Other provisions		718	737	1,431	514	514	514	(1,361)	1,423	1,489	1,554
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**21,538**	**15,364**	**14,366**	**13,962**	**13,677**	**13,677**	**19,558**	**4,495**	**(3,410)**	**(2,900)**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**5,324**	**3,391**	**(2,495)**	**11,664**	**8,604**	**8,604**	**8,257**	**18,167**	**21,331**	**22,503**
Creditors transferred to Debt Relief - Non-Current portion		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**5,324**	**3,391**	**(2,495)**	**11,664**	**8,604**	**8,604**	**8,257**	**18,167**	**21,331**	**22,503**

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

Table 18 MBRR Table A9 - Asset Management

KZN227 Richmond - Table A9 Asset Management

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CAPITAL EXPENDITURE										
Total New Assets	1	**11,721**	**37,765**	**11,102**	**2,305**	**21,905**	**21,905**	**13,217**	**12,336**	**12,115**
Roads Infrastructure		7,964	20,664	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	8,457	348	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***7,964***	***29,121***	***348***	–	–	–	–	–	–
Community Facilities		1,880	4,868	410	1,000	1,000	1,000	250	–	–
Sport and Recreation Facilities		495	423	7,376	–	–	–	200	–	–
Community Assets		***2,375***	***5,290***	***7,786***	***1,000***	***1,000***	***1,000***	***450***	–	–
Heritage Assets		–	–	–	**180**	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	670	261	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	***670***	***261***	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		522	–	600	220	291	291	–	–	–
Intangible Assets		***522***	–	***600***	***220***	***291***	***291***	–	–	–
Computer Equipment		**491**	**931**	**641**	**110**	**916**	**916**	**600**	**500**	**522**
Furniture and Office Equipment		**285**	**1,091**	**198**	**607**	**909**	**909**	**861**	**544**	**76**
Machinery and Equipment		**84**	**563**	**746**	**188**	**487**	**487**	**6,636**	**6,847**	**7,148**
Transport Assets		–	**769**	**784**	–	**18,302**	**18,302**	**4,000**	**4,184**	**4,368**
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	**2,051**	**2,591**	**4,359**	–	–	–	**200**	–	–
Roads Infrastructure		2,051	2,591	4,359	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***2,051***	***2,591***	***4,359***	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	200	–	–
Community Assets		–	–	–	–	–	–	***200***	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	**7,338**	**13,139**	**6,474**	**21,785**	**22,825**	**22,825**	**10,363**	**10,840**	**11,317**
Roads Infrastructure		7,338	11,478	–	3,054	3,054	3,054	5,057	5,290	5,523
Storm water Infrastructure		–	–	6,345	16,872	16,872	16,872	5,306	5,550	5,794
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***7,338***	***11,478***	***6,345***	***19,925***	***19,925***	***19,925***	***10,363***	***10,840***	***11,317***
Community Facilities		–	1,661	128	1,200	2,300	2,300	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	***1,661***	***128***	***1,200***	***2,300***	***2,300***	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	660	600	600	–	–	–
Intangible Assets		–	–	–	***660***	***600***	***600***	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	**21,110**	**53,495**	**21,935**	**24,090**	**44,731**	**44,731**	**23,780**	**23,176**	**23,432**
Roads Infrastructure		17,353	34,732	4,359	3,054	3,054	3,054	5,057	5,290	5,523
Storm water Infrastructure		–	–	6,345	16,872	16,872	16,872	5,306	5,550	5,794
Electrical Infrastructure		–	8,457	348	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***17,353***	***43,189***	***11,053***	***19,925***	***19,925***	***19,925***	***10,363***	***10,840***	***11,317***
Community Facilities		1,880	6,528	538	2,200	3,300	3,300	250	–	–
Sport and Recreation Facilities		495	423	7,376	–	–	–	400	–	–
Community Assets		***2,375***	***6,951***	***7,914***	***2,200***	***3,300***	***3,300***	***650***	–	–
Heritage Assets		–	–	–	**180**	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	670	261	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	***670***	***261***	–

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Richmond meets both these recommendations.

Table 19 MBRR Table A10 - Basic Service Delivery Measurement

KZN227 Richmond - Table A10 Basic service delivery measurement										
Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	450	450	450	450	450	450
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	457	457	457	477	496	516
Refuse (removed once a week **for indigent households**)		–	–	–	332	332	332	352	360	375
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	**–**	**–**	**–**	**788**	**788**	**788**	**829**	**856**	**890**
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	980	980	980	1,064	1,112	1,140
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	(457)	(457)	(457)	(477)	(496)	(516)
Refuse **(in excess of one removal a week for indigent households)**		294	303	317	–	–	–	(6)	2	(4)
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		**294**	**303**	**317**	**524**	**524**	**524**	**582**	**618**	**621**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Richmond's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2025) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 30 August 2025. Key dates applicable to the process were:

Key dates applicable to the process were: -

- **August 2025** : Adoption of Budget and IDP Schedule of Key deadlines;
- **September 2025**: Engagement with Sector Departments on sector specific programmes;
- **October 2025** **:** S52(d) Mayoral report on the implementation of the 2023/2024 budget and SDBIP;
- **November and December 2025**: Review of IDP strategies to ensure relevance;
- **January 2026** **:** First community consultative process, tabling of annual report 2025/2026 and Mid-Year review of Budget and SDBIP 2025/2026;
- **February 2026** **:** Adoption of adjustment budget 2026/2027 and Budget steering meeting to discuss input for first Final Budget 2026/2027;
- **March 2026** **:** Oversight report on the annual report, First Final Budget to Budget steering committee, Exco and table to Council to seek approval before community participation;

- **April 2026 :** Adoption of Final Budget 2026/2027 and the IDP;
- **June 2026:** Mayor to Sign SDBIP and submission of Budget / IDP and SDBIP to relevant structures and departments.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

The IDP has been taken into a business and financial planning process leading up to the 2024/25 MTREF, based on the approved 2023/24 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2025/26 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2025/26 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2025/26 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2025/26 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, household debt, migration patterns)
- Performance trends
- The approved 2024/25 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery
- The FMCMM assessment as tabled at council

In addition to the above, the strategic guidance given in National Treasury' MFMA Circulars 66,67, 70 72,74,75, 78, 79, 82, 85, 89, 91,93 94, 97, 98, 99, 107,108, 112, 115 and 123 has been taken into consideration in the planning and prioritization process.

2.1.4 Community Consultation

Once the Final Budget is approved by council the following community consultation process will place: -

- The Final 2025/26 MTREF will be published on the municipality's website;
- Hard copies will be made available at all municipal offices and libraries;
- Notices will be placed on municipal notice boards;
- A "budget on page document" will be prepared for ease reference and circulated on all Richmond Social Media platforms.
- Written communication will be received from the Ratepayers Association – a response will be duly forwarded, and their input considered in the Final Budget;
- All documents in the appropriate format (electronic and printed) was provided to National Treasury and Provincial Treasury in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs- input was received from Provincial Treasury and has been considered in this Final Budget.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP.

Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN227 Richmond - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
To facilitate land use management	Promotion of Sustainable Spatial Planning and Development	6										
To ensure sustainable and coordinated development throughout the municipality	Promotion of Sustainable Spatial Planning and Development	6										
To implement disaster management programmes	Promotion of Sustainable Spatial Planning and Development	6										
To promote the use of libraries, facilities and dissemination of information.	Promotion of Sustainable Spatial Planning and Development	6		3,000	3,048	3,048	3,200	3,200	3,200	3,860	5,065	5,230
To enhance road safety, law enforcement and promote the driver's license/testing.	Promotion of Sustainable Spatial Planning and Development	6		3,015	3,154	3,299	3,015	3,154	3,299	3,015	3,154	3,299
										–	–	–
To update and communicate systems that drive institutional development and enhance staff recruitment, retention and motivation.	Effective and efficient Human Resource Management and Development	1								112	117	122
To effectively manage the information communication technology systems and ICT infrastructure of the municipality.	Effective and efficient Human Resource Management and Development	1								–	–	–
To maintain good employer employee relations and improving institutional and organizational capacity	Effective and efficient Human Resource Management and Development	1								–	–	–
To strengthen governance and IGR Structures	Effective and efficient Human Resource Management and Development	1								–	–	–
										–	–	–
To provide sustainable human settlements.	Improve service delivery and infrastructure development	2								–	–	–
To provide access to proper community facilities	Improve service delivery and infrastructure development	2								–	–	–
To ensure the role-out of electrification projects throughout the municipality	Improve service delivery and infrastructure development	2			6,633	2,700	9,920	8,000	8,000	3,105	4,116	–
To provide safe and reliable waste management services	Improve service delivery and infrastructure development	2								–	–	–
To improve accessibility through maintenance and road infrastructure provision.	Improve service delivery and infrastructure development	2								10,011	1,091	1,168
										–	–	–
To promote economic development and economic growth	Development of local economy and provide support	3			3,000	5,200				1,000	–	–
To promote tourism industry and identify tourism opportunities	Development of local economy and provide support	3								1,200	–	–
To support skills development and economic growth	Development of local economy and provide support	3		1,000	1,101	1,287	1,125	1,125	1,125	1,410	–	–
To promote job creation in the green economy sector	Development of local economy and provide support	3								–	–	–
										–	–	–
To improve financial viability and sound financial management as per MFMA	Achieve efficient and effective Financial Management	4			1,850	1,950	1,950	1,950	1,950	1,900	2,000	2,200
To effect the SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective.	Achieve efficient and effective Financial Management	4										
To ensure effective bid committees to support procurement for service delivery	Achieve efficient and effective Financial Management	4										
To ensure effective communication by strategically profiling the Municipality in line with the Mission and vision	Ensure good public relations and governance	5		108,464	120,065	130,425	131,554	131,193	131,048	127,894	146,705	156,774
To ensure compliance with Municipal by-laws and improve public participation and awareness.	Ensure good public relations and governance	5										
Ensure effective and focused communication, both within and outside the Municipality	Ensure good public relations and governance	5										
To provide reasonable assurance on the adequacy and the effectiveness of internal controls, risks and performance management	Ensure good public relations and governance	5										
To promote gender equality and protect rights of senior citizens	Ensure good public relations and governance	5										
To promote sports, art & culture and recreation throughout the municipality	Ensure good public relations and governance	5										
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**115,479**	**138,851**	**147,909**	**150,764**	**148,622**	**148,622**	**153,507**	**162,248**	**168,794**

Table 21 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

KZN227 Richmond - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
To facilitate land use management	Promotion of Sustainable Spatial Planning and Development	6		518	534	552	573	573	573	613	641	671
To ensure sustainable and coordinated development throughout the municipality	Promotion of Sustainable Spatial Planning and Development	6		2,130	2,196	2,268	2,353	2,353	2,353	2,519	2,635	2,756
To implement disaster management programmes	Promotion of Sustainable Spatial Planning and Development	6		887	915	945	980	980	980	1,049	1,098	1,148
To promote the use of libraries, facilities and dissemination of information.	Promotion of Sustainable Spatial Planning and Development	6		523	539	557	578	578	578	619	647	677
To enhance road safety, law enforcement and promote the driver's license/testing.	Promotion of Sustainable Spatial Planning and Development	6		19,455	20,056	20,719	21,493	21,493	21,493	23,012	24,071	25,178
				–	–	–	–	–	–		–	–
To update and communicate systems that drive institutional development and enhance staff recruitment, retention and motivation.	Effective and efficient Human Resource Management and Development	1		8,006	8,254	8,527	8,845	8,845	8,845	9,470	9,906	10,362
To effectively manage the information communication technology systems and ICT infrastructure of the municipality.	Effective and efficient Human Resource Management and Development	1		2,959	3,050	3,151	3,269	3,269	3,269	3,500	3,661	3,829
To maintain good employer employee relations and improving institutional and organizational capacity	Effective and efficient Human Resource Management and Development	1		38,446	50,372	61,251	68,304	68,304	68,304	73,130	76,494	80,013
To strengthen governance and IGR Structures	Effective and efficient Human Resource Management and Development	1		–	–	–	–	15,457	10,886		–	–
				–	–	–	–	–	–		–	–
To provide sustainable human settlements.	Improve service delivery and infrastructure development	2		8	8	9	9	9	9	9	10	10
To provide access to proper community facilities	Improve service delivery and infrastructure development	2		2,663	2,745	2,836	2,942	2,942	2,942	3,150	3,295	3,446
To ensure the role-out of electrification projects throughout the municipality	Improve service delivery and infrastructure development	2		–	–	–	–	–	–		–	–
To provide safe and reliable waste management services	Improve service delivery and infrastructure development	2		3,720	3,835	3,962	4,110	4,110	4,110	4,400	4,602	4,814
To improve accessibility through maintenance and road infrastructure provision.	Improve service delivery and infrastructure development	2		10,578	10,905	11,266	11,686	11,686	11,686	12,512	13,088	13,690
				–	–	–	–	–	–		–	–
To promote economic development and economic growth	Development of local economy and provide support	3		1,701	1,754	1,812	1,879	1,879	1,879	2,012	2,105	2,201
To promote tourism industry and identify tourism opportunities	Development of local economy and provide support	3		–	–	–	–	–	–		–	–
To support skills development and economic growth	Development of local economy and provide support	3		1,192	1,229	1,270	1,317	1,317	1,317	1,410	1,475	1,543
To promote job creation in the green economy sector	Development of local economy and provide support	3		–	–	–	–	–	–		–	–
				–	–	–	–	–	–		–	–
To improve financial viability and sound financial management as per MFMA	Achieve efficient and effective Financial Management	4		28,428	27,627	29,589	23,546	12,130	12,005	16,957	25,175	30,273
To effect the SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective.	Achieve efficient and effective Financial Management	4		–	–	–	–		–		–	–
To ensure effective bid committees to support procurement for service delivery	Achieve efficient and effective Financial Management	4		25	26	27	28	28	28	30	31	33
				–	–	–	–	–	–		–	–
To ensure effective communication by strategically profiling the Municipality in line with the Mission and vision	Ensure good public relations and governance	5		10,079	10,391	10,735	11,135	6,439	11,135	11,922	11,240	7,441
To ensure compliance with Municipal by-laws and improve public participation and awareness.	Ensure good public relations and governance	5		–	–	–	–	–	–		–	–
Ensure effective and focused communication, both within and outside the Municipality	Ensure good public relations and governance	5		423	436	450	467	467	467	500	523	547
To provide reasonable assurance on the adequacy and the effectiveness of internal controls, risks and performance management	Ensure good public relations and governance	5		1,587	1,636	1,690	1,753	1,753	1,753	1,877	1,963	2,054
To promote gender equality and protect rights of senior citizens	Ensure good public relations and governance	5		51	52	54	56	56	56	60	63	66
To promote sports, art & culture and recreation throughout the municipality	Ensure good public relations and governance	5		6,931	7,145	7,381	7,657	7,657	7,657	8,198	8,575	8,969
Allocations to other priorities												
Total Expenditure			1	**140,310**	**153,706**	**169,050**	**172,981**	**172,326**	**172,326**	**176,951**	**191,297**	**199,722**

Table 22 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

KZN227 Richmond - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
To facilitate land use management	Promotion of Sustainable Spatial Planning and Development	6										
To ensure sustainable and coordinated development throughout the municipality	Promotion of Sustainable Spatial Planning and Development	6										
To implement disaster management programmes	Promotion of Sustainable Spatial Planning and Development	6										
To promote the use of libraries, facilites and dissemination of information.	Promotion of Sustainable Spatial Planning and Development	6		729	729							
To enhance road safety, law enforcement and promote the driver's license/testing.	Promotion of Sustainable Spatial Planning and Development	6										
To update and communicate systems that drive institutional development and enhance staff recruitment, retention and motivation.	Effective and efficient Human Resource Management and Development	1		–	–	–	–	798	798	828	–	–
To effectively manage the information communication technology systems and ICT infrastructure of the municipality.	Effective and efficient Human Resource Management and Development	1		–	–	–	–	415	415	430	–	–
To maintain good employer employee relations and improving institutional and organizational capacity	Effective and efficient Human Resource Management and Development	1										
To strengthen governance and IGR Structures	Effective and efficient Human Resource Management and Development	1										
To provide sustainable human settlements.	Improve service delivery and infrastructure development	2										
To provide access to proper community facilies	Improve service delivery and infrastructure development	2										
To ensure the role-out of electrification projects throughout the municipality	Improve service delivery and infrastructure development	2										
To provide safe and reliable waste management services	Improve service delivery and infrastructure development	2										
To improve accessibility through maintenance and road infrastructure provision.	Improve service delivery and infrastructure development	2		20,381	48,029	21,935	1,131	20,497	20,497	18,988	–	–
To promote economic development and economic growth	Development of local economy and provide support	3			–	–	–	1,849	1,849	2,260	10,082	635
To promote tourism industry and identify tourism opportunities	Development of local economy and provide support	3										
To support skills development and economic growth	Development of local economy and provide support	3										
To promote job creation in the green economy sector	Development of local economy and provide support	3										
To improve financial viability and sound financial management as per MFMA	Achieve efficient and effective Financial Management	4										
To effect the SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective.	Achieve efficient and effective Financial Management	4										
To ensure effective bid committees to support procurement for service delivery	Achieve efficient and effective Financial Management	4										
To ensure effective communication by strategically profiling the Municipality in line with the Mission and vision	Ensure good public relations and governance	5		–	–	–	–	410	410	425	13,000	
To ensure compliance with Municipal by-laws and improve public participation and awareness.	Ensure good public relations and governance	5					22,929	20,464	20,646			
Ensure effective and focused communication, both within and outside the Municipality	Ensure good public relations and governance	5						182				
To provide reasonable assurance on the adequacy and the effectiveness of internal controls, risks and performance management	Ensure good public relations and governance	5										
To promote gender equality and protect rights of senior citizens	Ensure good public relations and governance	5										
To promote sports, art & culture and recreation throughout the municipality	Ensure good public relations and governance	5		–	–	–	–	27	27	28	–	22,699
		N O P										
Allocations to other priorities			3									
Total Capital Expenditure			1	**21,110**	**48,758**	**21,935**	**24,060**	**44,641**	**44,641**	**22,959**	**23,082**	**23,334**

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The planning, budgeting and reporting cycle can be graphically illustrated as follows

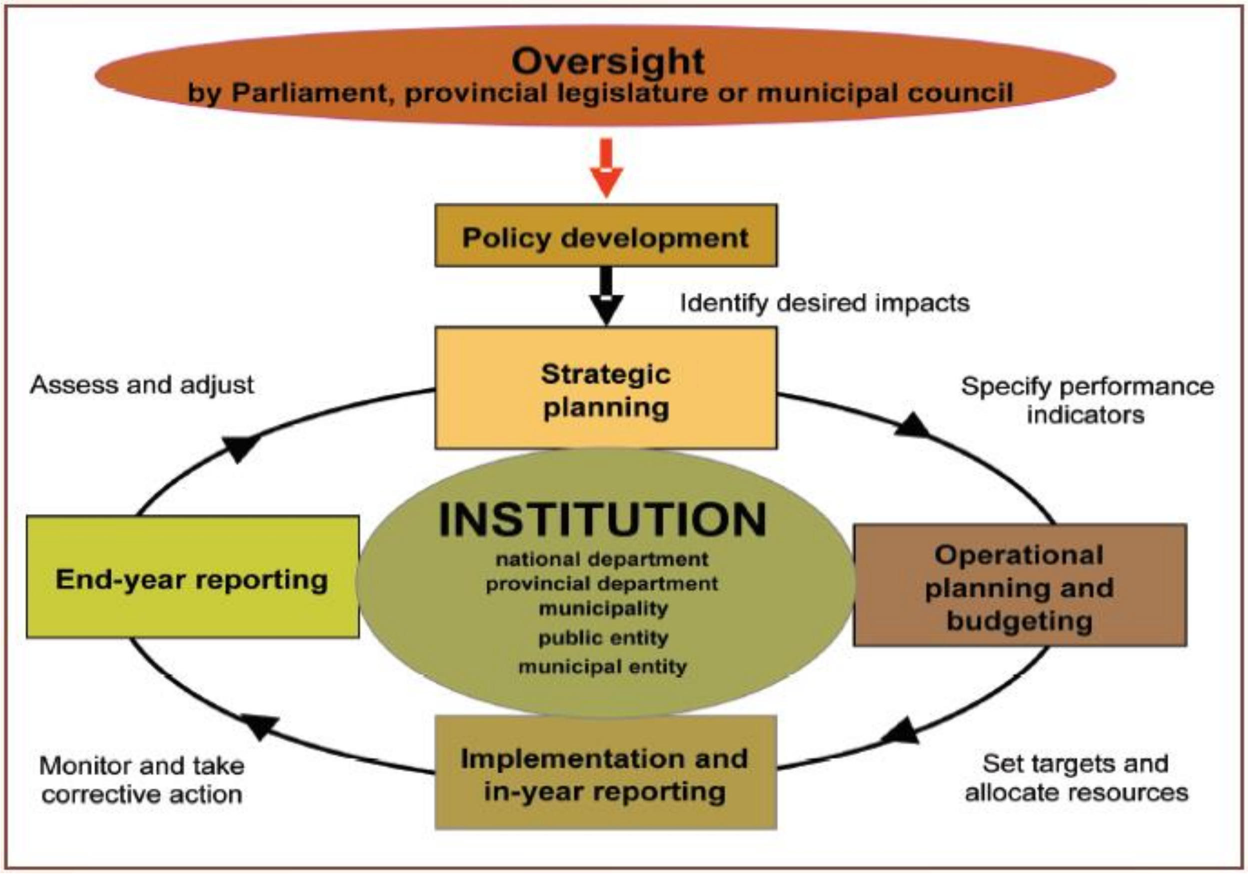


Figure 1 Planning, budgeting and reporting cycle

2.3.1 Performance indicators and benchmarks

2.3.1.1 Liquidity

- Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. Going forward it will be necessary to maintain these levels.
- The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

2.3.1.2 Revenue Management

- As part of the financial sustainability strategy, the debt collection and credit control policy has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears more than 90 days.

2.3.1.3 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. The municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favorable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

The performance information concepts used by Richmond in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

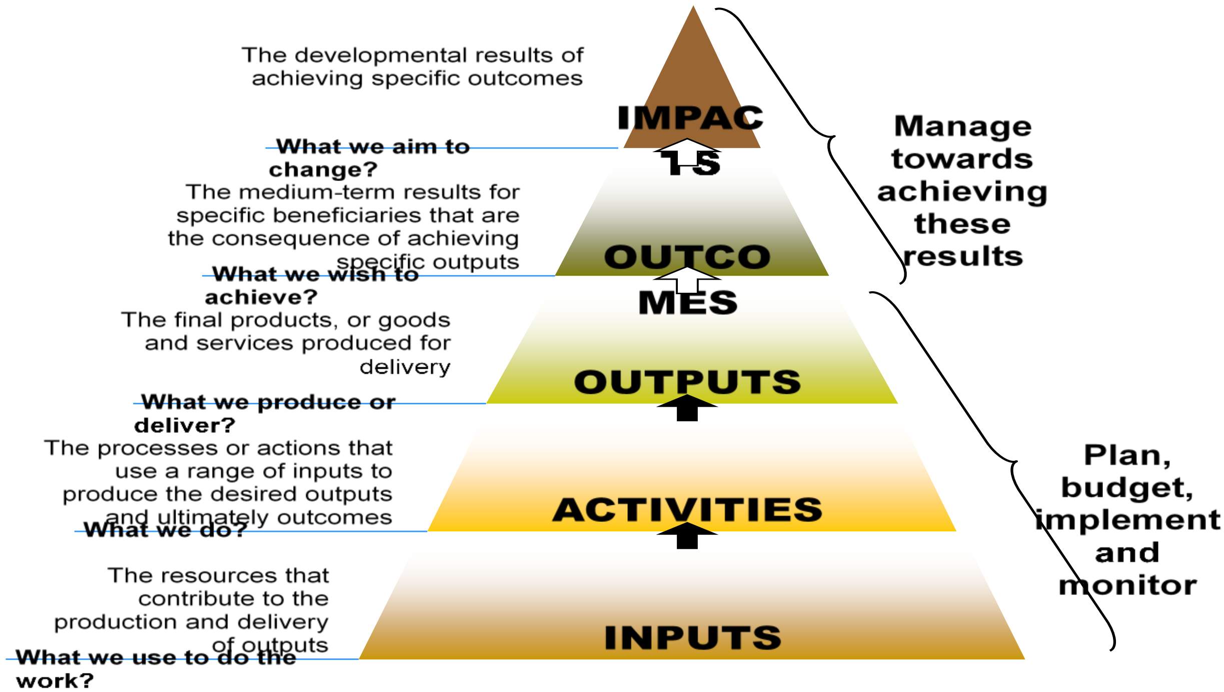


Figure 2 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 23 MBRR Table SA7 - Measurable performance objectives

KZN227 Richmond - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Vote 1 - Financial Services										
To improve financial viability and sound financial management as per MFMA		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To effect SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Annual Procurement plan prepared		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Effective bid committees to support procurement for service delivery		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To prepare the budget for the municipality in compliance with legislative prescripts		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Vote 2- Community and Operational Services										
To implement disaster management programmes		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To provide law enforcement and Security Services		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Vote 3 - Engineering and Planning Services										
To implement road - building and maintenance programmes and improve rural accessibility		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To Implement Electrification Projects to provide access to Households Connections		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To provide assess to proper community facilities		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Vote 4 - Corporate and Protection										
To foster a culture of good employee management and retention		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To update and communicate systems that drive institutional development and enhance staff recruitment, retention and motivation		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To strengthen governance and IGR Structures		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100	100	100
To effectively manage the information communication technology systems and Information Communications Technology infrastructure of the municipality.		100.0%	100.0%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Vote 5 - Municipal Manager										
To improve compliance and public participation and awareness		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Vote 7 - Economic Development and Strategic Services										
To ensure compliance with Municipal by-laws		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To promote economic development and economic growth		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To ensure compliance with Municipal by-laws		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To ensure sustainable and coordinated development throughout the municipality		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

The following table sets out the municipality's main performance objectives and benchmarks for the 2023/24 MTREF.

Table 24 MBRR Table SA8 - Performance indicators and benchmarks

KZN227 Richmond - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating	0.0%	0.0%	0.0%	0.2%	0.6%	0.6%	0.0%	0.7%	0.6%	0.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing	0.0%	0.0%	0.0%	0.3%	0.7%	0.7%	0.0%	0.8%	0.7%	0.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.5	1.3	1.0	1.9	1.8	1.8	1.6	2.2	4.3	4.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current	1.5	1.3	1.0	(0.7)	(0.9)	(0.9)	1.6	(1.3)	(3.6)	(3.1)
Liquidity Ratio	Monetary Assets/Current Liabilities	1.1	0.9	0.5	1.4	1.2	1.2	1.1	1.5	2.8	2.8
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	2124.3%	1981.7%	556.3%	591.9%	1592.2%	1592.2%	1830.4%	1779.2%	387.3%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		2124.3%	1981.7%	556.3%	591.9%	1592.2%	1592.2%	1830.4%	1779.2%	387.3%	388.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	9.7%	7.1%	8.5%	7.8%	7.9%	7.9%	10.3%	7.1%	6.9%	6.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >				12.0%	12.0%	12.0%		20.0%	20.0%	20.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		4.3%	2.9%	2.2%	13.6%	16.6%	16.6%	46.0%	31.7%	-14.2%	-10.4%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kW) non technical	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
Water Volumes :System input	Bulk Purchase	0	0	0	0	0	0	0	0	0	0
	Water treatment works	0	0	0	0	0	0	0	0	0	0
	Natural sources	0	0	0	0	0	0	0	0	0	0
Water Distribution Losses (2)	Total Volume Losses (kℓ)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
Employee costs	Employee costs/(Total Revenue - capital	51.1%	44.9%	47.5%	48.5%	49.1%	49.1%	48.3%	51.0%	50.5%	50.7%
Remuneration	Total remuneration/(Total Revenue - capital	56.3%	49.2%	51.9%	53.3%	54.0%	54.0%	58.9%	56.0%	55.4%	55.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital	5.8%	9.2%	9.0%	7.1%	7.5%	7.5%	12.6%	12.0%	11.9%	11.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	17.7%	11.7%	11.3%	13.8%	14.5%	14.5%	9.8%	14.7%	14.5%	14.6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating	100.0	203.1	39.9	24.0	23.7	23.7	22.1	22.2	22.5	23.4
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual	741.6%	668.2%	136.3%	227.4%	668.7%	668.7%	1007.3%	581.0%	126.1%	118.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed	30.1	24.0	20.6	3.0	2.3	2.3	2.7	1.4	2.0	2.6

2.3.1 Performance indicators and benchmarks

2.4 Overview of budget related-policies

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

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.
All policies as listed hereunder, are available on the municipality's website.

The Following policies have been amended for the 2025/2026 financial year.

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE
2.4.1	Debt Collection and Credit Control Policy	Budget & Treasury Office	**Y**	30/05/2025
2.4.2	Property Rates Act Policy	Budget & Treasury Office	**Y**	30/05/2025
2.4.3	Revenue enhancement Policy	Budget & Treasury Office	**Y**	30/05/2025
2.4.4	Petty Cash Policy	Budget & Treasury Office	**Y**	30/05/2025
2.4.5	Borrowing Policy	Budget & Treasury Office	**Y**	30/05/2025
2.4.6	Long Term Financial Plan Policy	Budget & Treasury Office	**Y**	30/05/2025
2.4.7	Supply Chain Management policy	Budget & Treasury Office	**Y**	30/05/2025
2.4.8	Asset management policy	Budget & Treasury Office	**Y**	30/05/2025
2.4.9	Indigent policy and Free Basic Services Policy	Budget &Treasury Office	**Y**	30/05/2025
2.4.10	Cash Management and Investment Policy	Budget & Treasury Office	**Y**	30/05/2025
2.4.11	Budget Policy	Budget & Treasury Office	**Y**	30/05/2025
2.4.12	Infrastructure and Capital Investment policy	Budget & Treasury Office	**Y**	30/05/2025
2.4.13	Funds and Reserves Policy	Budget & Treasury Office	**Y**	30/05/2025
2.4.14	Tariff Policy(including Property Rates Tariff, Refuse Removal / Solid Waste Tariff)	Budget & Treasury Office	**Y**	30/05/2025
2.4.15	Virement Policy	Budget & Treasury Office	**Y**	30/05/2025
2.4.16	Budget Implementation and Management Policy	Budget & Treasury Office	**Y**	30/05/2025

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE	
2.14.17	Contract Management Policy and Manual	Budget and Treasury Office	Y		30/05/2025
2.14.18	Land Disposal Policy	Town Planning and Budget and Treasury Office	Y		30/05/2025
2.14.19	Debt Incentive Scheme Policy	Budget and Treasury Office	Y		30/05/2025
2.14.20	Loss management Control Policy	Budget and Treasury Office	Y		30/05/2025

2.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council has been reviewed and adopted for implementation in the 2025/26 financial year.

The 2023/24 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 80 per cent on current billings. In addition, the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Richmond's cash levels. The potential of a payment incentive scheme is being explored and a debt incentive scheme has been approved by Council in December 2022.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Richmond's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Richmond continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in September 2007 for the first time.

The National Treasury proposed changes to the Preferential Procurement Regulations. The change which was due to come into effect 16 January 2023, is the results of February 2022 Constitutional Court ruling that the 2017 amended regulations are illegal and unconstitutional. National Treasury has subsequently removed all references, requirements and definitions for BEE and local content from the procurement regulations as well as per-qualification criteria and functionality requirement of the previous legislation.

The proposed changes essentially repeal the 2017 regulations preferential procurement amendments and strip the rules down to the bare basics of the 2001 regulations including it broader transformation objectives,

The new regulations mean that state owned enterprises:

- Can set their own procurement policies as envisaged in section 217(1) of the Constitution and section 2(1) of Preferential Procurement Policy Framework Act (PPPFA).
- Can use their own procurement policies to set their own specific goals for the awarding of 20 or 10 points depending on a contract value.
- Cannot use local content requirement as a disqualification criterion for tender.
- Can choose to include subcontracting in their procurement policies, but it is not mandatory.

Specific goals as defined per the PPPFA may include contracting with persons, or categories of person, historically disadvantages by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of Reconstruction and Development Programme (RDP) as published in the Government Gazette No. 16085 dated 23 November 1994. Encouraging, the application of Framework is much simpler, less prescriptive and narrow, and reduces the barriers to entry for many companies.

It is important to note, however, that the changes to the Preferential Procurement Regulation do not mean that the government has abandoned its B-BBEE goals. To the contrary, President Cyril Ramaphosa recently reaffirm government commitment to BEE telling the parliament that, " Our People have inherited poverty from generation to generation. There are people who are too poor to pay for water and electricity. That is why the government will persevere with affirmative action and BEE".

2.4.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Richmond’s system of delegations. The Budget and Virement Policy was approved by Council.

2.4.6 Cash Management and Investment Policy

The Richmond's Cash Management and Investment Policy was amended by. The aim of the policy is to ensure that the Richmond's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.7 Tariff Policies

The Richmond's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved.
All the above policies are available on the Richmond's website, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

2.5 Overview of budget assumptions

2.5.1 External factors

Owing to the economic slowdown, there are reduced payment levels by consumers. This is being addressed by the implementation of the debt collection and credit control policy.

The National Treasury has revised South Africa's economic growth estimate for 2026 to 4.4 per cent, from 4.9 per cent at the time of the MTBPS. GDP is expected to grow by 0.1 per cent in real terms in 2027.

The economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state.

2.5.2 General inflation outlook and its impact on the municipal activities

The following factors have been taken into consideration in the compilation of the 2025/26 MTREF

- National Government macro-economic targets';
- The general inflationary outlook;
- The increase in the cost of remuneration;
- The increase in the cost of services by service providers;
- Annual increases in contracted services;
- Building the capacity of local government through the ***"Back to Basics"*** which will focus on improving service delivery

2.5.3 Credit rating outlook

As per the MFMA circular 89, municipalities were requested to take the following macro-economic forecasts into consideration when preparing the 2024/2025 budgets and MTREF: -

Table 12 Credit rating outlook

Table 1: Macroeconomic performance and projections, 2023 - 2028

Fiscal year	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate		Forecast	
CPI Inflation	6.0%	4.4%	4.3%	4.6%	4.4%

Source: National Treasury Budget Review 2025.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase by 4.4 per cent respectively. It is also assumed that the current economic conditions, volatile due to the upcoming local government elections, will continue for the forecaster term.

The rate of revenue collection is currently expressed as a percentage (80 per cent) of annual billings. There should also be an increased collection of arrear debt from the appointment of new debt collectors. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.5 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Richmond, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the ‘poor household’ limits consumption to the level of free basic services.

2.5.6 Salary increases

The Salary and Wage Collective Agreement for the period 01 July 2025 to 30 June 2026 dated 28 March 2025 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF, therefore the salary increases have been budgeted at 5.1 % in line with the inflation increase.

2.5.7 Remuneration of Councillors

The municipality has considered the gazette on the Remuneration of Public Office bearers Act: Determination of Upper limits of Salaries, allowances and Benefits of different members of municipal council for the 2024/2025 financial year.
The following positions have been budgeted for on a full-time basis: -

- Mayor
- Speaker
- Deputy Mayor

2.5.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of 100 per cent is achieved on operating and capital expenditure for the 2025/2026 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 25 Breakdown of the operating revenue over the medium-term

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)						
Description	**Budget Year 2025/26**	**%**	**Budget Year +1 2026/27**	**%**	**Budget Year +1 2027/28**	**%**
Revenue by Source						
Property Rates by Usage	31,091,808	18%	32,490,936	17%	33,303,216	17%
Service Charges	1,126,056	1%	1,176,720	1%	1,206,144	1%
Interest Earned on investments	4,206,564	2%	4,400,052	2%	4,593,672	2%
Interest Earned on outstanding debts	2,744,436	2%	2,870,676	2%	2,996,988	2%
Rental from Fixed Assets	1,053,732	1%	1,102,212	1%	1,150,716	1%
Licences or Permits	2,888,208	2%	3,021,072	2%	3,153,984	2%
Other Operational Revenue	1,789,020	1%	8,077,308	4%	8,440,656	4%
Fines Penalties and Forfeits	31,560	0%	33,012	0%	34,464	0%
Operational Grants	108,575,760.00	62%	109,075,992.00	59%	113,914,608.00	59%
Capital Grants	22,210,260.00	13%	23,760,984.00	13%	24,686,664.00	13%
Total Expenditure	**175,717,404**	**100%**	**186,008,964**	**100%**	**193,481,112**	**100%**

The following graph is a breakdown of the operational revenue per main category for the 2025/26 financial year.

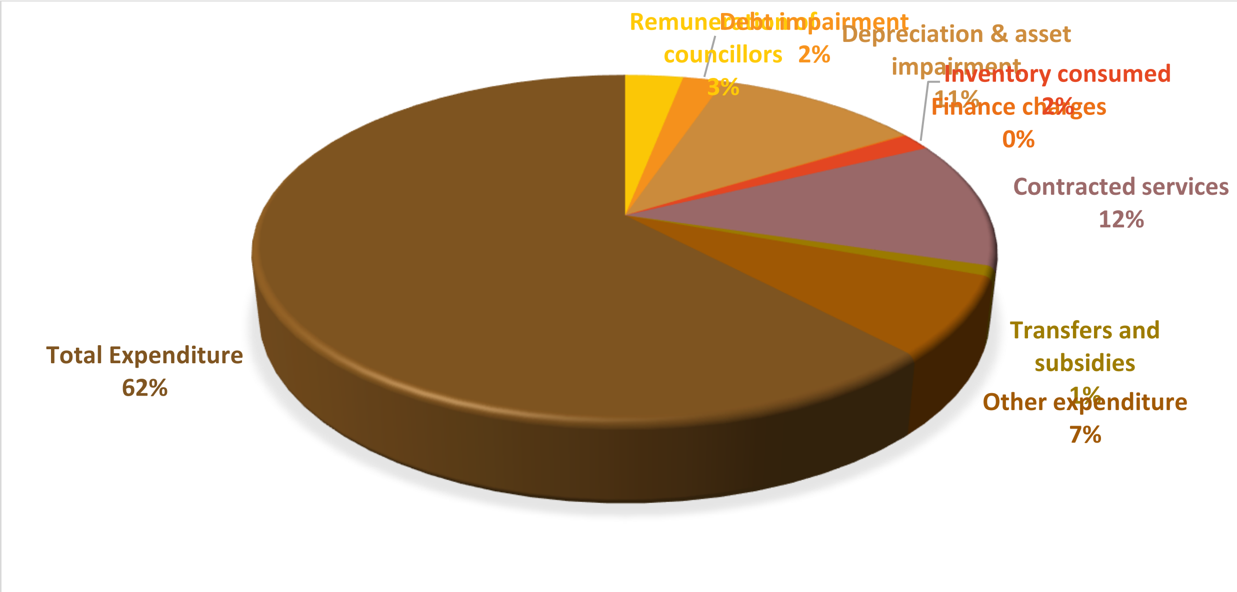


Figure 3 Breakdown of operating revenue over the 2025/26 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Richmond derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the Richmond and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The tables below provide detail investment information and investment particulars by maturity.

Table 26 MBRR SA15 – Detail Investment Information

KZN227 Richmond - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		26,902	18,742	11,871	15,903	12,552	12,552	22,661	17,921	19,603
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	**26,902**	**18,742**	**11,871**	**15,903**	**12,552**	**12,552**	**22,661**	**17,921**	**19,603**
Entities										
Securities - National Government		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Listed Corporate Bonds		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Deposits - Bank		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Deposits - Public Investment Commissioners		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Deposits - Corporation for Public Deposits		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bankers Acceptance Certificates		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Negotiable Certificates of Deposit - Banks		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Guaranteed Endowment Policies (sinking)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Repurchase Agreements - Banks		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		**26,902**	**18,742**	**11,871**	**15,903**	**12,552**	**12,552**	**22,661**	**17,921**	**19,603**

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2025/26 medium-term capital programme:

Table 27 Sources of capital revenue over the MTREF

The above table is graphically represented as follows for the 2024/25 financial year.

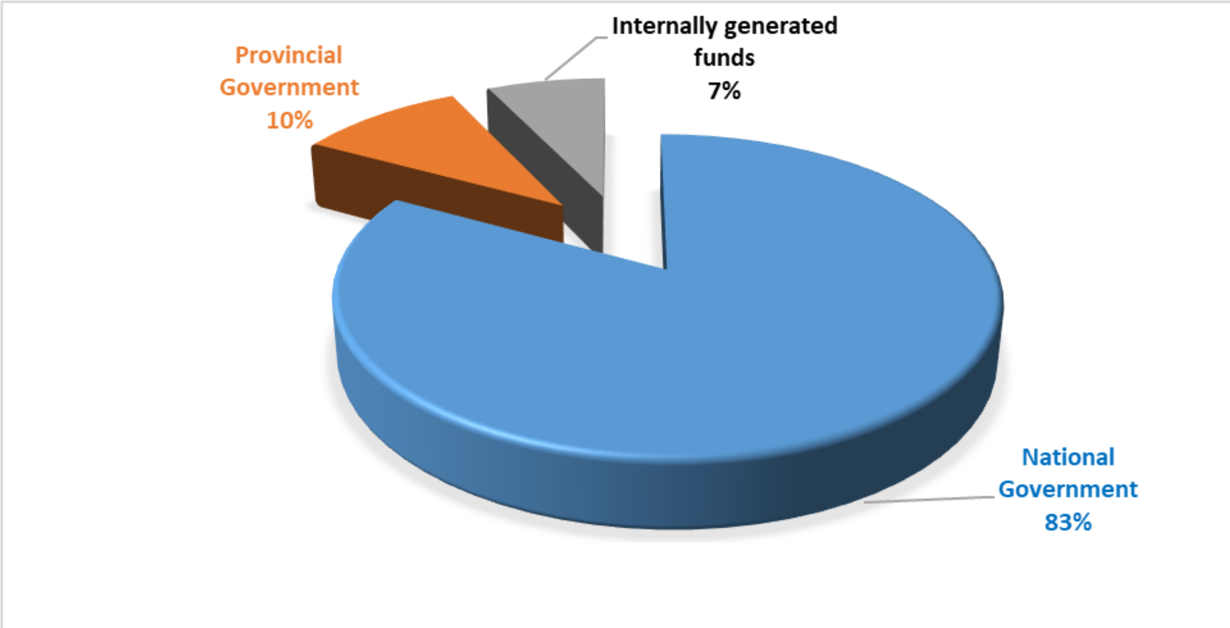


Figure 4 Sources of capital revenue for **the 2025/26 financial year**

Table 28 MBRR Table SA 18 - Capital transfers and grant receipts

KZN227 Richmond - Supporting Table SA18 Transfers and grant receipts										
Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		98,146	96,615	95,994	102,354	102,354	101,305	103,511	101,792	106,386
Expanded Public Works Programme Integrated Grant		1,101	1,287	1,125	1,410	1,410	1,410	2,054	–	–
Local Government Financial Management Grant		1,850	1,950	1,950	1,900	1,900	1,900	2,000	2,200	2,300
Municipal Infrastructure Grant		16,889	7,000	–	1,049	1,049	0	1,096	1,174	1,219
Equitable Share		78,306	86,378	92,919	97,995	97,995	97,995	98,361	98,418	102,867
Provincial Government:		3,048	6,454	3,700	3,860	4,960	5,883	5,065	5,230	5,474
Specify (Add grant description)		–	–	500	–	1,100	–	–	–	–
Specify (Add grant description)		–	3,200	3,200	–	–	–	5,065	5,230	5,474
Specify (Add grant description)		–	3,000	–	–	–	2,000	–	–	–
Specify (Add grant description)		3,048	254	–	3,860	3,860	3,883	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	101,194	103,069	99,694	106,214	107,314	107,188	108,576	107,022	111,860
Capital Transfers and Grants										
National Government:		17,322	16,211	22,331	19,925	19,925	20,974	20,819	22,306	23,168
Municipal Infrastructure Grant		10,377	13,511	22,331	19,925	19,925	20,974	20,819	22,306	23,168
Integrated National Electrification Programme Grant		6,945	2,700	–	–	–	–	–	–	–
Provincial Government:		(266)	5,200	323	2,200	2,200	2,827	1,391	–	–
Specify (Add grant description)		–	–	–	1,000	1,000	359	1,391	–	–
Specify (Add grant description)		(266)	–	323	–	–	168	–	–	–
Specify (Add grant description)		–	5,200	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	–	1,200	1,200	2,300	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	17,056	21,411	22,654	22,125	22,125	23,801	22,210	22,306	23,168
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	118,250	124,480	122,348	128,339	129,439	130,989	130,786	129,328	135,028

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words, the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long-term borrowing (debt).

Table 29 MBRR Table A7 - Budget cash flow statement

KZN227 Richmond - Table A7 Budgeted Cash Flows

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		28,228	24,815	45,723	26,549	24,204	24,204	24,204	27,894	29,177	30,461
Service charges		626	795	871	969	969	969	969	1,472	1,540	1,608
Other revenue		23,895	48,843	46,560	11,443	11,768	11,768	11,768	5,403	5,651	5,900
Transfers and Subsidies - Operational	1	237,442	202,206	160,164	106,416	106,564	106,564	106,564	111,380	118,270	123,594
Transfers and Subsidies - Capital	1	48,519	38,492	51,895	25,230	23,225	23,225	23,225	20,819	22,306	23,168
Interest		328	1,155	684	3,703	6,277	6,277	6,277	6,598	6,901	7,205
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(64,952)	(72,032)	(72,645)	(137,850)	(141,164)	(141,164)	(141,164)	(145,697)	(151,876)	(158,559)
Interest		–	–	–	(421)	(1,110)	(1,110)	(1,110)	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**274,086**	**244,274**	**233,252**	**36,039**	**30,731**	**30,731**	**30,731**	**27,869**	**31,969**	**33,376**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(27,368)	(28,249)	(23,167)	(24,309)	(26,647)	(26,647)	(26,647)	(23,780)	(23,706)	(23,864)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(27,368)**	**(28,249)**	**(23,167)**	**(24,309)**	**(26,647)**	**(26,647)**	**(26,647)**	**(23,780)**	**(23,706)**	**(23,864)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		**246,718**	**216,025**	**210,085**	**11,731**	**4,085**	**4,085**	**4,085**	**4,088**	**8,263**	**9,512**
Cash/cash equivalents at the year begin:	2	**21,042**	**26,902**	**18,742**	**21,594**	**21,594**	**21,594**	**21,594**	**12,417**	**16,505**	**24,769**
Cash/cash equivalents at the year end:	2	**267,760**	**242,927**	**228,827**	**33,325**	**25,679**	**25,679**	**25,679**	**16,505**	**24,769**	**34,280**

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?

- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 30 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN227 Richmond - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at the year end	1	267,760	242,927	228,827	33,325	25,679	25,679	25,679	16,505	24,769	34,280
Other current investments > 90 days		(240,899)	(224,172)	(216,956)	(7,699)	(3,398)	(3,398)	2,135	6,156	(6,848)	(14,677)
Non current Investments	1	0	0	0	0	0	0	0	0	–	–
Cash and investments available:		**26,862**	**18,755**	**11,871**	**25,627**	**22,281**	**22,281**	**27,814**	**22,661**	**17,921**	**19,603**
Application of cash and investments											
Unspent conditional transfers		11,403	7,078	5,022	4,527	4,263	4,263	11,818	5,235	(3,509)	(3,573)
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	(54)	(4,078)	(2,763)	(3,379)	(3,379)	(3,379)	1,330	(440)	(461)	(481)
Other working capital requirements	3	9,471	11,627	10,675	12,302	12,280	12,280	7,770	(1,724)	(929)	(400)
Other provisions		718	737	1,431	514	514	514	(1,361)	1,423	1,489	1,554
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**21,538**	**15,364**	**14,366**	**13,962**	**13,677**	**13,677**	**19,558**	**4,495**	**(3,410)**	**(2,900)**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**5,324**	**3,391**	**(2,495)**	**11,664**	**8,604**	**8,604**	**8,257**	**18,167**	**21,331**	**22,503**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**5,324**	**3,391**	**(2,495)**	**11,664**	**8,604**	**8,604**	**8,257**	**18,167**	**21,331**	**22,503**

Figure 5 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 31 MBRR SA10 – Funding compliance measurement

KZN227 Richmond - Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funding measures												
Cash/cash equivalents at the year beg - R'000	18(1)b	1	21,042	26,902	18,742	21,594	21,594	21,594	21,594	12,417	(21,747)	(61,818)
Cash + investments at the yr end less applications - R'000	18(1)b	2	5,324	3,391	(2,617)	11,664	8,604	8,604	30,638	16,251	(9,265)	(8,443)
Cash year end/monthly employee/supplier payments	18(1)b	3	30.1	24.0	20.6	3.0	2.3	2.3	3.2	(1.8)	(5.0)	(7.8)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	2,000	5,279	1,073	(92)	(479)	(479)	38,079	(4,400)	(10,240)	(9,973)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	33.0%	0.5%	(5.8%)	(6.0%)	(6.0%)	(17.2%)	1.5%	(1.5%)	(3.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	32.9%	36.1%	42.2%	18.2%	18.6%	18.6%	20.1%	94.8%	94.8%	94.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	22.4%	45.5%	18.6%	22.6%	22.6%	22.6%	12.8%	13.9%	13.3%	13.0%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(41.6%)	1.2%	29.8%	0.0%	0.0%	14.6%	(35.6%)	(124.6%)	(3.6%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.0%	3.6%	4.0%	3.0%	3.0%	3.0%	3.4%	(58.4%)	(58.4%)	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	9.7%	4.8%	19.9%	0.0%	0.0%	0.0%	0.0%	49.7%	49.7%	49.7%

2.6.5.1 Cash/cash equivalent position

The Richmond's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 34. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Richmond to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Richmond's policy of settling debtors accounts within 30 days.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorize each capital project as a new asset or a renewal/rehabilitation project.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 32 MBRR SA19 - Expenditure on transfers and grant programmes

KZN227 Richmond - Supporting Table SA19 Expenditure on transfers and grant programme

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		80,613	89,993	96,512	102,354	102,354	101,529	103,511	103,846	108,440
Expanded Public Works Programme Integrated Grant		–	1,287	1,125	1,410	1,410	1,247	2,054	2,054	2,054
Local Government Financial Management Grant		1,850	1,950	1,950	1,900	1,900	1,818	2,000	2,200	2,300
Municipal Infrastructure Grant		456	377	518	1,049	1,049	469	1,096	1,174	1,219
Equitable Share		78,306	86,378	92,919	97,995	97,995	97,995	98,361	98,418	102,867
Provincial Government:		3,048	4,211	5,871	3,860	4,123	3,675	5,065	5,230	5,474
Specify (Add grant description)		–	–	–	–	–	66	–	–	–
Specify (Add grant description)		–	–	147	–	–	–	–	–	–
Specify (Add grant description)		2,891	3,455	2,921	–	–	2,862	–	–	–
Specify (Add grant description)		–	247	2,524	–	–	116	–	–	–
Specify (Add grant description)		–	–	–	–	263	263	–	–	–
Specify (Add grant description)		157	508	279	3,860	3,860	367	5,065	5,230	5,474
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		83,661	94,203	102,383	106,214	106,477	105,204	108,576	109,076	113,915
Capital expenditure of Transfers and Grants										
National Government:		26,810	28,329	21,813	19,925	19,925	15,346	20,819	22,306	23,168
Municipal Infrastructure Grant		26,810	20,134	21,813	19,925	19,925	15,346	20,819	22,306	23,168
Integrated National Electrification Programme Grant		–	8,195	(0)	–	–	–	–	–	–
Provincial Government:		–	4,791	409	2,200	3,300	2,788	1,391	1,455	1,519
Specify (Add grant description)		–	–	–	1,000	1,000	–	–	–	–
Specify (Add grant description)		–	–	–	–	–	–	1,391	1,455	1,519
Specify (Add grant description)		–	4,791	409	–	–	–	–	–	–
Specify (Add grant description)		–	–	–	1,200	2,300	2,788	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		26,810	33,120	22,222	22,125	23,225	18,134	22,210	23,761	24,687
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		110,470	127,323	124,605	128,339	129,702	123,338	130,786	132,837	138,601

Table 33 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

KZN227 Richmond - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Operating transfers and grants:	1,3									
National Government										
Balance unspent at beginning of the year		(636)	16,779	23,402	23,402	23,402	23,402	23,937	–	–
Current year receipts		98,146	96,615	95,994	102,354	102,354	102,354	103,511	101,792	106,386
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		80,613	89,993	96,512	102,354	102,354	102,354	103,511	103,846	108,440
Conditions still to be met - transferred to liabilities		16,897	23,402	22,884	23,402	23,402	23,402	23,937	(2,054)	(2,054)
Provincial Government:										
Balance unspent at beginning of the year		801	(581)	1,652	(1,101)	(1,101)	(1,101)	(561)	–	–
Current year receipts		3,048	6,454	3,700	3,860	4,960	4,960	5,065	5,230	5,474
Repayment of grants		–	11	–	–	–	–	–	–	–
Conditions met - transferred to revenue		3,048	4,211	5,871	3,860	4,123	4,123	5,065	5,230	5,474
Conditions still to be met - transferred to liabilities		801	1,652	(520)	(1,101)	(264)	(264)	(561)	–	(0)
District Municipality:										
Balance unspent at beginning of the year		–	–	(48)	(48)	(48)	(48)	(50)	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	48	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	(48)	(48)	(48)	(48)	(48)	(50)	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		83,661	94,203	102,383	106,214	106,477	106,477	108,576	109,076	113,915
Total operating transfers and grants - CTBM	2	17,699	25,006	22,317	22,253	23,090	23,090	23,326	(2,054)	(2,054)
Capital transfers and grants:	1,3									
National Government										
Balance unspent at beginning of the year		802	(8,997)	(22,253)	(22,253)	(22,253)	(22,253)	(22,735)	–	–
Current year receipts		17,322	16,211	22,331	19,925	19,925	19,925	20,819	22,306	23,168
Repayment of grants		–	1,100	–	–	–	–	–	–	–
Conditions met - transferred to revenue		26,810	28,329	21,813	19,925	19,925	19,925	20,819	22,306	23,168
Conditions still to be met - transferred to liabilities		(8,686)	(22,216)	(21,735)	(22,253)	(22,253)	(22,253)	(22,735)	–	–
Provincial Government:										
Balance unspent at beginning of the year		3,757	3,878	4,527	4,527	4,527	4,527	4,645	–	–
Current year receipts		(266)	5,200	323	2,200	2,200	2,200	1,391	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	4,791	409	2,200	3,300	3,300	1,391	1,455	1,519
Conditions still to be met - transferred to liabilities		3,492	4,287	4,441	4,527	3,427	3,427	4,645	(1,455)	(1,519)
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		26,810	33,120	22,222	22,125	23,225	23,225	22,210	23,761	24,687
Total capital transfers and grants - CTBM	2	(5,194)	(17,929)	(17,295)	(17,727)	(18,827)	(18,827)	(18,090)	(1,455)	(1,519)
TOTAL TRANSFERS AND GRANTS REVENUE		110,470	127,323	124,605	128,339	129,702	129,702	130,786	132,837	138,601
TOTAL TRANSFERS AND GRANTS - CTBM		12,504	7,078	5,022	4,527	4,263	4,263	5,235	(3,509)	(3,573)

2.8 Councilor and employee benefits

Table 34 MBRR SA22 - Summary of councilor and staff benefits

KZN227 Richmond - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4,577	4,730	5,161	5,536	5,536	5,536	5,821	6,089	6,357
Pension and UIF Contributions		55	31	28	157	157	157	166	173	181
Medical Aid Contributions		40	23	35	83	83	83	88	92	96
Motor Vehicle Allowance		503	541	550	696	696	696	678	710	741
Cellphone Allowance		605	619	678	688	688	688	723	756	790
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		197	109	98	59	59	59	115	120	125
Sub Total - Councillors		**5,977**	**6,051**	**6,549**	**7,219**	**7,219**	**7,219**	**7,590**	**7,939**	**8,289**
% increase	4		**1.2%**	**8.2%**	**10.2%**	**–**	**–**	**5.2%**	**4.6%**	**4.4%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3,438	4,685	5,015	5,261	5,261	5,261	5,532	5,786	6,041
Pension and UIF Contributions		8	10	11	11	11	11	12	12	13
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	44	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	618	765	804	843	843	843	887	928	968
Cellphone Allowance	3	25	36	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	0	1	97	1	1	1	1	1	1
Payments in lieu of leave		57	15	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**4,147**	**5,556**	**5,927**	**6,116**	**6,116**	**6,116**	**6,431**	**6,727**	**7,023**
% increase	4		**34.0%**	**6.7%**	**3.2%**	**–**	**–**	**5.2%**	**4.6%**	**4.4%**

Table 35 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councilors/ senior managers)

KZN227 Richmond - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	774,038	3,000	20,000	–	–	797,038
Chief Whip		1	720,000	3,000	20,000	–	–	743,000
Executive Mayor		1	850,000	3,000	20,000	–	–	873,000
Deputy Executive Mayor		1	765,000	3,000	20,000	–	–	788,000
Executive Committee		9	3,544,870	3,000	20,000	–	–	3,567,870
Total for all other councillors		14	7,303,908	18,000	120,000	–	–	7,441,908
Total Councillors	8	**27**	**13,957,816**	**33,000**	**220,000**			**14,210,816**
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1,293,396	2,508	198,540	–	–	1,494,444
Chief Finance Officer		1	1,061,496	2,508	172,068	–	–	1,236,072
Senior Manager-Corporate Services			1,053,972	2,508	172,068			1,228,548
Senior Manager-Community Services			1,061,496	2,508	172,068			1,236,072
Senior Manager-Technical Services			1,061,496	2,508	172,068			1,236,072
								–
Total Senior Managers of the Municipality	8,10	**2**	**5,531,856**	**12,540**	**886,812**	**–**		**6,431,208**

Table 36 MBRR SA24 – Summary of personnel numbers

KZN227 Richmond - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	####	2023/24			Current Year 2024/25			Budget Year 2025/26		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		14	–	14	14	–	14	14	–	14
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	5	5	–	5	5	–	5	5	–
Other Managers	7	8	8	–	14	14	–	14	14	–
Professionals		*16*	*15*	*1*	*17*	*16*	*1*	*17*	*16*	*1*
Finance		4	3	1	4	3	1	4	3	1
Spatial/town planning		4	4	–	5	5	–	5	5	–
Information Technology		1	1	–	1	1	–	1	1	–
Roads		1	1	–	1	1	–	1	1	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		1	1	–	1	1	–	1	1	–
Other		5	5	–	5	5	–	5	5	–
Technicians		*10*	*10*	–	*10*	*10*	–	*10*	*10*	–
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		1	1	–	1	1	–	1	1	–
Information Technology		1	1	–	1	1	–	1	1	–
Roads		2	2	–	2	2	–	2	2	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		1	1	–	1	1	–	1	1	–
Other		5	5	–	5	5	–	5	5	–
Clerks (Clerical and administrative)		10	10	–	10	10	–	10	10	–
Service and sales workers		–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		–	–	–	–	–	–	–	–	–
Elementary Occupations		129	129	–	129	129	–	129	129	–
TOTAL PERSONNEL NUMBERS	9	**192**	**177**	**15**	**199**	**184**	**15**	**199**	**184**	**15**
% increase					3.6%	4.0%	–	–	–	–
Total municipal employees headcount	6, 10	–	–	–	–	–	–	–	–	–
Finance personnel headcount	8, 10	–	–	–	–	–	–	–	–	–
Human Resources personnel headcount	8, 10	–	–	–	–	–	–	–	–	–

2.9 Monthly targets for revenue, expenditure and cash flow

Table 37 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN227 Richmond - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	###	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue																
Exchange Revenue																
Service charges - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management		94	94	94	94	94	94	94	94	94	94	94	94	1,126	1,177	1,206
Sale of Goods and Rendering of Services		44	44	44	44	44	44	44	44	44	44	44	44	524	6,755	7,060
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest		2	2	2	2	2	2	2	2	2	2	2	2	25	26	27
Interest earned from Receivables		42	42	42	42	42	42	42	42	42	42	42	42	508	532	555
Interest earned from Current and Non Current Assets		306	306	306	306	306	306	306	306	306	306	306	306	3,673	3,842	4,011
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		88	88	88	88	88	88	88	88	88	88	88	88	1,054	1,102	1,151
Licence and permits		3	3	3	3	3	3	3	3	3	3	3	3	39	40	42
Special rating levies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		105	105	105	105	105	105	105	105	105	105	105	105	1,265	1,323	1,381
Non-Exchange Revenue																
Property rates		2,591	2,591	2,591	2,591	2,591	2,591	2,591	2,591	2,591	2,591	2,591	2,591	31,092	32,491	33,303
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		3	3	3	3	3	3	3	3	3	3	3	3	32	33	34
Licences or permits		237	237	237	237	237	237	237	237	237	237	237	237	2,850	2,981	3,112
Transfer and subsidies - Operational		9,048	9,048	9,048	9,048	9,048	9,048	9,048	9,048	9,048	9,048	9,048	9,048	108,576	109,076	113,915
Interest		229	229	229	229	229	229	229	229	229	229	229	229	2,744	2,871	2,997
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and cont		**12,792**	**12,792**	**12,792**	**12,792**	**12,792**	**12,792**	**12,792**	**12,792**	**12,792**	**12,792**	**12,792**	**12,792**	**153,507**	**162,248**	**168,794**
Expenditure																
Employee related costs		6,530	6,530	6,530	6,530	6,530	6,530	6,530	6,530	6,530	6,530	6,530	6,530	78,361	81,965	85,572
Remuneration of councillors		633	633	633	633	633	633	633	633	633	633	633	633	7,590	7,939	8,289
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		373	373	373	373	373	373	373	373	373	373	373	373	4,475	4,681	4,887
Debt impairment		372	372	372	372	372	372	372	372	372	372	372	372	4,468	4,674	4,879
Depreciation and amortisation		1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780	21,358	22,341	23,324
Interest		97	97	97	97	97	97	97	97	97	97	97	97	1,159	1,212	1,266
Contracted services		3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	37,480	45,410	47,415
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	22,060	23,075	24,090
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**176,951**	**191,297**	**199,722**
Surplus/(Deficit)		**(1,954)**	**(1,954)**	**(1,954)**	**(1,954)**	**(1,954)**	**(1,954)**	**(1,954)**	**(1,954)**	**(1,954)**	**(1,954)**	**(1,954)**	**(1,954)**	**(23,444)**	**(29,049)**	**(30,927)**
Transfers and subsidies - capital (monetary allocations)		1,851	1,851	1,851	1,851	1,851	1,851	1,851	1,851	1,851	1,851	1,851	1,851	22,210	23,761	24,687
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(1,234)	(5,288)	(6,241)
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(1,234)	(5,288)	(6,241)
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(1,234)	(5,288)	(6,241)
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(1,234)	(5,288)	(6,241)

Table 38 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN227 Richmond - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	###	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote																
Vote 1 - Executive And Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		–	–	–	–	–	–	–	–	–	–	–	132,913	132,913	134,891	136,183
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–	–	8,537	8,537	8,766	13,465
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		–	–	–	–	–	–	–	–	–	–	–	21,915	21,915	23,480	24,387
Vote 7 - Road Transport		–	–	–	–	–	–	–	–	–	–	–	3,257	3,257	9,613	10,044
Vote 8 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–	–	11	11	11	12
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–	–	7,055	7,055	7,126	7,175
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**173,689**	**173,689**	**183,887**	**191,266**
Expenditure by Vote to be appropriated																
Vote 1 - Executive And Council		–	–	–	–	–	–	–	–	–	–	–	21,302	21,302	22,282	23,262
Vote 2 - Finance and administration		–	–	–	–	–	–	–	–	–	–	–	49,906	49,906	52,202	54,498
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–	–	521	521	545	569
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–	–	21,718	21,718	22,718	23,717
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	1,727	1,727	1,807	1,886
Vote 6 - Planning and Development		–	–	–	–	–	–	–	–	–	–	–	1,131	1,131	1,183	1,235
Vote 7 - Road Transport		–	–	–	–	–	–	–	–	–	–	–	53,047	53,047	61,693	64,415
Vote 8 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–	–	5,637	5,637	5,896	6,155
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–	–	7,106	7,106	7,433	7,760
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	497	497	520	543
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**162,593**	**162,593**	**176,278**	**184,042**
Surplus/(Deficit) before assoc.		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**11,096**	**11,096**	**7,609**	**7,224**
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**11,096**	**11,096**	**7,609**	**7,224**

Table 39 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN227 Richmond - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	###	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional																
Governance and administration		**11,076**	**11,076**	**11,076**	**11,076**	**11,076**	**11,076**	**11,076**	**11,076**	**11,076**	**11,076**	**11,076**	**11,076**	**132,913**	**134,891**	**136,183**
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		11,076	11,076	11,076	11,076	11,076	11,076	11,076	11,076	11,076	11,076	11,076	11,076	132,913	134,891	136,183
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**726**	**726**	**726**	**726**	**726**	**726**	**726**	**726**	**726**	**726**	**726**	**726**	**8,710**	**8,946**	**13,653**
Community and social services		725	725	725	725	725	725	725	725	725	725	725	725	8,699	8,934	13,641
Sport and recreation		1	1	1	1	1	1	1	1	1	1	1	1	11	11	12
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**2,253**	**2,253**	**2,253**	**2,253**	**2,253**	**2,253**	**2,253**	**2,253**	**2,253**	**2,253**	**2,253**	**2,253**	**27,039**	**35,046**	**36,470**
Planning and development		1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	23,782	25,433	26,426
Road transport		271	271	271	271	271	271	271	271	271	271	271	271	3,257	9,613	10,044
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**588**	**588**	**588**	**588**	**588**	**588**	**588**	**588**	**588**	**588**	**588**	**588**	**7,055**	**7,126**	**7,175**
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		588	588	588	588	588	588	588	588	588	588	588	588	7,055	7,126	7,175
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		**14,643**	**14,643**	**14,643**	**14,643**	**14,643**	**14,643**	**14,643**	**14,643**	**14,643**	**14,643**	**14,643**	**14,643**	**175,717**	**186,009**	**193,481**
Expenditure - Functional																
Governance and administration		**6,078**	**6,078**	**6,078**	**6,078**	**6,078**	**6,078**	**6,078**	**6,078**	**6,078**	**6,078**	**6,078**	**6,078**	**72,935**	**76,290**	**79,647**
Executive and council		1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	21,302	22,282	23,262
Finance and administration		4,159	4,159	4,159	4,159	4,159	4,159	4,159	4,159	4,159	4,159	4,159	4,159	49,906	52,202	54,498
Internal audit		144	144	144	144	144	144	144	144	144	144	144	144	1,727	1,807	1,886
Community and public safety		**2,544**	**2,544**	**2,544**	**2,544**	**2,544**	**2,544**	**2,544**	**2,544**	**2,544**	**2,544**	**2,544**	**2,544**	**30,526**	**31,930**	**33,335**
Community and social services		2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	24,368	25,489	26,611
Sport and recreation		470	470	470	470	470	470	470	470	470	470	470	470	5,637	5,896	6,155
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		43	43	43	43	43	43	43	43	43	43	43	43	521	545	569
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**5,491**	**5,491**	**5,491**	**5,491**	**5,491**	**5,491**	**5,491**	**5,491**	**5,491**	**5,491**	**5,491**	**5,491**	**65,886**	**75,123**	**78,437**
Planning and development		1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	12,840	13,430	14,021
Road transport		4,421	4,421	4,421	4,421	4,421	4,421	4,421	4,421	4,421	4,421	4,421	4,421	53,047	61,693	64,415
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**634**	**634**	**634**	**634**	**634**	**634**	**634**	**634**	**634**	**634**	**634**	**634**	**7,603**	**7,953**	**8,303**
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		41	41	41	41	41	41	41	41	41	41	41	41	497	520	543
Waste management		592	592	592	592	592	592	592	592	592	592	592	592	7,106	7,433	7,760
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional		**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**14,746**	**176,951**	**191,297**	**199,722**
Surplus/(Deficit) before assoc.		**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(1,234)**	**(5,288)**	**(6,241)**
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(103)**	**(1,234)**	**(5,288)**	**(6,241)**

Table 40 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN227 Richmond - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	###	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Executive And Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Road Transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*																
Vote 1 - Executive And Council		–	–	–	–	–	–	–	–	–	–	–	80	80	–	–
Vote 2 - Finance and administration		–	–	–	–	–	–	–	–	–	–	–	1,720	1,720	1,305	598
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Road Transport		–	–	–	–	–	–	–	–	–	–	–	21,159	21,159	21,777	22,735
Vote 8 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**22,959**	**22,959**	**23,082**	**23,334**
Total Capital Expenditure	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**22,959**	**22,959**	**23,082**	**23,334**

Table 41 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

KZN227 Richmond - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	###	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional	1															
Governance and administration		150	150	150	150	150	150	150	150	150	150	150	150	1,800	1,305	598
Executive and council		7	7	7	7	7	7	7	7	7	7	7	7	80	–	–
Finance and administration		143	143	143	143	143	143	143	143	143	143	143	143	1,720	1,305	598
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		58	58	58	58	58	58	58	58	58	58	58	58	690	94	98
Community and social services		58	58	58	58	58	58	58	58	58	58	58	58	690	94	98
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	21,290	21,777	22,735
Planning and development		11	11	11	11	11	11	11	11	11	11	11	11	131	–	–
Road transport		1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	21,159	21,777	22,735
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	23,780	23,176	23,432
Funded by:																
National Government		1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	20,819	21,777	22,735
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	20,819	21,777	22,735
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		247	247	247	247	247	247	247	247	247	247	247	247	2,961	1,400	697
Total Capital Funding		1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	23,780	23,176	23,432

Table 42 MBRR SA30 - Budgeted monthly cash flow

KZN227 Richmond - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash Receipts By Source													1		
Property rates	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	27,894	29,177	30,461
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	123	123	123	123	123	123	123	123	123	123	123	123	1,472	1,540	1,608
Rental of facilities and equipment	90	90	90	90	90	90	90	90	90	90	90	90	1,085	1,135	1,185
Interest earned - external investments	306	306	306	306	306	306	306	306	306	306	306	306	3,673	3,842	4,011
Interest earned - outstanding debtors	244	244	244	244	244	244	244	244	244	244	244	244	2,924	3,059	3,194
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	3	3	3	3	3	3	3	3	3	3	3	3	32	33	34
Licences and permits	243	243	243	243	243	243	243	243	243	243	243	243	2,918	3,052	3,187
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies - Operational	9,369	9,369	9,369	9,369	9,369	9,369	9,369	9,369	9,369	9,369	9,369	8,319	111,380	118,270	123,594
Other revenue	114	114	114	114	114	114	114	114	114	114	114	114	1,368	1,431	1,494
Cash Receipts by Source	**12,816**	**12,816**	**12,816**	**12,816**	**12,816**	**12,816**	**12,816**	**12,816**	**12,816**	**12,816**	**12,816**	**11,766**	**152,747**	**161,539**	**168,767**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	20,819	22,306	23,168
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
VAT Control (receipts)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**14,551**	**14,551**	**14,551**	**14,551**	**14,551**	**14,551**	**14,551**	**14,551**	**14,551**	**14,551**	**14,551**	**13,501**	**173,566**	**183,845**	**191,935**
Cash Payments by Type															
Employee related costs	6,530	6,530	6,530	6,530	6,530	6,530	6,530	6,530	6,530	6,530	6,530	6,530	78,361	81,965	85,572
Remuneration of councillors	633	633	633	633	633	633	633	633	633	633	633	633	7,590	7,939	8,289
Interest	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Acquisitions - water & other inventory	2	2	2	2	2	2	2	2	2	2	2	2	20	21	22
Contracted services	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	37,480	38,681	40,383
Transfers and subsidies - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	22,044	23,058	24,073
Cash Payments by Type	**12,125**	**12,125**	**12,125**	**12,125**	**12,125**	**12,125**	**12,125**	**12,125**	**12,125**	**12,125**	**12,125**	**12,125**	**145,495**	**151,665**	**158,338**
Other Cash Flows/Payments by Type															
Capital assets	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	23,780	23,706	23,864
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	18	18	18	18	18	18	18	18	18	18	18	–	202	212	221
Total Cash Payments by Type	**14,125**	**14,125**	**14,125**	**14,125**	**14,125**	**14,125**	**14,125**	**14,125**	**14,125**	**14,125**	**14,125**	**14,106**	**169,478**	**175,582**	**182,423**
NET INCREASE/(DECREASE) IN CASH HELD	**427**	**427**	**427**	**427**	**427**	**427**	**427**	**427**	**427**	**427**	**427**	**(606)**	**4,088**	**8,263**	**9,512**
Cash/cash equivalents at the month/year begin:	12,417	12,844	13,270	13,697	14,124	14,551	14,977	15,404	15,831	16,258	16,684	17,111	12,417	16,505	24,769
Cash/cash equivalents at the month/year end:	12,844	13,270	13,697	14,124	14,551	14,977	15,404	15,831	16,258	16,684	17,111	16,505	16,505	24,769	34,280

2.10 Annual budgets and SDBIPs – internal departments

See attached.

2.11 Contracts having future budgetary implications

In terms of the Richmond's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

The following tables represent in detail how Richmond local municipality anticipate on spending its capital budget. Consideration has been given to all requests received during community engagements.

Municipal Infrastructure grant

Number	Projects	Amount
1	Upgrade of Greater Indaleni Passages - Upgrading of Slahla Access Road to Black Top Surface in Ward 2	5,057,400
2	Upgrading of Stormwater in Ward 7 (Khetho to Mjintini)	5,306,040
3	Purchase of Grader and excavator	10,455,816
		20,819,256

Integrated Funded Capital Projects

	Projects	Amount
1	Malufume - sport ground-Goalpost and grandstands	200,000
2	Ward 4- sport ground- Goalpost and grandstands	200,000
3	LED car port	69996
4	Khetho and Mjintini Stormwater	5306040
6	Upgrading of Slahla Access road	5057400
7	Armoury	249996
8	Pavement of walkway/driveway	249996
9	Malufume – sportground	200004
10	Goalpost and grandstands - ward 4	200004
11	Laptop Finance	600000
12	Procurement of OMM boardroom chairs	80004
13	Planning office furniture	60996
14	Office chair per department	69996
15	New community chairs	200004

16	Procurement of Time and attendance system	350004
17	Aircon Replacement project	450000
18	Roads brush cutter machine	90000
19	Community brush cutter machine	90000

The following three tables present details of the Richmond's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 43 MBRR SA 34a - Capital expenditure on new assets by asset class

KZN227 Richmond - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Total Capital Expenditure on new assets	1	11,721	37,765	11,102	2,305	21,905	21,905	13,217	12,336	12,115

Table 44 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN227 Richmond - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Total Capital Expenditure on renewal of existing asset	1	2,051	2,591	4,359	–	–	–	10,656	10,656	10,656
Renewal of Existing Assets as % of total capex		9.7%	4.8%	19.9%	0.0%	0.0%	0.0%	49.7%	49.7%	49.7%
Renewal of Existing Assets as % of deprecn"		10.0%	16.0%	26.2%	0.0%	0.0%	0.0%	49.9%	47.7%	46.6%

Table 45 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN227 Richmond - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs and maintenance expenditure by Asset Class/Sub-class										
Total Repairs and Maintenance Expenditure	1	6,720	12,783	13,347	10,735	11,158	11,158	18,444	19,293	20,141
R&M as a % of PPE & Investment Property		2.0%	3.6%	4.0%	3.0%	3.0%	3.0%	3.9%	3.9%	3.9%
R&M as % Operating Expenditure		4.8%	8.3%	7.9%	6.2%	6.5%	6.5%	10.7%	10.9%	10.5%

Table 46 MBRR SA35 - Future financial implications of the capital budget

KZN227 Richmond - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2025/26 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Present value
Capital expenditure	1							
Vote 1 - Executive And Council		80	–	–	–	–	–	–
Vote 2 - Finance and administration		1,720	1,305	598	–	–	–	–
Vote 3 - Housing		–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–
Vote 6 - Planning and Development		–	–	–	–	–	–	–
Vote 7 - Road Transport		21,159	21,777	22,735	–	–	–	–
Vote 8 - Sport and Recreation		–	–	–	–	–	–	–
Vote 9 - Waste Management		–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–
List entity summary if applicable					–	–	–	–
Total Capital Expenditure		**22,959**	**23,082**	**23,334**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - Executive And Council		21,302	22,282	23,262	–	–	–	–
Vote 2 - Finance and administration		49,906	52,202	54,498	–	–	–	–
Vote 3 - Housing		521	545	569	–	–	–	–
Vote 4 - Community and Social Services		21,718	22,718	23,717	–	–	–	–
Vote 5 - Internal Audit		1,727	1,807	1,886	–	–	–	–
Vote 6 - Planning and Development		1,131	1,183	1,235	–	–	–	–
Vote 7 - Road Transport		53,047	61,693	64,415	–	–	–	–
Vote 8 - Sport and Recreation		5,637	5,896	6,155	–	–	–	–
Vote 9 - Waste Management		7,106	7,433	7,760	–	–	–	–
Vote 10 - Waste Water Management		497	520	543	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–
List entity summary if applicable					–	–	–	–
Total future operational costs		162,593	176,278	184,042	–	–	–	–
Future revenue by source	3							
Exchange Revenue		–	–	–	–	–	–	–
Service charges - Electricity		–	–	–	–	–	–	–
Service charges - Water		–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–
Service charges - Waste Management		1,126	1,177	1,206	–	–	–	–
Agency services		–	–	–	–	–	–	–
List other revenues sources if applicable		–	–	–	–	–	–	–
List entity summary if applicable		–	–	–	–	–	–	–
Total future revenue		1,126	1,177	1,206	–	–	–	–
Net Financial Implications		**184,426**	**198,184**	**206,169**	**–**	**–**	**–**	**–**

Table 47 MBRR SA36 - Detailed capital budget per municipal vote

KZN227 Richmond - Supporting Table SA36 Detailed capital budget

R thousand														2025/26 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality:																
List all capital projects grouped by Function																
Community and Social Services	**Assets:Sport and Recreation Facilities:(**	**1**	**New**	*competitive and responsive economic infrastruc*	*Growth*		*Sport and Recreation Facilities*	*Outdoor Facilities*	*wazuluNatal:District Municipalities:DC22 Umgungundlovu:Municipalities:KZN227 Richmond:Ward:Ward 4*					**200**	**200**	**200**
Community and Social Services	**nunity Assets:Sport and Recreation Fac**	**2**	**Renewal**	*competitive and responsive economic infrastruc*	*Growth*		*Sport and Recreation Facilities*	*Outdoor Facilities*	*wazuluNatal:District Municipalities:DC22 Umgungundlovu:Municipalities:KZN227 Richmond:Ward:Ward 5*					**200**	**200**	**200**
Community and Social Services	**re:New:Furniture and Office Equipment:(**	**3**	**New**	*competitive and responsive economic infrastruc*	*Growth*		*Community Facilities*	*Halls*	*wazuluNatal:District Municipalities:DC22 Umgungundlovu:Municipalities:KZN227 Richmond:Ward:Ward 1*					**200**	**200**	**200**
Road Transport	**Upgrading:Roads Infrastructure:Roads:U**	**4**	**Upgrading**	*competitive and responsive economic infrastruc*	*Growth*		*Roads Infrastructure*	*Roads*	*wazuluNatal:District Municipalities:DC22 Umgungundlovu:Municipalities:KZN227 Richmond:Ward:Ward 2*					**5,057**	**5,057**	**5,057**
Road Transport	**ds Infrastructure:Roads:Rehabilitation c**	**5**	**Renewal**	*competitive and responsive economic infrastruc*	*Growth*		*Roads Infrastructure*	*Roads*	*wazuluNatal:District Municipalities:DC22 Umgungundlovu:Municipalities:KZN227 Richmond:Ward:Ward 2*					**10,456**	**10,456**	**10,456**
Road Transport	**nfrastructure:Drainage Collection:Upgra**	**6**	**Upgrading**	*competitive and responsive economic infrastruc*	*Growth*		*Storm water Infrastructure*	*Storm water Conveyance*	*wazuluNatal:District Municipalities:DC22 Umgungundlovu:Municipalities:KZN227 Richmond:Ward:Ward 2*					**5,306**	**5,306**	**5,306**
Parent Capital expenditure												–	–	21,419	21,419	21,419

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. **In year reporting**

   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Richmond's website.

2. **Internship programme**

   The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Budget and Treasury Office. Since the introduction of the Internship programme the municipality has successfully employed and trained 15 interns through this programme.

3. **Budget and Treasury Office**

   The Budget and Treasury Office has been established in accordance with the MFMA.

4. **Audit Committee**

   An Audit Committee has been established and is fully functional.

5. **Service Delivery and Implementation Plan**

   The detail SDBIP document is at a final stage and will be finalized after approval of the 2023/24 MTREF in May 2023 directly aligned and informed by the 2023/24 MTREF.

6. **Annual Report**

   Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. **MFMA Training**

   The MFMA training module in electronic format is presented at the Richmond's internal centre and training is ongoing.

8. **Policies**

   All financial policies are reviewed and adopted annually as part of the budget process

2.14 Other supporting documents

Table 48 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN227 Richmond - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
REVENUE ITEMS:											
Non-exchange revenue by source											
Exchange Revenue	6										
Total Property Rates		19,285	27,115	28,871	29,869	29,869	29,869	40,823	32,156	33,603	34,443
Less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***		–	–	–	980	980	980	11,413	1,064	1,112	1,140
Net Property Rates		**19,285**	**27,115**	**28,871**	**28,889**	**28,889**	**28,889**	**29,410**	**31,092**	**32,491**	**33,303**
Exchange revenue service charges											
Service charges - Electricity	6										
Total Service charges - Electricity									–	–	–
Less Revenue Foregone ***(in excess of 50 kwh per indigent household per month)***		–	–	–	(457)	(457)	(457)	–	(477)	(496)	(516)
Less Cost of Free Basis Services (50 kwh per indigent household per month)		–	–	–	457	457	457	–	477	496	516
Net Service charges - Electricity		–	–	–	–	–	–	–	–	–	–
Service charges - Water	6										
Total Service charges - Water									–	–	–
Less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***		–	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–	–
Net Service charges - Water		–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management											
Total Service charges - Waste Water Management									–	–	–
Less Revenue Foregone ***(in excess of free sanitation service to indigent households)***		–	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–	–
Net Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	6										
Total refuse removal revenue		1,216	1,269	1,341	1,410	1,410	1,410		346	362	371
Total landfill revenue									–	–	–
Less Revenue Foregone ***(in excess of one removal a week to indigent households)***		294	303	317	–	–	–	–	(6)	2	(4)
Less Cost of Free Basis Services (removed once a week to indigent households)		–	–	–	332	332	332	–	352	360	375
Net Service charges - Waste Management		**923**	**966**	**1,023**	**1,079**	**1,079**	**1,079**	–	–	–	–
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	40,509	44,692	50,270	52,849	52,520	52,520	49,824	56,802	59,414	62,029
Pension and UIF Contributions		5,705	6,039	6,778	6,958	7,135	7,135	6,812	7,542	7,889	8,236
Medical Aid Contributions		2,034	2,133	2,415	2,463	2,499	2,499	2,461	2,627	2,748	2,869
Overtime		1,877	1,326	1,392	2,100	2,100	2,100	1,773	2,209	2,310	2,412
Performance Bonus		2,722	3,038	3,361	3,221	3,231	3,231	3,679	3,397	3,553	3,709
Motor Vehicle Allowance		2,002	2,493	2,402	2,424	2,405	2,405	2,334	2,529	2,645	2,762
Cellphone Allowance		399	437	426	435	435	435	441	457	478	499
Housing Allowances		95	165	322	326	326	326	337	342	358	374
Other benefits and allowances		689	182	777	792	802	802	991	843	882	921
Payments in lieu of leave		1,714	1,551	1,859	1,563	1,534	1,534	1,738	1,613	1,687	1,761
Long service awards		326	–	–	–	–	–	–			
Post-retirement benefit obligations	4	969	235	246	–	–	–	–			
Entertainment		–	–	–	–	–	–	–			
Scarcity		–	–	–	–	–	–	–			
Acting and post related allowance		–	–	–	–	–	–	–			
In kind benefits		–	–	–	–	–	–	–			
sub-total	5	**59,042**	**62,291**	**70,246**	**73,130**	**72,985**	**72,985**	**70,390**	**78,361**	**81,965**	**85,572**
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–			
Total Employee related costs	1	**59,042**	**62,291**	**70,246**	**73,130**	**72,985**	**72,985**	**70,390**	**78,361**	**81,965**	**85,572**
Depreciation and amortisation											
Depreciation of Property, Plant & Equipment		19,948	16,026	16,498	20,382	20,382	20,382	13,981	20,991	21,957	22,923
Lease amortisation		498	163	113	73	73	73	248	367	384	401
Capital asset impairment		8	–	–	–	–	–	–			
Total Depreciation and amortisation	1	**20,455**	**16,189**	**16,611**	**20,456**	**20,456**	**20,456**	**14,229**	**21,358**	**22,341**	**23,324**
Bulk purchases - electricity											
Electricity bulk purchases		–	–	–	–	–	–	–			
Total bulk purchases	1	–	–	–	–	–	–	–	–	–	–
Transfers and grants											
Cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants		590	556	523	–	–	–	–	–	–	–
Total transfers and grants	1	**590**	**556**	**523**	–	–	–	–	–	–	–
Contracted Services											
Outsourced Services		13,092	14,570	14,921	14,216	14,105	14,105	13,471	16,181	16,925	17,669
Consultants and Professional Services		5,118	3,344	9,934	2,531	4,671	4,671	2,886	3,387	3,543	3,699
Contractors		10,559	11,927	14,109	18,805	15,982	15,982	10,662	17,912	24,942	26,047
Total contracted services		**28,769**	**29,840**	**38,964**	**35,552**	**34,757**	**34,757**	**27,019**	**37,480**	**45,410**	**47,415**
Operational Costs											
Collection costs		–	–	–	–	–	–	–	–	–	–
Contributions to 'other' provisions		–	–	–	367	0	0	–	–	–	–
Audit fees		1,815	1,772	2,021	2,140	2,052	2,052	2,044	2,142	2,240	2,339
Other Operational Costs		14,364	15,867	23,846	23,211	22,488	22,488	17,770	19,918	20,834	21,751
Total Operational Costs	1	**16,179**	**17,639**	**25,867**	**25,718**	**24,539**	**24,539**	**19,814**	**22,060**	**23,075**	**24,090**
Repairs and Maintenance by Expenditure Item	8										
Employee related costs		–	–	–	–	–	–	(2)	–	–	–
Inventory Consumed (Project Maintenance)		3,688	5,974	1,238	1,251	1,523	1,523	(1,169)	1,261	1,319	1,377
Contracted Services		2,440	3,322	4,330	5,213	4,238	4,238	(89)	11,724	12,263	12,802
Operational Costs		591	3,487	7,779	4,271	5,397	5,397	(284)	5,460	5,711	5,962

Table 49 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

KZN227 Richmond - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	###	Vote 1 - Executive And Council	Vote 2 - Finance and administration	Vote 3 - Housing	Vote 4 - Community and Social Services	Vote 5 - Internal Audit	Vote 6 - Planning and Development	Vote 7 - Road Transport	Vote 8 - Sport and Recreation	Vote 9 - Waste Management	Vote 10 - Waste Water Management	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	1																
Revenue		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Exchange Revenue																	
Service charges - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management		–	–	–	–	–	–	–	–	1,126	–	–	–	–	–	–	1,126
Sale of Goods and Rendering of Services		–	97	–	3	–	–	–	11	80	–	–	–	–	–	–	191
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest		–	25	–	–	–	–	–	–	–	–	–	–	–	–	–	25
Interest earned from Receivables		–	155	–	–	–	–	–	–	353	–	–	–	–	–	–	508
Interest earned from Current and Non Current Assets		–	3,673	–	–	–	–	–	–	–	–	–	–	–	–	–	3,673
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		–	649	–	136	–	–	–	–	–	–	–	–	–	–	–	785
Licence and permits		–	–	–	–	–	–	39	–	–	–	–	–	–	–	–	39
Special Rating Levies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	892	–	–	–	–	364	–	–	–	–	–	–	–	–	1,256
Non-Exchange Revenue																	
Property rates		–	31,092	–	–	–	–	–	–	–	–	–	–	–	–	–	31,092
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	–	32	–	–	–	–	–	–	–	–	32
Licences or permits		–	–	–	–	–	–	2,823	–	–	–	–	–	–	–	–	2,823
Transfer and subsidies - Operational		–	93,585	–	8,399	–	1,096	–	–	5,496	–	–	–	–	–	–	108,576
Interest		–	2,744	–	–	–	–	–	–	–	–	–	–	–	–	–	2,744
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributi		–	132,913	–	8,537	–	1,096	3,257	11	7,055	–	–	–	–	–	–	152,870
Expenditure																	
Employee related costs		5,791	25,659	511	10,633	1,666	1,091	18,424	3,254	2,804	497	–	–	–	–	–	70,331
Remuneration of councillors		7,590	–	–	–	–	–	–	–	–	–	–	–	–	–	–	7,590
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		94	525	–	1,427	–	11	1,604	70	282	–	–	–	–	–	–	4,013
Debt impairment		–	4,412	–	–	–	–	–	–	56	–	–	–	–	–	–	4,468
Depreciation and amortisation		26	201	–	11	–	5	18,549	1,435	74	–	–	–	–	–	–	20,301
Interest		11	1,114	–	11	–	–	7	–	–	–	–	–	–	–	–	1,143
Contracted services		2,562	10,504	–	8,052	–	–	9,032	50	3,564	–	–	–	–	–	–	33,763
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		5,227	7,491	10	1,584	61	24	5,431	828	327	–	–	–	–	–	–	20,983
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		21,302	49,906	521	21,718	1,727	1,131	53,047	5,637	7,106	497	–	–	–	–	–	162,593
Surplus/(Deficit)		(21,302)	83,007	(521)	(13,181)	(1,727)	(36)	(49,790)	(5,626)	(51)	(497)	–	–	–	–	–	(9,723)
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	20,819	–	–	–	–	–	–	–	–	–	20,819
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(21,302)	83,007	(521)	(13,181)	(1,727)	20,784	(49,790)	(5,626)	(51)	(497)	–	–	–	–	–	11,096

Table 50 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN227 Richmond - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Trade and other receivables from exchange transactions											
Electricity		–	–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–	–
Waste		3,380	3,155	3,842	150	150	150	4,358	3,672	3,842	4,018
Waste Water		–	–	–	–	–	–	–	–	–	–
Other trade receivables from exchange transactions		1,808	3,492	1,924	4,221	4,221	4,221	1,858	2,121	2,217	2,286
Gross: Trade and other receivables from exchange transactions		**5,188**	**6,647**	**5,765**	**4,372**	**4,372**	**4,372**	**6,217**	**5,794**	**6,059**	**6,303**
Less: Impairment for debt		**(3,320)**	**(4,327)**	**(4,749)**	**(3,346)**	**(3,346)**	**(3,346)**	**(5,804)**	**(5,647)**	**(5,907)**	**(6,167)**
Impairment for Electricity		–	–	–	–	–	–	–	–	–	–
Impairment for Water		–	–	–	–	–	–	–	–	–	–
Impairment for Waste		(3,320)	(4,327)	(3,197)	(3,531)	(3,531)	(3,531)	(4,318)	(4,041)	(4,226)	(4,412)
Impairment for Waste Water		–	–	–	–	–	–	–	–	–	–
Impairment for other trade receivalbes from exchange transactions		–	–	(1,552)	185	185	185	(1,486)	(1,607)	(1,681)	(1,755)
Total net Trade and other receivables from Exchange Transactions		**1,868**	**2,320**	**1,016**	**1,025**	**1,025**	**1,025**	**413**	**146**	**152**	**136**
Receivables from non-exchange transactions											
Property rates		46,871	39,835	45,507	45,968	45,968	45,968	50,787	50,615	52,912	54,623
Less: Impairment of Property rates		(39,533)	(38,659)	(43,238)	(41,218)	(41,218)	(41,218)	(45,121)	(48,800)	(51,045)	(53,291)
Net Property rates		**7,338**	**1,176**	**2,268**	**4,750**	**4,750**	**4,750**	**5,666**	**1,815**	**1,867**	**1,332**
Other receivables from non-exchange transactions		3,253	4,452	5,069	2,443	2,443	2,443	4,704	5,295	5,539	5,783
Impairment for other receivalbes from non-exchange transactions		(1,759)	(1,694)	(1,734)	–	–	–	(923)	(965)	(1,010)	(1,054)
Net other receivables from non-exchange transactions		**1,494**	**2,758**	**3,335**	**2,443**	**2,443**	**2,443**	**3,781**	**4,330**	**4,529**	**4,729**
Total net Receivables from non-exchange transactions		**8,832**	**3,934**	**5,603**	**7,192**	**7,192**	**7,192**	**9,447**	**6,145**	**6,396**	**6,060**
Inventory											
Water											
Opening Balance		–	–	–	–	–	–	–	–	–	–
System Input Volume		–	–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–	–
Bulk Purchases		–	–	–	–	–	–	–	–	–	–
Natural Sources		–	–	–	–	–	–	–	–	–	–
Authorised Consumption	6	–	–	–	–	–	–	–	–	–	–
Billed Authorised Consumption		–	–	–	–	–	–	–	–	–	–
Billed Metered Consumption		–	–	–	–	–	–	–	–	–	–
Free Basic Water		–	–	–	–	–	–	–	–	–	–
Subsidised Water		–	–	–	–	–	–	–	–	–	–
Revenue Water		–	–	–	–	–	–	–	–	–	–
Billed Unmetered Consumption		–	–	–	–	–	–	–	–	–	–
Free Basic Water		–	–	–	–	–	–	–	–	–	–
Subsidised Water		–	–	–	–	–	–	–	–	–	–
Revenue Water		–	–	–	–	–	–	–	–	–	–
UnBilled Authorised Consumption		–	–	–	–	–	–	–	–	–	–
Unbilled Metered Consumption		–	–	–	–	–	–	–	–	–	–
Unbilled Unmetered Consumption		–	–	–	–	–	–	–	–	–	–
Water Losses		–	–	–	–	–	–	–	–	–	–
Apparent losses		–	–	–	–	–	–	–	–	–	–
Unauthorised Consumption		–	–	–	–	–	–	–	–	–	–
Customer Meter Inaccuracies		–	–	–	–	–	–	–	–	–	–
Real losses		–	–	–	–	–	–	–	–	–	–
Leakage on Transmission and Distribution Mains		–	–	–	–	–	–	–	–	–	–
Leakage and Overflows at Storage Tanks/Reservoirs		–	–	–	–	–	–	–	–	–	–
Leakage on Service Connections up to the point of Customer Meter		–	–	–	–	–	–	–	–	–	–
Data Transfer and Management Errors		–	–	–	–	–	–	–	–	–	–
Unavoidable Annual Real Losses		–	–	–	–	–	–	–	–	–	–
Non-revenue Water		–	–	–	–	–	–	–	–	–	–
Correction of Prior period erros		–	–	–	–	–	–	–	–	–	–
Closing Balance Water		–	–	–	–	–	–	–	–	–	–
Agricultural											
Opening Balance		–	–	–	–	–	–	–	–	–	–
Acquisitions		–	–	–	–	–	–	–	–	–	–
Issues	7	–	–	–	–	–	–	–	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
Correction of Prior period erros		–	–	–	–	–	–	–	–	–	–
Closing balance - Agricultural		–	–	–	–	–	–	–	–	–	–
Consumables											
Standard Rated											
Opening Balance		0	(0)	–	–	–	–	–	–	–	0
Acquisitions		234	1,327	1,255	–	–	–	728	–	–	–
Issues	7	(234)	(1,192)	(1,255)	–	–	–	(728)	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
Correction of Prior period erros		–	–	–	–	–	–	–	–	–	–
Closing balance - Consumables Standard Rated		**(0)**	**135**	**0**	–	–	–	–	–	–	**0**
Zero Rated											
Opening Balance		–	–	–	–	–	–	–	–	–	–
Acquisitions		–	18	156	–	–	–	–	–	–	–
Issues	7	–	(18)	(156)	–	–	–	–	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
Correction of Prior period erros		–	–	–	–	–	–	–	–	–	–
Closing balance - Consumables Zero Rated		–	–	–	–	–	–	–	–	–	–
Finished Goods											
Opening Balance		–	–	–	–	–	–	–	–	–	–
Acquisitions		–	–	–	–	–	–	–	–	–	–
Issues	7	–	–	–	–	–	–	–	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
Correction of Prior period erros		–	–	–	–	–	–	–	–	–	–
Closing balance - Finished Goods		–	–	–	–	–	–	–	–	–	–
Materials and Supplies											
Opening Balance		–	–	–	–	–	–	–	–	–	–
Acquisitions		235	1,006	2,104	–	–	–	1,203	–	–	–
Issues	7	(235)	(1,006)	(2,104)	–	–	–	(1,203)	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
Correction of Prior period erros		–	–	–	–	–	–	–	–	–	–
Closing balance - Materials and Supplies		–	**0**	–	–	–	–	–	–	–	–

Table 51 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

KZN227 Richmond - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Community Survey - Stats SA 2016				66	72	72	72	72	72	72
Females aged 5 - 14		Community Survey - Stats SA 2016				7	47	47	47	47	47	47
Males aged 5 - 14		Community Survey - Stats SA 2016				7	7	7	7	7	7	7
Females aged 15 - 34		Community Survey - Stats SA 2016				12	12	12	12	12	12	12
Males aged 15 - 34		Community Survey - Stats SA 2016				12	12	12	12	12	12	12
Unemployment		Community Survey - Stats SA 2016										
Monthly household income (no. of households)	1, 12											
No income		Community Survey - Stats SA 2016				24,612	24,612	24,612	24,612	24,612	24,612	24,612
R1 - R1 600		Community Survey - Stats SA 2016				28,132	28,132	28,132	28,132	28,132	28,132	28,132
R1 601 - R3 200		Community Survey - Stats SA 2016				2,732	2,732	2,732	2,732	2,732	2,732	2,732
R3 201 - R6 400		Community Survey - Stats SA 2016				999	999	999	999	999	999	999
R6 401 - R12 800		Community Survey - Stats SA 2016				859	859	859	859	859	859	859
R12 801 - R25 600		Community Survey - Stats SA 2016				591	591	591	591	591	591	591
R25 601 - R51 200		Community Survey - Stats SA 2016				230	230	230	230	230	230	230
R52 201 - R102 400		Community Survey - Stats SA 2016				36	36	36	36	36	36	36
R102 401 - R204 800		Community Survey - Stats SA 2016				21	21	21	21	21	21	21
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R5 500 per household per month	13											
	2	Community Survey - Stats SA 2016							29334.27	29334.27	29334.27	29334.27

Table 52 MBRR SA32 – List of external mechanisms

KZN227 Richmond - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
MILLS FITCHET (NATAL) PTY LTD	months	60	GENERAL VALUATION AND PREPERATION OF VALUA	30 June 2027	1,698
REVENUE CONSULTING (PTY) LTD	months	24	DEBT COLLECTIOON SERVICES FOR A PERIOD OF T	03 October 2025	1,248
AYANDA MBANGA COMMUNICATIONS (PTY) LTD T/A	months	36	PROVISION OF ADVERTISEMENT IN THE PRINT MED	03 October 2025	1,165
NGELIZWE TRADING CC	months	18	UPGRADING STORMWATER AND ROAD FROM KHETI	14 August 2025	21,459
AFRIRENT FLEET MANAGEMENT	months	36	SUPPLY AND INSTALL CAR TRACKING DEVICE FOR	02 August 2027	173
NGELIZWE TRADING CC	months	12	CALL FOR PANEL OF INFRASTUCTURE CONTRACTO	08 January 2026	6,479
THINTANE PROJECTS (PTY) LTD	months	12	CALL FOR PANEL OF INFRASTUCTURE CONTRACTO	22 October 2025	2,398
VIMTSIRE PROTECTION SERVICES	months	36	APPOINTMENT OF A SERVICE PROVIDER TO PROVID	01 June 2027	40,968
TRAVEL WITH FLAIR (PTY) LTD	months	36	PROVISION OF TRAVEL AGENCY IN RESPECT TO TR	20 September 2027	980
MNDAWEGOLI (PTY) LTD	months	12	SUPPLY OF ASPHALT HOT MIX FOR A PERIOD OF 12	10 October 2025	1,067
MIYA ATTORNEYS (PTY) LTD	months	36	PANEL OF LEGAL ADVISORS TO RICHMOND MUNICI	01 October 2027	80
MKHIZE MIYA ATTORNEYS INC	months	36	PANEL OF LEGAL ADVISORS TO RICHMOND MUNICI	01 October 2027	104
SN NXUMALO ATTORNEYS INC	months	36	PANEL OF LEGAL ADVISORS TO RICHMOND MUNICI	01 October 2027	2
IMVOKOQA SOLUTIONS	months	36	DEVELOPMENT, MAINTENANCE AND HOSTING OF W	12 November 2027	599
SIYATHUTHU DEVELOPMENT T/A INZUZO YESIZWE	months	12	PANEL OF PROFESSIONAL TOWN AND REGIONAL PL	08 January 2026	453
PRO SECURE	months	30	PROVISION OF SECURITY SERVICES TO VARIOUS R	30 June 2027	40,680
SCELO BUSINESS CONSULTANCY	months	60	ACQUISITION OF FLEET ON FINANCE LEASE FOR A	01 February 2030	24,151
THOKOMELA ENGINEERING	months	36	ASSESSMENT AND MAINTENANCE OF STREET LIGH	04 April 2028	1,488
SOMANTIYA PROJECTS (PTY) LTD	months	3	REFURBISHMENT OF TOILETS AND INTERNAL WORI	03 July 2025	448

2.15 Municipal manager's quality certificate

I BE Mswane, municipal manager of Richmond, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.