



**2024/25 – 2026/27
ANNUAL BUDGET & MEDIUM-TERM
REVENUE AND EXPENDITURE
FRAMEWORK**

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PART 1- ANNUAL BUDGET

1.1 MAYORS REPORT

SPEECH BY THE MAYOR OF UTHUKELA DISTRICT MUNICIPALITY PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF TABLING OF THE 2024/25 DRAFT BUDGET

VISION

Our vision is an economically sound municipality with effective infrastructure and a municipality that empowers people, protects the environment and demonstrates excellence in leadership.

In this tabled draft budget Council has endeavoured to achieve these calls and has tried to provide for this within its limited resources. Given the constraints on the revenue side, tough decisions have been made to ensure a sustainable budget.

JOB CREATION

Council has heeded the Government's call for job creation and has partnered with the Department of Public Works to ensure that the EPWP is fully operational in this Municipality. The allocation for EPWP will decrease for 2024/25 financial year from R1.8 million to R1.6 million. The municipality is faced with budget funding constraints and not in a position to subsidise with the equitable share. Management will have to manage the contracting of workers accordingly.

INFRASTRUCTURE DEVELOPMENT

The total capital grant allocations for 2024/25 financial year have increased to R292 million. We will continue to upgrade our infrastructure and embark on new capital projects improve water distribution and reticulation. Various infrastructure projects that have been identified by the community during the needs analysis will be considered in this budget.

DEBT MANAGEMENT

Council has written off debts for qualifying indigent debtors, a concerted effort has been made to collect and reduce all outstanding debts. Council has also approved the implementation of prepaid meters in order to improve the collection rate. Debt collection and revenue enhancement will remain a priority in the upcoming financial year. The municipality has prioritised on the issue of revenue enhancement. Further to that consultants deployed by the National Treasury in the revenue section are actively assisting with debt collection. We are anticipating an improvement in our collection rate.

ASSET MANAGEMENT

Asset management is prioritised and ensuring that councils assets are managed properly. It has been noted that the municipality is not budgeting enough for the maintenance of municipal assets, this allocation will be investigated further in light of the total available cash to implement the maintenance plan in phases. We have responsibility of reducing expenditure on non-essential items and prioritising repairs and maintenance of municipal assets. A certain percentage of the MIG will be allocated towards refurbishment of infrastructure.

THE WAY FORWARD

The municipality will remain dedicated to its core business of providing high quality basic services to the community. All areas of non-performance affecting basic service delivery will be identified and remedial measures will be employed accordingly. The limited resources available will be prioritised strictly for basic service delivery.

1.2 COUNCIL RESOLUTIONS:

On the 27th March 2024 the Council of UThukela District Local Municipality met to consider the draft annual budget of the municipality for the financial year 2024/25. The Council approved and adopted the following resolutions:

1. The UThukela District Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual DRAFT budget of the municipality for the financial year 2023/24 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) as contained in Table A2
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3
 - 1.1.3. Budget Summary as contained in Table A1
 - 1.1.4. Budgeted financial performance (revenue and expenditure) as contained in Table A4
 - 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
 - 1.2.5. Basic service delivery measurement as contained in Table A10
2. The Council of UThukela District Local 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 for conventional and prepaid consumers
 - 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 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.

In the compilation of this budget the municipality has taken note of the Cabinet resolution by which all national and provincial departments, constitutional institutions and all public entities are required to implement cost containment measures. These cost containment measures must be implemented to eliminate waste, reprioritise spending and ensure savings on six focus arrears namely consultancy fees, no credit cards, travel and related costs, advertising, catering and events costs as well as accommodation.

The Municipality has embarked on implementing a range of revenue collection strategies to optimise the collection of debt owed by consumers. Most of which will benefit the municipality as well as consumers. Consultants have also been engaged in the revenue department to assist with the prior year's qualifying matters

National Treasury's MFMA Circular No.126 and No.128 of March 2024 was used to guide the compilation of the 2023/24 draft Budget and MTREF.

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

- The on-going difficulties in the national and local economy;
- Aging water infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom of 12.7 per cent in 2024/25 and 15.7 per cent increase in the outer years which is placing an upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Escalating water losses , the municipality continues to suffer water losses
- Wage increases for municipal staff that continues to be a large portion of the equitable, as well as the need to fill critical vacancies.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2024/25 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2024/25 MTREF

	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>
Total Revenue	1 322 519 000	1 421 713 000	1 504 600 000
Operating Expenditure	-1 130 130 000	-1 187 176 000	-1 246 591 000
Capital Expenditure, (Grant Funded)	- 294 529 000	- 335 400 000	- 355 575 000
Operating Surplus	192 388 000	234 537 000	258 009 000

Operating Revenue

The increase in revenue is due to the general percentage increase which is applied to service Charges tariffs. The municipality has conducted extensive testing of tariffs supported by consultants from Treasury and has found the tariffs not to be cost reflective. The municipality has committed to phase out cost reflective tariff without causing shock to the consumer.

The municipality also noted to correct that it had been charging the same tariffs to businesses and household consumers. The current tariff was benchmarked and found to be 14% on average below to other similar municipalities. The municipality seeks to correct business tariffs over three years starting in 2024/2025 the business and government tariff will be increased by 18,4% in the first financial year and 10.6% in the 2025/26 financial year, and 8% in the 2026/27 financial year. The municipality will be increasing the industrial tariffs by 8%, and eliminating the bottom scale in order to correct the faulty declining tariff scale. The tariff scale will be adjusted accordingly in the 2025/26 financial year to an increasing stepped tariff which will be increasing by 8% for the outer two years of the MTREF.

The household consumer tariff will be increased by 6% the municipality notes the tariffs are not cost reflective but will commit to phasing these out gradually with minimum impact on consumer income. The municipality is still burdened by the flat rate applied to certain areas within the district, the flat rate is no longer applicable. The municipality will be engaging with the affected communities during the budget engagement process on the negative impact the flat rate has on service delivery.

Operating Expenditure

Total operating expenditure for the 2024/25 financial year has been appropriated at R1.1 billion which results in the budget having a deficit of R99 million. It must be noted that the deficit includes non-cash items such as depreciation and debt impairment which amount to R79 million and R164 million respectively. The municipality assumed the zero based approach in compiling the budget and considered the CPI of 4.9% on expenditure items as advised in the budget circular. No increment was applied to employee related costs due to non-affordability of an increment, in

light of our unfunded budget. The municipality has made an application to SALGA. The salary notch increases were considered in compiling the salary budget.

Capital Expenditure.

R294 million is funding from national Government Grants for water and sanitation capital projects which are core functions of the municipality and a budget of R3 million from internally generated funds.

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. 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;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to achieve a 60% annual collection rate for key service charges; the municipality is struggling to reach the desired collection.
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and tariff policies of the Municipality.

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2024/2025

The following table is a summary of the 2024/25 MTREF
(classified by main revenue source): Table 2 Summary of revenue classified by
main revenue source A4

Description	Adopted Budget Funding Plan	Increase / (Decrease) Draft Budget	Year 1	Year 2	Year 3
R thousand	2023/24	2024/25	2024/25	2025/26	2026/27
Revenue					
Exchange Revenue					
Service charges - Electricity					
Service charges - Water	250 028	36 619	286 647	305 300	324 317
Service charges - Waste Water Management	17 160	1 030	18 189	19 281	20 438
Service charges - Waste Management					
Sale of Goods and Rendering of Services	596	33	629	663	698
Agency services					
Interest					
Interest earned from Receivables	60 900	3 635	64 535	68 381	72 455
Interest earned from Current and Non Current Assets	9 994	490	10 483	10 966	11 459
Dividends					
Rent on Land					
Rental from Fixed Assets					
Licence and permits					
Operational Revenue	193	10	203	213	224
Non-Exchange Revenue					
Property rates					
Surcharges and Taxes					
Fines, penalties and forfeits	27	33	60	63	66
Licences or permits					
Transfer and subsidies - Operational	585 779	34 722	620 501	654 131	690 850
Interest					
Fuel Levy					
Operational Revenue					
Gains on disposal of Assets					
Other Gains					
Discontinued Operations			29 742	31 527	33 418
Total Revenue (excluding capital transfers and co	924 678	76 570	1 030 990	1 090 524	1 153 924

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2024/2025

Table 3 percentage growth in revenue by main revenue source A4

<u>Description</u>	<u>Adopted Budget Funding Plan</u>		<u>Year 1</u>		<u>Year 2</u>		<u>Year 3</u>
<u>R thousand</u>	<u>2023/24</u>		<u>2024/25</u>		<u>2025/26</u>		<u>2026/27</u>
Revenue							
Exchange Revenue							
Service charges - Electricity							
Service charges - Water	250 028	27%	286 647	28%	305 300	28%	324 317
Service charges - Waste Water Management	17 160	2%	18 189	2%	19 281	2%	20 438
Service charges - Waste Management							
Sale of Goods and Rendering of Services	596	0%	629	0%	663	0%	698
Agency services							
Interest							
Interest earned from Receivables	60 900	7%	64 535	6%	68 381	6%	70 442
Interest earned from Current and Non Current Assets	9 994	1%	10 483	1%	10 966	1%	13 472
Operational Revenue	193	0%	203	0%	213	0%	224
Non-Exchange Revenue							
Fines, penalties and forfeits	27	0%	60	0%	63	0%	66
Transfer and subsidies - Operational	585 779	63%	620 501	60%	654 131	60%	690 850
Discontinued Operations		0%	29 742	3%	31 527	3%	33 418
Total Revenue (excluding capital transfers and contributions)	924 678		1 030 990		1 090 524		1 153 925

Table 4 percentage of revenue by source A4

Description	Adopted Budget Funding Plan		Year 1		Year 2		Year 3
R thousand	2023/24		2024/25		2025/26		2026/27
Revenue							
Exchange Revenue							
Service charges - Electricity							
Service charges - Water	250 028	15%	286 647	7%	305 300	6%	324 317
Service charges - Waste Water Management	17 160	6%	18 189	6%	19 281	6%	20 438
Service charges - Waste Management							
Sale of Goods and Rendering of Services	596	6%	629	5%	663	5%	698
Agency services							
Interest							
Interest earned from Receivables	60 900	6%	64 535	6%	68 381	3%	70 442
Interest earned from Current and Non Current Assets	9 994	5%	10 483	5%	10 966	23%	13 472
Operational Revenue	193	5%	203	5%	213	5%	224
Non-Exchange Revenue							
Fines, penalties and forfeits	27	119%	60	5%	63	5%	66
Transfer and subsidies - Operational	585 779	6%	620 501	5%	654 131	6%	690 850
Discontinued Operations		100%	29 742	6%	31 527	6%	33 418
Total Revenue (excluding capital transfers and contributions)	924 678		1 030 990		1 090 524		1 153 925

The three tables above show that the municipality 's main source of Revenue is grant funding as it covers more than above half of the income which is greater than 60% for the 2024/25 MTERF. Thus making the municipality grant reliant.

Revenue from the main Service Charges has remained constant between 27%- 28% over MTREF

Revenue is expected to total just over a billion R1,030 billion. An amount of R305 million is expected to be generated from Service charges, with a further amount of R29 million expected to be recovered from prepaid sales. The municipality also noted to correct that it had been charging the same tariffs to businesses and household consumers. The current tariff was benchmarked and found to be 14% on average below to other similar municipalities. The municipality seeks to correct business tariffs over three years starting in 2024/2025 the business tariff will be increased by 18,4% in the first financial year and 6% in the 2025/26 financial year, and 6% in the 2026/27 financial year.

The municipality will be increasing the industrial tariffs by 8%, and eliminating the bottom scale in order to correct the faulty declining tariff scale. The tariff scale will be adjusted accordingly in the 2025/26 financial year to an increasing stepped tariff.

The household consumer tariff will be increased by 6% the municipality notes the tariffs are not cost reflective but will commit to phasing these out gradually with minimum impact on consumer income.

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Revenue increases by 6% in the outer financial years respectively of the MTREF which is inline within the average headline inflation rate. The municipality is in the process of draftising the computation of the cost reflective tariffs which will be gradually phased in. consideration will be given to consumer affordability. The other delaying factor in phasing in the cost reflective tariff is that the municipality has not yet established accurate cost centres.

The water sale line item includes the projection relating to debtors which will be impacted by the introduce of prepaid water sales. This was also considered in the application of an increment for revenue of the outer years, in order to calculates reasonable projections.

Other revenue' contributes less than one percentage to total revenue.

Operating grants and transfers totals R620 million in the 2024/25 below is a detailed split of the operating grants.

Table 5 Operating Transfers and Grant Receipts

GRANT ALLOCATIONS FOR 2024/2025			
OPERATIONAL GRANTS	R000	R000	R000
	2024/2025	2025/2026	2026/2027
EQUITABLE SHARE	523 752,00	555 332,00	587 650,00
SPECIAL SUPPORT	6 560,00	6 868,00	7 184,00
RSC	83 712,00	87 013,00	90 765,00
TOTAL EQUITABLE SHARE	614 024,00	649 213,00	685 599,00
FMG	2 000,00	2 000,00	2 200,00
EPWP	1 685,00	-	-
	-	-	-
	3 685,00	2 000,00	2 200,00
TOTAL	617 709,00	651 213,00	687 799,00

The Rural Roads Asset Management Grant is classified as an operating grant in terms of mSCOA the grant allocation for the 2024/25 financial year is R2,7 million.

1.4.1 Water and Sanitation Tariffs

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 taken into account to ensure the financial sustainability of the Municipality. Municipality is still recovering from this situation and which has been further negatively debt owed to uMngeni.

The core function of the municipality is water and sanitation which is considered to be the basic needs for human beings and the constitution says they are basic human rights. The municipality has a difficult task of setting tariffs which are affordable to all consumers and the same time must be cost reflective taking into account all cost associated with the end product.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability. As mentioned earlier services are failing to break even.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows

Tariff the cost of the provision of general services. Determining the effective tariff is therefore an integral part of the municipality's budgeting process. The municipality has considered the percentage increase in the major cost drivers of providing services. Which are electricity increasing by 15.7% and no increment has been applied to the the cost of labour. The 6% increase on tariffs is not cost reflective. However, the municipality also considers the impact of the economic challenges faced by consumers.

Below are the proposed water services tariffs for the financial year 2024/25 these tariffs exclude VAT. The Municipality has adopted a 6% increase on all tariffs and 8% increase on the industrial tariffs due to the fact that tariffs have not been cost reflective in the past and certain areas a minimum flat rate has been applied. Business and government tariffs have been increased by 18,4%. The municipality is working towards phasing in more cost reflective tariffs however this cannot be achieved in a single financial year.

Table 6 Water and Sanitation Tariffs

WATER & SANITATION SERVICES TARIFF 2024/2025 FINANCIAL YEAR

	Description	Tariff
1.	Tariff for accessibility to water (basic charge occupied and unoccupied)	R111.28/ month
2.	Tariff for accessibility to sewerage system (basic charge occupied and unoccupied)	R141.82/ month
3.	Sewer tariff for restricted usage (unmetered)	R141.82/ month
4.	Servicing sewer conservancy tanks/pits (small)	R250.56/ service
	Servicing sewer conservancy tanks/pits (large)	R536.95/ 5000l/ load
	Discharge of sewage to wastewater works by private sewer tankers	R0,18/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	R16.15kl
	Water tariff for water usage 31kl to 100kl	R18.71kl
	Water tariff for water usage 101kl and above	R21.50kl
	Integrated step tariffs (Business use)	
	Water tariff for water usage 1 to 30kl	R18.05kl
	Water tariff for water usage 31kl to 100kl	R20.91kl
	Water tariff for water usage 101kl and above	R24.02kl
	Integrated Step Tariff (Industrial/Factory Use)	
6.	Water tariff for water usage 1kl and above	R17.43kl

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	Integrated Step Tariff (Co-operatives)	
7.	Water tariff for water usage 1 to 40kl	R8.76kl
	Water tariff for water usage 41 to 80kl	R8.64kl
	Water tariff for water usage 81kl and above	R10.44kl
	Integrated Step Tariff (Churches)	
8.	Water tariff for water usage 1 to 30kl	R7.60kl
	Water tariff for water usage 31 to 70kl	R8.64kl
	Water tariff for water usage 71kl and above	R10.44kl
	Integrated Step Tariff (Trust)	
9.	Water tariff for water usage 1 to 30kl	R15.47kl
	Water tariff for water usage 31 to 70kl	R15.04kl
	Water tariff for water usage 71kl and above	R17.60kl
	Integrated step tariff (Government use)	
10.	Water tariff for water usage 1 to 30kl	R18.05kl
	Water tariff for water usage 31kl to 100kl	R20.91kl
	Water tariff for water usage 101kl and above	R24.02kl
11.	Bulk potable water supply to IDC Estate	R8.27kl
	Bulk Raw water supply	R5.06kl
12.	Emergency Services Connection (excluding emergency services)	R35.89kl
13.	Availability charge for fire hydrant per month	R131.27
14.	For water drawn or usage from metered fire hydrant	R17.86/kl
15.	Inspections for internal leaks and any other services (per visit)	R866.74
16.	All connections, repairs and work required from Council Domestic	Cost + 10%
17.	All connections, repairs and work required from Council other services actual cost + 10%	Cost + 10%
18.	Trade Effluent	Charge(c/kl) = R114.29+([COD/1000] x R2.27c) (COD-Chemical Oxygen Demand)

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19.	Account Deposits (Subject to credit worthiness)	Residential dep. max R10072.67 Bus./Govt./Trust dep. max R12525.26 Industrial dep. max. R20873.99 Church/Co-ops dep. Max R8578.68 New consumers:- Residential dep.R2225.15 New Bus./Govt./Industr. R5600.75 New Co-operatives R1045.66 New Churches R2495.40 New Trust businesses R5262.30 New Trusts R2087.87 New account connection fee is R257.25
20.	New accounts administration fees-Opened by Council per para. 4.7 CC&DCP	Residential: R2192.15 Bus/Govt/Ind: R5141.54 Co-ops: R 1166.53 Churches: R2427.07 Trusts in bus: R4848.44 Trusts: R2075.78
21.	Scrutiny of building plans	R664.11/ plan
22.	Clearing of grass overgrowth	Actual cost + 13%
23.	Requested Water Tankering (funerals – if not indigent)	Water R29.88 per kl Transport R20.74per km Plus 6.2% administration fee
24.	Requested Water Tankering (other events)	Water R48.19 per kl Transport R31.54 per km Plus 10% administration fee

25.	Developer's Capital Contribution - Water	R 13913.87
26.	Developer's Capital Contribution - Sanitation	R 15305.38
27.	Disconnection Fee Reconnection fee - Working hours -After hours, Saturdays/Sundays/Public Holidays	R 183.63 R 186.44 R 459.06
28.	Clearance certificates	R639.98
29.	Flat rate services (where applicable)	R456.16 per household
30.	Moving/shifting of the existing water meter (in metres)	
31.	A distance less than a metre (1m)	R456.06
32.	A distance from 1 metre to 3 metres	R736.96
33.	A distance more than 3 metres to any distance	R1096.43

Offences and penalties

1.Any person who fails or refuses to give access required by an officer of the authority or an authorized provider shall be guilty of an offence in terms of section 34 of the Water Services By-laws and liable on conviction to a fine not exceeding R 5 149.96 or in default on payment, to imprisonment for a period not exceeding 6 months and in the event of a continued offence to a further fine not exceeding R 2 574.97 for every day during the continuance of such offence after a written notice from the authority or an authorized provider has been issued and in the event of a second offence to a fine not exceeding R 7 724.93 or, in default on payment to imprisonment for a period not exceeding 12 months.

2.Any person who obstructs or hinders any officer of the authority in the exercise of his or her powers or performance of his or her functions or duties shall be guilty of an offence in terms of section 34 of the Water Services By-laws and liable on conviction to a fine not exceeding R60 730.58 or in default on payment, to imprisonment for a period not exceeding 6 months and in the event of a continued offence to a further fine not exceeding R12

146.12 for every day during the continuance of such offence after a written notice from the authority has been issued and in the event of a second offence to a fine not exceeding R91095.87 or, in default on payment to imprisonment for a period not exceeding 12 months.

Water and Waste Water Analysis		
Determinant	Units	Cost per sample
Alkalinity	mg/l CaCO_3	R83.58
Appearance	Descriptive	
Aluminium - soluble	mg/l Al	R72.34
Ammonia	mg/l N	R69.68
Chloride	mg/l Cl	R55.77
Chlorine – Free	mg/l Cl_2	R27.78
Colour	Pt-Co	R41.67
Conductivity	mS/m	R27.75
Fluoride	mg/l F	R69.69
Iron	mg/l Fe	R40.86
Manganese	mg/l Mn	R70.06
Nitrate	mg/l N	R42.28
Nitrite	mg/l N	R42.28
Odour	Descriptive	
pH	pH Units	R27.78
Phosphate - soluble	mg/l P	R42.28
Solids - Settle able	ml/l	R42.28
Sulphate	mg/l SO_4	R61.16
Sulphide	mg/l H_2S	R69.68
Suspended Solids	mg/l	R61.55
Temperature	$^{\circ}\text{C}$	
Total Dissolved Solids	mg/l	R42.29
Turbidity	NTU	R27.65
Oxygen Absorbed	mg/l O_2	R83.58
Chemical Oxygen Demand	mg/l O_2	R103.32
Magnesium/Calcium	mg/l Mg/Ca	R97.24

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

Microbiological Analysis		
Faecal coliforms	colonies per 100ml	R76.66
Total coliforms	colonies per 100ml	R76.66
Standard plate count	colonies per ml	R63.93

- Sample bottle can be collected at the Laboratory.
 - A volume of at least 1 litre is necessary for analysis.
 - 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 R25.43 per bottle.

FINES FOR ILLEGAL CONNECTIONS AND TEMPERING

First instance	R 3 476.64
Second instance	R 6 952.07
Third instance	R 10 428.72
Forth instance	R13 904.15

NB: Immediately if the consumer committed a fifth instance, complete disconnection of water supply will apply!

PENALTY FEES

1. Warning letter	R 78.41
2. Final cut-off	
• Additional deposit-business	R 235.23
• Additional deposit-households	R166.22
• Penalty fee	R 131.32

RECONNECTION FEES:

1. Standard fee applies during working office hours	R161.50
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2. Standard rate applies after office hours

R385.50

NEW CONNECTION (PLUMBING WORK) CHARGES, INCLUDING FIRE HYDRANT

NO	SIZE (MM)	UNIT COST R	DEPOSIT
1	20	3 319.56	313.64
2	25	3 319.56	313.64
3	32	3 976.08	313.64
4	40	9 409.26	784.12
5	50	9 428.76	784.12
6	80	13 838.27	784.12
7	100	15 038.89	784.12
8	150	15 614.48	784.12

NB: The above costs exclude material and labour costs!

Tender documents

Maps GIS

Clearance certificates

	A3 PRINTER		A0 PLOTTER		
	A4	A3	A2	A1	A0
Full Colour	30.92	61.86	234.74	208.77	278.36
Grey Scale	30.92	61.86	234.74	201.05	278.36

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Topo Maps	21.89	43.76	109.41	234.74	208.77
Line / Hatch	14.58	43.76	83.05	100.52	139.17

Maps GIS tariffs

1.4.1.1 *Tender Documents*

Municipal Produced	R625.67
Consultants produced depending on the project	R523.23 and R610.48 respectively

- Clearance certificate R 592.57

ALL TARIFFS ARE EXCLUSIVE OF VAT!!

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

	Description	2021/22	2022/23	2023/24	2024/25
1.	Tariff for accessibility to water (basic charge occupied and unoccupied)	R91.73/ month	R97.23/month	R105.01/month	R111.31/month
2.	Tariff for accessibility to sewerage system (basic charge occupied and unoccupied)	R116.88/ month	R123.89/month	R133.80/month	R141.82/month
3.	Sewer tariff for restricted usage (un-metered)	R109.59/month	R116.17/month	R125.46/month	R132.98/month

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4.	Servicing sewer conservancy tanks/pits (small)	R206.50 month	R218.89/month	R236.40/month	R250.58/month
5.	Servicing sewer conservancy tanks/pits (large)	R442.57 month	R469.12/month	R506.65/month	R537.04/month
6.	Discharge of sewage to wastewater works by private sewer tankers	R0.42	R0.45	R0.49/month	R0.51/month
	Integrated Step Tariff (Domestic Use)				
7.	Water tariff for water usage up to 6kl	Free / Indigent	Free/ Indigent		
	Water tariff for water usage 1 to 30kl	R13.31kl	R14.11	R15.24	R16.15
	Water tariff for water usage 31k to 100kl	R15.42kl	R16.35	R17.66	R18.71
	Water tariff for water usage 101kl to any usage	R17.73kl	R18.79	R20.29	R21.50

1.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2024/25 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,
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA,
- The capital programmes 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.
- Strict adherence to the principle of prioritising basic service delivery informed by circular 81

The following table is a high level summary of the 2024/25 budget and MTREF (classified per main type of operating expenditure):

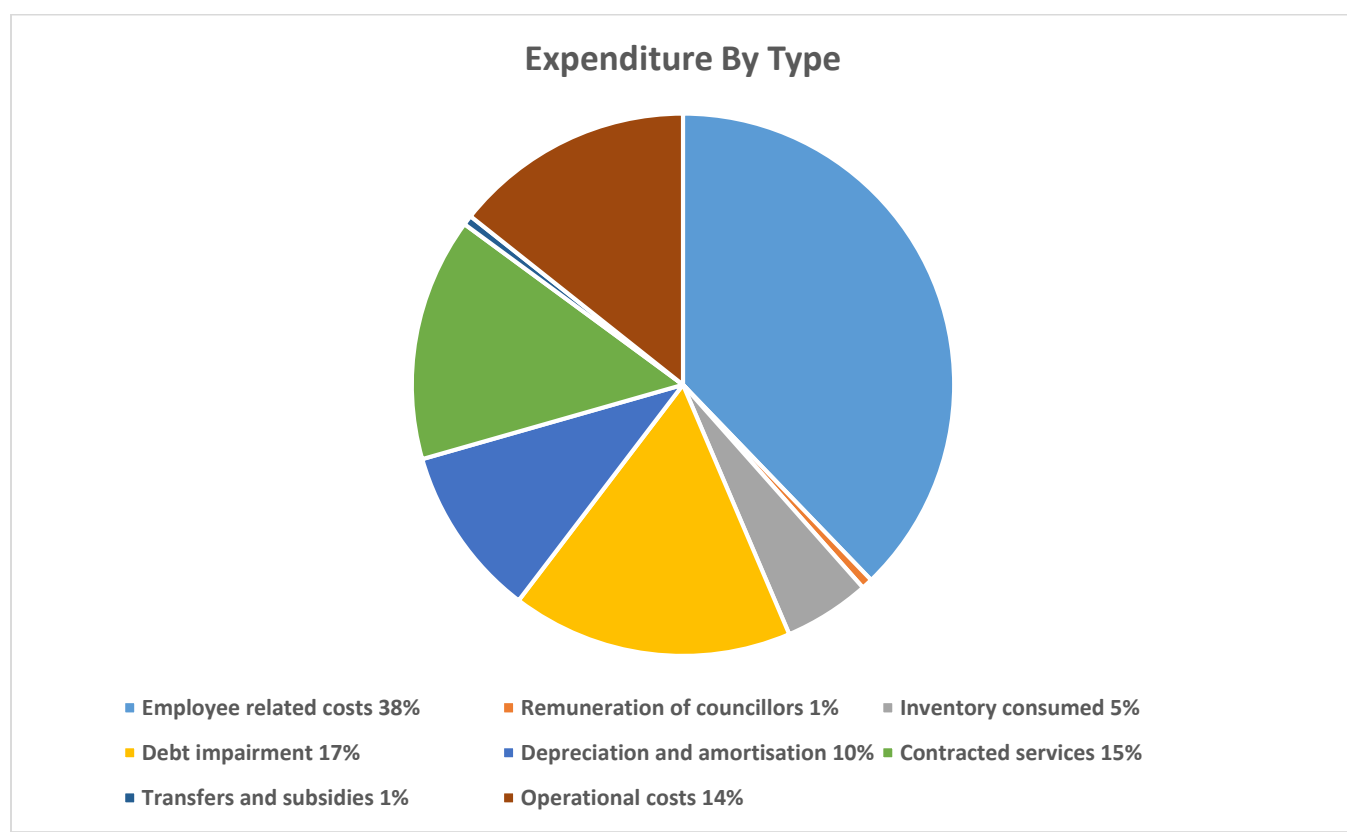
Table 8 Summary of operating expenditure by standard classification item A4

Description	Adopted Budget Funding Plan	Increase / (Decrease) Draft Budget	Year 1	Year 2	Year 3
R thousand	2023/24	2024/25	2024/25	2025/26	2026/27
Expenditure					
Employee related costs	353 722	36 249	389 971	407 910	426 265
Remuneration of councillors	6 164	987	7 151	7 480	7 817
Bulk purchases - electricity	–	–	–	–	–
Inventory consumed	48 083	17 418	65 500	68 513	71 596
Debt impairment	156 966	7 691	164 658	172 232	179 983
Depreciation and amortisation	95 609	(16 378)	79 231	82 875	86 605
Interest	500	25	525	549	573
Contracted services	135 784	109 148	244 932	256 105	267 741
Transfers and subsidies	5 485	5 515	11 000	11 506	12 024
Irrecoverable debts written off	–	–	–	–	–
Operational costs	134 091	33 072	167 163	180 006	193 987
Losses on disposal of Assets			–		
Other Losses			–		
Total Expenditure	936 405	193 725	1 130 130	1 187 176	1 246 591
Surplus/(Deficit)	(11 727)	(117 155)	(99 141)	(97 794)	(94 426)

Table 9 Operating expenditure expressed as percentages

Description	Adopted Budget Funding Plan		Year 1		Year 2		Year 3	
R thousand	2023/24		2024/25		2025/26		2026/27	
Expenditure								
Employee related costs	353 722	38%	389 971	35%	407 910	34%	426 265	34%
Remuneration of councillors	6 164	1%	7 151	1%	7 480	1%	7 817	1%
Inventory consumed	48 083	5%	65 500	6%	68 513	6%	71 596	6%
Debt impairment	156 966	17%	164 658	15%	172 232	15%	179 983	14%
Depreciation and amortisation	95 609	10%	79 231	7%	82 875	7%	86 605	7%
Interest	500	0%	525	0%	549	0%	573	0%
Contracted services	135 784	15%	244 932	22%	256 105	22%	267 741	21%
Transfers and subsidies	5 485	1%	11 000	1%	11 506	1%	12 024	1%
Operational costs	134 091	14%	167 163	15%	180 006	15%	193 987	16%
Total Expenditure	936 405		1 130 130		1 187 176		1 246 591	

Figure 1 Main operational expenditure categories for the 2024/25 financial year



Employee related cost

The budgeted allocation for employee related costs for the 2024/25 financial year totals R389 million, which equals 38% of the total operating expenditure and just below the norm of 40%.

The municipality has been very strict in budgeting for overtime and standby, the budget has been strictly set at R20.8 million. The budgeted amount is in line with the industry norm of 5% of employee related costs. Our aim is to do away completely with overtime in the long run. Senior managers have created a plan to reduce and effectively control overtime as well as to re consider employees eligible for standby.

Remuneration of Councillors

The cost associated with the remuneration of councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Debt Impairment

The cost of debt impairment is considered to be a non-cash flow item; it is informed by the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

The municipality has implemented the installation of prepaid water meters which, will improve the recoverability of service charges. The past the audited financial years has shown a trend of nearly 20% increase of consumer debtors, this trend is expected to decline.

Provision for depreciation and asset impairment

Table 10 Depreciation per asset class

Segment Desc	2025 Draft Budget	2026 Draft Budget	2027 Draft Budget
COMPUTER SOFTWARE AMORTIZATION	5 320 847	5 565 606	5 816 058
Expenditure:Depreciation and Amortisation:Amortisation:Intan	20 002	20 922	21 864
COMPUTER HARDWARE DEPRECIATION	28 952	30 284	31 647
COMPUTER HARDWARE DEPRECIATION	121 638	127 233	132 959
COMPUTER HARDWARE DEPRECIATION	30 790	32 207	33 656
COMPUTER HARDWARE DEPRECIATION	48 627	50 864	53 153
COMPUTER HARDWARE DEPRECIATION	6 017	6 294	6 577
Depreciation - Computer hardware	137 436	143 758	150 227
COMPUTER HARDWARE DEPRECIATION	110 007	115 067	120 245
Depreciation (300/230001)	86 794	90 787	94 872
FURNITURE & FITTINGS DEPRECIATION	48 476	50 706	52 988
FURNITURE AND OFFICE EQUIPMENT DEPRECIATION	45 770	47 875	50 030
FURNITURE & OFFICE EQUIPMENT DEPRECIATION	136 152	142 415	148 823
FURNITURE & OFFICE EQUIPMENT DEPRECIATION	74 999	78 449	81 979
FURNITURE & OFFICE EQUIPMENT DEPRECIATION	58 484	61 174	63 927
FURNITURE & OFFICE EQUIPMENT DEPRECIATION	105 487	110 340	115 305
BUILDING DEPRECIATION	403 647	422 215	441 214
Expenditure:Depreciation and Amortisation:Depreciation:Other	18 832	19 698	20 584
Expenditure:Depreciation and Amortisation:Depreciation:Other	997 335	1 043 212	1 090 157
SANITATION INFRASTRUCTURE DEPRECIATION	3 929 080	4 109 818	4 294 759
MOTOR VEHICLES DEPRECIATION	71 890	75 197	78 581
MOTOR VEHICLE DEPRECIATION	308 318	322 501	337 013
Depreciation - motor vehicles	1 654 126	1 730 216	1 808 076
MOTOR VEHICLE DEPRECIATION	20 544	21 489	22 456
MOTOR VEHICLE DEPRECIATION	6 050 473	6 328 794	6 613 590
MOTOR VEHICLE DEPRECIATION	13 759	14 392	15 039
WATER INFRASTRUCTURE DEPRECIATION	58 525 158	61 217 316	63 972 095
Expenditure:Depreciation and Amortisation:Depreciation:Water	857 192	896 623	936 971
	79 230 832	82 875 451	86 604 846

Depreciation has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the asset consumption. Budget appropriations in this regard total 79 million for the 2024/25 financial and equates to 10% of the total operating expenditure. The projected depreciation should inform the contribution towards the asset maintenance plan. Calculations for the provision as follows:

With the assumption that only 60% of the capital budget is capitalised and added to asset register, the same method is used to calculate the estimation for the additional new assets.

Inventory Consumed

Repairs and maintenance were previously reported on this line item but due to the changes that came with mSCOA data strings only the following items are now classified as inventory consumed. The reduction in the budget for the 2024/25 financial year is due to the reduced cost of fuel and oil, as well the reduction in the budget for bulk water purchases. The municipality had in the past incorrectly included the debt owed to DWS in the current budget when it should be correctly accounted for a part of the cash flow in terms of the payment plan.

Table 11 Inventory Consumed

Segment Desc	2025 Draft Budget	2026 Draft Budget	2027 Draft Budget
Fuel & Oil. (510/260180)	16 350 000	17 102 100	17 871 695
Printing and Stationery 100/260300			
Stationery (300/260340)	115 533	120 847	126 285
Stationery (105/260340)	550 000	575 300	601 189
Chemicals (408/235520)	2 000 000	2 092 000	2 186 140
Stationery (405/260340)			
OM Chemicals	45 000 000	47 070 000	49 188 150
Cleaning materials (200/260090)	200 000	209 200	218 614
Stationery (510/260340)	100 000	104 600	109 307
Stationery (200/260340)	500 000	523 000	546 535
Water Purchase (510/255050)	684 762	716 261	748 493
Costing:Default	65 500 295	68 513 308	71 596 407

Contracted services

mSCOA classifications of expenditure type have changed which has given a move of all items that are outsourced to contracted services. Some of the items such as repairs and maintenance, operational grants expenditure have now form part of contracted services. Chemicals, insurance and computer programs no longer part of contracted services.

An amount of R2.7 million for rural roads has also been included in contracted services as well as an amount of R1.6 million for EPWP

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Table 12 Contracted Services

Segment Desc	2025 Draft Budget	2026 Draft Budget	2027 Draft Budget
Audit Committee (105/260027)	455 000	475 930	497 347
Job Evaluation (200/260218)	90 000	94 140	98 376
Contracted Services:Consultants and Professional Services:Bu	2 792 000	2 918 000	3 051 000
Computer Programs (300/260)	12 436 847	13 008 942	13 594 345
GIS. Programmes (405/406360)	753250	787899,5	823354,9775
Outstanding Debt - Collection Fees (300/225001)	532 032	556 505	581 548
Legal Fees (200/260240)	10 000 000	10 460 000	10 930 700
Electrical (510/255045)	20 000 000	20 920 000	21 861 400
Maintenance of buildings and facilities (200/235011)	500 000	523 000	546 535
Vehicle Repairs Outsourced. (510/235080)	8 114 795	8 488 075	8 870 039
Repairs to Pumps (510/235120)	45 000 000	47 070 000	49 188 150
Pipelines & portable water maintenance (510/235100)	45 000 000	47 070 000	49 188 150
Doctors Examinations (200/260343)	250 000	261 500	273 268
Security (200/235525)	25 045 060	26 197 133	27 376 004
Technical Services EPWP (510)	1 685 000	1 762 510	1 841 823

Segment Desc	2025 Draft Budget	2026 Draft Budget	2027 Draft Budget
Doctors Appointments	1 000 000	1 046 000	1 093 070
Vaccinations	1 000 000	1 046 000	1 093 070
Wellness Event	300 000	313 800	327 921
National Health Laboratory	300 000	313 800	327 921
Chemical Analysis Laboratory	70 000	73 220	76 515
Health Promotion Material	400 000	418 400	437 228
Health Professional Council of South Africa	108 300	113 282	118 379
Gazetting of Bylaws	300 000	313 800	327 921
Air Quality Equipment	150 000	156 900	163 961
Internal Lab. Accred. (408/260136)	4 250 000	4 445 500	4 645 548
Quality Control Sample Water NLA (SABS) (408/260527)	150 000	156 900	163 961
Disaster Relief Material	400 000	418 400	437 228
Distribution of temporary shelters as part of relief	400 000	418 400	437 228
Disaster Risk Reduction Programs	0	0	0
Usikolwethu Goat Farming Project	700 000	732 200	765 149
Intabamhlophe Maize Milling	2 500 000	2 615 000	2 732 675
SMMEs Development strategy	20 000	20 920	21 861
SMME Fair	200 000	209 200	218 614
Tourism Signage project	500 000	523 000	546 535
Hosting Tourism Workshops/Training	200 000	209 200	218 614
Annual license to access law library	150 000	156 900	163 961
Licence Softwares	13 500 000	14 121 000	14 756 445
BY LAWS	2 150 000	2 248 900	2 350 101
Training	1 000 000	1 046 000	1 093 070
competency assessment	150 000	156 900	163 961
screening services	150 000	156 900	163 961
Workman's Compensation in Department Labour	22 000 000	23 012 000	24 047 540
membership fees	80 000	83 680	87 446
FMG. Expenditure (300/260135)	2 000 000	2 000 000	2 200 000
Communication unit	3 000 000	3 138 000	3 279 210
Special Programmes unit	8 800 000	9 204 800	9 619 016
Youth Office unit	2 000 000	2 092 000	2 186 140
IGR unit	200 000	209 200	218 614
Operation Sukuma Sakhe unit	1 000 000	1 046 000	1 093 070
IDP Consultations	800 000	836 800	874 456
strategic planning session	1 000 000	1 046 000	1 093 070

The provision for contracted services has been increased from the adopted budget funding plan. The municipality has budgeted to revive departments such as tourism and local economic development. The previous yearly budgets had completely eliminated soft projects and prioritised the core function which is water and sanitation. The municipality has recognised the negative impact this has had on the functioning of the supporting departments. The municipality has considered the positive impact the well functioning of these departments will have on the aimed culture shift and turnaround of the municipality.

Other Expenditure

Other expenditure forms 14% of the total operating expenditure. Items that form the total cost other expenditure:

Table 13.1 Other Expenditure Operational Costs

Segment Desc	2025 Draft Budget	2026 Draft Budget	2027 Draft Budget
Accommodation (105/260534) Trainings	160 000	167 360	174 891
Advertising (200/260020)	300 000	313 800	327 921
Audit Fees (105/260030)	4 535 834	4 744 482	4 957 984
Bank Charges (300/260047)	243 628	254 835	266 303
Electricity (510/255040)	63 628 392	71 709 198	80 816 266
Electricity and water (municipal services) (200/255940)	36 636 254	38 321 521	40 045 990
Expenditure: Operational Cost: Indigent Relief	4 196 000	4 389 016	4 586 522
Expenditure: Operational Cost: Skills Development Fund Levy	3 368 417	3 523 364	3 681 915
Free Basic Services. (510/260147)	3 000 000	3 138 000	3 279 210
In-Service Training (200/260216)	2 300 000	2 405 800	2 514 061
Insurance (105/235500)	6 000 000	6 276 000	6 558 420
Pauper Burial GE	170 000	177 820	185 822
Plant & Equipment Hire (510/235510)	20 000 000	20 920 000	21 861 400
Protective Clothing (408/260347)	4 000 000	4 184 000	4 372 280
Rental Office Machines. (200/260442)	1 566 262	1 638 310	1 712 034
Renting of Offices (200/260443)	1 241 093	1 298 183	1 356 601
SALGA Levy (200/260435)	4 637 507	4 850 833	5 069 120
Vehicle Licencing - Fleet Management (300/260552)	1 111 105	1 162 216	1 214 516

Table 13.2 Other Expenditure Skills Development Levy (compliance)

Segment Desc	2025 Draft Budg	2026 Draft Budg	2027 Draft Budg
Skills Development Fund (EPWP)	41 590	43 503	45 460
Skills Levy - Asset Management (300/260530)	36 467	38 145	39 861
Skills Levy - Budget. (300/260530)	82 671	86 473	90 365
Skills Levy - Call Centre (405/260530)	63 046	65 946	68 914
Skills Levy - Call Centre (405/260530)	22 401	23 432	24 486
Skills Levy - Development Facilitation (105/260530)	25 874	27 064	28 282
Skills Levy - Fleet Management (200/260530)	37 949	39 694	41 481
Skills Levy - HR (200/260530)	56 911	59 529	62 208
Skills Levy - IDP. (405/260530)	60 554	63 339	66 189
Skills Levy - Internal Auditor (105/260530)	19 946	20 863	21 802
Skills Levy - Laboratory. (408/260530)	42 536	44 493	46 495
Skills Levy - LED. (405/260530)	16 016	16 753	17 507
Skills Levy - Legal Department (200/260530)	12 995	13 593	14 204
Skills Levy - PMS. (105/260530)	15 430	16 140	16 866
Skills Levy - Public Participation (105/260530)	45 318	47 402	49 536
Skills Levy - Risk Management (105/260530)	8 986	9 399	9 822
Skills Levy - Safety & Security (105/260530)	17 087	17 873	18 677
Skills Levy - SCM. (300/260530)	73 379	76 754	80 208
Skills Levy - Special Programs (105/260530)	29 250	30 596	31 973
Skills Levy - Staff Welfare (408/260530)	0	0	0
Skills Levy - Tourism. (405/260530)	0	0	0
Skills Levy - Tourism. (405/260530)	34 609	36 201	37 830
Skills Levy - Corporate Admin. (200/260530)	169 572	177 372	185 354
Skills Levy - IT. Department (200/260530)	25 167	26 324	27 509
Skills Levy - Revenue. (300/260530)	253 940	265 621	277 574
Skills Levy (100/260530)	42 157	44 096	46 081
Skills Levy (105/260530)	77 781	81 359	85 020
Skills Levy (300/260530)	62 992	65 890	68 855
Skills Levy (405/260530)	9 203	9 626	10 059
Skills Levy (408/260530)	228 451	238 960	249 713
Skills Levy Disaster Management (405/260530)	52 656	55 078	57 556

Table 13.3 Travel and Subsistence

Segment Desc	2025 Draft Budg	2026 Draft Budg	2027 Draft Budg
TRAVEL AND SUBSISTANCE	7 017 894	7 340 717	7 671 050

To minimise the cost of day to day operating expenses the municipality has put control measures such as that the staff has to pay for their private calls and this has resulted in decline in telephone expenses. The municipality has also reviewed the cell phone allowances for staff based in the main offices in order to reduce costs.

Electricity is expected to increase by 15.7 % as per proposed tariffs by Eskom.

In terms of the MFMA circular No.55 general expenditure should not exceed 10% of total expenditure however it must be noted the budget for electricity is R98 million due to the high electricity usage in the water treatment plants. This electricity has been correctly classified as other expenditure. It cannot be classified as bulk as electricity is not a trading service for the municipality. The municipality is currently engaging with eskom to reduce penalty fees.

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2024/25 budget provides for the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

The following table lists the total anticipated cost for repairs and maintenance on infrastructure and assets for the year 2024/25. It must be noted that the municipality has identified all the shortcomings associated with neglecting capital assets such as infrastructure thus wishes to increase provision for repairing and maintenance of capital assets.

Table 14.1 Repairs and maintenance per asset class SA34c

Segment Desc	2025 Draft Budget	2026 Draft Budget	2027 Draft Budget
Electrical (510/255045)	20 000 000	20 920 000	21 861 400
Vehicle Repairs Outsourced. (510/235080)	8 114 795	8 488 075	8 870 039
Repairs to Pumps (510/235120)	45 000 000	47 070 000	49 188 150
Pipelines & portable water maintenance (510/235100)	45 000 000	47 070 000	49 188 150
	118 114 795	123 548 075	129 107 739

a portion of the MIG and WSIG has been set aside specifically for the renewal and refurbishment of assets. It must further be noted that extensive refurbishment costs were incurred in the 2024/2025 financial year. The repairs to pumps and pipelines form one of the major cost drivers. The municipality will seek to increase the budget on this line item, for the draft budget. The available resources will be reviewed on the draft cash flow balance.

The water services department will employ a planned maintenance plan in order to prevent emergency repairs which often result in excessive expenditure.

The EPWP grant has also been dedicated towards contracting employees who be responsible for to the General Water/Sewer and Reticulation.

Due to insufficient funds the municipality cannot meet the recommended norm of 8% of PPE. As part of the engagements with treasury the municipality was advised to apply to MIG and WSIG donors to utilise a larger portion of the infrastructure grants for refurbishments.

1.5.2 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's Indigent Policy.

In the 2024/25 financial year it is anticipated that R3 million will be allocated towards the provision of free basic services. This budget will also cater for the delivery of water to communities that lack suitable water infrastructure.

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.

1.6 CAPITAL EXPENDITURE

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

Table 15 2024/25 Medium-term capital budget per vote

R thousands	2024/25	2025/26	2026/27
Capital Expenditure - Functional			
<i>Municipal governance and administration</i>	3 000	3 069	3 140
Executive and council	-	-	-
Finance and administration	3 000	3 069	3 140
Internal audit	-	-	-
<i>Community and public safety</i>	-	-	-
Community and social services	-	-	-
Sport and recreation	-	-	-
Public safety	-	-	-
Housing	-	-	-
Health	-	-	-
<i>Economic and environmental services</i>	-	-	-
Planning and development	-	-	-
Road transport	-	-	-
Environmental protection	-	-	-
<i>Trading services</i>	291 529	332 331	352 435
Energy sources	-	-	-
Water management	291 529	332 331	352 435
Waste water management	-	-	-
Waste management	-	-	-
<i>Other</i>	-	-	-
Total Capital Expenditure - Functional	294 529	335 400	355 575
Funded by			
National Government	291 529	332 331	352 435
Provincial Government	-	-	-
District Municipality	-	-	-
allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	-	-	-
Transfers recognised - capital	291 529	332 331	352 435
Borrowing	-	-	-
Internallty generated funds	3 000	3 069	3 140
Total Capital Funding	294 529	335 400	355 575

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Due to financial constraints the capital budget is focused mainly on water infrastructure which is funded by national government grants amounting to R294 million. A further amount of R3 million has been budget internally for computer hardware and furniture.

Table 16 Infrastructure Grants

CAPITAL GRANTS			
MIG	191 529	222 331	242 435
RURAL ROAD GRANT	2 792	2 918	3 051
WATER SERVICES	100 000	110 000	110 000
MUNICIPAL SYSTEM IMPROVEMENT			
TOTAL CAPITAL GRANTS	294 321	335 249	355 486

Table 17 MIG Capital Projects

Projects Name	Local Municipality	Funder	Original Budget Allocations	
Ntabamhlophe CWSS	Inkosi langalibalele	MIG	R	5 361 437,24
Kwanobamaba-Ezitendeni water supply	Inkosi langalibalele		R	1 277 889,01
Weenen Sanitation	Inkosi langalibalele		R	26 187 000,00
Bhekuzulu/Ephangwini water supply	Inkosi langalibalele		R	30 000 000,00
District Wide Sanitation	District wide sanitation		R	18 000 000,00
Refurbishment and Upgrade of Water and Sanitation Infrastructure 3	District Wide		R	5 047 216,01
Ezakeni E Sanitation Phase 2	Alfred Duma		R	1 681 975,85
Okhahlamba ward 2,3 and 14 Regional Bulk Water Supply and reticulation network	Okhahlamba		R	21 642 942,86
Fitty Park Sundays River Umhlumayo Extensions Phase 1 AFA	Alfred Duma		R	7 000 000,00
Ekuvukeni regional bulk water supply	Alfred Duma		R	30 000 000,00
Winterton Sanitation Supply Scheme : Planning	Okhahlamba		R	1 549 786,95
Winterton Water Supply Scheme :Planning	Okhahlamba		R	1 377 220,45
Design of Fitty Park/Mhlumayo Bulk Water Supply Infrastructure and Upgrade of the Tugela Estate Water Treatment Works, ward 7,27,28 &30	Alfred Duma		R	8 391 834,34
KwaMkhize Bulk Water Supply and Reticulation Network			R	944 597,29
Upgrade of Bergville Water Treatemnt Works Bulk Water Supply Phase 2	Okhahlamba		R	17 000 000,00
Upgrade of Langkloof WTW and Bulk Water Supply within Ward 10 Phase 2			R	5 000 000,00
MIG Topslice (PMU)	District		R	11 067 100,00
			R	191 529 000,00

Table 18 WSIG Capital Projects

Projects Name	Local Municipality	Funder	
Wembezi Bulk & Reticulation Upgrade (WCDM)	Inkosilangalibalele		R 24 000 000,00
Reticulation to ennersdale,Ephangwini Ward 4	Inkosilangalibalele		R 1 200 000,00
Ezakheni WCDM	Alfred Duma		R 20 000 000,00
Spring Protection District Wide	Districtwide		R 15 000 000,00
		WSIG	
ladysmith AC pipe replacement	Alfred Duma		R 19 000 000,00
Steadville WCDM	Alfred Duma		R 20 800 000,00
			R 100 000 000,00

1.7 ANNUAL BUDGET TABLES

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2024/25 DRAFT budget and MTREF as approved by the Council.

Table 19 MBRR Table A1 and A2 - Budget Summary

R thousands	2024/25	2025/26	2026/27
Revenue - Functional			
<i>Municipal governance and administration</i>	628 784	664 560	701 747
Executive and council	-	-	-
Finance and administration	628 784	664 560	701 747
Internal audit	-	-	-
<i>Community and public safety</i>	60	63	66
Community and social services	-	-	-
Sport and recreation	-	-	-
Public safety	-	-	-
Housing	-	-	-
Health	60	63	66
<i>Economic and environmental services</i>	-	-	-
Planning and development	-	-	-
Road transport	-	-	-
Environmental protection	-	-	-
<i>Trading services</i>	693 675	757 090	802 787
Energy sources	-	-	-
Water management	693 675	757 090	802 787
Waste water management	-	-	-
Waste management	-	-	-
<i>Other</i>	-	-	-
Total Revenue - Functional	1 322 519	1 421 713	1 504 600
Expenditure - Functional			
<i>Municipal governance and administration</i>	474 720	496 465	518 916
Executive and council	74 744	78 182	81 700
Finance and administration	399 976	418 283	437 215
Internal audit	-	-	-
<i>Community and public safety</i>	60 493	63 276	66 123
Community and social services	8 573	8 967	9 371
Sport and recreation	-	-	-
Public safety	-	-	-
Housing	-	-	-
Health	51 920	54 309	56 752
<i>Economic and environmental services</i>	41 000	42 886	44 815
Planning and development	41 000	42 886	44 815
Road transport	-	-	-
Environmental protection	-	-	-
<i>Trading services</i>	553 918	584 550	616 736
Energy sources	-	-	-
Water management	553 918	584 550	616 736
Waste water management	-	-	-
Waste management	-	-	-
<i>Other</i>	-	-	-
Total Expenditure - Functional	1 130 130	1 187 176	1 246 591

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 emphasise 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. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised are reflected on the Financial Performance Budget;
 - ii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Over the MTREF there is progressive improvement in the level of cash-backing of obligations
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the public. The amount of services provided by the municipality including free basic services continues to increase.

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. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Table 17 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

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 organisational structure of the Municipality.

Table 21 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Description			
R thousands	2024/2025	2025/2026	2026/2027
Revenue			
Exchange Revenue			
Service charges - Electricity	-	-	-
Service charges - Water	286 647	305 300	324 317
Service charges - Waste Water Management	18 189	19 281	20 438
Service charges - Waste Management	-	-	-
Sale of Goods and Rendering of Services	629	663	698
Agency services	-	-	-
Interest	-	-	-
Interest earned from Receivables	64 535	68 381	72 455
Interest earned from Current and Non Current Assets	10 483	10 966	11 459
Dividends	-	-	-
Rent on Land	-	-	-
Rental from Fixed Assets	-	-	-
Licence and permits	-	-	-
Operational Revenue	203	213	224
Non-Exchange Revenue			
Property rates	-	-	-
Surcharges and Taxes	-	-	-
Fines, penalties and forfeits	60	63	66
Licences or permits	-	-	-
Transfer and subsidies - Operational	620 501	654 131	690 850
Interest	-	-	-
Fuel Levy	-	-	-
Operational Revenue	-	-	-
Gains on disposal of Assets	-	-	-
Other Gains	-	-	-
Discontinued Operations	29 742	31 527	33 418
Total Revenue (excluding capital transfers and contributions)	1 030 990	1 090 524	1 153 925
Expenditure			
Employee related costs	389 971	407 910	426 265
Remuneration of councillors	7 151	7 480	7 817
Bulk purchases - electricity	-	-	-
Inventory consumed	65 500	68 513	71 596
Debt impairment	164 658	172 232	179 983
Depreciation and amortisation	79 231	82 875	86 605
Interest	525	549	573
Contracted services	244 932	256 105	267 741
Transfers and subsidies	11 000	11 506	12 024
Irrecoverable debts written off	-	-	-
Operational costs	167 163	180 006	193 987
Losses on disposal of Assets	-	-	-
Other Losses	-	-	-
Total Expenditure	1 130 130	1 187 176	1 246 591
Surplus/(Deficit)	(99 141)	(96 652)	(92 666)
Transfers and subsidies - capital (monetary allocations)	291 529	332 331	352 435
Transfers and subsidies - capital (in-kind)	-	-	-
Surplus/(Deficit) after capital transfers & contributions	192 388	235 679	259 769
Income Tax	-	-	-
Surplus/(Deficit) after income tax	192 388	235 679	259 769
Share of Surplus/Deficit attributable to Joint Venture	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-
Surplus/(Deficit) attributable to municipality	192 388	235 679	259 769
Share of Surplus/Deficit attributable to Associate	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-
Surplus/(Deficit) for the year	192 388	235 679	259 769

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

1. Total operating revenue is R1 billion in 2024/25 and increases to over a billion R1.1 billion by 2026/2027. However, given sound financial management strategies are put in place we can expect an increase in revenues exceeding 6%
2. Total operating expenditure is R.1 billion in 2024/25 and escalates to R1.2 billion by 2026/27.
3. It must be noted that the municipality has budgeted for an operating deficit over the MTERF, which indicates the expected increase in operating expenditure exceeds the increase in operating revenue.
4. Te municipality was also realistic in providing estimations for costs such as chemicals, and the provision for fixing pumps to curb water supply disruptiuons.

Table 22 MBRR - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Description			
R thousands	2024/25	2025/26	2026/27
Capital Expenditure - Functional			
<i>Municipal governance and administration</i>	3 000	3 069	3 140
Executive and council	-	-	-
Finance and administration	3 000	3 069	3 140
Internal audit	-	-	-
<i>Community and public safety</i>	-	-	-
Community and social services	-	-	-
Sport and recreation	-	-	-
Public safety	-	-	-
Housing	-	-	-
Health	-	-	-
<i>Economic and environmental services</i>	-	-	-
Planning and development	-	-	-
Road transport	-	-	-
Environmental protection	-	-	-
<i>Trading services</i>	291 529	332 331	352 435
Energy sources	-	-	-
Water management	291 529	332 331	352 435
Waste water management	-	-	-
Waste management	-	-	-
<i>Other</i>	-	-	-
Total Capital Expenditure - Functional	294 529	335 400	355 575
Funded by			
National Government	291 529	332 331	352 435
Provincial Government	-	-	-
District Municipality	-	-	-
allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	-	-	-
Transfers recognised - capital	291 529	332 331	352 435
Borrowing	-	-	-
Internallty generated funds	3 000	3 069	3 140
Total Capital Funding	294 529	335 400	355 575

Explanatory notes to Table A5- Budgeted Capital Expenditure

The capital budget for water and sanitation infrastructure is grant funded the municipality has budgeted R294 million towards water and sanitation infrastructure, for the 2024/25 financial year.

Table 23 MBRR Table A6 - Budgeted Financial Position

Description			
R thousands	<u>2024/2025</u>	<u>2025/2026</u>	<u>2026/2027</u>
ASSETS			
Current assets			
Cash and cash equivalents	(15 770)	(52 844)	(84 794)
Trade and other receivables from exchange transactions	356 929	459 841	576 140
Receivables from non-exchange transactions	6 161	6 161	6 161
Current portion of non-current receivables	-	-	-
Inventory	20 000	20 000	20 000
VAT	13 607	23 443	42 355
Other current assets	-	-	-
Total current assets	380 928	456 601	559 863
Non current assets			
Investments	-	-	-
Investment property	-	-	-
Property, plant and equipment	3 273 834	3 531 945	3 806 753
Biological assets	-	-	-
Living and non-living resources	-	-	-
Heritage assets	-	-	-
Intangible assets	(249)	(5 836)	(11 674)
Trade and other receivables from exchange transactions	-	-	-
Non-current receivables from non-exchange transactions	-	-	-
Other non-current assets	-	-	-
Total non current assets	3 273 585	3 526 109	3 795 079
TOTAL ASSETS	3 654 513	3 982 711	4 354 942
LIABILITIES			
Current liabilities			
Bank overdraft	-	-	-
Financial liabilities	-	-	-
Consumer deposits	20 735	20 735	20 735
Trade and other payables from exchange transactions	694 950	716 485	781 914
Trade and other payables from non-exchange transactions	9 817	13 665	13 665
Provision	50 117	50 117	50 117
VAT	39 724	46 908	67 348
Other current liabilities	-	-	-
Total current liabilities	815 342	847 910	933 779
Non current liabilities			
Financial liabilities	-	-	-
Provision	36 991	36 991	36 991
Long term portion of trade payables	-	-	-
Other non-current liabilities	-	-	-
Total non current liabilities	36 991	36 991	36 991
TOTAL LIABILITIES	852 333	884 901	970 770
NET ASSETS	2 802 180	3 097 810	3 384 172
COMMUNITY WEALTH/EQUITY			
Accumulated surplus/(deficit)	2 802 180	3 097 810	3 384 172
Reserves and funds	-	-	-
Other	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 802 180	3 097 810	3 384 172

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understand-ability for councillors 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. This table is supported by an extensive table of notes (SA3) 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;
 - Non-current Provisions;
 - Changes in net assets; and
 - Reserves
4. 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.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 24MBRR Table A7 - Budgeted Cash Flow Statement

<u>Description</u>			
<u>R thousands</u>	<u>2024/2025</u>	<u>2025/2026</u>	<u>2026/2027</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts	1 105 566	1 192 184	1 261 527
Property rates	-	-	-
Service charges	182 160	193 817	205 795
Other revenue	892	939	988
Transfers and Subsidies - Operational	620 501	654 131	690 850
Transfers and Subsidies - Capital	291 529	332 331	352 435
Interest	10 483	10 966	11 459
Dividends	-	-	-
Payments	(917 442)	(974 774)	(1 023 227)
Suppliers and employees	(906 442)	(963 268)	(1 011 203)
Finance charges	-	-	-
Transfers and Subsidies	(11 000)	(11 506)	(12 024)
NET CASH FROM/(USED) OPERATING ACTIVITIES	188 124	217 409	238 300
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts	77 137	80 917	85 325
Proceeds on disposal of PPE	-	-	-
VAT Control (receipts)	77 137	80 917	85 325
Decrease (increase) other non-current receivables	-	-	-
Decrease (increase) in non-current investments	-	-	-
Payments	(294 529)	(335 400)	(355 575)
Capital assets	(294 529)	(335 400)	(355 575)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(217 392)	(254 483)	(270 250)
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	(29 268)	(37 074)	(31 950)
Cash/cash equivalents at the year begin:	13 498	(15 770)	(52 844)
Cash/cash equivalents at the year end:	(15 770)	(52 844)	(84 794)
Total Cash per balance sheet (A6)	(15 770)	(52 844)	(84 794)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

- Table A7 details the cash flow of the municipality and is one of the plays a pivotal role in measuring the funding of the budget.
- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- 2024/25 draft budget cash flow estimated that the municipality will have an overdraft of R15 million at year end.
- the applied collection rate of 50% is maintained throughout the year. As well as the cost containment measures are applied effectively as detailed in the recovery plan.

The following strategies will be implemented in order to improve the collection of revenue

- All operating expenditure budgeted on table A4 has been budgeted to be settled in 2023/24.
- Payment to creditors and suppliers includes an amount of R31,2 million which is budgeted to settle old debts per approved payment plans and further payments outstanding over 30 days.
- The municipality has prioritised the payment debt in order to improve the budget funding position

Table 25.1 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

<u>Description</u>	<u>2024/2025</u>	<u>2025/2026</u>	<u>2026/2027</u>
R thousands			
Cash and investments available			
Cash/cash equivalents at the year end	(15 770)	(52 844)	(84 794)
Other current investments > 90 days	0	(0)	(0)
Non current assets - Investments	-	-	-
Cash and investments available:	(15 770)	(52 844)	(84 794)
Applications of cash and investments			
Unspent conditional transfers	9 817	13 665	13 665
Unspent borrowing			
Statutory requirements	26 117	23 466	24 993
Other working capital requirements	477 552	437 679	433 648
Other provisions	50 117	50 117	50 117
Long term investments committed	-	-	-
Reserves to be backed by cash/investments	-	-	-
Total Application of cash and investments:	563 602	524 927	522 423
Surplus(shortfall)	(579 372)	(577 770)	(607 217)

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.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 25.2 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Municipality:

Financial Impact of the Budget Funding Plan on the Cash backed reserves/accumulated surplus (Table A8/B8)

Description	Adopted Budget Funding Plan	Increase / (Decrease) Draft Budget	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
R thousand	2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Cash and investments available												
Cash/equivalents at the year end	(27 943)	(1 059)	(29 002)	(60 928)	(81 211)	(1 138)	83 197	174 814	271 161	372 400	478 699	585 468
Other current investments > 90 days												
Non current investments	-											
Cash and investments available:	(27 943)	(1 059)	(29 002)	(60 928)	(81 211)	(1 138)	83 197	174 814	271 161	372 400	478 699	585 468
Application of cash and investments												
Unspent conditional transfers	9 817	-	9 817	13 665	13 665	13 665	13 665	13 665	13 665	13 665	13 665	13 665
Unspent borrowing												
Statutory requirements	26 117	-	26 117	23 466	24 993	24 137	25 565	27 120	25 873	27 425	29 071	30 815
Other working capital requirements	477 552	-	477 552	437 619	433 648	423 084	418 224	412 993	397 617	391 716	386 369	378 546
Other provisions	50 117	-	50 117	50 117	50 117	50 117	50 117	50 117	50 117	50 117	50 117	50 117
Long term investments committed	-											
Reserves to be backed by cash/investments	-		-									
Total Application of cash and investments:	563 602	-	563 602	524 927	522 423	511 003	507 591	503 896	487 271	482 923	478 222	473 143
Surplus/shortfall	(591 545)	(1 059)	(592 604)	(585 855)	(603 634)	(512 141)	(424 395)	(329 081)	(216 110)	(110 523)	477	112 325

5. From the table it can be seen that for the period 2024/25 financial year the budget will be unfunded by R592 million. The municipality has also compiled a budget funding plan, which identifies the major costs drivers and the areas of possible cost containment. the detailed funding plan consists of strategies that municipalities will employ as measures of cost containment and the financial benefits thereon. The plan adopted will cover a 10-year financial span, however improvements in the financial position of the municipality can be noted within before that period.
6. The municipality has budgeted R31,2 million for uMngeni and DWS payment plans.
7. the municipality acknowledges that achieving a healthy financial position means having another working capital of greater than 1. The funding plan aims to fund the budget in Year 9
8. It must also be noted that the municipality has enforced measures to encourage employees to utilise leave days earned. This will also have a positive impact on the employee benefit obligation provision.

Table 26 MBRR -Table A9 Asset Management

ASchedule attachment

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. The Municipality has committed to the renewal and repairs and maintenance of existing capital assets. The cost saving that will be gained from maintaining existing assets will have employed in future capital projects

PART 2 – SUPPORTING DOCUMENTATION

2.1. OVER VIEW OF THE BUDGETPROCESS

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 aim 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 Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of the 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 July 2024) 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 in August 2023, Key dates applicable to the process were as follows:

Table 27 Key dates applicable to the process were as follows:

Activity No.	Action/ Task for IDP	Timeframe for Task Completion
July 2023 & Aug. 2023	▪ Drafting of the IDP Framework and process plan	12 July 2023
	▪ Alignment of IDP and budget process plans	19 July 2023
	▪ Submission of the draft Framework and Process Plan to COGTA for comments	26 July 2023
	▪ Advertisement of the IDP Framework and process plan	31 July 2023
	▪ Adoption of IDP Framework and Process Plan by full council	30 August 2023
	▪ Planning Indaba	30 August 2023
Sept 2023	▪ Submission of the adopted IDP Framework and Process plan to COGTA	04 September 2023
	▪ Identify outstanding Sector Plans	19 September 2023
	▪ Integrate sector plans.	19 September 2023
	▪ IDP input into provincial adjustment budgets	27 September 2023
	▪ Provincial planners Forum	29 September 2023
Oct 2023	▪ Provide inputs in the review of the Spatial Development Framework	04 October 2023
	▪ Projects identifications and prioritization	11 October 2023
	▪ Develop KPI's targets, timeframes etc. where impacted upon by reprioritization	18 October 2023
	▪ Align with draft budget estimates	25 October 2023
Nov 2023	▪ World Planning Day	01 November 2023
	▪ Municipal alignment session	08 November 2023
	▪ Alignment meeting between DM & Province to revised 3 year MTEF	13 November 2023
	▪ Alignment meeting with family of municipalities	21 November 2023
	▪ SDF Alignment between the bordering district municipalities	22 November 2023
Dec 2023	□ IDP best practice conference	04 December 2023
Jan 2024	▪ IDP Supporting Structure Committee Meeting	17 January 2024
Feb 2024	▪ IDP steering committee and strategic planning session to:	6&7 February 2024
	- Review Municipal Vision and Mission	
	- Develop Objectives and Strategies	

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	<ul style="list-style-type: none"> ▪ Meeting COGTA and municipalities on IDP assessment ▪ Updating of municipal CIP and MTEF based on Draft DORA allocations ▪ IDP Coordinating committee meeting(IDP Managers) ▪ IDP Representative Forum meeting ▪ IDP Roadshows (needs analysis) 	<p>13 February 2024</p> <p>15 February 2024</p> <p>19 February 2024</p> <p>21 February 2024</p> <p>26-29 February 2024</p>
March 2024	<ul style="list-style-type: none"> ▪ EXCO approval of the Draft, recommend to Council ▪ Council Approval of the Draft IDP 2024/2025 ▪ Submission of the Draft 2024/2025 IDP to COGTA 	<p>20 March 2024</p> <p>25 March 2024</p> <p>29 March 2024</p>
April 2024	<ul style="list-style-type: none"> • Decentralized IDP assessment forums • Advertise for public comments(21days) • IDP/Budget Road shows 	<p>10 April 2024</p> <p>12 April 2024</p> <p>22-26 April 2024</p>
May 2024	<ul style="list-style-type: none"> <input type="checkbox"/> IDP Assessment Feedback Session <input type="checkbox"/> Amend IDP in accordance with the outcome of the assessment 	<p>06 May 2024</p> <p>13 May 2024</p>
May 2024	<ul style="list-style-type: none"> <input type="checkbox"/> EXCO recommend to Council <input type="checkbox"/> Council approval of the final 2024/2025 IDP 	<p>15 May 2024</p> <p>29 May 2024</p>
June 2024	<ul style="list-style-type: none"> <input type="checkbox"/> Submission of the adopted IDP to the MEC <input type="checkbox"/> Advertise the Adopted IDP in the local newspaper 	<p>03 June 2024</p> <p>10 June 2024</p>

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

2.2.1 ROLE PLAYERS

- **National Linkages**

The national sphere should at least provide a framework for the preparation of the sectoral Plans, and where possible funding be accessed. This will contribute to the creation of a normative framework and consistency between municipalities.

The national sphere should also co-ordinate and prioritizes programmes and budgets between sectors and the national sphere in line with the framework.

- **Provincial Level**

As with the National Government, Provincial Government district programmes also need to be coordinated and aligned. should prepare sectoral guidelines and funding analysis (Business Plans) for the preparation of these plans. The preparation of the sectoral Plans and programmes and

2.2.2 KEY STAGES OF ALIGNMENT BETWEEN UTHUKELA DISTRICT MUNICIPALITY AND ITS FAMILY OF MUNICIPALITIES

Alignment meetings will take place on a quarterly basis through the IDP Supporting structure Committee that is formed by the IDP Managers of all Local Municipalities, representative from COGTA and is chaired by the District IDP Manager. It ensures that the IDP process is carried out in a holistic manner, interaction between the district and locals is essential as well as the alignment Should a need arise for more of these meetings, local municipalities and the district municipality will have to come to consensus on suitable dates.

2.2.3 PARTICIPATING LOCAL MUNICIPALITIES

The uThukela district municipality consists of three local municipalities, which are:

- Alfred Duma Local Municipality
- Inkosi Langalibalele Local Municipality
- Okhahlamba Local Municipality

The DRAFT IDP Framework and Process Plan have been circulated to all local municipalities and COGTA for their inputs before its adoption.

2.2.4 MONITORING OF THE PROCESS PLAN

Alignment is the instrument that synthesis and integrates the top-down and the bottom-up planning process between different spheres of government. Not only alignment between the district and the local municipalities is important, but also between the local municipalities within the jurisdiction of the district municipality. The alignment procedures and mechanisms should be incorporated in the process plans of the local municipalities, while the responsibility for alignment rests with the district municipality.

In order to facilitate the above, frequent IDP alignment meetings will be rotational in all local municipalities, chaired and convened by the District. The secretariat function will be performed by the hosting municipality and verified by the district IDP Manager before its circulation to all members of the family. Coordination meetings have been scheduled as well as alignment workshops as stipulated in the Activity programme.

IDP Manager is required to submit a written report at each meeting, indicating progress and deviations from the Framework and Process plan, as well as the recommended action to address the deviation. The members at the meeting will assess the deviation and recommend necessary amendments to the Process Plan to the individual Steering Committees, which will make a decision as to whether the matter needs to be endorsed by the Executive Committee of the relevant Municipality.

2.2.5 PROCEDURES FOR DEVIATION

In terms of the Municipal Systems Act of 2000, the district and local municipalities must determine procedures to effect amendments to the Framework Plan. In order to amend the Framework Plan, amendments should be tabled at the IDP Supporting structure Committee meeting. The Committee will evaluate the changes and recommend such amendments to the individual Steering Committees. The IDP Steering Committee may recommend that changes be presented to Council in order to formally amend the Framework Plan

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 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 28.1 IDP Goals Objectives and Strategies

Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Schedule attachment

Table 28.2 IDP Goals Objectives and Strategies

Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Schedule attachment

The 2023/24 MTREF has therefore been directly informed by the IDP revision process and the above tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

2.3 OVER VIEW OF BUDGET RELATED POLICIES

2.3.1. Budget Policy

The objective of this policy is to set out the budgeting principles which the Municipality will follow in preparing each annual budget, as well as the responsibilities of the Chief Financial Officer in compiling such budget.

2.3.2 Credit Control and Debt Collection Policy

- The Council of the municipality, in adopting this policy on credit control and debt collection, recognises its constitutional obligations to develop the local economy and to provide acceptable services to its residents. It simultaneously acknowledges that it cannot fulfil these constitutional obligations unless it exacts payment for the services which it provides and for the taxes which it legitimately levies – in full from those residents who can afford to pay, and in accordance with its indigency relief measures for those who have registered as indigents in terms of the Council's approved indigent management policy.

2.3.3 Indigent Support Policy

- Indigents, whose level of income is less than the amount determined by Council as qualifying for indigent support, may apply in writing to the Council for such support.
- Owners or occupiers who apply for such support shall be required to apply annually, in writing, for such support on the prescribed form.
- Only registered residential consumers of services delivered by Municipality qualify for support.
- o consumer conducting a business on a residential property, with or without special consent from the Council, shall qualify for assistance.
- Support in terms of this policy only be provided to owners or residents who occupy the premises.
- Applications for support must be made during March of each year and will apply from the first of the month following the month application and will continue for 12 months. Should further support be required a new application must be lodged.

2.3.4 Supply Chain Management Policy

The principal objective of the policy is to provide, promote and implement, theoretical guidelines, governing processes and procedures within the supply chain management when

- 1) Procuring goods or services;
- 2) Disposal of goods, assets and immovable property no longer needed;
- 3) Selecting contractors to provide assistance in the provision of municipal services other than that where Chapter 8 of the Municipal Systems Act applies.

2.3.5. Virements Policy

This policy applies only to transfers between line items within votes of the Municipality's operating budget.

Section 28(2) (d) read together with section 69 of the MFMA provides that *"An adjustments budget...may authorise the utilisation of projected savings in one vote towards spending in another vote."* Transfers between votes may therefore be authorised only by the Council of the Municipality.

For ease of reference, the definition of "vote" as contained in Section 1 of the MFMA is set out hereunder:

"Vote means –

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and*
- (b) Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned."*

This policy shall not apply to transfers between or from capital projects or items and no such transfers may be performed under this policy.

Any deviation from or adjustment to an annual budget or transfer within a budget which is not specifically permitted under this policy or any other policy may not be performed unless approved by the Council through an adjustment budget.

2.3.6. Tariff Policy

In terms of Section 62 (1) of the Municipal Finance Management Act (MFMA) the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality and, in terms of S62 (1) (f), must for this purpose take all reasonable steps to ensure – "that the municipality has and implements a tariff policy referred to in Section 74 of the Municipal Systems Act" (MSA).

In giving effect to S74 (1) of the Municipal Systems Act, the municipality adopts this policy as the as the framework for determining tariffs.

2.3.7. Petty Cash Policy

The objectives of the policy are to:

- 2.3.7.1 Ensure goods and services are procured by the municipality in accordance authorized processes only.
- 2.3.7.2 Ensure that the municipality has and maintains an effective petty cash system Expenditure control.
- 2.3.7.3 Ensure that sufficient petty cash is available when required
- 2.3.7.4 Ensure that the items required to be procured are approved petty cash items.

All policies highlighted above have been attached to the budget for further reference. The comprehensive list of policies approved is as follows:

*Budget policy
Credit control policy
Bad debt & write off policy
Budget funding and reserves policy
Cash management and investment policy
Contract management policy
Supplier performance monitoring policy
Expenditure management policy
Inventory policy
Cost containment policy
Virements policy
SCM policy
Petty cash policy
Assets Management policy
Indigent Policy
HR policy
Overtime and standby policy*

2.4 OVER VIEW OF BUDGET ASSUMPTIONS

- The 2024/25 budget assumes the following:
 - CPI inflation rate forecast 4.9% for 2024/25 and 4.6% and 4.5% respectively for the outer two years.
 - Eskom approved tariff increases of 15.7 per cent in 2024/25 and 12.7 per cent increase in the outer years of the MTERF.
 - Tariffs have been increased by 6% household consumers however the increase in industrial tariffs is 8%. With further engagements to be had with the business chamber in order to discuss the removal of the bottom tariff of the declining tariff scale. Business and government tariffs have been increased by 18,4%
 - Collection rate is estimated at 50% of service charges.
 - No increment on employee related costs. The application has been made to SALGA
 - The municipality has budgeted to settle at 100% all expenditure incurred in the current year.
 - An additional budget of R31.2 million will be allocated towards the municipalities repayment plans and settle long outstanding creditors
 - 60% of the capital budget is capitalised and added to the Asset register.
 - The asset maintenance plan will be reviewed, in light of available budget and phased in accordingly
 - A total commitment to the strategies adopted in the budget funding plan from the identified budget vote administrators, with measurable objective.

2.5 OVERVIEW OF BUDGET FUNDING

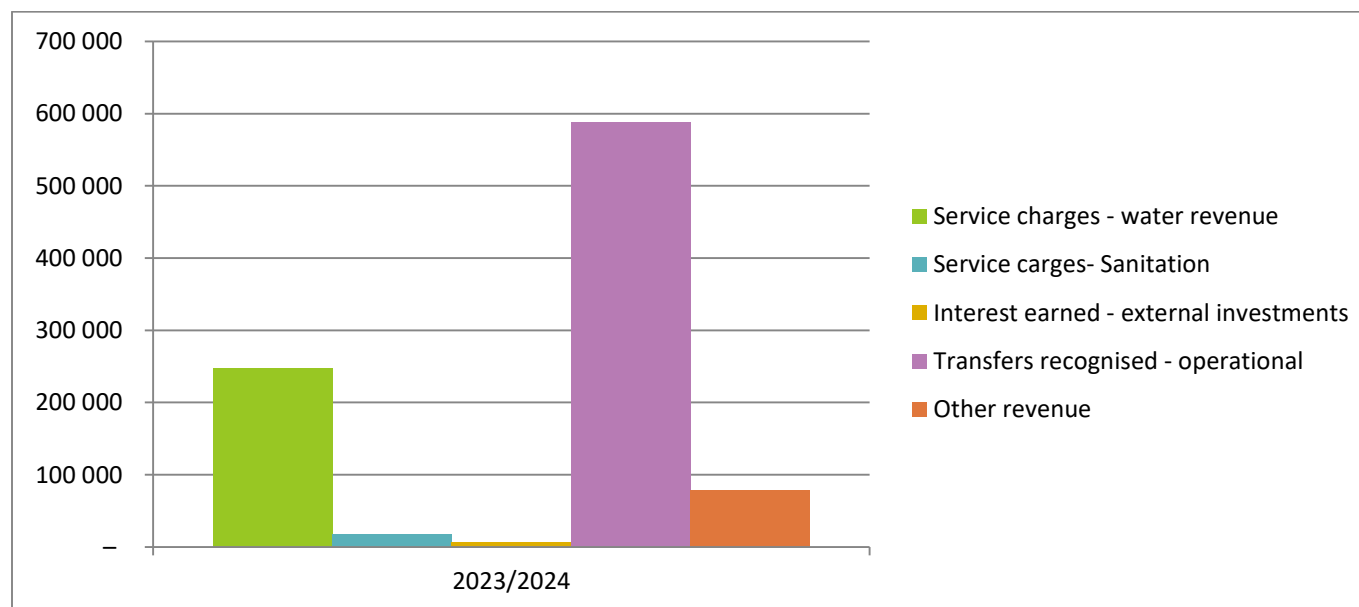
2.5.1 Medium-term outlook: operating revenue

Table 29 Breakdown of the operating revenue over the medium-term

Description	Year 1	Year 2	Year 3
R thousand	2024/25	2025/26	2026/27
Revenue			
Exchange Revenue			
Service charges - Electricity			
Service charges - Water	286 647	304 157	322 557
Service charges - Waste Water Management	18 189	19 281	20 438
Sale of Goods and Rendering of Services	629	663	698
Interest earned from Receivables	64 535	68 381	70 442
Interest earned from Current and Non Current Assets	10 483	10 966	13 472
Operational Revenue	203	213	224
Non-Exchange Revenue			
Fines, penalties and forfeits	60	63	66
Transfer and subsidies - Operational	620 501	654 131	690 850
Discontinued Operations	29 742	31 527	33 418
Total Revenue (excluding capital transfers and contributions)	1 030 990	1 089 382	1 152 165

Figure 2 Breakdown of operating revenue over the 2023/24 MTREF

The following graph is a breakdown of the operational revenue per main category for the 2024/25 financial year.



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 Municipality derives 27% of its operational revenue from the provision of and services such as water and sanitation.

The above graph demonstrates that the major part of the municipality revenue is derived from operating grants making up more than 60% of the revenue basket.

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

- Growth in the municipality and economic development
- Revenue management and enhancement
- Achievement of a 60% and above annual collection rate for consumer revenue
- National Treasury guidelines
- Water tariff increases by DWA and Eskom
- Achievement of full cost recovery of specific user charges
- Determining tariff escalation rate by establishing/calculating revenue requirements
- 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 are aligned to the economic forecasts.

Table 30 MBRR SA15 – Detail Investment particulars by maturity

DC23 - Uthukela Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M07 February					
Investments by maturity Name of institution & investment ID	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands					
Municipality					
FNB	60,373	269	(31,000)		29,641
NEDBANK	1,266	8			1,274
INVESTEC	386	2			389
ABSA	50,869	286	(30,000)		21,155
STANDARD BANK	7,712	51			7,764
TOTAL INVESTMENTS AND INTEREST	120,607	617	(61,000)	-	60,224

Table 31– Collection Rate

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 29 FEBRUARY 2024				
MONTH	BILLING	MONTHS	RECIPTS	RECOVERY RATE %
June 2023	25,608,838.15	July 2023	15,146,405.33	59.15%
July 2023	30,432,078.23	August 2023	9,514,192.41	31.26%
August 2023	30,257,372.83	September 2023	12,208,941.91	40.35%
September 2023	29,957,161.76	October 2023	12,433,443.85	41.50%
October 2023	23,953,175.82	November 2023	9,529,050.56	39.78%
November 2023	28,423,891.12	December 2023	8,803,764.50	30.97%
December 2023	38,635,046.82	January 2024	10,286,165.04	26.62%
January 2023	32,768,007.06	February 2024	10,990,066.03	33.54%
TOTAL	240,035,571.79		88,912,029.63	37%
TOTALS				
BILLING - JUNE 2023 - FEBRUARY 2024		240,035,571.79		
RECIPTS - JULY 2023- FEBRUARY 2024		88,912,029.63		
DIFFERENCE		151,123,542.16	37%	

2.5.2 Capital revenue

The capital expenditure budget will be funded from the infrastructure grants to the value of R294 million.

Table 32 – Capital Grants

GRANT ALLOCATIONS FOR 2024/2025			
	R000	R000	R000
	2024/2025	2025/2026	2026/2027
CAPITAL GRANTS			
MIG	191 529	222 331	242 435
RURAL ROAD GRANT	2 792	2 918	3 051
WATER SERVICES	100 000	110 000	110 000
TOTAL CAPITAL GRANTS	294 321	335 249	355 486

2.6. LEGISLATION COMPLIANCE STATUS

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

1. In- year reporting

Section S71 Reporting to National Treasury in electronic format was fully complied with on a monthly basis.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed 4 interns that have undergone training in various divisions of the Budget and Treasury Services Department.

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. Budget Steering Committee

A Budget Steering Committee has been established and is fully functional

6. Service Delivery and Implementation Plan

The detailed DRAFT SDBIP document will compiled and submitted to the relevant departments after approval of the 2023/24MTREF and will be directly aligned and informed by the 2023/24 MTREF.

7. Annual Report

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

8. Policies

Budget related policies are reviewed on an annual basis.

9. MScoa compliance

The municipality is Mscoa compliant, an Mscoa committee has been established as well as an implementation plan put in place. Mscoa risks are reviewed regularly.

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2023/2024

Standard	Description	Service Level
Solid Waste Removal		
	Premise based removal (Residential Frequency)	N/A
	Premise based removal (Business Frequency)	N/A
	Bulk Removal (Frequency)	N/A
	Removal Bags provided(Yes/No)	N/A
	Garden refuse removal Included (Yes/No)	N/A
	Street Cleaning Frequency in CBD	N/A
	Street Cleaning Frequency in areas excluding CBD	N/A
	(24hours/48hours/longer)	N/A
	Clearing of illegal dumping (24hours/48hours/longer)	N/A
	Recycling or environmentally friendly practices(Yes/No)	N/A
	Licenced landfill site(Yes/No)	N/A
Water Service		
	Water Quality rating (Blue/Green/Brown/N0 drop consumers)	Indigents only
	Frequency of meter reading? (per month, per year)	per month
	consumption over (two month's/three month's/longer period)	three months
	before reverting back to actual readings? (months)	4 months
	<i>cases of service interruption (complete the sub questions)</i>	
	One service connection affected (number of hours)	3 Hours
	Up to 5 service connection affected (number of hours)	8 Hours
	Up to 20 service connection affected (number of hours)	day
	Feeder pipe larger than 800mm (number of hours)	4 Hours
	municipality?	
	protection activities as part of your operations? (Yes/No)	Yes
	How long does it take to replace faulty water meters? (days)	2 days
	operational at this stage? (Yes/No)	Yes
Electricity Service		
	month?	N/A
	operational? (Yes/No)	N/A
	ripple control system?	N/A
	year)	N/A
	(two month's/three month's/longer period)	N/A
	before reverting back to actual readings? (months)	N/A
	Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	N/A
	(Yes/no)	N/A
	protection activities as part of your operations? (Yes/No)	N/A
	How long does it take to replace faulty meters? (days)	N/A
	prevention of electricity theft? (Yes/No)	N/A
	(Good/Bad)	N/A
	customer upon a written request? (days)	N/A
	service where existing infrastructure can be used? (working days)	N/A

service for low voltage users where network extension is not required? (working days)	N/A
service for high voltage users where network extension is not required? (working days)	N/A
Sewerage Service	
back in to the system after purification?	Yes
To what extend do you subsidize your indigent consumers?	Yes
average	
Severe overflow? (hours)	2 Hours
Sewer blocked pipes: Large pipes? (Hours)	2 Hours
Sewer blocked pipes: Small pipes? (Hours)	2 Hours
Spillage clean-up? (hours)	2 Hours
Replacement of manhole covers? (Hours)	3 Hours
Road Infrastructure Services	
(Hours)	N/A
(Hours)	N/A
crossing? (Hours)	N/A
Time taken to repair walkways? (Hours)	N/A
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	N /A
Do you have any special rating properties? (Yes/No)	N /A
Financial Management	
wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsources? (Yes/No)	No
flow and managemet of documentation feeding to Trial Balalnce?	Yes
date it has been received?	within 30 Days
departmental plans quaterly and annually including for the next two to three years procurement plans?	Yes
Administration	
Reaction time on enquiries and requests?	
Time to respond to a verbal customer enquiry or request?	Immedatility
Time to respond to a written customer enquiry or request?	2 Days
Time to resolve a customer enquiry or request?	24 Hours
What percentage of calls are not answered?	N/A
How long does it take to respond to voice mails?	N/A
Does the municipality have control over locked enquiries?	No
Is there a reduction in the number of complaints or not?	Yes
customer? (Less than 20 minutes
unit sit to review and resolve SCM process delays other than normal monthly management meetings?	Once Every Week
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	N/A
How long does it take to renew a vehicle license? (minutes)	N/A
certificate vehicle? (minutes)	N/A

How long does it take to de-register a vehicle? (minutes)	N/A
How long does it take to renew a drivers license? (minutes)	N/A
incident? (minutes)	N/A
to an incident in the urban area? (minutes)	N/A
to an incident in the rural area? (minutes)	N/A
Economic development	
municipality drive?	14
be catalytic in creating an enabling environment to unlock key economic growth projects?	14
security?	
create an conducive environment for economic development? (Yes/No)	Yes
Other Service delivery and communication	
(Yes/No)	Yes
inform the community? (Yes/No)	Yes
manner? (Yes/No)	Yes

Captured above are the service level standards which were tabled with the draft budget. As per recommendations of circular 75 of the MFMA.

2.8 MUNICIPAL MANAGERS QUALITY CERTIFICATE



I **Langelihle Jili** Municipal Manager of UThukela District Municipality, hereby certify that this draft annual budget for 2024/25 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under this Act.

Print Name

LANGELIHLE JILI
Municipal Manager

Signature

Date

27 March 2024