



UTHUKELA DISTRICT MUNICIPALITY

DRAFT ANNUAL BUDGET

2015/16

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Part 1 – Draft Annual Budget

1.1 Mayor’s Report

In his Budget Speech to Parliament on 25 February 2015, the Minister of Finance Mr Nhlanhla Nene said that: “we are accountable to citizens and taxpayers for ensuring value for money in our stewardship of public resources”

Management has a significant role to play in strengthening the link between the citizen and government’s overall priorities and spending plans and to ensure value for money towards public resources. This will be done through enhancement of service delivery which is aimed to improve the quality of life of all UThukela District residents.

The 2015/2016 MTERF budget is based on the following:

- Operating Revenue : R 513 496 000
- Operating Expenditure : R 511 996 000
- Capital Expenditure : R334 440 000

Capital Expenditure is funded from Internal generated funds amounting to R 1 500 000 and Government grants amounting to R 332 940 000.

The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

1.2 Council Resolutions

On 27 March 2015 the Council of Uthukela District Municipality will meet in the Municipality Boardroom of Uthukela District Municipality to consider the draft annual budget of the municipality for the financial year 2015/16 with the following resolutions:

1. The Council of Uthukela District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves :
 - 1.1. The draft annual budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification)
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote)
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type)
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source
 - 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
 - 1.2.2. Budgeted Cash Flows
2. The Council of Uthukela District Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) to consider :
 - 2.1. the tariffs for water services
 - 2.2. the tariffs for sanitation services
 - 2.3. The tariffs for other municipal services

1.3 Executive Summary

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

The District has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No.74 and 71 were used to guide the compilation of the 2015/16 MTREF.

When drafting this budget, consideration was given to Section 18 of the MFMA which states that:

1. *"An annual budget may only be funded from:-*
 - a) *realistically anticipated revenues to be collected;*
 - b) *cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and*
 - c) *borrowed funds, but only for the capital budget referred to in section 17(2)*
2. **Revenue projections in the budget must be realistic, taking into account**
 - a) *Projected revenue for the current year based on collection levels to date; and*
 - b) *Actual revenue collected in previous financial years.*

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Ageing and poorly maintained water infrastructure;
- Wage increases for municipal staff, as well as the need to fill critical vacancies as per the Organogram.
- Cash flow problems

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2014/15 MTREF

Description	Adjustments Budget 2014/2015 '000	Budget Year 2015/16 '000	Budget Year +1 2015/16 '000	Budget Year +2 2016/17 '000
Total Operating Revenue	496 371	513 496	546 672	584 768
Total Operating Expenditure	(457 293)	(511 996)	(543 401)	(581 245)
Surplus/(Deficit) Budgeted Operating Statement	38 779	1 500	3 270	3 523
Total Capital Funding (GRANTS)	269 648	332 940	319 038	365 154
Total Capital Funding (Council)	68 778	1 500	3 270	3 523
Total Capital Funding (Roll overs)	28 600	0	0	0
Total Capital Expenditure	367 036	334 440	322 308	368 677
TOTAL BUDGET	766 019	846 436	865 709	949 921

Operating revenue

Operating revenue has increased by 10.5% in the 2015/2016 financial year due to the 6% increase in the tariff structure for service charges, 6% in other revenue and a further 5,5% from the operational grants. Operating revenue will increase by 6.5% and 6.9% in the outer years respectively.

Service charges, Water and Sanitation and other revenue have been increased by 6% in the 2015/2016 which is in line with the National Treasury guidelines as per MFMA circular 74.

Operating Expenditure

Operating expenditure for the 2015/16 financial year has been appropriated at R511 966 million and translates into a budgeted surplus of R1.5 Million.

Capital Expenditure

Capital Expenditure For the 2015/16 financial year, R334 440 mill of capital expenditure is funded by grants and R 1.5 mill from own revenue funds. Own revenue collection is currently low thus not sufficient enough to finance Capital Expenditure. The municipality is currently having plans to maximize revenue collection part of these plans was data cleansing that the municipality undergo in 2013 and its still doing an in house exercise on the issue which is ongoing. This will insure maximization of revenue collection.

1.4 Operating Revenue Framework

For Uthukela District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue, this will be done by a strict credit control to customers on arrear debts. This will also be maximised as the Municipality is having ongoing in house data cleansing to ensure accurate billing information. This is a council strategy aimed at maximising debt collections and to build a credible debtors book. 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;
- Growth in the District and continued economic development;
- Efficient revenue management,
- Increase ability to recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies

1.5 Operating Expenditure Framework

The District expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Operational gains and efficiencies will be directed to funding the capital budget and other core service
- Not to Budget for unfunded / underfunded mandates unless the function is:
 - 1) listed in schedule 4B and 5B of the constitution
 - 2) The Function is assigned to the Municipality in terms of national and provincial legislation,
 - 3) The Municipality has prioritized the provision of basic services and
 - 4) It does not jeopardize the financial viability of the Municipality

Table 1 MBRR Table A1 - Budget Summary

DC23 Uthukela - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	93 551	117 286	132 771	151 506	151 506	151 506	151 506	160 596	170 232	180 446
Investment revenue	2 070	9 789	10 761	9 471	7 172	7 172	7 172	7 603	8 059	8 542
Transfers recognised - operational	226 476	279 412	257 902	306 828	301 695	301 695	301 695	318 371	339 839	365 525
Other own revenue	19 998	34 523	36 129	37 032	35 998	35 998	35 998	26 927	28 542	30 255
Total Revenue (excluding capital transfers and contributions)	342 095	441 011	437 563	504 836	496 371	496 371	496 371	513 497	546 672	584 768
Employee costs	101 425	119 882	125 359	160 321	139 928	139 928	139 928	169 940	177 843	186 112
Remuneration of councillors	5 502	4 792	4 703	4 619	10 290	10 290	10 290	10 743	11 242	11 765
Depreciation & asset impairment	26 998	31 838	38 999	44 689	44 660	44 660	44 660	52 216	59 293	66 750
Finance charges	10 887	2 432	2 549	1 311	1 075	1 075	1 075	876	929	984
Materials and bulk purchases	18 311	19 945	29 314	60 535	54 637	54 637	54 637	56 650	60 878	66 169
Transfers and grants	80 207	108 715	83 732	11 900	12 480	12 480	12 480	13 228	14 022	14 863
Other expenditure	133 132	363 940	166 109	183 213	194 523	197 703	197 703	208 342	219 195	234 601
Total Expenditure	376 463	651 544	450 765	466 587	457 593	460 773	460 773	511 996	543 401	581 245
Surplus/(Deficit)	(34 368)	(210 534)	(13 202)	38 250	38 779	35 598	35 598	1 500	3 271	3 523
Transfers recognised - capital	-	249 261	360 480	209 225	269 648	269 648	269 648	332 940	319 038	365 154
Contributions recognised - capital & contributed a	114 944	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	80 576	38 727	347 279	247 474	308 426	305 246	305 246	334 440	322 309	368 677
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	80 576	38 727	347 279	247 474	308 426	305 246	305 246	334 440	322 309	368 677
Capital expenditure & funds sources										
Capital expenditure	38 107	101 466	425 614	277 475	367 027	367 027	367 027	334 440	322 308	368 707
Transfers recognised - capital	33 951	100 760	344 456	209 225	269 648	269 648	269 648	332 940	319 038	365 154
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	4 156	706	81 158	68 250	97 379	97 379	97 379	1 500	3 270	3 523
Total sources of capital funds	38 107	101 466	425 614	277 475	367 027	367 027	367 027	334 440	322 308	368 677
Financial position										
Total current assets	285 756	201 914	268 102	475 654	378 504	378 504	378 504	430 076	447 051	479 938
Total non current assets	712 342	812 489	1 483 053	1 191 455	2 252 753	1 827 145	1 827 145	2 109 363	2 372 374	2 673 999
Total current liabilities	265 066	252 618	155 639	169 263	114 688	114 688	114 688	88 145	85 512	83 840
Total non current liabilities	15 768	13 231	15 312	10 082	5 922	13 095	13 095	15 225	15 904	16 278
Community wealth/Equity	717 263	748 554	1 580 204	1 487 764	2 510 647	2 077 866	2 077 866	2 436 069	2 718 009	3 053 819
Cash flows										
Net cash from (used) operating	134 179	163 444	26 793	210 760	306 637	306 637	306 637	350 909	354 467	415 724
Net cash from (used) investing	(38 107)	(101 466)	(228 221)	(193 288)	(367 027)	(367 027)	(367 027)	(334 440)	(322 308)	(368 677)
Net cash from (used) financing	294	(1 609)	179 209	(3 918)	(2 524)	(2 524)	(2 524)	(1 565)	(434)	(267)
Cash/cash equivalents at the year end	88 404	148 773	126 554	164 861	63 639	63 639	63 639	88 992	120 717	167 497
Cash backing/surplus reconciliation										
Cash and investments available	88 404	148 773	126 554	164 861	63 639	63 639	63 639	88 992	120 717	167 497
Application of cash and investments	159 271	189 370	311 046	8 284	(95 959)	(92 538)	(92 538)	(119 161)	(127 836)	(135 499)
Balance - surplus (shortfall)	(70 867)	(40 597)	(184 492)	156 577	159 598	156 177	156 177	208 153	248 553	302 996
Asset management										
Asset register summary (WDV)	712 342	812 489	109	1 191 455	2 252 753	2 252 753	3 844 363	3 844 363	2 372 692	2 673 999
Depreciation & asset impairment	26 998	31 838	38 999	44 689	44 660	44 660	52 216	52 216	59 293	66 750
Renewal of Existing Assets	-	-	65	18 299	12 909	12 909	12 909	-	2 810	3 073
Repairs and Maintenance	13 132	16 088	22 082	54 450	48 552	48 552	50 199	50 199	54 042	58 922
Free services										
Cost of Free Basic Services provided	-	-	-	0	0	0	0	0	0	0
Revenue cost of free services provided	80 207	108 715	83 732	6 300	12 480	12 480	13 228	13 228	14 022	14 863
Households below minimum service level										
Water:	30	30	32	32	32	32	33	33	33	35
Sanitation/sew erage:	14	14	15	15	15	15	16	16	16	17
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	98	104	111	117	124	132	140	140	148	157

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality'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.
3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a) a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b) b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus.

Table 2 Summary of revenue and expenditure classified by main revenue and expenditure source

DC23 Uthukela - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	81 195	104 240	118 572	134 908	134 908	134 908	134 908	143 003	151 583	160 678
Service charges - sanitation revenue	2	12 356	13 047	14 199	16 598	16 598	16 598	16 598	17 594	18 649	19 768
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments		2 070	9 789	10 761	9 471	7 172	7 172	7 172	7 603	8 059	8 542
Interest earned - outstanding debtors		16 978	29 447	33 284	35 660	35 660	35 660	35 660	26 568	28 162	29 852
Dividends received											
Fines											
Licences and permits											
Agency services											
Transfers recognised - operational		226 476	279 412	257 902	306 828	301 695	301 695	301 695	318 371	339 839	365 525
Other revenue	2	3 020	5 076	2 845	1 372	338	338	338	359	380	403
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		342 095	441 011	437 563	504 836	496 371	496 371	496 371	513 497	546 672	584 768
Expenditure By Type											
Employee related costs	2	101 425	119 882	125 359	160 321	139 928	139 928	139 928	169 940	177 843	186 112
Remuneration of councillors		5 502	4 792	4 703	4 619	10 290	10 290	10 290	10 743	11 242	11 765
Debt impairment	3	16 391	244 001	16 028	30 452	26 380	29 560	29 560	28 222	26 810	25 470
Depreciation & asset impairment	2	26 998	31 838	38 999	44 689	44 660	44 660	44 660	52 216	59 293	66 750
Finance charges		10 887	2 432	2 549	1 311	1 075	1 075	1 075	876	929	984
Bulk purchases	2	4 043	3 857	7 232	6 085	6 085	6 085	6 085	6 450	6 837	7 247
Other materials	8	14 268	16 088	22 082	54 450	48 552	48 552	48 552	50 200	54 041	58 922
Contracted services		38 424	45 290	46 772	37 658	40 814	40 814	40 814	42 525	44 508	47 645
Transfers and grants		80 207	108 715	83 732	11 900	12 480	12 480	12 480	13 228	14 022	14 863
Other expenditure	4, 5	78 253	72 480	97 887	115 103	127 329	127 329	127 329	137 596	147 876	161 485
Loss on disposal of PPE		65	2 168	5 421							
Total Expenditure		376 463	651 544	450 764	466 587	457 593	460 773	460 773	511 996	543 401	581 245
Surplus/(Deficit)		(34 368)	(210 534)	(13 201)	38 250	38 779	35 598	35 598	1 500	3 271	3 524
Transfers recognised - capital			249 261	360 480	209 225	269 648	269 648	269 648	332 940	319 038	365 154
Contributions recognised - capital	6	114 944	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		80 576	38 727	347 279	247 474	308 426	305 246	305 246	334 440	322 309	368 678
Taxation											
Surplus/(Deficit) after taxation		80 576	38 727	347 279	247 474	308 426	305 246	305 246	334 440	322 309	368 678
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		80 576	38 727	347 279	247 474	308 426	305 246	305 246	334 440	322 309	368 678
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		80 576	38 727	347 279	247 474	308 426	305 246	305 246	334 440	322 309	368 678

The Municipality major income is from water and sewage service charges which was increased by 6%, There is no guideline that was received from Department of water affairs on the tariffs and the Municipality increase its tariffs to 6% as guided by MFMA circular 74, bearing in mind the infrastructure maintenance and any other operating expenses to ensure that the municipality is a going concern. The Municipality also receives its income from grants which is R 318 371 mill for operating expenses and R 332 940 mil for capital expenses.

The Municipality's salaries for employees will increase by 4.4% as per National treasury guidelines this is based on the 2014/2015 original budget, the salary budget was adjusted to R139 928 mill during the adjustments budget (2014/2015) because all budgeted vacant posts were not filled or were filled later in the year. There are still vacant posts as per municipality organogram that have not been filled in the 2014/2015 financial year, which will be filled in 2015/2016 financial year. The Municipality has vacant posts as per Municipality organogram that were frozen in the 2014/2015 financial year, and some of these posts has been unfrozen in the 2015/2016. This was due to the need that has been envisaged by the Municipality, which has then added additional costs to be borne by the Municipality which is 1.6%. The total salaries increase for the Municipality is 6%.

Finance charges consist primarily of the repayment of interest on long-term borrowings. Finance charges make up R876 070 of the total expenditure budget.

Bulk purchases are directly informed by the purchase of water from Department of Water Affairs.

Other materials as disclosed in the statement of financial performance comprises of the District's repairs and maintenance expenditure. The Municipality has budgeted R50 757 million towards repairs and maintenance which is 9.8% of total expenditure. Due to financial constrains the Municipality could not be able to budget for the 8% of its asset value towards repairs and maintenance. But the Municipality is determined to ensure that its budget towards repairs and maintenance increases spending.

Blue drop and green Drop

The Municipality has appointed a service provider to refurbish and re- instate the treatment plants. The Municipality's current BDS status is 57.39% and GDS istatus is <30%. The Municipality has budgeted R15 mil towards the Blue drop and Green drop to ensure improvements on its Blue drop and Green drop status.

Contracted services include all expenditure items that the Municipality is contracted to.

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 Municipality has budgeted 35% of it operating expenditure towards Employees related costs and councilors remuneration, as per the circular 71 of National Treasury the municipality is still within the 35% norm in the 2015/2016 financial year, and budgeted 35% and 34% respectively for the two outer years. Other vacant post has to be frozen in the 2015/2016 financial year due to financial constraints.

Budget Assumptions

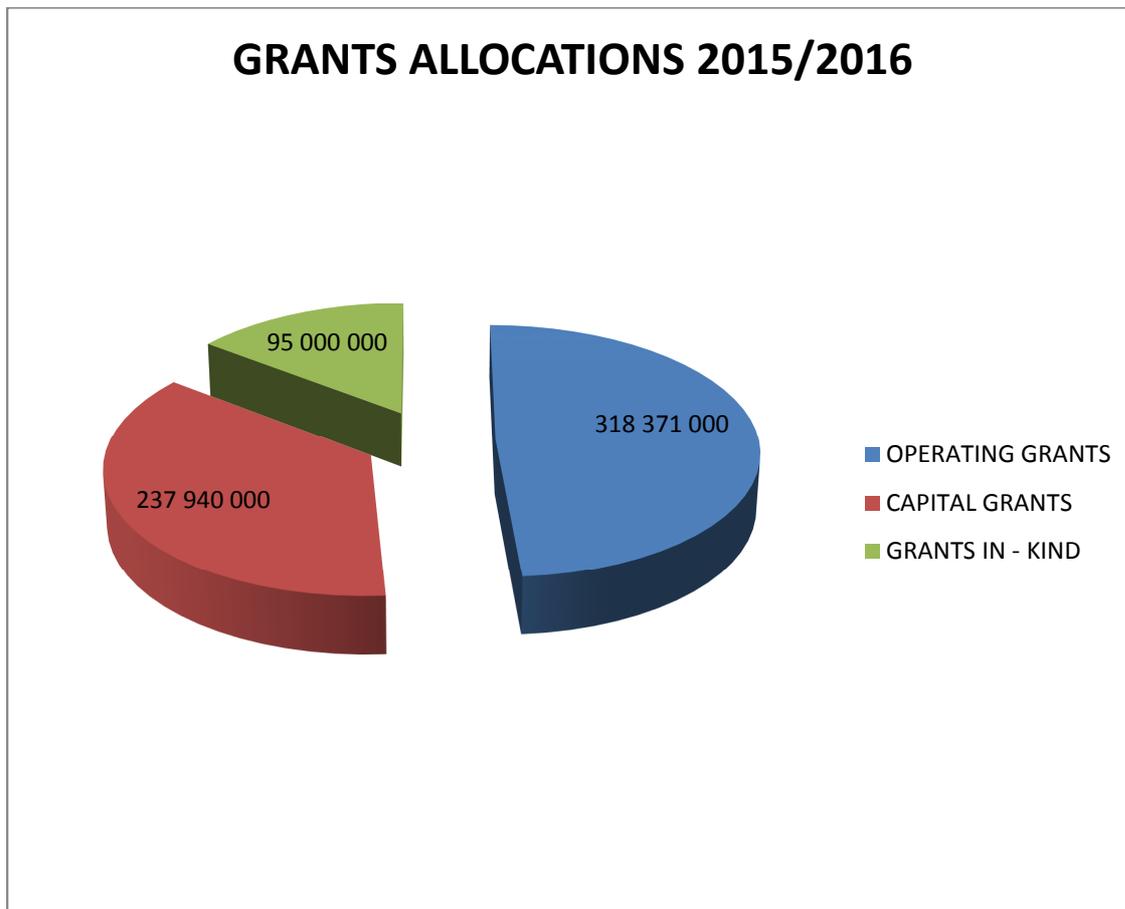
Presented budget assumes the following;

- i. That the inflation forecast (CPI) will be 5,8 % as been estimated in the MFMA circular 74, 5,5% and 5,3% for the two outer years respectively
- ii. Electricity expenditure relating to bulk purchases increase is at 14.24% as per MFMA circular 74
- iii. Employee related costs (administration) have been increased by 4.4% (plus 1.6% refer to page 12) as per MFMA circular 75 .
- iv. Employee related costs for council have been increased by 4.4% as per MFMA circular 75 .

Table 3. Operating and Capital Transfers and Grant Receipts

GRANTS	FUNDING	2015/2016	2016/2017	2017 / 2018
OPERATING GRANTS				
DEVELOPMENT PLANNING AND SHARED SERVICES	PT	250 000	1 200 000	0
EXPANDED PUBLIC WORKS PROGRAMME INTERGRATED GRANT	NT	2 384 000	0	0
EQUITABLE SHARE ALLOCATION	NT	261 605 000	278 357 000	298 301 000
RSC LEVIES REPLACEMENT (EQUITABLE SHARE)	NT	44 198 000	47 937 000	51 710 000
SPECIAL SUPPORT FOR COUNCILLORS REMUNERATION AND WARD COMMITTEES	NT	4 669 000	4 925 000	5 186 000
WATER SERVICES OPERATING SUBSIDY GRANT	NT	3 000 000	5 000 000	7 500 000
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	NT	1 325 000	1 460 000	1 795 000
MUNICIPAL SYSTEMS IMPROVEMENTS GRANTS	NT	940 000	960 000	1 033 000
		318 371 000	339 839 000	365 525 000
CAPITAL GRANTS				
MUNICIPAL INFRASTRUCTURE GRANT	NT	181 247 000	188 853 000	200 253 000
RURAL HOUSEHOLD INFRASTRUCTURE GRANT	NT	4 382 000	4 500 000	5 000 000
RURAL ROAD ASSETS MANAGEMENT	NT	2 311 000	2 378 000	2 531 000
MUNICIPAL WATER INFRASTRUCTURE GRANT	NT	50 000 000	38 307 000	83 052 000
		237 940 000	234 038 000	290 836 000
GRANTS IN - KIND				
REGIONAL BULK INFRACTURE GRANT	NT	95 000 000	85 000 000	74 318 000
		95 000 000	85 000 000	74 318 000
TOTAL ALLOCATION TO THE MUNICIPALITY INCL OF GRANTS IN KIND		651 311 000	658 877 000	730 679 000
TOTAL ALLOCATION TO THE MUNICIPALITY EXCL OF GRANTS IN KIND		556 311 000	573 877 000	656 361 000

Graph 1:



Graph 1 above shows the distribution in terms of the total grants allocation by the National and provincial sphere

The percentage distribution is as follows:

Operating grants	48.88%
Capital Grants	36.53%
Grants in kind	14.59%

Grants in kind relate to the grants by the National treasury that are directly distributed to the sector departments within the district. Rural infrastructure grant valued at R95 000 Million has been included as part of the District grants income to be received, hence the district do received this grant amount on the invoice basis from the DWA even though is in-kind.

1.5.1 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

A summary of the proposed tariffs are as follows:

Table 4 Proposed Water Tariffs - 2015/2016

SERVICES TARIFF 2014/2015 FINANCIAL YEAR

	Description	Tariff
1.	Tariff for accessibility to water (basic charge occupied and unoccupied)	R59.59/ month
2.	Tariff for accessibility to sewerage system (basic charge occupied and unoccupied)	R75.93/ month
3.	Sewer tariff for restricted usage (un-metered)	R75.83/ month
4.	Servicing sewer conservancy tanks/pits (small)	R134.17/ service
	Servicing sewer conservancy tanks/pits (large)	R287.53/ 5000l/ load
	Discharge of sewage to waste water works by private sewer tankers	R0,11/litre
	Integrated Step Tariff (Domestic Use)	
5.	Water tariff for water usage up to 6kl	Free/ Indigent
	Water tariff for water usage 1 to 30kl	R8.65kl
	Water tariff for water usage 31kl to 100kl	R10.02kl
	Water tariff for water usage 101kl to 999kl	R11.53kl
	Integrated Step Tariff (Industrial Use)	
6.	Water tariff for water usage up to 1000kl	R8.65kl
	Water tariff for water usage 1001kl and above	R4.53kl

DRAFT SERVICES TARIFF 2015/2016 FINANCIAL YEAR

Proposed water services tariff for the financial year 2015/2016.

	Description	Tariff
1.	Tariff for accessibility to water (basic charge occupied and unoccupied)	R63.17/ month
2.	Tariff for accessibility to sewerage system (basic charge occupied and unoccupied)	R80.49/ month
3.	Sewer tariff for restricted usage (un-metered)	R80.49/ month
4.	Servicing sewer conservancy tanks/pits (small)	R142.22/ service
	Servicing sewer conservancy tanks/pits (large)	R304.78/ 5000l/ load
	Discharge of sewage to waste water works by private sewer tankers	R0,12/litre
	Integrated Step Tariff (Domestic Use)	
5.	Water tariff for water usage up to 6kl	Free/ Indigent
	Water tariff for water usage 1 to 30kl	R9.17kl
	Water tariff for water usage 31kl to 100kl	R10.62kl
	Water tariff for water usage 101kl to 999kl	R12.22kl
	Integrated Step Tariff (Industrial Use)	
6.	Water tariff for water usage up to 1000kl	R9.17kl
	Water tariff for water usage 1001kl and above	R4.80kl
7.	Bulk potable water supply to IDC Estate	R4.80kl
	Bulk Raw water supply	R2.93kl
8.	Emergency Services Connection (excluding emergency services)	R21.60kl
9.	All connections, repairs and work required from Council Domestic	Cost + 10%
10.	All connections, repairs and work required from Council other services actual cost + 10 %	Cost + 10%
11.	Trade Effluent	Charge(c/kl)= 67.84c+([COD/1000] x 1.37c) (COD-Chemical Oxygen Demand)
12.	Account Deposits (Subject to credit worthiness)	Every default adjustment of R145.54 to maximum as per following: Residential Max R2 184.66 Business Max R 7 278.61 New consumers: Residential = R 1262.81 Business = R3013.48 Connection Fees =R 145.99
13.	Scrutiny of building plans	R399.52/ plan
14.	Requested Water Tankering (funerals – if not	5000l = R434.31/ load

	indigent)	
15.	Requested Water Tankering (other events)	5000l = R694.86/ load
16.	Developer's Capital Contribution - Water	R7896.28
17.	Developer's Capital Contribution - Sanitation	R8685.97
18.	Disconnection Fee	R 104.22
	Reconnection fee - Working hours	R 109.16
	-After hours, Saturdays/Sundays/Public Holidays	R260.53
19.	Clearance certificates	R385.00
20.	Flat rate services (where applicable)	R254.88 per household

Water and Waste Water Analysis		
Determinant	2 Units	Cost per sample
Alkalinity	mg/l CaCO ₃	R50.28
Appearance	Descriptive	
Aluminium - soluble	mg/l Al	R43.53
Ammonia	mg/l N	R41.92
Chloride	mg/l Cl	R33.56
Chlorine – Free	mg/l Cl ₂	R16.72
Colour	Pt-Co	R25.07
Conductivity	mS/m	R16.72
Fluoride	mg/l F	R41.92
Iron	mg/l Fe	R25.07
Manganese	mg/l Mn	R41.92
Nitrate	mg/l N	R25.07
Nitrite	mg/l N	R25.07
Odour	Descriptive	
pH	pH Units	R16.72
Phosphate - soluble	mg/l P	R25.07
Solids - Settleable	ml/l	R25.07
Sulphate	mg/l SO ₄	R36.80
Sulphide	mg/l H ₂ S	R41.92
Suspended Solids	mg/l	R37.03
Temperature	°C	
Total Dissolved Solids	mg/l	R25.07
Turbidity	NTU	R16.72
Oxygen Absorbed	mg/l O ₂	R50.28
Chemical Oxygen Demand	mg/l O ₂	R58.63
Magnesium/Calcium	mg/l Mg/Ca	R58.51

- Sample bottles can be collected at the Laboratory.
- A volume of at least 1 litre is necessary for analysis.

3 Microbiological Analysis		
Faecal coliforms	colonies per 100ml	R50.28
Total coliforms	colonies per 100ml	R50.28
Standard plate count	colonies per ml	R41.92

- Sterile bottles provided by the Laboratory should be used.
- Samples must be delivered to the Laboratory within 6 hours of collection and should be kept cold.
- A volume of 500ml is sufficient for analysis.
 1. Prices listed are for single samples.
 2. Sterile bottles can be supplied free of charge. Bottles broken or not returned will be charged for at a rate of R16.72 per bottle.

FINES FOR ILLEGAL CONNECTIONS AND TEMPERING

First instance	R 2 500
Second instance	R 5 000
Third instance	R 7 500
Forth instance	R10 000

NB: Immediately after the payment of R10 000.00 complete disconnection of water supply will apply!

PENALTY FEES

1. Warning letter	R 50.00
2. Final cut-off	
• Additional deposit-business	R 150.00
• Additional deposit-households	R106.00
• Penalty fee	R 81.97

RECONNECTION FEES:

- | | |
|---|---------|
| 1. Standard fee applies during working office hours | R109.16 |
| 2. Standard rate applies after office hours | R260.53 |

NEW CONNECTION (PLUMBING WORK) CHARGES

NO	SIZE (MM)	UNIT COST R	DEPOSIT
1	20	2 243.75	200.00
2	25	2 243.75	200.00
3	32	2 687.50	500.00
4	40	6 000.00	500.00
5	50	6 373.04	500.00
6	80	8 824.03	500.00
7	100	10 165.00	500.00
8	150	10 554.04	500.00

- **THE ABOVE TARIFFS EXCLUDE VAT**

- Other municipal services increase by 6% as per MFMA circular 74.
 - Tender documents
 - Maps GIS
 - Clearance certificates

Maps GIS tariffs

	A3 PRINTER		A0 PLOTTER		
	A4	A3	A2	A1	A0
Full Colour	22.51	45.03	112.57	151.97	202.63
Grey Scale	22.51	45.03	112.57	146.34	202.63
Topo Maps	16.89	33.77	84.43	112.57	151.97
Line / Hatch	11.26	33.77	56.29	73.17	101.31

Tender Documents

Municipal Produced	R168.86
Consultants produced depending on the project	R337.72 and R394.00 respectively

- Clearance certificate R 385.00

There are new additional tariffs that the Municipality has added in connection with fines to be imposed on illegal connections and tempering in the tariff structure of the 2015/16 financial year. The tariff structure is designed to charge higher levels of consumption at a higher rate.

- **Above tariffs excludes vat**

3.1.1 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality Indigent Policy. The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

The Municipality has developed an Indigent register to ensure that poor households are assisted through free basic service. The Municipality provides free 6kl towards indigent customers.

3.2 Table 5 :Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

DC23 Uthukela - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital expenditure - Vote											
Single-year expenditure to be appropriated	2										
105 - MUNICIPAL MANAGER		-	-	351	2 210	2 311	2 311	2 311	320	20	70
200 - CORPORATE SERVICES		-	114	19	1 500	1 871	1 871	1 871	430	60	20
300 - BUDGET AND TREASURY		-	28	10	600	1 162	1 162	1 162	250	70	20
405 - SOCIAL SERVICES		-	564	3	17 586	12 352	12 352	12 352	200	100	190
500 - TECHNICAL SERVICES		-	96 913	414 608	212 258	302 113	302 113	302 113	333 090	319 158	365 234
510 - WATER AND SANITATION SERVICES		-	3 847	10 623	43 321	47 217	47 217	47 217	150	2 900	3 143
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	101 466	425 614	277 475	367 027	367 027	367 027	334 440	322 308	368 677
Total Capital Expenditure - Vote		-	101 466	425 614	277 475	367 027	367 027	367 027	334 440	322 308	368 677
Capital Expenditure - Standard											
Governance and administration		-	142	359	4 310	5 344	5 344	5 344	1 000	150	110
Executive and council				330	2 210	2 311	2 311	2 311	320	20	70
Budget and treasury office			28	10	600	1 162	1 162	1 162	250	70	20
Corporate services			114	19	1 500	1 871	1 871	1 871	430	60	20
Community and public safety		-	564	-	17 586	12 352	12 352	12 352	200	100	190
Community and social services			564		17 586	12 352	12 352	12 352	150	100	160
Sport and recreation											
Public safety											
Housing											
Health									50		30
Economic and environmental services		1 126	-	2 002	2 315	2 315	2 315	2 315	2 311	2 378	2 531
Planning and development		1 126		3							
Road transport				1 999	2 315	2 315	2 315	2 315	2 311	2 378	2 531
Environmental protection											
Trading services		36 981	100 760	423 252	253 264	347 015	347 015	347 015	330 929	319 680	365 846
Electricity											
Water		36 981	100 760	423 252	253 264	347 015	347 015	347 015	330 929	319 680	365 846
Waste water management											
Waste management											
Other											
Total Capital Expenditure - Standard	3	38 107	101 466	425 614	277 475	367 027	367 027	367 027	334 440	322 308	368 677
Funded by:											
National Government		33 951	100 760	344 456	209 225	269 648	269 648	269 648	332 940	319 038	365 154
Provincial Government		-									
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	33 951	100 760	344 456	209 225	269 648	269 648	269 648	332 940	319 038	365 154
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		4 156	706	81 158	68 250	97 379	97 379	97 379	1 500	3 270	3 523
Total Capital Funding	7	38 107	101 466	425 614	277 475	367 027	367 027	367 027	334 440	322 308	368 677

For 2015/16 financial year the Municipality has budgeted an amount of R334 440 mil which will be finance from government grants (R 332 940 mil) and municipality internally generated funds (R3 270 mil)

3.3 Annual Budget Tables

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as approved by the Council.

Table 6 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC23 Uthukela - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
<i>Governance and administration</i>		232 895	290 321	279 380	299 336	296 492	296 492	320 524	298 750	320 236
Executive and council		232 895	285 910	37 743	41 140	41 140	41 140	48 867	9 719	10 357
Budget and treasury office		-	4 411	241 637	258 196	255 352	255 352	271 657	289 031	309 879
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		11 801	1 007	890	6 317	250	250	250	1 200	-
Planning and development		11 801	1 007	890	6 317	250	250	250	1 200	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		212 343	398 942	517 774	408 408	469 277	469 277	525 662	565 760	629 686
Electricity		-	-	-	-	-	-	-	-	-
Water		159 234	385 896	503 503	391 810	452 679	452 679	508 068	547 110	609 918
Waste water management		53 109	13 047	14 270	16 598	16 598	16 598	17 594	18 650	19 769
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	457 039	690 271	798 043	714 061	766 019	766 019	846 437	865 710	949 922
Expenditure - Standard										
<i>Governance and administration</i>		51 914	100 203	113 648	189 666	180 810	183 990	213 740	226 954	241 319
Executive and council		16 875	39 883	64 054	49 743	41 740	41 740	57 742	60 883	64 197
Budget and treasury office		16 177	27 645	23 332	104 843	98 456	101 636	116 158	123 642	131 913
Corporate services		18 862	32 675	26 262	35 080	40 614	40 614	39 840	42 429	45 208
<i>Community and public safety</i>		6 071	17 343	11 271	11 099	15 113	15 113	14 656	15 401	16 185
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		6 071	17 343	11 271	11 099	15 113	15 113	14 656	15 401	16 185
<i>Economic and environmental services</i>		23 485	40 584	8 760	26 939	23 915	23 915	30 657	33 250	33 782
Planning and development		23 485	40 584	8 760	26 939	23 915	23 915	30 657	33 250	33 782
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		294 993	493 414	317 085	238 883	237 755	237 755	252 944	267 796	289 959
Electricity		-	-	-	-	-	-	-	-	-
Water		181 329	482 772	314 869	235 955	234 688	234 688	249 755	264 417	286 377
Waste water management		113 663	10 642	2 216	2 928	3 067	3 067	3 188	3 379	3 582
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	376 463	651 544	450 764	466 587	457 593	460 773	511 996	543 401	581 245
Surplus/(Deficit) for the year		80 576	38 727	347 279	247 474	308 426	305 246	334 440	322 309	368 678

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.

Table 7 MBRR Table A3 - Budgeted Financial Performance (revenue and Expenditure by municipal vote

DC23 Uthukela - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote										
100 - COUNCIL	1	230 769	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES		-	32 687	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
400 - TECHNICAL AND INFRASTRUCTURAL DEV S		71 609	-	-	-	-	-	-	-	-
405 - PLANNING AND SOCIAL ECONOMIC DEVELO		11 801	-	-	-	-	-	-	-	-
408 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-
700 - WATER AND SANITATION SERVICES		142 860	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER		-	285 910	37 743	41 140	41 140	41 140	48 867	9 719	10 357
200 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY		-	4 411	241 637	258 196	255 352	255 352	271 657	289 031	309 879
405 - SOCIAL SERVICES		-	1 007	890	717	250	250	250	1 200	-
500 - TECHNICAL SERVICES		-	190 900	353 560	212 057	272 947	272 947	335 351	362 182	411 245
510 - WATER AND SANITATION SERVICES		-	175 355	164 213	201 951	196 330	196 330	190 311	203 578	218 441
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	457 039	690 271	798 043	714 061	766 019	766 019	846 436	865 710	949 922
Expenditure by Vote to be appropriated										
100 - COUNCIL	1	12 254	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER		4 621	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES		18 862	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY		16 177	-	-	-	-	-	-	-	-
400 - TECHNICAL AND INFRASTRUCTURAL DEV S		13 485	-	-	-	-	-	-	-	-
405 - PLANNING AND SOCIAL ECONOMIC DEVELO		23 485	-	-	-	-	-	-	-	-
408 - HEALTH SERVICES		6 071	-	-	-	-	-	-	-	-
700 - WATER AND SANITATION SERVICES		281 508	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER		-	39 883	64 054	49 743	41 739	41 739	57 742	60 883	64 197
200 - CORPORATE SERVICES		-	32 675	26 262	35 080	40 614	40 614	39 840	42 429	45 208
300 - BUDGET AND TREASURY		-	27 645	23 332	104 843	98 456	98 456	116 158	123 642	131 913
405 - SOCIAL SERVICES		-	57 928	20 031	38 039	39 028	39 028	45 313	48 651	49 967
500 - TECHNICAL SERVICES		-	4 913	3 456	7 806	7 523	7 523	7 154	4 993	5 227
510 - WATER AND SANITATION SERVICES		-	488 501	313 629	231 076	230 233	230 233	245 790	262 803	284 732
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	376 463	651 544	450 764	466 587	457 593	457 593	511 996	543 401	581 245
Surplus/(Deficit) for the year	2	80 576	38 727	347 279	247 474	308 426	308 426	334 440	322 308	368 677

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

1. 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 District.

Part 2 – Supporting Documentation

3.4 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 primary aims of the Budget / Finance 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 District'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.

3.4.1 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 a time schedule that sets out the process to revise the IDP and prepare the budget.

Month	MFMA Ref.	Mayor and Council	Responsibility	MFMA Ref.	Administration - Municipality	Responsibility
July	MFMA s 53	<ul style="list-style-type: none"> • Begin planning for next three-year budget in accordance with co-ordination role of budget process • Review previous year's budget process; • Complete Budget Evaluation Checklist. 	Mayor	MFMA s 68, 77 MSA s 76-81	<ul style="list-style-type: none"> • Begin planning for next three-year budget • Review options and contracts for service delivery 	Accounting Officer and Senior Officials
August	MFMA s 21,22, 23; MSA s 34, Ch 4 as amended	<ul style="list-style-type: none"> • Table in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget and reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes. 	Mayor			
September		<ul style="list-style-type: none"> • Through the IDP review process determine strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans 	Council		<ul style="list-style-type: none"> • Determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives • Engage with Provincial and National sector departments on sector specific programs for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc) 	Budget and Treasury Office
October				MFMA s 35, 36, 42; MTBPS	<ul style="list-style-type: none"> • Perform initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials 	Accounting Officer

Month	MFMA Ref.	Mayor and Council	Responsibility	MFMA Ref.	Administration - Municipality	Responsibility
November				MSA s 34	<ul style="list-style-type: none"> Review and draft initial changes to IDP 	Accounting Officer
December					<ul style="list-style-type: none"> Consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements 	Accounting officer and Senior officials
January				MFMA s 36	<ul style="list-style-type: none"> Review proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. 	Accounting officer
February				MFMA s 37(2)	<ul style="list-style-type: none"> Finalize and submit to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report Notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year 	Accounting officer
March	MFMA s 16, 22, 23, 87 MSA s 34	<ul style="list-style-type: none"> Table before Council municipality's budget, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year 	Mayor	MFMA s 22 & 37; MSA Ch 4 as amended MFMA s 42	<ul style="list-style-type: none"> Publish tabled budget, plans, and proposed revisions to IDP; Invites local community comment; and Submit to National and Provincial Treasuries Review any changes in prices for bulk resources as communicated by 15 March 	Accounting officer

Month	MFMA Ref.	Mayor and Council	Responsibility	MFMA Ref.	Administration - Municipality	Responsibility
April	MFMA s 21	<ul style="list-style-type: none"> • Consultation with national and provincial treasuries and finalise sector plans for water and sanitation. 			<ul style="list-style-type: none"> • Assist the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year 	Accounting officer
May	MFMA s 23, 24; MSA Ch 4 as amended	<ul style="list-style-type: none"> • Conduct public hearings on the budget, and council debate; • Considers views of the local community, NT, PT, other provincial and national organs of state and municipalities. • Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration; • Consider approval of budget and plans at least 30 days before start of budget year. 	Council		<ul style="list-style-type: none"> • Assist the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature 	Accounting officer
May/June	MFMA s 16, 24, 26, 53	<ul style="list-style-type: none"> • Approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year • Approve SDBIP within 28 days after approval of the budget and ensure that annual performance 	Council Mayor Mayor	MFMA s 69; MSA s 57 MFMA s 75, 87	<ul style="list-style-type: none"> • Submit to the Mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA. • Publish the adopted budget and plans in the municipal website and local media 	Accounting officer

Month	MFMA Ref.	Mayor and Council	Responsibility	MFMA Ref.	Administration - Municipality	Responsibility
	MFMA s 59, 79, 82; MSA s 59-65	<p>contracts are concluded in accordance with s 57(2) of the MSA.</p> <ul style="list-style-type: none"> • Ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. • Submit the approved SDBIP and performance agreements to council, MEC for local government and make public within 14 days after approval. • Finalise a system of delegations. 	<p>Mayor</p> <p>Council</p>			

3.5 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 District, 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 City 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 District's response to these requirements.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the District to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial

The 2015/16 MTREF has therefore been directly informed by the IDP revision process

3.6 Legislation compliance status

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

1. In year reporting

Section 71 reports are prepared in a prescribed format as per National Treasury Reporting format.

2. Internship programme

The District is participating in the Municipal Financial Management Internship programme and had employed five interns whom had undergoing training in various divisions of the Financial Services Department .As from 08 July 2013

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. Annual Report

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

6. MFMA Training

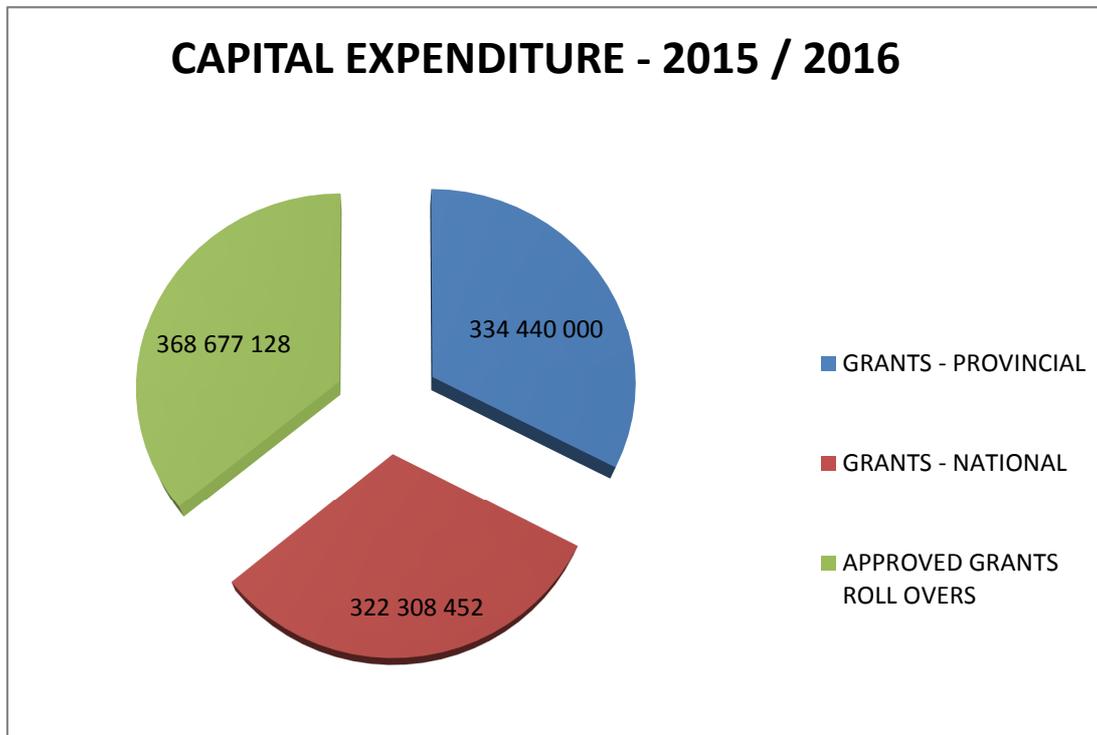
The MFMP competency training has been conducted by municipal officials and other finance municipal official are still undergoing the training.

3.7 Other supporting documents

3.7.1 CAPITAL BUDGET BY DEPARTMENTS

DEPARTMENT	DESCRIPTION	FUNDING	2015/2016	2016/2017	2017/18
TECHNICAL					
	Implementation of water and sanitation projects as per WSDP	MIG /NT	181 247 000.00	188 853 000	200 253 000
	RURAL HOUSEHOLD INFRASTRUCTURE	NT	4 382 000.00	4 500 000	5 000 000
	RBIG	NT	95 000 000.00	85 000 000	74 318 000
	RURAL ROAD ASSET MANAGEMENT	RRAM /NT	2 311 000.00	2 378 000	2 531 000
	OFFICE FURNITURE	UTDM	100 000	80 000	40 000
	MUNICIPAL WATER INFRASTRUCTURE GRANT	NT	50 000 000	38 307 000	83 052 000
	OFFICE EQUIPMENT		50 000	40 000	40 000
			333 090 000.00	319 158 000	365 234 000
WATER					
	OFFICE FURNITURE	UTDM	80 000	40 000	30 000
	PIPELINES AND PORTABLE WATER - REPLACEMENT	UTDM	0	2 810 452	3 073 128
	OFFICE EQUIPMENT	UTDM	70 000	50 000	40 000
			150 000	2 900 452	3 143 128
SOCIAL SERVICES					
	OFFICE FURNITURE	UTDM	100 000	100 000	150 000
	OFFICE EQUIPMENT	UTDM	50 000	0	40 000
	OFFICE FURNITURE-HEALTH	UTDM	50 000	0	30 000
			200 000	100 000	190 000
CORPORATE SERVICES					
	OFFICE FURNITURE	UTDM	80 000	40 000	20 000
	OFFICE EQUIPMENT	UTDM	50 000	20 000	0
	IT - EQUIPMENT	UTDM	300 000	0	0
			430 000	60 000	20 000
FINANCE					
	OFFICE FURNITURE	UTDM	150 000	30 000	20 000
	OFFICE EQUIPMENT	UTDM	90 000	40 000	0
			240 000	70 000	20 000
MUNICIPAL MANAGER					
	OFFICE FURNITURE	UTDM	100 000	20 000	30 000
	OFFICE EQUIPMENT	UTDM	50 000	0	40 000
	LAB EQUIPMENT	UTDM	30 000	0	0
			180 000	20 000	70 000
COUNCIL					
	OFFICE FURNITURE	UTDM	80 000	0	0
	OFFICE EQUIPMENT	UTDM	70 000	0	0
			150 000	0	0
	TOTAL CAPITAL EXPENDITURE		334 440 000	322 308 452	368 677 128
	FUNDING				
	GRANTS - PROVINCIAL		0	0	0
	GRANTS - NATIONAL		332 940 000	319 038 000	365 154 000
	APPROVED GRANTS ROLL OVERS		0		
	INTERNALLY GENERATED FUNDS		1 500 000	3 270 452	3 523 128
	TOTAL CAPITAL EXPENDITURE FUNDING		334 440 000	322 308 452	368 677 128

3.7.1(a):



Capital Grants For the 2015/16 financial year, an amount of R332 940 of capital expenditure is funded by grants and R1 500 000 by Municipal own revenue.

The Municipality is grant depended; this has caused the Municipality being unable to budget for the 40% of its capital as per treasury guidelines towards renewal of assets. This was as a result of cash flow constrains.

The graph above shows the split in capital funding between the grants and own revenue.

3.7.2 Transfers and Grant Receipts

DC23 Uthukela - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		227 720	272 281	267 042	300 978	301 445	301 445	318 121	338 639	365 525
Local Government Equitable Share		225 680	253 183	220 192	245 822	245 822	245 822	261 605	278 357	298 301
RSC Levy Replacement				37 710	41 140	41 140	41 140	44 198	47 937	51 710
Finance Management		1 250	1 319	1 250	1 250	1 250	1 250	1 325	1 460	1 795
Municipal Systems Improvement		790	1 007	890	467	934	934	940	960	1 033
EPWP Incentive			454	1 000	3 299	3 299	3 299	2 384	-	-
Water Services Operating Subsidy			7 193	6 000	9 000	9 000	9 000	3 000	5 000	7 500
DWA			9 124							
Equitable Share(SPECIAL SUPPORT FOR COUN		-	-	-				4 669	4 925	5 186
Provincial Government:		-	5 817	-	5 850	250	250	250	1 200	-
Sport and Recreation										
shared services					250	250	250	250	1 200	-
data cleansing			3 092							
council training			200							
KZN Projects			2 525							
Small town rehabilitation					5 600	-	-			
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Operating Transfers and Grants	5	227 720	278 098	267 042	306 828	301 695	301 695	318 371	339 839	365 525
Capital Transfers and Grants										
National Government:		101 879	216 573	194 784	209 045	269 648	269 648	332 940	319 038	365 154
Municipal Infrastructure Grant (MIG)		69 483	187 952	174 260	177 319	177 319	177 319	181 247	188 853	200 253
Rural Roads Asset Management				1 999	2 135	2 315	2 315	2 311	2 378	2 531
Rural Households Infrastructure				4 000	4 124	4 124	4 124	4 382	4 500	5 000
Regional Bulk Infrastructure		32 396	28 621	14 525	25 000	82 000	82 000	95 000	85 000	74 318
FMG										
MSIG					467					
MWIG								50 000	38 307	83 052
ACIP						3 890	3 890			
Provincial Government:		-	12 964	-	-	-	-	-	-	-
massification programme			12 964							
corridor development										
sports infrastructure										
KZN PROJECTS			7 885							
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Capital Transfers and Grants	5	101 879	229 537	194 784	209 045	269 648	269 648	332 940	319 038	365 154
TOTAL RECEIPTS OF TRANSFERS & GRANTS		329 599	507 635	461 826	515 873	571 343	571 343	651 311	658 877	730 679

3.7.3 Expenditure on Transfers and Grant Programme

DC23 Uthukela - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		227 720	272 281	268 021	300 978	301 445	301 445	318 121	338 639	365 525
Local Government Equitable Share		225 680	253 183	220 192	245 822	245 822	245 822	261 605	278 357	298 301
RSC Levy Replacement				37 710	41 140	41 140	41 140	44 198	47 937	51 710
Finance Management		1 250	1 319	1 581	1 250	1 250	1 250	1 325	1 460	1 795
Municipal Systems Improvement		790	1 007	890	467	934	934	940	960	1 033
EPWP Incentive			454	3 200	3 299	3 299	3 299	2 384		
Water Services Operating Subsidy			7 193	4 448	9 000	9 000	9 000	3 000	5 000	7 500
Equitable Share(SPECIAL SUPPORT FOR COUN dwa 0		-	-	-				4 669	4 925	5 186
Provincial Government:		-	5 817	-	5 850	250	250	250	1 200	-
Sport and Recreation shared services					250	250	250	250	1 200	-
data cleansing			3 092							
council training			200							
Small Town Rehabilitation					5 600	-	-			
kzn projects			2 525							
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total operating expenditure of Transfers and Grants		227 720	278 098	268 021	306 828	301 695	301 695	318 371	339 839	365 525
Capital expenditure of Transfers and Grants										
National Government:		101 879	216 573	322 821	209 225	269 648	269 648	332 940	319 038	365 154
Municipal Infrastructure Grant (MIG)		69 483	187 952	233 809	177 319	177 319	177 319	181 247	188 853	200 253
Rural Roads Asset Management				2 000	2 315	2 315	2 315	2 311	2 378	2 531
Rural Households Infrastructure				-	4 124	4 124	4 124	4 382	4 500	5 000
Regional Bulk Infrastructure		32 396	28 621	75 274	25 000	82 000	82 000	95 000	85 000	74 318
MSIG					467	-	-			
MWIG				11 738	-	-	-	50 000	38 307	83 052
ACIP					-	3 890	3 890			
0										
Provincial Government:		-	12 964	20 402	-	-	-	-	-	-
massification programme			12 964	20 402						
corridor development										
Sports infrastructure										
KZN PROJECTS			7 885							
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total capital expenditure of Transfers and Grants		101 879	229 537	343 223	209 225	269 648	269 648	332 940	319 038	365 154
TOTAL EXPENDITURE OF TRANSFERS AND GRAN		329 599	507 635	611 244	516 053	571 343	571 343	651 311	658 877	730 679

3.7.4 Budgeted Cash Flow

DC23 Uthukela - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		8	692	24 226	7	24 226	24 226	24 226	25 679	27 220	28 853
Call investment deposits	1	88 396	152 608	102 328	164 854	39 413	39 413	39 413	63 313	93 497	138 644
Consumer debtors	1	180 647	41 660	126 138	287 226	291 299	291 299	291 299	320 315	304 319	289 105
Other debtors		13 001	1 101	10 821	15 768	15 768	15 768	15 768	12 503	13 253	14 048
Current portion of long-term receivables											
Inventory	2	3 704	5 853	4 589	7 798	7 798	7 798	7 798	8 266	8 762	9 288
Total current assets		285 756	201 914	268 102	475 654	378 504	378 504	378 504	430 076	447 051	479 938
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	712 293	812 442	1 482 944	1 191 410	2 252 644	1 827 036	1 827 036	2 109 260	2 372 274	2 673 902
Agricultural											
Biological											
Intangible		49	47	109	45	109	109	109	103	100	97
Other non-current assets											
Total non current assets		712 342	812 489	1 483 053	1 191 455	2 252 753	1 827 145	1 827 145	2 109 363	2 372 374	2 673 999
TOTAL ASSETS		998 098	1 014 403	1 751 155	1 667 109	2 631 257	2 205 649	2 205 649	2 539 439	2 819 425	3 153 937
LIABILITIES											
Current liabilities											
Bank overdraft	1		4 527								
Borrowing	4	3 865	5 176	4 974	3 543	3 155	3 155	3 155	1 031	900	1 400
Consumer deposits		8 408	8 759	9 390	9 784	9 784	9 784	9 784	9 954	10 551	11 184
Trade and other payables	4	252 645	233 989	140 337	132 486	78 299	78 299	78 299	63 314	59 515	55 944
Provisions		148	167	938	23 450	23 450	23 450	23 450	13 846	14 546	15 312
Total current liabilities		265 066	252 618	155 639	169 263	114 688	114 688	114 688	88 145	85 512	83 840
Non current liabilities											
Borrowing		12 458	9 538	5 046	6 051	1 891	1 891	1 891	2 300	1 400	-
Provisions		3 310	3 693	10 266	4 031	4 031	11 204	11 204	12 925	14 504	16 278
Total non current liabilities		15 768	13 231	15 312	10 082	5 922	13 095	13 095	15 225	15 904	16 278
TOTAL LIABILITIES		280 834	265 849	170 951	179 345	120 610	127 783	127 783	103 370	101 416	100 118
NET ASSETS	5	717 263	748 554	1 580 204	1 487 764	2 510 647	2 077 866	2 077 866	2 436 069	2 718 009	3 053 819
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		717 263	748 554	1 579 981	1 487 764	2 510 647	2 077 866	2 077 866	2 436 069	2 718 009	3 053 819
Reserves	4	-	-	223	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	717 263	748 554	1 580 204	1 487 764	2 510 647	2 077 866	2 077 866	2 436 069	2 718 009	3 053 819

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.

3.7.5 Budgeted Financial Position

DC23 Uthukela - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		8	692	24 226	7	24 226	24 226	24 226	25 679	27 220	28 853
Call investment deposits	1	88 396	152 608	102 328	164 854	39 413	39 413	39 413	63 313	93 497	138 644
Consumer debtors	1	180 647	41 660	126 138	287 226	291 299	291 299	291 299	320 315	304 319	289 105
Other debtors		13 001	1 101	10 821	15 768	15 768	15 768	15 768	12 503	13 253	14 048
Current portion of long-term receivables											
Inventory	2	3 704	5 853	4 589	7 798	7 798	7 798	7 798	8 266	8 762	9 288
Total current assets		285 756	201 914	268 102	475 654	378 504	378 504	378 504	430 076	447 051	479 938
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	712 293	812 442	1 482 944	1 191 410	2 252 644	1 827 036	1 827 036	2 109 260	2 372 274	2 673 902
Agricultural											
Biological											
Intangible		49	47	109	45	109	109	109	103	100	97
Other non-current assets											
Total non current assets		712 342	812 489	1 483 053	1 191 455	2 252 753	1 827 145	1 827 145	2 109 363	2 372 374	2 673 999
TOTAL ASSETS		998 098	1 014 403	1 751 155	1 667 109	2 631 257	2 205 649	2 205 649	2 539 439	2 819 425	3 153 937
LIABILITIES											
Current liabilities											
Bank overdraft	1		4 527								
Borrowing	4	3 865	5 176	4 974	3 543	3 155	3 155	3 155	1 031	900	1 400
Consumer deposits		8 408	8 759	9 390	9 784	9 784	9 784	9 784	9 954	10 551	11 184
Trade and other payables	4	252 645	233 989	140 337	132 486	78 299	78 299	78 299	63 314	59 515	55 944
Provisions		148	167	938	23 450	23 450	23 450	23 450	13 846	14 546	15 312
Total current liabilities		265 066	252 618	155 639	169 263	114 688	114 688	114 688	88 145	85 512	83 840
Non current liabilities											
Borrowing		12 458	9 538	5 046	6 051	1 891	1 891	1 891	2 300	1 400	-
Provisions		3 310	3 693	10 266	4 031	4 031	11 204	11 204	12 925	14 504	16 278
Total non current liabilities		15 768	13 231	15 312	10 082	5 922	13 095	13 095	15 225	15 904	16 278
TOTAL LIABILITIES		280 834	265 849	170 951	179 345	120 610	127 783	127 783	103 370	101 416	100 118
NET ASSETS	5	717 263	748 554	1 580 204	1 487 764	2 510 647	2 077 866	2 077 866	2 436 069	2 718 009	3 053 819
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		717 263	748 554	1 579 981	1 487 764	2 510 647	2 077 866	2 077 866	2 436 069	2 718 009	3 053 819
Reserves	4	-	-	223	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	717 263	748 554	1 580 204	1 487 764	2 510 647	2 077 866	2 077 866	2 436 069	2 718 009	3 053 819

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. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3.7.6. Cash backed reserves / accumulated surplus reconciliation

DC23 Uthukela - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	88 404	148 773	126 555	164 861	63 639	63 639	63 639	88 992	120 717	167 497
Other current investments > 90 days		(0)	(0)	(1)	0	(0)	(0)	(0)	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		88 404	148 773	126 554	164 861	63 639	63 639	63 639	88 992	120 717	167 497
Application of cash and investments											
Unspent conditional transfers		126 351	133 390	41 560	54 187	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	32 920	55 980	269 486	(45 903)	(95 959)	(95 959)	(95 959)	(122 590)	(131 471)	(139 352)
Other provisions							3 421	3 421	3 429	3 635	3 853
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		159 271	189 370	311 046	8 284	(95 959)	(92 538)	(92 538)	(119 161)	(127 836)	(135 499)
Surplus(shortfall)		(70 867)	(40 597)	(184 492)	156 577	159 598	156 177	156 177	208 153	248 553	302 996

3.7.7 – Asset Management

DC23 Uthukela - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	38 107	101 466	195 722	259 176	354 118	354 118	334 440	319 498	365 604
Infrastructure - Road transport		-	-	-	2 315	2 315	2 315	2 311	2 378	2 531
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		33 951	96 913	4 138	146 432	231 922	231 922	253 878	236 679	277 362
Infrastructure - Sanitation		-	-	-	55 887	55 887	55 887	72 499	75 541	80 101
Infrastructure - Other		-	-	-	7 624	11 624	11 624	4 382	4 500	5 000
Infrastructure		33 951	96 913	4 138	212 258	301 748	301 748	333 070	319 098	364 994
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	4 156	4 553	191 584	46 918	52 370	52 370	1 370	400	610
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	65	18 299	12 909	12 909	-	2 810	3 073
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	13 249	8 859	8 859	-	2 810	3 073
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	3 500	2 500	2 500	-	-	-
Infrastructure		-	-	-	16 749	11 359	11 359	-	2 810	3 073
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	1 550	1 550	1 550	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	65	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	2 315	2 315	2 315	2 311	2 378	2 531
Infrastructure - Road transport		-	-	-	2 315	2 315	2 315	2 311	2 378	2 531
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		33 951	96 913	4 138	159 681	240 781	240 781	253 878	239 489	280 435
Infrastructure - Sanitation		-	-	-	55 887	55 887	55 887	72 499	75 541	80 101
Infrastructure - Other		-	-	-	11 124	14 124	14 124	4 382	4 500	5 000
Infrastructure		33 951	96 913	4 138	229 007	313 107	313 107	333 070	321 908	368 067
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	4 156	4 553	191 584	48 468	53 920	53 920	1 370	400	610
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	65	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	38 107	101 466	195 787	277 475	367 026	367 026	334 440	322 308	368 677
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport					2 315	2 315	2 315	4 473	6 773	9 227
Infrastructure - Electricity					-	-	-	-	-	-
Infrastructure - Water		506 205	602 277	1 064 245	795 789	1 838 589	1 838 589	1 566 217	1 762 885	1 999 012
Infrastructure - Sanitation		195 815	187 548	110 149	277 266	277 266	277 266	1 922 200	235 935	276 797
Infrastructure - Other		1 264	5 697	2 554	50 652	50 652	50 652	2 554	2 554	2 554
Infrastructure		703 284	795 522	1 176 948	1 126 022	2 168 822	2 168 822	3 495 444	2 008 147	2 287 590
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		9 009	16 920	305 995	65 388	83 822	83 822	348 816	364 445	386 312
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		49	47	109	45	109	109	103	100	97
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	712 342	812 489	1 483 053	1 191 455	2 252 753	2 252 753	3 844 363	2 372 692	2 673 999
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		26 998	31 838	38 999	44 689	44 660	44 660	52 216	59 293	66 750
Repairs and Maintenance by Asset Class	3	14 268	16 088	22 082	54 450	48 552	48 552	50 199	54 042	58 922
Infrastructure - Road transport		-	-	1 500	1 575	1 575	1 575	1 670	1 770	1 908
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		11 059	9 528	13 750	15 000	16 776	16 776	21 797	22 114	22 848
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	24 000	22 665	22 665	18 000	20 900	24 354
Infrastructure		11 059	9 528	15 250	40 575	41 016	41 016	41 467	44 784	49 110
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	3 209	6 560	6 832	13 875	7 536	7 536	8 732	9 257	9 812
TOTAL EXPENDITURE OTHER ITEMS		41 266	47 926	61 081	99 139	93 212	93 212	102 415	113 334	125 672
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	6.6%	3.5%	3.5%	0.0%	0.9%	0.8%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.2%	40.9%	28.9%	28.9%	0.0%	4.7%	4.6%
R&M as a % of PPE		2.0%	2.0%	0.0%	4.6%	2.2%	2.7%	2.4%	2.3%	2.2%
Renewal and R&M as a % of PPE		2.0%	2.0%	1.0%	6.0%	3.0%	3.0%	1.0%	2.0%	2.0%

3.7.8 MBRR Table A10 - Basic Service Delivery Measurement

DC23 Uthukela - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		73 880	73 880	78 313	78 180	78 180	78 180	82 870.00	82 870.00	87 842.00
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2	43 621	43 621	46 238	46 160	46 160	46 160	48 929.00	48 929.00	51 864.00
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		117 501	117 501	124 551	124 340	124 340	124 340	131 799	131 799	139 706
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply		29 785	29 785	31 572	31 518	31 518	31 518	33 409.00	33 409.00	35 412.92
<i>Below Minimum Service Level sub-total</i>		29 785	29 785	31 572	31 518	31 518	31 518	33 409	33 409	35 413
Total number of households	5	147 286	147 286	156 123	155 858	155 858	155 858	165 208	165 208	175 119
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		57 225	57 225	60 659	60 555	60 555	60 555	64 188.00	64 188.00	68 039.00
Chemical toilet										
Pit toilet (ventilated)		70 509	70 509	74 740	74 613	74 613	74 613	79 089.00	79 089.00	83 834.00
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		127 734	127 734	135 398	135 168	135 168	135 168	143 277	143 277	151 873
Bucket toilet		1 551	1 551	1 644	1 641	1 641	1 641	1 739.00	1 739.00	1 843.00
Other toilet provisions (< min.service level)		12 398	12 398	13 142	13 120	13 120	13 120	13 907.00	13 907.00	14 741.00
No toilet provisions		13 949	13 949	14 786	14 761	14 761	14 761	15 646	15 646	16 584
<i>Below Minimum Service Level sub-total</i>		13 949	13 949	14 786	14 761	14 761	14 761	15 646	15 646	16 584
Total number of households	5	141 683	141 683	150 184	149 929	149 929	149 929	158 923	158 923	168 457
Energy:										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		48 821	51 750.26	54 855	58 147	61 635	65 334	69 254	73 409	77 813
<i>Minimum Service Level and Above sub-total</i>		48 821	51 750	54 855	58 147	61 635	65 334	69 254	73 409	77 813
Removed less frequently than once a week		1 304	1 382	1 465	1 553	1 646	1 745	1 850	1 961	2 078
Using communal refuse dump		1 941	2 057	2 181	2 312	2 450	2 597	2 753	2 919	3 094
Using own refuse dump		77 688	82 349	87 290	92 528	98 079	103 964	110 202	116 814	123 823
Other rubbish disposal		1 756	1 861	1 973	2 091	2 217	2 350	2 491	2 640	2 799
No rubbish disposal		15 777	16 724	17 727	18 791	19 918	21 113	22 380	23 723	25 146
<i>Below Minimum Service Level sub-total</i>		98 466	104 374	110 636	117 275	124 311	131 770	139 676	148 056	156 940
Total number of households	5	147 287	156 124	165 492	175 421	185 946	197 103	208 929	221 465	234 753
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)					60 694	64 335	68 198	64 335	68 195	72 290
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)					0	0	0	9.17	9.99	10.89
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		-	-	-	0	0	0	0	0	0
Highest level of free service provided										
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 free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)										
Water		80 207	108 715	83 732	6 300	12 480	12 480	13 228	14 022	14 863
Sanitation										
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	80 207	108 715	83 732	6 300	12 480	12 480	13 228	14 022	14 863

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.

3.7.9 Repairs and Maintenance

DC23 Uthukela - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2014/15 medium term revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		11 059	9 528	15 250	40 575	41 016	41 016	41 467	44 784	49 110
Infrastructure - Road transport		-	-	1 500	1 575	1 575	1 575	1 670	1 770	1 908
<i>Roads, Pavements & Bridges</i>				1 500	1 575	1 575	1 575	1 670	1 770	1 908
<i>Storm water</i>										
Infrastructure - Water		11 059	9 528	13 750	15 000	16 776	16 776	21 797	22 114	22 848
<i>Dams & Reservoirs</i>		4 752	4 870	5 750	6 000	6 723	6 723	9 709	9 301	9 266
<i>Water purification</i>		1 500	2 300	1 800	2 000	2 000	2 000	3 552	3 765	3 991
<i>Reticulation</i>		4 807	2 358	6 200	7 000	8 053	8 053	8 537	9 049	9 592
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other		-	-	-	24 000	22 665	22 665	18 000	20 900	24 354
<i>Waste Management</i>										
<i>Transportation</i>	2									
<i>Gas</i>										
<i>Other</i>	3				24 000	22 665	22 665	18 000	20 900	24 354
Other assets		3 209	6 560	6 832	13 875	7 536	7 536	8 732	9 257	9 812
General vehicles		1 980	3 500	4 320	4 550	4 235	4 235	4 437	4 706	4 988
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		68	450	1 500	5 000	550	550	582	617	654
Computers - hardware/equipment								1 872	1 984	2 103
Furniture and other office equipment				6	50	6	6	6	7	7
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		25	10	150	399	744	744	774	821	870
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		1 136	2 600	856	3 876	2 001	2 001	1 060	1 124	1 191
Total Repairs and Maintenance Expenditure	1	14 268	16 088	22 082	54 450	48 552	48 552	50 199	54 042	58 922

3.7.10 Salaries and Wages

DC23 Uthukela - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5 502	4 792	4 703	3 404	8 853	8 853	9 242	9 672	10 122
Pension and UIF Contributions						-	-			
Medical Aid Contributions						-	-			
Motor Vehicle Allowance					1 034	1 011	1 011	1 056	1 105	1 157
Cellphone Allowance					181	426	426	444	465	487
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		5 502	4 792	4 703	4 619	10 290	10 290	10 743	11 242	11 765
% increase	4		(12.9%)	(1.9%)	(1.8%)	122.8%	-	4.4%	4.7%	4.6%
Senior Managers of the Municipality										
Basic Salaries and Wages		3 105	3 282	4 296	6 663	6 663	6 663	6 956	7 266	7 604
Pension and UIF Contributions				69						
Medical Aid Contributions										
Overtime										
Performance Bonus					666	666	666	696	727	760
Motor Vehicle Allowance	3	828	336	747						
Cellphone Allowance	3									
Housing Allowances	3	36	32	127						
Other benefits and allowances	3	680	79	140						
Payments in lieu of leave				50						
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		4 649	3 729	5 429	7 329	7 329	7 329	7 652	7 993	8 364
% increase	4		(19.8%)	45.6%	35.0%	-	-	4.4%	4.5%	4.6%
Other Municipal Staff										
Basic Salaries and Wages		85 587	98 924	76 474	104 820	81 780	81 780	111 110	116 276	121 683
Pension and UIF Contributions		7 314	9 948	11 439	14 194	14 163	14 163	15 045	15 745	16 477
Medical Aid Contributions		2 786	3 088	3 341	5 020	3 860	3 860	5 322	5 569	5 828
Overtime				15 997	3 135	16 967	16 967	3 440	3 600	3 767
Performance Bonus			3 292			-	-			
Motor Vehicle Allowance	3			4 907	9 965	7 212	7 212	10 562	11 054	11 568
Cellphone Allowance	3									
Housing Allowances	3			445	1 490	776	776	1 580	1 653	1 730
Other benefits and allowances	3	2 996	938	12 183	13 255	6 442	6 442	14 050	14 704	15 387
Payments in lieu of leave			2 633	(334)	1 113	1 399	1 399	1 180	1 234	1 292
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		98 683	118 823	124 452	152 992	132 599	132 599	162 288	169 835	177 732
% increase	4		20.4%	4.7%	22.9%	(13.3%)	-	22.4%	4.7%	4.6%
Total Parent Municipality		108 834	127 344	134 584	164 940	150 218	150 218	180 683	189 070	197 862
			17.0%	5.7%	22.6%	(8.9%)	-	20.3%	4.6%	4.6%
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		108 834	127 344	134 584	164 940	150 218	150 218	180 683	189 070	197 862
% increase	4		17.0%	5.7%	22.6%	(8.9%)	-	20.3%	4.6%	4.6%
TOTAL MANAGERS AND STAFF	5,7	103 332	122 552	129 881	160 321	139 928	139 928	169 940	177 828	186 097

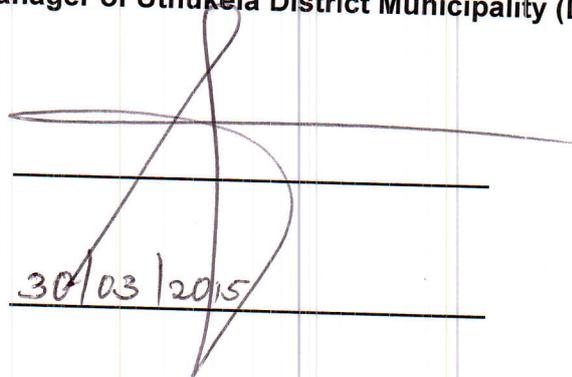
Municipal manager's quality certificate

I **SIFISO NICHOLAS KUNENE**, Municipal Manager of Uthukela District Municipality, hereby certify that the 2015/2016 draft 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.

SIFISO NICHOLAS KUNENE

Municipal Manager of Uthukela District Municipality (DC23)

Signature



Date

30/03/2015