



"An economically sound district with effective infrastructure and a district municipality that empowers people, protects the environment and demonstrates leadership excellence"

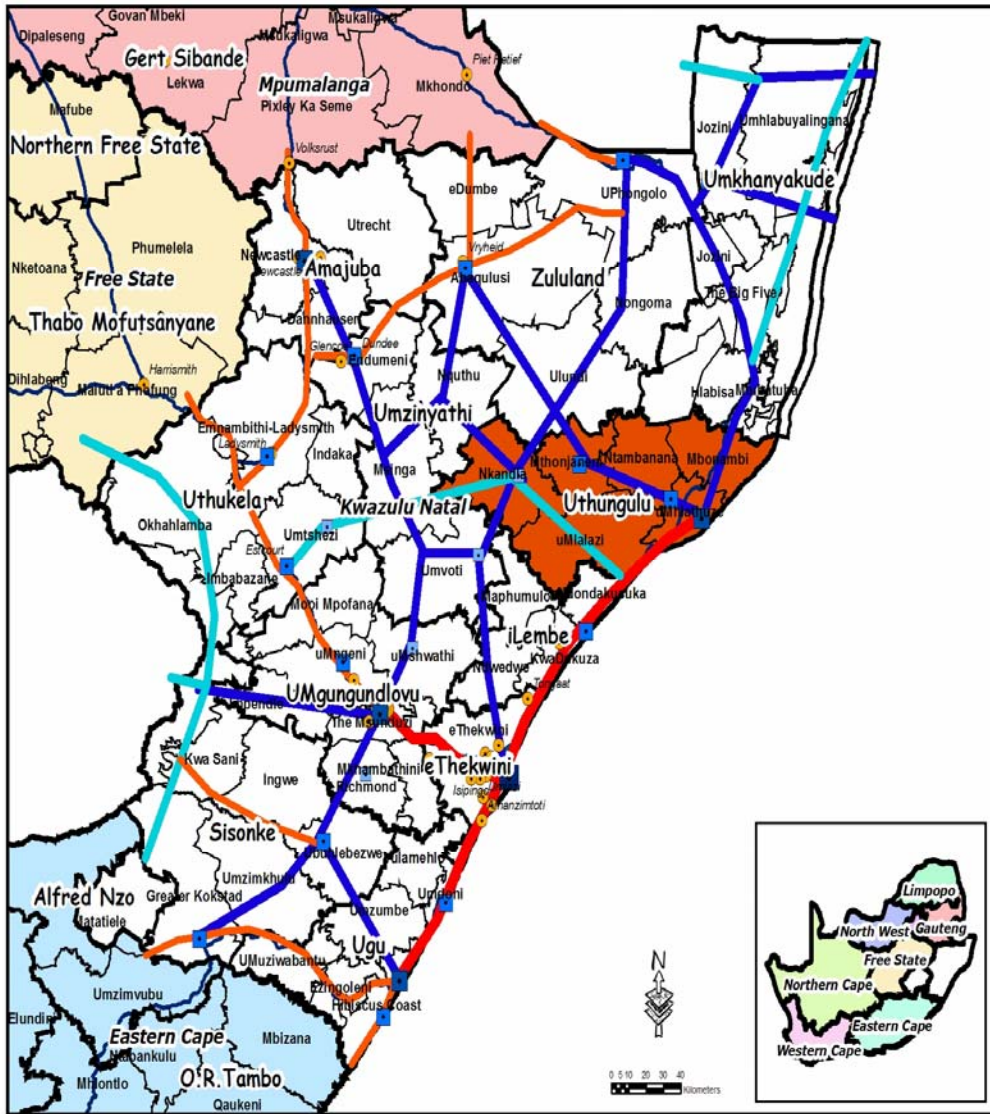
uThungulu District Municipality

MEDIUM TERM BUDGET REPORT

2009/10 – 2011/12

MAY 2009





NSDP/IDP Alignment
KWAZULU NATAL: uThungulu
 Locality Map 1

Legend

KZN Activity Nodes

- 1
- 2
- 3
- 4

KZN Activity Corridors

- Multi Sectoral Activity Corridor
- Tourism Activity Corridor
- Agricultural Activity Corridor
- Existing Corridor

Capital Cities

Main Towns

Freeways

Major Roads

Local Municipalities

District Municipalities



Collaborative Action Planning Africa

• Eastern Cape
 • Free State
 • Gauteng
 • Limpopo
 • Mpumalanga
 • Northern Cape
 • North West
 • Western Cape

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PART 1 – ANNUAL BUDGET

1. DEFINITIONS

(1) In this Budget Report, unless the context indicates otherwise –

“accounting officer”

(a) in relation to a municipality, means the municipal official referred to in section 60 of the Municipal Finance Management Act, 2003; and include a person acting as the accounting officer;

“allocation”, in relation to a municipality, means -

(a) a municipality’s share of the local government’s equitable share referred to in section 214(1)(a) of the Constitution;

(b) an allocation of money to a municipality in terms of section 214(1)(c) of the Constitution;

(c) an allocation of money to a municipality in terms of a provincial budget; or

(d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

“annual Division of Revenue Act” means the Act of Parliament which must be enacted annually in terms of section 214 (1) of the Constitution;

“approved budget” means an annual budget -

(a) approved by a municipal council; or

(b) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;

“basic municipal service” means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

“budget-related policy” means a policy of a municipality affecting or affected by the annual budget of the municipality, including -

(a) the tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

(b) the credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

“budget year” means the financial year for which an annual budget is to be approved in terms of section 16(1) of the Municipal Finance Management Act, 2003.;

“chief financial officer” means a person designated in terms of section 80(2)(a) of the Municipal Finance Management Act, 2003.

“councillor” means a member of a municipal council;

“CPIX” means Consumer price Index.

“current year” means the financial year which has already commenced, but not yet ended;

“debt” means -

- (a) a monetary liability or obligation created by a financing agreement, note, debenture, bond or overdraft, or by the issuance of municipal debt instruments; or
- (b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

“delegation”, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

“district municipality” means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;

“DLGTA” means Department of Local Government and Traditional Affairs of the Kwa-Zulu Natal Province

“EXCO” means Executive Committee of the Council of the District Municipality

“GFS” means General Financial Statistic.

“financial year” means a year ending on 30 June;

“IDP” means Integrated Development Plan

“In year reports, in relation to-

- (a) a municipality means
 - (i) a monthly budget statement of the municipality contemplated in section 71(1) of the MFMA
 - (ii) a Quarterly report on the implementation of the budget and financial state of affairs of the municipality contemplated in section 52(d) of the act;
 - (iii) a mid-year budget and performance assessment of the municipality contemplated in section 72 of the act.

“investment”, in relation to funds of a municipality, means -

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

“lender”, in relation to a municipality, means a person who provides debt finance to a municipality;

“local community” has the meaning assigned to it in section 1 of the Municipal Systems Act;

“local municipality” means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

“long-term debt” means debt repayable over a period exceeding one year;

“MANCO” means management committee of the district municipality

“MFMA” Municipal Finance Management Act, No. 56 of 2003

“MFMA Regulations or (MBRR)” means regulations relating to Municipal Budget and Reporting

“MTEF” means Medium Term Expenditure Framework

“mayor”, in relation to -

- (a) a municipality with an executive mayor, means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act; or
- (b) a municipality with an executive committee, means the councillor elected as the mayor of the municipality in terms of section 48 of that Act;

“month” means one of the 12 months of a calendar year;

“municipality” -

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

“municipal service” has the meaning assigned to it in section 1 of the Municipal Systems Act;

“Municipal Systems Act” means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

“municipal tariff” means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

“municipal tax” means property rates or other taxes, levies or duties that a municipality may impose;

“National Treasury” means the National Treasury established by section 5 of the Public Finance Management Act;

“past financial year” means the financial year preceding the current year;

“NER”, means the National Electricity Regulator;

“Provincial Treasury” means a treasury established in terms of section 17 of the Public Finance Management Act;

“quarter” means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

“Quality certificate”, in relation to

- (a) a municipality, means a certificate issued and signed by the municipal manager of the municipality confirming the accuracy and reliability of the contents of a document prepared or issued by the municipality

“SDBIP” means Service Delivery Budget Implementation Plan

“standards of generally recognised accounting practice” means an accounting practice complying with standards applicable to municipalities or municipal entities and issued in terms of Chapter 11 of the Public Finance Management Act;

“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.



Amatshezimpisi in Nkandla

2. MAYORAL BUDGET SPEECH

The Mayoral Budget Speech will be delivered to the Council during 28 May 2009 to coincide with tabling of the final budget for approval.

The purpose of the Mayoral budget speech will be to provide a high-level summary of the budget that draws on the executive summary and highlights key deliverables during the coming years. The speech will address certain fundamental issues, including the eradication of service delivery backlogs, commencement of new projects and programs.

3. BUDGET RELATED RESOLUTIONS

These will be the resolutions recommended for approval:

1. The annual budget of the municipality for the financial year 2009/10; and indicative for the two projected outer years 2010/11 and 2011/12 be approved as set-out in the following schedules:
 - 1.1 **Budget Summation** (Revenue, Expenditure, Financial Position, Performance, Capital Exp & Cash Flow) **Table A1 (Page 78)**
 - 1.2 **Financial Performance** (Revenue and Expenditure by standard classification/ vote) – **Table A2 (Page 79)**
 - 1.3 **Financial Performance** (Revenue by Vote and Expenditure by Vote) – **Table A4 (Pages 80 – 82)**
 - 1.4 **Financial Performance** (Revenue and Expenditure by Sub Vote) **Table A4 (Page 83)**
 - 1.5 **Capital expenditure** by Vote, Standard classification and funding – **Table A5 (Pages 84 – 85)**
2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:
 - 2.1 **Financial Position – Table A6 (Pages 86)**
 - 2.2 **Cash Flows – Table A7 (Page 87)**
 - 2.3 **Cash backed reserves & accumulated reconciliation – Table A8 (Page 88)**
 - 2.4 **Asset Management – Table A9 (Pages 89)**
3. **Supporting tables – (Pages 90 – 94)**
4. That in terms of Section 17(3) (k) of the Municipal Finance Management Act, 56 of 2003, that the proposed cost to council of salary, allowances and benefits of each office bearer, councillor and senior officials is reflected in **Page 90**
5. **Budget Related Charts (Pages 74 – 77 & 96 – 100)**
6. Detailed Operational IDP Projects **(Pages 100 – 103)**
7. Detailed Capital Budget **(Pages 104 – 105)**
8. Council resolves that tariffs and charges are approved for the budget year 2009/10.as reflected in **(Pages 44 – 49)**
9. Council **notes** the draft SDBIP tabled together with the measurable performance objectives per vote for subsequent approval by the Mayor. **(Chapter 12: Departmental SDBIP) (Page 58)**

4. EXECUTIVE SUMMARY

In accordance with the Municipal Finance Management Act (MFMA), No.56 of 2003 section 16 (2) the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

In accordance with MFMA Circular No. 41 and 45, which states that "Municipalities are expected to table credible and sustainable budgets" The multi-year budgets should be outputs/outcomes focused and consistent with the form required in terms of the MFMA and supported by the budget and revenue related policies. In this regard, we emphasise the need to ensure that revenue projections are realistic and achievable, allocations from other sources are consistent with the Division of Revenue Act, provincial and district budgets, tariffs and rates are raised taking into account affordability levels of the community, the backlogs in infrastructure are being addressed, whilst maintaining a balance between new and rehabilitation of assets, sufficient provision is made for maintenance of existing assets, provision for working capital, administrative overheads are minimised.

Circular 48 issued on the 02 March 2009 provides a guide to all municipalities for the preparation of the 2009/10 budgets. The circular requires municipalities to take cognisance of the global economic crisis when preparing their budgets and emphasis is put on municipalities into understanding the implications of this crisis in their respective economies. What will be important are the decisions that we as the district are going to make in these trying times. Therefore this budget is focused at the poor communities that the municipality provides services to and noting that the demographics of the district are 80% rural and 20% urban (which is the basic needs approach and economic development). The inflation forecast per National Treasury for 2009/10 is estimated at 5.4% (2010/11 5.1% and 2011/12 4.6% respectively), and this will drive our increases when determining our tariffs for the new year.

The global economic crisis, the local economy and the quality of services that the municipality would like to deliver to its citizens plays an important role in determining tariffs. National Treasury through Circular 48 has placed a capping on increases at 6 % and states that should a municipality want to approve more than the capping then the increase will have to be justified by that municipality.

The circular further outlines the implementation of the Regulations on Budget and Reporting. It must be noted that the 2009/10 MTREF has been drafted taking into account the Municipal Budget and Reporting Regulations issued on the 17 April 2009 per Government Gazette 32141. The objective of the regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities and municipal entities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the Act.

The Regulations are fully applicable to 27 non delegated municipalities in the country when preparing their 2009/10 budget and the other 254 municipalities will have to implement the regulations the same financial year however with some exemptions to the regulations. The National and Provincial Treasury have encouraged municipalities to prepare their 2009/10 budgets in line with the regulations and as the District we have taken up the challenge of complying with the regulations in the 2009/10 MTREF.

It must be noted that the regulations will achieve its objective however the Finance department will need some human resources to make it possible because this requires a revamp of the Financial Management system (structure) and a complete change of the current section 71 and 72 reporting that council has been accustomed to.

4.1 PAST AND CURRENT PERFORMANCE, ACHIEVEMENTS AND CHALLENGES

The Municipality over the previous financial year has had a lot of challenges associated with trying to improve the quality of life of the people within the district. There were a number of obstacles which the municipality had to overcome and that, was characterised with the success of the municipality. It goes without saying that the vision of the municipality to a certain extent has been fulfilled obviously within the available resources of the municipality.

When reflecting at the years that have gone by the municipality has been able to reduce some backlogs in the provision of basic services to its citizens. Having said that, if additional resources were available to the municipality a lot more would have been achieved.

It is also important to note some of the achievements that the municipality has received which can be summarised as being:

- Unqualified audit opinion was received for 2007/08 financial year (GRAP AFS)
- First prize Vuna Awards in Kwazulu Natal in the district category
- Second prize National Vuna Awards in the district category
- 2010 FIFA World Cup Official site

We are proud of being the best district municipality in Kwazulu Natal, but are mindful of the challenges in the year ahead and will endeavour to raise the bar even further. It must further be noted that the district is an official 2010 world cup training camp for the coming FIFA games. The district is busy with the construction of the state of the art Multi-Purpose sports stadium being built in preparation for the up coming games in 2010.

4.2 STRATEGIC FOCUS

The integrated development approach of the Uthungulu District Municipality focuses on the combination of basic needs approach and economic development. As such, the district has been investing in physical, social and economic development aspects. Its investment has been founded on the approach of responding to areas of greatest need and areas with potential for greatest returns in terms of economic development. As a result of our focus and in compliance with the MFMA and Municipal Systems Act the budget/IDP process occurred according to the budget timetable approved by council and was monitored by the Budget/IDP team. The team further ensured compliance with the MFMA and subsequent circulars in the preparation and approval of the multi-year budget/IDP and SDBIP.

With the completion of the Quality of Life Survey 2007, initial discussions and alignment meetings, the 2009/10 multi-year budget and the IDP was prepared. The Municipality is committed in assisting those communities that do not have access to basic services by providing free and subsidised basic services. It is however important to note with regards to Water services that there are areas that have water infrastructure but are without meters. This makes it even more difficult and challenging to measure what is consumed and by whom, and this will remain a challenge for the municipality until every household is connected to a water meter.

4.3 CONSULTATIVE PROCESS

The municipality embarked on a consultative process which was according to the budget/IDP timetable, initial alignment meetings have already occurred with major stakeholders, such as provincial and national government departments, and meetings with suppliers, EXCO, MANCO and Council, plus road shows held with communities in November 2008 and further road shows after the approval of the draft budget also occurred in April 2009.

It must be noted that in order to remain financially viable and sustainable, sufficient resources must be generated. As limited scope exists to generate alternative revenue, it is necessary to increase tariffs of charges. The determination of tariffs is the responsibility of council, as per the Local Government Systems Act. Although affordability is an important factor when considering any tariff increases. The municipality is currently dependant on National Treasury for its revenue; however, other revenue is raised from sale of water, sanitation, refuse, cemetery and interest charges on services and/or investments.

WATER

The water Tariffs have been increased by 6% as a result of increases in the cost of chemicals and maintenance of the ageing infrastructure in some areas. The free

basic water of 6kl is still applicable in the coming financial year only to domestic consumers.

SANITATION

As a result of all local municipalities having to comply with the Municipal Property Rates Act, Act 6 of 2004, it is now possible to calculate the sanitation tariffs for the district based on the new valuation rolls from these municipalities. However it must be noted that though the rolls have been completed, the consumers need to be engaged and prepared for the new sanitation tariffs, hence the implementation of the new sanitation tariffs will commence in the 2010/11 financial year. The status quo will remain for 2009/10 and the increase will be 6% for the coming financial year.

CEMETERY

The increase in the Cemetery services for the coming financial year is 6%. The cemetery is being utilised at a high rate and it will be necessary for the municipality to start exploring the construction of the second phase of the cemetery. The cemetery is situated in Empangeni and is used by all interested citizens of the District.

GENERAL

Other tariff increases for ad hoc services (i.e. lamination, copies of bylaws, map production and faxing of documents) have been increased by 8%. The budget was prepared taking into account the National Treasury's Medium Term Budget Policy in October/November last year, which indicated projected growth rates, CPIX and a replacement for Levy Grant.

4.4 OPERATING BUDGET KEY ISSUES

There are only 6 positions budgeted for in the 2009/10 budget. During the budget process positions required by departments were reviewed in terms of available funding, and office accommodation and positions were frozen due to space while the building is still in construction. A total of 6 new positions are included in the 2009/10 budget year (Assistant Director: Auxiliary Services, Chief Accountant Assets, LED Manager, Indigent Support Clerk and 2 Cleaners).

The overall operational budget has increased by 55%; however line items have increased by 6% with the exception of Salaries for staff (11%) and councillors' allowances (11%) and section 57 employees (8%).

SALARY INCREASES

Permanent & contract staff salary increases have been budgeted for on an estimated 11 % for 2009/10 with another 11% per annum thereafter.

Section 57 employees' salary increases are set at 8% per annum for each of the 3 years, whilst councillors increases are budgeted for in terms of the upper limits for salaries, benefits & allowances for a member of a municipal council as per the Government Notice No.1319 which was published in the Government Gazette No. 31687, with an estimated annual increase of 11%. For more information see schedule on page 90.

UNFUNDED MANDATES

Disaster Management

- The Disaster Management Centre is currently being budgeted for at R 2, 4 m in 2009/10, with no direct allocations from Government which is currently a legislative requirement in terms of the Disaster Management Act. uThungulu has to utilize funds from the levy replacement grant to fund the balance of the cost, as the function is not performed by any other sphere of Government in the District. It must be noted that the Provincial Government assisted with the purchase of assets for the centre when it was established. The disaster centre as of 2008/09 financial year has responded to 09 number of incidences as a result of disaster related occurrences within the District, of which some were fatal. The amount of funds spent during these disasters is in excess of R600 000.00 which were never budgeted for, and adjustments needed to be done to other programmes due to the disasters.

Environmental Health

- In terms of the allocation of equitable share per the Division of Revenue Bill – 2009, the equitable share formulae now includes an Environmental Healthcare Subsidy in the Basic Services Component formulae. The allocation according to the bill, equates to approximately R 18 (2008, R18) per household per year towards the provision of environmental healthcare services.
- As a result of the minimum amount received from National Government, uThungulu has budgeted in terms of the service level agreements with uMlalazi and uMhlathuze Municipalities until the locals, Province and the District finalise outstanding issues relating to Municipal Health Functions.
- The Budget currently provides an allocation to uMhlathuze & uMlalazi Municipalities in the form of Grants as determined by the provision of the Division of Revenue Bill which computes the allocation for Environmental Health as R18 allocated per household.

4.5 HIGHLIGHTS OF THE 2009/10 MULTI -YEAR BUDGET/IDP

- Operational Revenue has increased by 25%, (R16m) from year 2008/09, largely due to an increase of interest income from external investments.
- Grants and subsidies have increased by 19% (R 79m) largely as a result of increases in the municipal infrastructure grant (R 19m), R 16m increase in the levy replacement grant and an additional R 20m for equitable share from national government. In addition national government has allocated R2m towards regional bulk infrastructure. Provincial government has allocated an additional R54m in grants which include the 2010 Stadia.
- Surpluses from revenue in the 2009/10 budget year are able to fund major projects such as drought relief programmes and upgrades of Water Schemes.
- Operational expenditure for 2009/10 when compared to the 2008/09 full year forecast has increased, by R 24m.
- Of concern is the income earning potential of the Municipality, and the allocation of non-revenue earning or 100 % government grant funded mandates such as Disaster Management and Environmental Health in consideration that the operational income of the municipality only accounts for 11% of total revenue in 2009/10 excluding the depreciation reserve of R15m.

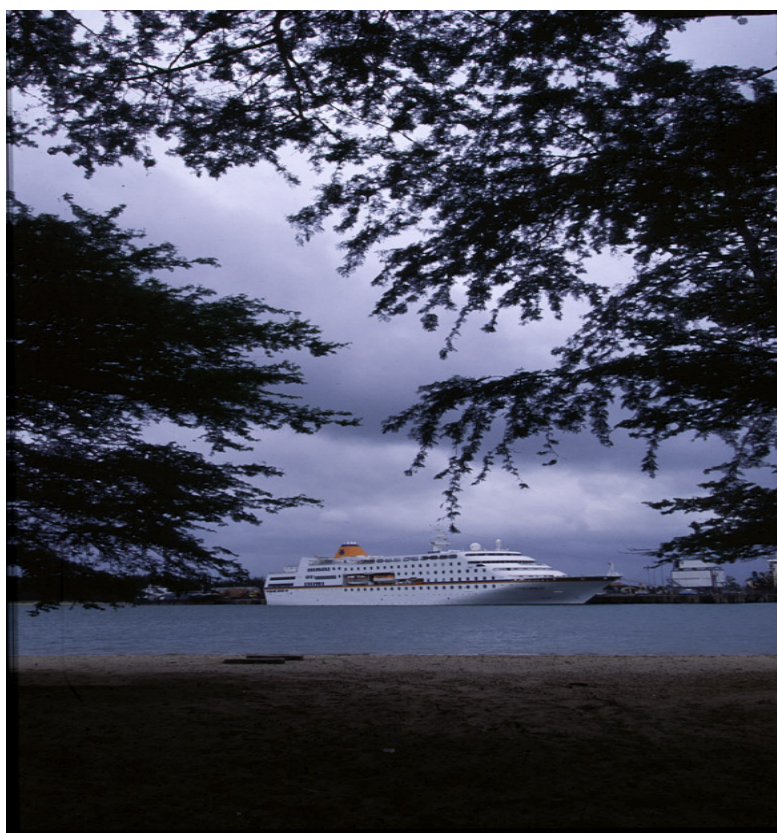
Major Capital Projects for 2009/10 Highlights

No	PROJECT NAME/DESCRIPTION	VALUE (R000)
1	Construction of Regional Cemetery Ph 2	3,000
2	Mbonambi Water Phase 1	3,886
3	Greater Mthonjaneni	6,626
4	Mhlana Bulk Water Supply 3B ext.	3,414
5	Vutshini Phase 2	15,285
6	Upper Nseleni Phase 3 B	45,435
7	Mpungose Phase 1D	2,396
8	Middledrift Phase 2	23,932
9	Greater Mthonjaneni Phase 1 & 2 - DWAF	15,200
10	Greater Mthonjaneni Phase 3 - DWAF	2,000
11	Greater Mthonjaneni Regional Bulk Scheme	20,000
12	Melmoth Water Services Network Upgrade	2,624
13	Mtunzini Water Services Network Upgrade	2,038
14	Gingindlovu Water Services Network Upgrade	2,545
15	Eshowe Water Services Network Upgrade	3,716
16	Kwambonambi Water Services Network Upgrade	1,874
17	Nkandla Water Services Network Upgrade	3,055
19	Eshowe New Industrial Bulk Services	2,000
20	Building Extensions (Surplus)	5,000
21	Building Extensions (Loan)	21,365
22	Construction of Regional Solid Waste Site (Surplus)	2,156
23	Construction of Regional Solid Waste Site (Loan)	1,028
	Grand Total	183,575

Major Operational Projects for 2009/10 Highlights

No	PROJECT NAME/DESCRIPTION	VALUE (R000)
1	Library Services	5,000
2	Budget Cycle	109
3	Infrastructure	852
4	District Elimination & Kwanaloga Games	1,800
5	Programmes for the Marginalized	425
6	HIV/ AIDS Programme	144
7	Disaster Management Centre	343
8	Shared Services	168
9	Disaster Management Plan (Operational Plans)	100
10	Centre Management Support	500
11	Energy Master Plan Review	100
12	Energy Sector Planning	200
13	Support & Integration of REDS	150
14	Asset Care Centre	280
15	Fixed Asset Register	512
16	Implementation of Financial Legislation - MSIG	153
17	Revenue Enhancement Plan (MSIG)	130
18	HR Road shows	100
19	Employee Assistance Programme	150
20	Community Awareness & Education on diseases	120
21	Events	150
22	Marketing	150
23	KwaBulawayo Development	1,922
24	uMhlathuze 2010 Sports Stadium	10,000
25	uMhlathuze 2010 Synthetic Athletic Track	2,500
26	Soccer Stadiums (Infrastructure)	8,773
27	Zululand Heritage Route	1,498
28	KwaBulawayo Tourism Development	3,000
29	Northern KZN Film Office	1,000
30	Marina Craft Development & Training	2,100
31	Planning : Regional Council	2,186
32	Trade Missions	300
33	2010 World Cup Stadia	34,000
34	2010 Soccer World Cup Stadiums (Pending) - DTLGA	14,000
35	2010 Soccer World Cup Stadiums (Pending) - SAFA	4,000
36	2010 Soccer World Cup Stadiums (Pending) - uMhlathuze	10,000
37	2010 Disaster Management Grant	500
38	Waste Management Ntambanana	265
39	281-2 - VIP Sanitation Project	8,029
40	283-2 - VIP Sanitation Project	6,715
41	Upgrade sewerage plant, Mtunzini, Eshowe, Gingindlovu	7,337
42	Upgrade sewerage plant, Mtunzini, Eshowe, Gingindlovu (08/09)	4,357

No	PROJECT NAME/DESCRIPTION	VALUE (R000)
43	Sanitation UDM	1,781
44	Tanker Reduction Strategy	5,000
45	Water metre installation	1,000
46	Customer Care and Call Centre	300
47	Emergency Water Supply (Water Tankers)	2,500
48	Survival Water Programme / Drought Relief / Emergency Water	14,100
49	EPWP Incentive Grant	754
50	Water Services Provider Plan	1,147
51	Technical Support, Infrastructure Backlog, MIIPS	900
Grand Total		161,602



PART 2 – SUPPORTING DOCUMENTATION

5. ANNUAL BUDGET PROCESS OVERVIEW

5.1 INTRODUCTION

The 2009/10 budget has been drafted by being prudent in a number of ways as a result of the economic crisis and slow-down in the district's domestic economy. The municipality has focused on providing services at affordable increases of tariff and this was the biggest challenge because the increase of goods supplied to the municipality is way beyond what the increases on tariffs is. It was evident that should the municipality increase its tariffs drastically, then it would face an abnormal increase on outstanding debtors during the year. The administration has sacrificed the appointment of new staff to the value of R17 million in a bid to ensure that we face 2009/10 with an open mind to the pending economic crisis. The minister of Finance during his budget speech made an observation that:

“Domestic GDP growth is projected to slow to 1.2 per cent in 2009 from an estimated 3.1 per cent in 2008. The period of slower growth ahead is likely to be characterised by rising unemployment, declining business profitability and the closure of some companies. While policy responses to the crisis will reduce the impact on poor and marginalized communities, economic conditions will be difficult for some time”

The municipality has been very mindful when putting this budget together in that we need to protect the poor citizens of the district in all possible way. It would be very important to note that this means that there are also little funds that will be available at the municipality's disposal to implement capital projects and other operational programmes. The administration is committed in ensuring that even under this backdrop the municipality's financial viability and track record in managing the finances is not tainted.

The Budget has been drafted in terms of circular 45, however with more emphasis on circular 48. The budget has been aligned to a certain extent to the new budget and reporting regulations, which comes into effect in the 2009/10 financial year. It must be noted though that the notice on the implementation of these regulations has been a short space of time and some teething issues with regards to the tables have been experienced. It is however important to note that this municipality will always remain committed in meeting challenges especially because these regulations will improve reporting of municipalities.

BACKGROUND

The uThungulu District Municipality, established as a high capacity municipality comprises six local municipalities, i.e. Mbonambi, Umhlathuze, Ntambanana, Umlalazi, Mthonjaneni, and Nkandla. The Municipality covers an extensive geographical area of 8,200 square kilometres that stretches from Gingindlovu in the south to KwaMbonambi in the north and inland to Nkandla. The District has the third largest population (estimated 885,872) in the province. The area is third most important in the province of Kwa-Zulu Natal in terms of economic production and contributes 7, 6% of the total Gross Geographical Product and 5.5% of the total formal employment.

Vision and Mission for the Municipality

“An economically sound district with effective infrastructure and a district municipality that empowers people, protects the environment and demonstrates leadership excellence”

The municipal mission is noted as follows:

“To create a prosperous district by:

- Providing a high standard of essential basic services;
 - Supporting sustainable local economic development;
 - Encouraging community participation in service delivery projects; and
 - To achieve cost recovery on services provided”

Core Values include:

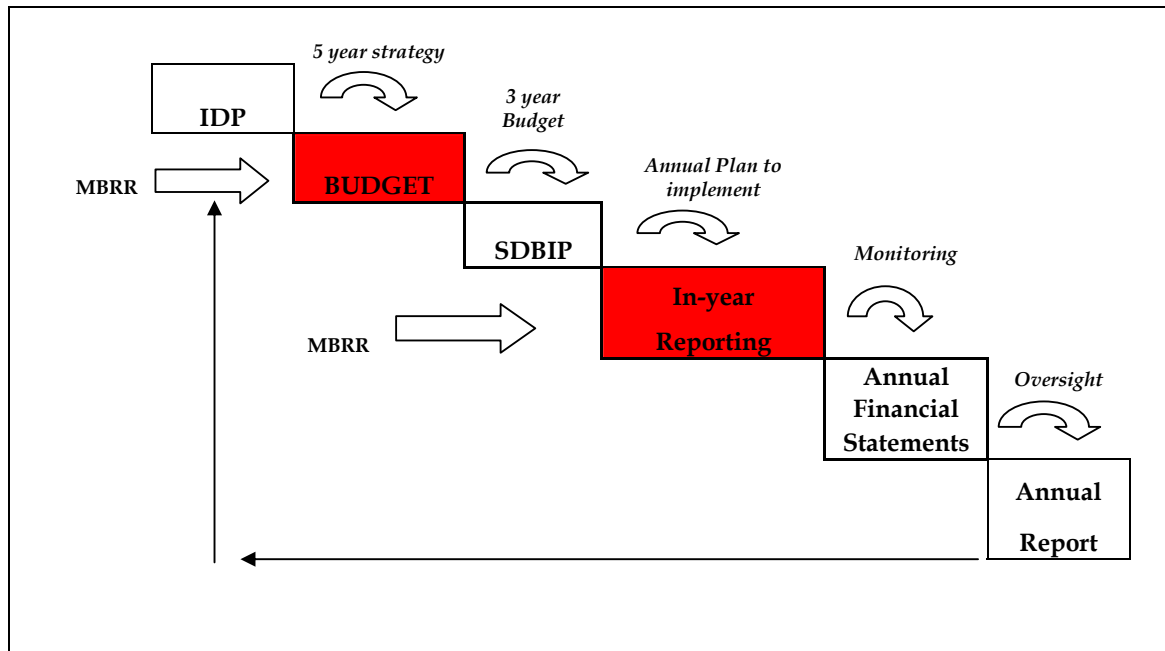
- Integrity
 - Transparency
 - Commitment
 - Co-operation
 - Innovation
 - Accountability

5.2 POLITICAL OVERSIGHT

Section 53 of the MFMA requires that the Mayor provides general political guidance over the budget process and the priorities that must guide the preparation of the budget. The Management committee has a significant role to play in the planning process of the Budget as directed by the Mayor. A budget is primarily about priorities and choices that the municipality has to make in deciding how to meet the agreed set policy objectives.

Therefore Political oversight of the budget process allows the municipality to manage the needs of the communities versus the fiscal realities. The accountability cycle illustrates the political oversight role that has to be played by council over administration and also to be able to hold management accountable to its stake holders.

ACCOUNTABILITY CYCLE



5.3 SCHEDULE OF KEY DEADLINES RELATING TO BUDGET [MFMA s 21(1) (b)]

The Act requires the formal budget process to start with the tabling by the Mayor in Council of a schedule showing the key budget deadlines. This was prepared for tabling in Council by the end of August 2008. The objective of the Budget timetable is to ensure integration between the development of the IDP and the Budget and also to ensure that a balanced budget is tabled at council for consideration and approval.

5.4 PROCESS FOR INTERGRATION OF THE IDP & PREPARATION OF THE BUDGET

The budget process is integrated with the review of the IDP through the IDP review mechanism. The outcome of consultation feeding into the IDP review is taken into account in the budget process.

The Director: Planning arranged alignment meetings with each of the various sectors, of which key outcomes where included in the review of the IDP and for inclusion in the 2009/10 Multi-Year Budget.

Consultation for the review of the Uthungulu IDP takes place mainly through the following structures:

- Growth & Development Summit **19 November 2008**
- Road Shows in **October and November 2008**
- Service Provider Alignment **30 October 2008**
 - Department of Education
 - GCIS
 - Eskom
 - ZFPS
 - Ntambanana Municipality
 - uMhlathuze Municipality
- Service Provider Alignment **06 November 2008**
 - Mbonambi Municipality
 - Ntambanana Municipality
 - Nkandla Municipality
 - uMhlathuze Municipality
 - Telkom
- Department of Housing NSDP **27 January 2009**
- Management Discussion **-13 & 16 March 2009**
- Exco & Council workshop – **26 & 27 March 2009**
- Road shows in **March and April 2009**
- Public Comment period on the IDP/Budget – **01 April to 21 April 2009**
- Final approval of IDP/Budget by Council on **28 May 2009**
-

5.5 PROCESS FOR TABLING THE BUDGET IN COUNCIL FOR CONSIDERATION AND APPROVAL

According to the MFMA, section 16 (2), the budget is required to be tabled to council 90 days before the commencement of the New Year. The draft multi-year 2009/10 budget was tabled to council on the 27th of March 2009.

In addition the MFMA, section 22 prescribes that immediately after the budget is tabled to council per section 16 (2), the municipality must make public the annual budget and invite the local community to submit representations, as such members of the community will be invited to comment on the tabled budget. The municipality has selected a period of 21 days commencing on the 1st of April 2009 and ending on the 23rd of April 2009, whereby the public is invited to comment on the tabled budget and IDP. (Per Regulation 15 (3) of the MSA)

5.6 PROCESS FOR TABLING THE BUDGET IN COUNCIL FOR CONSULTATION

The 2009/10 multi-year budget/IDP was reported to the Finance Services Portfolio on the 26th of March 2009 and then tabled to Council on the 27th of March 2009 in terms of section 16 (2) and 22 of the MFMA.

In addition the MFMA prescribes per section 23, that the municipality consider any views since the budget was tabled to council, from the local community and National and Provincial Treasury.

During the period 1st of April to the 23rd April 2009, public hearings on the budget will be open for comment together with road shows that will take place in each of the six local municipalities within the District.

5.7 PROCESS FOR APPROVING THE BUDGET

In accordance with the MFMA, section 24, the budget will be required to be approved at least 30 days before the commencement of the budget year.

In terms of the budget timetable, Finance Services Portfolio and Exco will review the budget on the 21st of May 2009 and Council will consider the approval of the multi-year 2009/10 IDP/Budget on the 28th of May 2009.

5.8 MODELS USED FOR PRIORITISING RESOURCE ALLOCATION

During March 2009, the district's Senior Management Committee completed an exercise to assist with the technical prioritisation of projects, based on council's strategic focus of the IDP. The main criteria applied related to the:

- (1) Status of the proposed project;
- (2) The public benefit associated with the project;
- (3) Income benefit to Council;
- (4) The impact on the operating budget and
- (5) Planning and approval status.

Each of the criteria is evaluated in terms of a number of considerations to which a value is allocated. The above criteria are discussed briefly hereunder:

- The **status of the project** relates mainly to whether it is a compulsory or critical, i.e. a legislative requirement or very important to alleviate a health or safety hazard. Other considerations relate to the necessity of a proposed project, whether the district is acting on behalf of another or whether a project is strategic to unlock potential.
- When evaluating the **public benefit** of a project, the most important consideration is the provision in basic needs of a community. Other considerations relate to improving existing basic facilities to a higher standard and the creation of an enabling environment, i.e. a project serves as a catalyst and provides critical linkages.
- Projects are also evaluated in terms of the **potential income benefit to Council**. In this regard, a differentiation is made whether a project received grant funding, covers its own expenses or generates tax of levy income. Another consideration is whether a project could leverage or attract outside investment.

- The impact of a project on the **operating budget** is another important criterion. Hereunder the most important considerations are a potential reduction on the operating budget. Caution is also taken with regard to projects that could become a liability due to a significant increase in the operating budget.
- The final criteria relates to the **planning and approval status** of a project. The main consideration here relates to the approval status of a sector plan – the sector plans being legislative requirements.

From the above it is observed that the above is a technical prioritisation model that focuses on the municipal core functions, the millennium targets as well as backlog eradication.

5.9 PROCESS TO RECORD AND INTEGRATE INPUTS FROM THE COMMUNITY

The Director Planning recorded inputs from the community based on initial alignment meetings and with Road shows held in October/November 2008. Further roads shows, are to be held in March/April 2009 in each Local Municipality Area to provide feedback on the tabled Budget / IDP as follows:

Local Municipality	Oct/November Road shows	March/April Road shows
Mbonambi	27 th October 2008	30 th March 2009
uMlalazi	31 st October 2008	09 th April 2009
Ntambanana	04 th November 2008	17 th April 2009
uMhlathuze	05 th November 2008	02 nd April 2009
Nkandla	10 th November 2008	07 th April 2009
Mthonjaneni	13 th November 2008	31 st March 2009

5.10 PROCESS AND MEDIA USED TO PROVIDE INFORMATION ON THE BUDGET AND IDP TO THE COMMUNITY

Some of the tools used for communicating the Budget/IDP, as contained in the Public Relations / Communication Strategy, are:

- Road shows – one in each of the six local municipalities – annually in April during the Budget/IDP comment phase and in June after Council approval of the IDP/Budget
- Monthly radio talk shows by the Mayor on Ukhozi FM
- Monthly external newsletter *Izindaba Ezimtoti*
- Monthly internal newsletter *Ezisematheni*
- uThungulu website www.uthungulu.org.za
- Annual Service Commitment Charter booklet published in Sept/Oct
- Annual Report – publication planned for Feb/March each year

- Print media press releases as and when required to local and provincial newspapers and radio stations
- Adverts in local and provincial newspapers as required
- IDP Alignment Stakeholder Forum meetings
- District LED Forum meetings
- District Mayors' Forum meetings



Blue Gum Trees

6 ALIGNMENT OF BUDGET WITH IDP

6.1 ALIGNMENT OF BUDGET WITH IDP

The budget was prepared using the following IDP inputs:

- Situational Analysis
- The outputs of the consultations with the various stake holders.
- Priority Development Issues
- Strategic approach

The information from the above processes was included in the budget according to the IDP prioritisation model.

A review of the municipal Integrated Development Plan (IDP) has been prepared in 2009/10 as required by the Municipal Systems Act and the MFMA. The complete process of IDP preparation was followed, and the content of the previous IDP was taken into account.

The document contains information on the following:

- Vision for the Uthungulu District Municipality
- Strategic Focus Areas
- Long-term goals or outcomes for the resident communities
- Alignment with national, provincial and district plans
- Consideration of service delivery and funding of housing, health and transport
- Description of prioritisation systems used for allocating resources to objectives
- Amendments to the IDP
- The consultative process undertaken to review the IDP

6.2 IDP FOCUS AREAS

The integrated development approach of the Uthungulu District Municipality focuses on the combination of basic needs approach and economic development. As such, the district has been investing in physical, social and economic development aspects. Its investment has been founded on the approach of responding to areas of greatest need and areas with potential for greatest returns in terms of economic development.

The Uthungulu District Municipality also focuses on its core functions as referenced in Section 84(1) of the Municipal Structures Act (No. 117 of 1998). The following table provides a summary of only those core functions (shaded areas) for the Uthungulu District Municipality:

Table A: Uthungulu Core Functions

Uthungulu Core Functions		Area Provided					
		281	282	283	284	285	286
1	Integrated development planning for the district municipality including Development Plan for the local municipalities within the area of the District Municipality						
2	Potable water supply that affects a significant proportion of the municipalities in the district.						
3	Bulk supply of electricity						
4	Domestic waste-water and sewage disposal systems						
5	Solid waste disposal sites serving the area of the District Municipality as a whole						
6	Municipal roads which form an integrated part of a road transport system for the area of the district municipality as a whole						
7	Regulation of passenger transport services						
8	Municipal airports serving the area of the district municipality as a whole						
9	Municipal health serving the area of the district municipality as a whole						
10	Fire fighting services for district municipality as a whole						
11	Fresh produce markets and (abattoirs) serving the area of the district municipality as a whole						
12	Cemeteries and crematoria						
13	Promotion of local tourism for the district municipality						
14	Municipal public works relating to any of the above function or and other functions assigned to the district municipality						
15	The receipt, allocation and if applicable distribution of grants made to the district municipality						
16	The imposition and collection of taxes, levies and duties as related to the above functions or may be assigned to the District Municipality in terms of national legislation.						
17	Building regulations						
18	Local tourism						
19	Licensing and control of undertakings that sell food to the public.						
20	Refuse removal, refuse dumps, solid waste disposal and cleansing services						



The above is compartmentalized into the following five development strategies for the district:

Table B: Uthungulu's Development Strategies

Strategy		Description
1	Economically Sound District	This strategy aims to establish economic growth and development in all economic sectors with a particular focus on agriculture, tourism and trade and industry (SMME), whilst contributing to poverty alleviation in the district.
2	Effective Infrastructure	The strategy focuses on the improved maintenance of existing infrastructure and the provision of new infrastructure services to ensure the spatial integration of the district and its transportation systems. The strategy therefore aims to improve service delivery and ensure a basic standard of living for all.
3	People Empowerment	The focus of this strategy is on social development and community empowerment dealing with issues ranging from health care to education and the provision of community facilities such as fire fighting services and disaster management services. The strategy aims at community upliftment and awareness in matters of gender, health care, safety and security thereby ensuring a strong, participatory and inclusive community.
4	Integrated Environment	The strategy focuses on the co-ordination of the spatial and service delivery component to improve the management of district level responsibilities. The strengthening of the nodes of the municipalities while ensuring the equitable development of the rural areas through land reform, housing and service delivery is of prime importance. Environmental management and spatial integration of development are further components of the strategy to ensure integration and optimum organizational capacities.
5	Leadership Excellence	This strategy ensures commitment by the district to provide the highest quality of service to its constituents and to ensure that all the strategies and objectives are adhered to, resulting in a productive and sustainable district. This strategy aims at establishing a network of municipal service delivery throughout the district.



The operational expenditure per sub-vote was apportioned into the five development strategies contained in the IDP of the district according to the following allocations:

VOTE & SUB-VOTE	STRATEGY				
	1	2	3	4	5
EXECUTIVE & COUNCIL					
Board & General Expenses					100%
Executive Division - Corporate Services			25%		75%
Administrative Services Division	5%	5%	5%	5%	80%
Department of the Municipal Manager	15%	5%	5%	5%	70%
FINANCE & ADMIN/FINANCE					
Management Services Division/HR/IT					100%
Executive Division - Financial	5%	5%	5%	5%	80%
Expenditure & SCM	5%	60%	5%	5%	25%
Uthungulu House		100%			
Satellite Offices		100%			
Bateleur Park		100%			
Budgeting & Reporting					100%
Budget Interns					100%
PLANNING DIVISION					
Planning Division	30%			70%	
Shared Services Planning				100%	
COMM. & SOCIAL SERVICES					
Cemetery			100%		
Community Services Division			100%		
PUBLIC SAFETY					
Disaster Management			75%	25%	
Fire Fighting			75%	25%	
ENVIRONMENTAL PROTECTION					
Environmental Health			75%	25%	
WASTE MANAGEMENT/SOLID WASTE					
Solid Waste		100%			
TECHNICAL					
Executive Division - Technical	10%	75%		10%	5%
Technical Services		100%			
Municipal Support Function		100%			
WATER/WATER DISTRIBUTION					
WSA Division		100%			
Water Services Provider Division		100%			
Consumer Billing		100%			
Water Services - Mthonjaneni		100%			
Water Services - Umlalazi		100%			
WASTE WATER MANAGEMENT					
Waste Water Management		100%			

6.3 LONG TERM GOALS

The municipal vision and mission should be interpreted in relation to the Millennium Development Goals (September 2000). Furthermore, the link between these goals and the strategic programmes, as contained in the district development strategies, are shown hereunder:

Table D: Millennium Development Goals		Uthungulu Development Programmes
1.	Eradicate extreme poverty and hunger <ul style="list-style-type: none"> ▪ Halve the proportion of people with less than one rand a day. ▪ Halve the proportion of people who suffer from hunger. 	<ul style="list-style-type: none"> ▪ Poverty Alleviation
2.	Achieve universal primary education <ul style="list-style-type: none"> ▪ Ensure that boys and girls alike complete primary schooling. 	<ul style="list-style-type: none"> ▪ Education, Training and Capacity Building ▪ Community Services, Facilities and Actions
3.	Promote gender equality and empower women <ul style="list-style-type: none"> ▪ Eliminate gender disparity at all levels of education 	<ul style="list-style-type: none"> ▪ Marginalized Groups
4.	Reduce child mortality <ul style="list-style-type: none"> ▪ Reduce by two thirds the under five mortality rate 	<ul style="list-style-type: none"> ▪ Municipal Health
5.	Improve maternal health <ul style="list-style-type: none"> ▪ Reduce by three quarters the maternal mortality ratio 	<ul style="list-style-type: none"> ▪ Municipal Health
6.	Combat HIV/AIDS, malaria and other diseases <ul style="list-style-type: none"> ▪ Reverse the spread of HIV/AIDS 	<ul style="list-style-type: none"> ▪ HIV/Aids
7.	Ensure environmental sustainability <ul style="list-style-type: none"> ▪ Integrate sustainable development into country policies and reverse loss of environmental resources ▪ Halve the proportion of people without access to potable water ▪ Significantly improve the lives of at least 100 million slum dwellers 	<ul style="list-style-type: none"> ▪ Environmental Management ▪ Potable Water, Waste Water and Sanitation ▪ Land Reform ▪ Housing
8.	Develop a global partnership for development <ul style="list-style-type: none"> ▪ Raise official development assistance ▪ Expand market access ▪ Encourage debt sustainability 	<ul style="list-style-type: none"> ▪ Public Relations and Communications ▪ Local Economic Development ▪ Local Tourism Development ▪ Agricultural Development ▪ Business and Industrial Development

Apart from the above relationship between the millennium development goals and the development programmes of the district, specific attention is given to backlog eradication. Water backlogs have been addressed since the 2001/2002 financial years.

The backlogs for water and sanitation (as the main expenditure items on the municipal budget) relate to the following RDP standards:

- The minimum RDP level of water supply is 25 litres per capita per day within a walking distance of 200m.
- The minimum RDP level of sanitation supply is 1 VIP per household, detached from the household, inclusive of superstructure.

6.4 ALIGNMENT WITH NATIONAL, PROVINCIAL & DISTRICT PLANS

6.4.1 NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE

The Policy Co-ordination and Advisory Services (PCAS) in the Presidency produced a National Spatial Development Perspective (NSDP) that was endorsed by Cabinet in March 2003. The four principles of the NSDP are as follows:

- **Economic growth** is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation.
- Government spending on fixed investment should therefore be focused on **localities of economic growth and/or economic potential** in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.
- **Efforts to address past and current social inequalities should focus on people not places.** In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low development potential, government spending, beyond basic services, should focus on providing social transfers, human resource development and labour market intelligence.
- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into **activity corridors and nodes** that are adjacent to or link the main growth centres.

The NSDP places a lot of emphasis on the presence of institutional capacity to realize the developmental impact of any given area or identified resource that has developmental potential. As such, it distinguishes between the following categories of potential:

- (1) innovation and experimentation,
- (2) the production of high-value differentiated goods,
- (3) labour intensive mass-production,
- (4) public service and administration,
- (5) tourism and
- (6) commercial services and retail.

It must be noted that on the 27 January 2009 the office of the President (RSA) through McIntosh Xaba & Associates presented a NSDP alignment initiative to the municipality.

uThungulu District Alignment with NSDP:

Apart from improved service delivery and ensuring a basic standard of living for all in the district, a summary of the aim of the district development strategies clearly links with the principles of the NSDP:

- The economically sound district strategy aims to establish economic growth and development in all economic sectors.
- The people empowerment strategy has its focus on social development and community empowerment.
- The integrated environment strategy focuses the strengthening of the nodes in the municipalities while ensuring the equitable development of the rural areas through land reform, housing and service delivery.
- The spatial development vision for the district is based on a hierarchy of functions for centres and nodes.

6.4.2 KWAZULU-NATAL PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

The Kwa-Zulu-Natal Provincial Growth and Development Strategy (PGDS) have as its purpose the provision of strategic direction for development and planning in the Province. The following six provincial priorities that address a number of developmental challenges related to economic and social needs of the province provide the focus of the PGDS.

1. Strengthening governance and service delivery
2. Integrating investments in community infrastructure
3. Sustainable economic development and job creation
4. Developing human capability
5. Developing a comprehensive response to HIV/Aids
6. Fighting poverty and protecting vulnerable groups in society

The link between the PGDS goals and programmes and the Uthungulu strategic development programmes is illustrated hereunder:

Table E: Alignment with KZN PGDS

PGDS		UTHUNGULU PROGRAMMES	
PGDS GOALS	Build a People Focused and Effective, Efficient Government	Programme 1: Good Governance	<ul style="list-style-type: none"> o Financial Control o Public Relations and Communications o Shared Services o Co-operative Governance(Mayors forum) o MFMA Compliance
		Programme 2: Transformation	<ul style="list-style-type: none"> o Management services (includes employment equity, skills development, learnerships and transformation management)
	Build the Economy	Programme 3: Competitive Investment	<ul style="list-style-type: none"> o Local Economic Development (includes LED Forum, Development Fund, Marketing and Investment) o Investment Incentive Strategy(Family of municipalities) o KMMI/TIK Affiliation o Participation in Investment and trade missions
		Programme 4: Local Economic Development	<ul style="list-style-type: none"> o Local Economic Development (includes LED Forum, Development Fund, Marketing and Investment) o LED strategy review(Family of Municipalities)
	Reduce Poverty and Create Sustainable Communities	Programme 5: Sustainable Communities	<ul style="list-style-type: none"> o Local Economic Development (Tourism and Agriculture) o Potable Water, Waste Water and Sanitation o Coastal Management o Disaster Management o Fire Fighting o Municipal Health Services
		Programme 6: Basic Income Opportunities	<ul style="list-style-type: none"> o Local Economic Development o Business and Industrial Development o Poverty Alleviation o SMME Development (Asisebenze) o EPWP Initiatives
	Cross Cutting Issues	HIV and Aids	<ul style="list-style-type: none"> o HIV/ Aids Policy
		BEE	<ul style="list-style-type: none"> o Preferential Procurement o MFMA Compliance o EPWP incentives
		Environmental Management	<ul style="list-style-type: none"> o Invader Eradication Plan o Coastal Management Plan o Integrated Environmental Plan o Waste Transfer Stations o Cemetery Plan
		Human Rights and AA	<ul style="list-style-type: none"> o Marginalized Groups o Management Services o Employment Equity
		Integration	<ul style="list-style-type: none"> o Establishment of stakeholders Forum for alignment purposes
		Capacity Building	<ul style="list-style-type: none"> o Skills Audits o Learnerships o Bursary Schemes o EPWP
		Science and Technology	<ul style="list-style-type: none"> o DIMS o Learnerships o GIS Development o Organic Production

Apart from the aforementioned, resolutions pertaining to the following from the Local Government Summit is noted by the district municipality:

- Improving cooperative local governance in Kwa-Zulu-Natal
- Role of women, youth and people with disabilities in local government
- Public participation in local governance
- The role of infrastructure development in poverty alleviation
- Improving the relationship between traditional leadership and municipalities
- Achieving financial viability
- The readiness of municipalities for the local government elections

6.4.3 DISTRICT ALIGNMENT

The Uthungulu district has imitated steps to interact with neighbouring district municipalities on cross border development issues. This entails interaction with the following district municipalities:

- Umkhanyakude
- Zululand
- Ilembe
- Umzinyathi



Kwabulawayo Tourism Development

7. BUDGET RELATED POLICIES OVERVIEW & AMENDMENTS

The **detailed policies** are not included in this budget documentation. However they are available on request by Councillors and by the public at the Council offices in Krugerrand and on the website www.uthungulu.org.za/policies . This section gives a **broad overview** of the budget policy framework and highlights the amended policies to be approved by Council resolution.

NAME OF POLICY	LAST DATE OF APPROVAL	NEW ADOPTION DATE	PURPOSE / BASIC AREAS COVERED BY POLICY	STATUS
REVENUE RELATED				
Tariff	29 th March 2008 (UDMC: 618)	27 th May 2009	Details of all tariffs and charges for new financial year	Reviewed
Credit control and debt collection bylaws	14 th March 2007 (UDMC: 185)		Principles and guidelines to be followed with respect to arrear consumer debt control	No Changes
Incentive	29 th March 2008 (UDMC: 619)	27 th May 2009	To improve the principal of paying for services received.	Reviewed
Indigent	29 th March 2008 (UDMC: 620)	27 th May 2009	Guidelines and procedures for the subsidization of rates and basic services to indigent households	Reviewed
EXPENDITURE AND BUDGET RELATED				
Borrowing Policy	23 rd September 2006 (UDMC: 23)		Sets out the borrowing principles that the municipality will follow when considering any form of borrowing.	No Changes
Investment and Banking	8 th November 2006 (UDMC: 83)		Guideline of procedures to be followed when investing or lending money.	No Changes
Virement	14 December 2005 (UDMC: 2689)		Sets out guidelines and procedures to be followed when transferring budget savings between votes	No Changes
Supply chain management	13 th June 2007 (UDMC:267)	27 th May 2009	Dictates procedures for the procurement of goods and services	Reviewed
Fixed Assets		27 th May 2009	Defines the management of fixed assets.	Reviewed
Budget	14 December 2005	27 th May 2009	Set out budgeting principles.	Reviewed

8. BUDGET ASSUMPTIONS

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. The section provides a comprehensive summary of all the assumptions used in preparing the budget. Key assumptions to be summarised here for past, current and projected years (budget year plus at least 2 projected outer years) include but are not limited to:

External factors (population migration, employment, health, development of businesses, and new residential areas, etc)

8.1 GENERAL INFLATION OUTLOOK & ITS IMPACT ON THE MUNICIPAL ACTIVITIES

According to National Treasury's circular 48 issued on the 02 March 2009 the inflation forecasts are as follows:-

	2009/10	2010/11	2011/12
CPI inflation	5.4%	5.1%	4.6%

The circular further encourages municipalities to keep increases in tariffs and other charges as low as practically possible.

8.2 INTEREST RATES FOR BORROWING

The MFMA specifies that borrowing can only be used to fund capital. The municipality currently has loans from the following institutions:

LONG-TERM LOANS	REDEEMABLE DATE	CARRYING VALUE RAND	SPECIFIC ASSET
INCA @ 13.95%	2014/12/31	21,000,000	Solid Waste loan
INCA @ 11.95%	2023/06/30	30,000,000	Solid Waste & uThungulu House
Leased Property @ 23.8%	2017/03/31	9,550,000	uThungulu House

8.3. INVESTMENT OF FUNDS

Short term investments are currently made with the following banks, with an average of 11% p.a. earned from the investments:

- ABSA
- First National Bank
- Nedbank
- Standard Bank

8.4. CREDIT RATING OUTLOOK

During 2007/008, Global rating was appointed by the National Treasury to perform credit rating of the District Municipality for the period ending in June 2007.

The following rating was issued:

- **Long term: A- (single A minus);**
High credit quality. Protection factors are good. However, risk factors are more variable and greater in periods of economic stress.
- **Short term: -A1 (single A one minus);**
Very high certainty of timely payment. Liquidity factors are excellent and supported by good fundamental protection factors. Risk factors are minor.

8.5 GROWTH OR DECLINE IN TAX BASE OF THE MUNICIPALITY

8.5.1 Levy Replacement Grant

National Government has included a Replacement Levy Grant with Equitable Share, as a substitute for levies from local business.

The 2009 Division of Revenue Bill indicates that Government is proposing that part of the fuel levy be devolved to municipalities as a full replacement for RSC levies; however for the 2009/10 budget only Category A municipalities will implement this new levy system. For all the District municipalities National Treasury has allocated the levy replacement grant as compensation.

8.5.2 Average salary increases

Permanent & contract staff salary increases have been budgeted for at an estimated 11% per the South African Local Bargaining Council Agreement and 13% per annum from 2010/11, whilst Section 57 employees are budgeted at an increase of 8% per annum for the next three years and councillors an annual increase of 11%.

8.5.3 Depreciation

Depreciation on fixed assets is budgeted for as a result of the implementation of GRAP/GAMAP from 1st July 2005, in compliance with MFMA Circular 18. According to Chapter 2. Accounting for Property, plant and equipment, per National Treasury's Guidelines for the implementation of accounting standards, a "Government Reserve" (non-cashed back) has been created equal to grant received to fund future depreciation. An amount of **R15m** is included provisionally in operational expenditure for new and current water and sanitation infrastructure. The straight line method of determining depreciation has been utilized in this budget in terms of the proposed accounting policy for fixed assets and depreciation to be presented to Council with other GRAP/GAMAP aligned accounting policies in the near future.



Disaster Relief at Melmoth

9. FUNDING THE BUDGET

9.1 SOURCES OF FUNDING

9.1.1 Rates, tariffs and other charges

Changes in tariff structure

From this coming financial year, all domestic consumers within the district pay the same tariff per kilolitre and this approach was achieved over a period of 5-6 years in a “phase in” approach. As per item UDME: 2161, however, all commercial consumers phase in is as follows for the 2009/2010 Financial year.

- KZ 286 Year 5 of Year 6
- KZ 285 Year 5 of Year 6

Municipal Services

There are four categories of municipal services, namely that of:

- Trading services – e.g. Water and sewerage
- Economic services - e.g. Solid waste disposal facility and other adhoc
- Subsidized services -e.g. Categories of water and cemetery
- Community services - e.g. Fire fighting

Trading Services

These services are defined as services whereby the consumption of the service is measurable and can be accurately apportioned to an individual consumer. These services are hence managed like businesses and meters are read, where circumstances reasonably permit, on a monthly basis. The tariffs for these services are budgeted for in such a way as to reach a breakeven situation for the municipality. Examples of these services include water, electricity and waste sewer.

The Council’s pricing strategy for these services is to **where possible** recover the full cost of rendering the service to the communities. For this purpose full cost includes:

- Direct operating costs e.g. Salaries, allowances including overtime, materials used, repairs and maintenance, general expenses and plant and vehicle hire.
- Depreciation / capital charges based on usage, life of buildings, plant and equipment and infrastructure used.
- Financing outlays which includes loan service cost.
- Allocated costs that include costs allocated through support services.

Economic Services

These are services for which tariffs are fixed in such a way as where possible the full cost of providing the service is recovered, e.g. trade effluent includes commercial and industrial use of the solid waste site, tender deposits and sale of maps. The consumption of an economic service can be measured or determined accurately and charged to an individual consumer. Whilst they are also managed like businesses, the tariffs for these services are normally determined in such a way that user charges cover the cost of providing the service.

These costs can be determined as follows:

- Full cost of providing the service or;
- The rate per unit is based on projected usage.

Subsidized Services

These are services for which tariffs are fixed in such a way that at least a portion of the cost of providing the service can be recovered. The consumption of these services can be determined reasonably accurately and can be apportioned to individuals and consumers. However, if the tariffs for using this service were based on its real cost, nobody would be able to afford it. In most cases, not only would the consumer benefit from using the service, but also other persons.

Therefore, user charge is payable for using the service, but the tariff is much lower than the real cost of providing the service. These services include water, fire fighting, approval of building plans and the construction of buildings (Nkandla and Mbonambi only), leasing of municipal facilities, selling of burial sites and certain town planning functions.

Community Services

Community services are those services for which the Council is unable to accurately determine the consumption and hence apportion to individual consumers. These services are typically financed through the operating budget. These services include the provision and maintenance of roads and storm water drainage systems, the establishment, management and maintenance of cemeteries etc. In addition to the above services sewage removal is also a community service provided directly to all the residents and for which costs form part of a balanced budget.

The Municipality also provides support services such as committee services, records and archives, financial management accounting and stores, occupational health and human resources management, which are financed through the operating budget

Calculation of tariffs for major services

A minimum amount of basic services must be free. The Municipality subscribes to the policy that all poor households are entitled to a minimum amount of free basic services. A basic service is a service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety of the environment. These services include:

- Potable water
- Domestic wastewater and sewage removal
- Burials

Council is aware that it currently does not provide these services to all residents within its municipal area. It is also aware that, more than likely, some of the services it currently provides in conjunction with the abovementioned services may be transferred or assigned to other bodies. In the latter case, the Council commits itself to make representations and negotiate with those services providers to achieve its goal.

Council realizes that in order to achieve its goal, a minimum amount of basic services should be free to the poor, whilst tariffs for services above the minimum level of consumption will have to be increased. These increases are necessary to make good any shortfall resulting from free services and to ensure a balanced budget on the trading account.

Keeping Tariffs Affordable

Council is keenly aware of the financial situation of most residents within the Municipal area therefore, it undertakes to keep tariffs at affordable Levels. Council is also aware that due to historical reasons many residents receive services at a level higher than what they can afford. In order for services to remain affordable Council will ensure that:

- Services are delivered at an appropriate level,
- Efficiency improvements are actively pursued across the Municipalities' operations,
- Any service that is provided for which there is little demand, be priced at the actual cost of providing it and which requires the Municipality to maintain significant infrastructure and other facilities, are phased out, except where Council is by law required to provide such a service.

Introducing the “Consumer must pay principle”.

Having regard for the abovementioned Council’s policy on minimum amount of free basic, Council believes that consumers of services must pay for the amount of services that they use. Where it is possible to measure the consumption services, Council intends to install metering systems as in the case of water usage, and to take into account the free service element. In this regard the Council will develop a programme to install meters in appropriate cases. Also it is the Council’s policy that the tariffs for such services must include all relevant cost factors.

Redistribution / Cross Subsidization

It is a fact that some members of the community are better able to afford to pay for the services that they use and have the benefit of, than others are. The budget of the Municipality is an important device in ensuring redistribution within the community. Likewise Council will ensure that the cross-subsidization occurs between and within services to further contribute to its redistribution objectives.

Promoting Local and Economic Competitiveness and Development

The municipal service charges presented to the local businesses, are a significant business overhead for any business enterprise in the Municipal area. The overhead of a business is one of the factors that influence the price of goods and services sold by it, and therefore its profitability and chances of survival. Council will take care that the municipal accounts presented to local businesses are fair. To ensure fairness toward local business, Council will, when it determines tariffs, take into account the desire:

- To promote local economic competitiveness and
- To promote local economic development and growth.

Ensuring Financial Sustainability of Service Delivery

The Constitution, Local Government Municipals Systems Act, 2000 and Water Services Act of 1997 require that the Municipality must ensure that the services that it provides must be sustainable.

Financial sustainability of an enterprise will be achieved when it is financed in a manner that ensures that it’s financing is sufficient. The tariff for a service must therefore be sufficient to cover the cost of the initial capital expenditure required and interest thereon, managing and operating the service and maintaining, repairing and replacing the physical assets used in its provision. However, sustainability does not only mean that the price of the service must include all the relevant cost elements, it also means that charges to be levied must be collected. Council will therefore adopt and apply a Credit Control and Debt Collection policy to ensure that service charges are fully recovered.



Richard Bay Coal Terminal

9.2. Tariffs for 2009/10

The following tariffs are applicable in the 2009/10 financial year, with a comparison with the prior year tariff for indication of increases in R/c and percentages:

Proposed Tariffs of Charges (All tariffs are inclusive of Vat)

TARRIFF OF CHARGES 2009/10		Tariff (‘R) 2008/2009	Tariff (‘R) 2009/2010	Rand’s/ C Increase	% Increase
1	WATER				
1.1	Mbonambi Municipality				
	Water per kl				
1.1.1	Domestic				
	0 - 6 kl	Free	Free		
	7 - 30 kl	5.29	5.61	0.32	6%
	above 30 kl	6.59	6.99	0.40	6%
	Availability charge	30.21	32.02	1.81	6%
1.1.2	Commercial				
	>0 kl	9.56	10.13	0.57	6%
1.2	Nkandla Municipality				
	Water per kl				
1.2.1	Domestic				
	0 - 6 kl	Free	Free		
	7 - 30 kl	5.29	5.61	0.32	6%
	above 30 kl	6.59	6.99	0.40	6%
	Availability charge	30.21	32.02	1.81	6%
1.2.2	Commercial				
	>0 kl	7.60	9.56	1.96	26%
1.3	Umlalazi Municipality				
	Eshowe Town				
	Water per kl				
1.3.1	Domestic				
	0 - 6 kl	Free	Free		
	7 - 30 kl	5.29	5.61	0.32	6%
	above 30 kl	6.59	6.99	0.40	6%
	Availability charge	30.21	32.02	1.81	6%

TARRIFF OF CHARGES 2009/10		Tariff ('R) 2008/2009	Tariff ('R) 2009/2010	Rand's/ C Increase	% Increase
	Gingindlovu				
	Water per kl			-	
1.3.2	Domestic			-	
	0 - 6 kl	Free	Free		
	7 - 30 kl	5.29	5.61	0.32	6%
	above 30 kl	6.59	6.99	0.40	6%
	Availability charge	30.21	32.02	1.81	6%
	Mtunzini				
	Water per kl				
1.3.3	Domestic				
	0 - 6 kl	Free	Free		
	7 - 30 kl	5.29	5.61	0.32	6%
	above 30 kl	6.59	6.99	0.40	6%
	Availability charge	30.21	32.02	1.81	6%
	Eshowe				
1.3.4	Commercial				
	>0 kl	9.56	10.13	0.57	6%
	Gingindlovu				
1.3.5	Commercial				
	>0 kl	9.56	10.13	0.57	6%
	Mtunzini				
1.3.6	Commercial				
	>0 kl	10.13	10.13		
1.4	Mthonjaneni Municipality				
	Water per kl				
1.4.1	Domestic				
	0 - 6 kl	Free	Free		
	7 - 30 kl	5.29	5.61	0.32	6%
	above 30 kl	6.59	6.99	0.40	6%
	Availability charge	30.21	32.02	1.81	6%
1.4.2	Commercial				
	0 - 25 kl	7.81	9.56	1.75	22%
	>25	7.99	9.56	1.57	20%
1.5.1	Water per kl				
	>0 kl	10.13	10.74	0.61	6%
1.6	DOW/Schools/Clinics				
1.6.1	Water per kl				
	>0 kl	10.13	10.74	0.61	6%

TARRIFF OF CHARGES 2009/10		Tariff ('R) 2008/2009	Tariff ('R) 2009/2010	Rand's/ C Increase	% Increase
1.7	Water other				
1.7.1	Reconnection of water supply on clients request (closed on clients request)	177.05	187.67	10.61	6%
1.7.2	Penalty fee for non compliance of warning notice (Water restriction process)	291.03	308.49	17.46	6%
1.7.3	New domestic single household standard connection fee				6%
a	Full water pressure systems	727.58	771.23	43.65	6%
b	RDP systems	318.00	337.08	19.08	6%
1.7.4	New connection fees: other than those stated in 1.7.3a & 1.7.3b	Cost + 10%	Cost + 10%		
1.7.5	Special readings of meters	181.90	192.81	10.91	6%
1.7.6	Final reading admin fee upon disconnection	14.55	15.42	0.87	6%
1.7.7	Testing of meters - up to 25mm	388.04	411.32	23.28	6%
1.7.8	Testing of meters - larger than 25mm	Cost + 10%	Cost + 10%		
1.7.9	Tampering fee - first occurrence	1172.62	1242.98	70.36	6%
1.7.10	Undeveloped land- available services fee	53.52	56.73	3.11	6%
1.7.11	Bulk tariff treated water per kl - applicable to supplies to Municipalities only	3.72	3.94	0.22	6%
1.8	Water un-metered - Rural Areas				
1.8.1	Availability charge - Standpipe	18.19	19.28	1.09	6%
1.8.2	Un-metered households connection	43.66	46.28	2.62	6%
1.8.3	Water delivered by Tanker per 10 000 litres to public institutions - Incl. Price of water & Transportation cost	Cost + 10%	Cost + 10%		
1.8.3.1	Water delivered by Tanker per 10 000 litres to general public (At discretion of municipality) Incl. Price of water & Transportation	Cost + 25%	Cost + 25%		

TARRIFF OF CHARGES 2009/10		Tariff ('R) 2008/2009	Tariff ('R) 2009/2010	Rand's/ C Increase	% Increase
1.9	Indigency				
	0 - 6 kl	Free	Free		
	7-10 kl	3.89	4.12	0.23	6%
	11 - 30 kl	5.29	5.60	0.31	6%
	above 30 kl	6.59	6.99	0.40	6%
	Availability charge	-	-		
2	CEMETERY				
2.1	Single interment of an adult (resident)	482.63	511.59	28.96	6%
2.2	Single interment of an child (resident)	482.63	511.59	28.96	6%
2.3	Permission to erect a tombstone (single or double)	61.84	65.55	3.71	6%
2.4	Permission for additional depth grave (including interment)	3488.77	3698.10	209.33	6%
2.5	Reservation of a grave (excl. interment)	520.22	551.43	31.21	6%
2.6	Exhumation of a body	1,039.23	1,101.58	62.35	6%
2.7	Interment outside normal working hours - resident	482.63	511.59	28.96	6%
2.8	Interment outside normal working hours - Saturday (non-resident)	2,819.39	2,988.55	169.16	6%
2.9	Interment outside normal working hours - Sundays & Public holiday (non-resident)	3,711.89	3,934.60	222.71	6%
2.10	Wall of remembrance	445.04	471.74	26.70	6%
2.11	Reservation of niche excluding utilization - resident	237.68	251.94	14.26	6%
3	SANITATION				
3.1	All Areas in District - Properties physically connected to sewer systems				
3.2	Municipal area(Rand valuation of improvements to property- NB: Tariff based on 07/08 valuation)		0.004 c/R		Various
3.5	Undeveloped sewer service fee: all areas	60.19	63.80	3.61	6%
3.6	Mtunzini -per load	424.00	449.44	25.44	6%
3.7	Gingindlovu -per load	424.00	449.44	25.44	6%
3.8	Sewer connection fee in all areas	Cost + 10%	Cost + 10%		
3.9	Disposal of domestic effluent from within or without the Council's area of jurisdiction to Council facilities. <ul style="list-style-type: none"> Delivered by private road tanker per kiloliter, measured as the nominal carrying capacity of the tanker. Delivered by private road haulage in drums per drum of capacity not exceeding 150 litres 	<i>New</i>	R12.30 R1.23		

TARRIFF OF CHARGES 2009/10		Tariff ('R) 2008/2009	Tariff ('R) 2009/2010	Rand's/ C Increase	% Increase
4	SOLID WASTE				
4.1	Building rubble per ton	44.32	47.00	2.68	6%
4.2	De-listed waste - per ton	510.77	541.50	30.73	6%
4.3	Tyres -per ton	366.34	388.50	22.16	6%
4.4	Green waste -per ton	44.32	47.00	2.68	6%
4.5	Sewer Sludge -per ton	901.00	955.00	54.00	6%
4.6	Miscellaneous -per ton	Cost + 10%	Cost + 10%		
4.7	Miscellaneous weighing service - Per service	57.00	60.50	3.50	6%
5	DEPOSITS				
5.1	Non refundable tender deposits	242.53	257.00	14.47	6 %
5.2	Consumer deposits : New applications				
5.2.1	Domestic application	350.00	380.00	30.00	6 %
5.2.2	Commercial application	900.00	955.00	55.00	6 %
5.2.3	Registered Indigent customers	Exempt	Exempt		
5.2.4	Customers supplied by "RDP" systems	Exempt	Exempt		
5.2.5	Government Institutions	Exempt	Exempt		
5.2.6	Municipal Institutions	Exempt	Exempt		
6	OTHER				
6.1	Sale of Marketing/corporate gifts and other	Cost + 10%			
6.2	Clearance Certificate admin fee	50.00	55.00	5.00	8 %
6.3	Interest Charges	10%	10%		8 %
7	BYLAWS				
7.1	For copies of any bylaws, per page	1.46	1.58	0.12	8 %
7.2	Extract of bylaws, per page or part thereof	1.46	1.58	0.12	8 %
8	PROMOTION OF ACCESS TO INFORMATION				
8.1	Fee for reproduction, relating to the promotion of the Access to the information Act as follows:				
8.1.1	Every photocopy of an A4 size page or part thereof	0.79	.85	0.06	8 %
8.1.2	Every printed copy of an A4 size page or part thereof	0.55	.60	0.05	8 %
8.1.3	For a copy on Stiffy Disc	12.73	n/a		n/a
8.1.4	For a copy on Compact Disc	50.93	55.00	4.07	8 %

TARRIFF OF CHARGES 2008/09		Tariff (‘R) 2008/2009	Tariff (‘R) 2009/2010	Rand’s/ C Increase	% Increase
8.2	For a transcription of visual images:				
8.2.1	For an A4 size page or part thereof	29.10	31.43	2.33	8 %
8.2.2	For a copy of visual images	76.40	82.51	6.11	8 %
8.3	For a transcription of an audio record:				8 %
8.3.1	For an A4 size page or part thereof	15.76	17.02	1.26	8 %
8.3.2	For a copy of an audio record	21.83	23.58	1.75	8 %
8.3.3	To search for the record for disclosure	19.40	20.95	1.55	8 %
8.4	FACSIMILE				
8.4.1	Outgoing facsimile - per folio	5.21	5.63	0.42	8 %
8.4.2	Incoming facsimile - per folio	5.21	5.63	0.42	8 %
9	MAP PRODUCTION COSTS				
	SHEET SIZE				
9.1.1	A0	481.84	520.39	38.55	8 %
9.1.2	A1	398.78	430.68	31.90	8 %
9.1.3	A2	350.09	378.10	28.01	8 %
9.1.4	A3	318.73	344.23	25.50	8 %
9.1.5	A4	295.84	319.50	23.66	8 %
	LAMINATING COSTS				8 %
	SHEET SIZE				8%
9.2.1	A0	301.92	326.07	24.15	8 %
9.2.2	A1	172.52	186.32	13.80	8 %
9.2.3	A2	107.83	116.46	8.63	8 %
9.2.4	A3	2.97	3.20	0.23	8%
9.2.5	A4	15.81	17.07	1.20	8%
10	BUILDING PLANS			-	
10.1	Building plans and scrutiny and supervision charges as per Townships				
NB. ALL TARIFFS ARE INCLUSIVE OF VAT					

9.3. INVESTMENTS - CASH BACKED ACCUMULATED SURPLUS

The investment policy of the Municipality is in line with the Municipal Finance Management Act, Act 56 of 2003 and the Regulations and Investment Framework issued by the Minister of Finance.

The main objective of the investment policy is to gain optimum return on investment without incurring undue risks during the period when cash revenues are not needed for capital or operational purposes.

The effectiveness of the investment policy is dependent on the accuracy of the municipality's cash management which must identify the surplus amounts to be invested and when those funds will be needed by the municipality's operations.

The municipality's investments are divided into the following categories:-

1. Interest Earned on Investment

- It is the municipality's policy to appropriate all interest earned from investments to priorities as detailed in the Integrated Development Plan.

2. Sinking Fund

- The municipality purchased a guaranteed zero coupon from INCA via Standard Bank, in the 2003/04 financial year for an amount of R7, 9 million with an aim of redeeming the matured value against a R21million loan with INCA.

3. Short Term Investment

- All reserves and creditors form part of short term investments of the municipality.
- All reserves of municipality are fully cash backed.
- The Municipality has a conservative approach in investing only in short term investment; however the investment policy has a provision of long term investments.

10. GRANT ALLOCATIONS

10.1 DETAILS OF GRANTS ALLOCATED TO THE MUNICIPALITY

Grant Revenue By Source	Budget 09/10 R'000	Budget 10/11 R'000	Budget 11/12 R'000
Grants & Subsidies - Provincial - Operational			
Strategic Support	250	416	610
Motor Vehicle Licence fees	91	96	102
Local Economic Development Catalyst		1,000	1,000
Municipal Development Information Services	250	300	250
Library Building Projects	5,000	1,000	-
Centre Management Support	500	600	700
Infrastructure	852	-	-
Soccer Stadiums (Infrastructure)	34,000	-	-
Soccer Stadiums (DTLGA)	14,000	-	-
Total Province Allocations	54,943	3,412	2,662

Grant Revenue By Source	Budget 09/10 R'000	Budget 10/11 R'000	Budget 11/12 R'000
Grants & Subsidies - National - Operational	262,199	304,603	314,941
Equitable Share	93,710	116,933	127,737
Levy Replacement Grant	122,819	139,638	152,214
MSIG	735	750	790
Water services operating & transfer subsidy	127	93	-
Local Finance Management Grant	750	1000	1,250
Backlogs in Water and Sanitation	7,337	-	-
MIG (Sanitation Projects)	33,767	43,989	30,750
MIG Operational - Project Management Unit	2,200	2,200	2,200
EPWP Incentive Grant	754	-	-
Grants & Subsidies - National - Capital	85,299	112,501	105,850
Regional Bulk Infrastructure Grant	2,000	18,100	18,100
MIG	83,299	94,401	87,750
Total National Government Allocations	347,498	417,104	420,791
Other Government - Operational			
Mhlathuze Municipality Soccer 2010	10,000	-	-
Public Contributions			
South African Football Association	4,000	-	-
Total Grants & Subsidies	416,441	420,516	423,453
Province	54,943	3,412	2,662
National	347,498	417,104	420,791
Other Government	10,000	-	-
Public Contributions	4,000	-	-



10.2 GRANT ALLOCATIONS PURPOSE AND OUTPUTS

Grant	Purpose	Measurable Outputs	Future revenue and cost implications
Equitable Share	To enable municipalities to provide basic services and perform the functions allocated to it.	No. of: <ul style="list-style-type: none"> Households receiving free water and electricity. Households receiving basic services such as water, sanitation, environmental health and electricity. 	
Replacement Grant	Levy Replacement Grant	Included with the equitable share grant. The grant was issued to allow municipalities to meet their expenditure obligations.	Future Revenue: Government is considering replacing the grant with funding from the fuel levy.
Municipal Infrastructure	To supplement municipal capital budgets to eradicate backlogs in basic municipal infrastructure utilised in providing basic services for the benefit of poor households. To eradicate the bucket sanitation system mainly in urban townships.	No. of: <ul style="list-style-type: none"> New households receiving water and sanitation service per annum. Households where the bucket sanitation system has been replaced with an alternative system. No of jobs created using EPWP 	Future Revenue: Tariffs from new households (water and sanitation). Future cost: Repairs and maintenance. Billing and collection of revenue.
Local Government Financial Management Grant	To promote and support reforms to municipal financial management and the implementation of the MFMA Act.	<ul style="list-style-type: none"> Financial recovery plans. Internship programme Progressive improvements of audit outcomes. Improvements in internal and external reporting on budgets, finances, in-year reporting and annual reports. Upgrading of IT systems for Financial management improvement 	Future Cost: The cost of including the interns within the organisation.

Grant	Purpose	Measurable Outputs	Future revenue and cost implications
Regional Bulk Infrastructure Grant	To develop regional bulk infrastructure for water supply to supplement water treatment works.	<ul style="list-style-type: none"> ▪ Number of project plans finalised for several regional bulk projects. ▪ Number of funding arrangements in place. ▪ Number of projects completed. ▪ Number of people or households being served 	<p>Future Revenue:</p> <p>Tariffs from new households (water and sanitation).</p> <p>Future cost:</p> <p>Repairs and maintenance.</p> <p>Billing and collection of revenue.</p>
Municipal Systems Improvement Grant (MSIG)	To assist municipalities in building in-house capacity to perform their functions	<ul style="list-style-type: none"> ▪ Improving Financial viability ▪ Strengthen administrative systems ▪ Development of By laws & policies ▪ Good governance 	<p>Future Cost:</p> <p>The cost of the MSIG Department, which is dependent on the grant from National Government.</p>
Expanded Public Works Incentive Grant	To incentivize municipalities to increase labour intensive employment through programmes that maximise job creation.	<ul style="list-style-type: none"> ▪ To halve poverty & unemployment by 2014 ▪ Increase employment through EPWP ▪ Average duration of work opportunities created. 	The grant will continue until 2014.
Water Subsidy	To subsidise water schemes owned and operated by the department or by other agencies on behalf of the department	<ul style="list-style-type: none"> ▪ Improve revenue collection from these schemes. ▪ Transfer agreements signed by 31 March 2009 ▪ Refurbish schemes to standard in the policy ▪ Build capacity in WSA and WSP's 	The grant will continue until 2011/12.
Backlogs in Water & Sanitation	To eradicate the water supply and sanitation backlogs of all clinics and school sanitation.	<ul style="list-style-type: none"> ▪ The grant has targeted schools for water supply ▪ Sanitation to schools 	The grant ends in 2009/10



10.3 GRANT ALLOCATION BY THE DISTRICT MUNICIPALITY

10.3.1 DIRECT GRANT ALLOCATIONS

Environmental Health Grant Allocation

In accordance with the Division of Revenue Bill-2009, an Environmental Health Care Subsidy of R 18 (2008/09, R 18) per household was included in the Basic Services Component of the equitable share formula. According to a provisional Service Level Agreements with KZ 282 (uMhlathuze Municipality) and KZ 284 (uMlalazi Municipality), uThungulu District Municipality would be obligated to re-allocate grants received from Government relating to Environmental Health to the Local Municipalities that are currently performing the function.

In addition allocations to KZ 281, 283, 285 and 286, have been included in the budget for the District, as the District would perform the functions centrally.

The computation for the allocation was based on the number of households per KZ as determined by the Census 2001 count, that being 73,301 for uMhlathuze and 44,634 for uMlalazi and multiplied by the rate stipulated in the Division of Revenue Bill, 2009 of R 18 per household.

This means that there will be no change or increase to the allocation of these funds to KZ 282 and 284 when comparing to 2008/09.

10.3.2 INDIRECT GRANT ALLOCATIONS

2010 Soccer Stadia

uThungulu District Municipality has been targeted as one of just four districts in KZN to receive a multi-million rand grant to prepare itself for the 2010 World Cup Soccer event. The district is to receive R34 million in funding for infrastructure aimed at the World Cup.

The facility could be used for training camps or practice sessions for the run-up to and during 2010, but will also be sustainable for use by other sporting codes after the event.

uThungulu was chosen because of the strategically positioned uMhlathuze Local Municipality. "The criteria used in the selection process include air, sea and road access, which Richards Bay can offer with its airport, bustling harbour and John Ross Highway (which is currently being upgraded). The area also boasts high class tourism facilities and accommodation venue."

uMhlathuze Municipality (Richards Bay) has been selected for the development of the Soccer Stadia as it already has an existing Regional Sports Complex into which both uThungulu and uMhlathuze municipalities have invested financially, and it is centrally located for access to all amenities and facilities – like a gym, hospital, hotels and shopping centres.

11. DISCLOSURE ON IMPLEMENTATION OF MFMA & OTHER LEGISLATION

The Municipal Finance Management Act, 2003 (Act No.56 of 2003) became effective on 1 July 2004. Elements of the act have been phased in according to capacity of each municipality – high, medium and low. As a high capacity municipality, uThungulu was required to comply with the earliest implementation dates, the majority of which are now effective.

The MFMA has introduced significant changes to the financial management of local government. One of the main changes in budget preparation is that the single year, line item budgeting – which was a common feature of the previous practices – has been replaced by multi-year budgeting at a more strategic level.

The MFMA aims to modernise budget and financial practices at all spheres of government, thereby facilitating effective service delivery. The general public plays an important role in ensuring a budget is set to reflect targeted service delivery. For example, during the budget preparation process, Section 21 of the MFMA requires communities and residents within the municipal jurisdiction to be part of the Budget and Integrated Development Planning (IDP) processes. Section 8 of this report describes how this has been achieved.

Communities can also monitor the performance of the approved budget through regular reporting of the Service Delivery & Budget Implementation Plan (SDBIP) and the performance contracts of senior managers. These are prepared at the same time as the budget, thus ensuring alignment at the start of the financial year. Section 15 of this report provides some detail of the departmental SDBIP's that have been prepared. These highlight the key service delivery and performance targets that senior managers are accountable for.

Some of the key budget reforms encapsulated within the MFMA, that uThungulu has applied, are:

- Forward looking, multi-year budgets with strategic focus;
- Clear links between budget allocations and agreed policies;
- Improved integration of budget and planning processes;
- New budget process timetable with earlier adoption of budgets by council and earlier audits of Annual Financial Statements;
- Improved in-year reporting according to vote/ function;
- Improved financial management information;
- Service Delivery and Budget Implementation Plans (SDBIP) developed and approved with budgets;
- New accounting norms and standards;
- Improvements to procurement and Supply Chain Management policies and processes;
- Establishment of a new audit committee and oversight process reforms; and
- Focus on performance measurement.

The MFMA implementation is monitored through regular reporting including:

- Quarterly reviews of MFMA implementation plans and the 12 urgent implementation priorities checklist;
- Monthly returns to National Treasury and monthly reports to the Mayor & Council, as required by section 71;
- Publication of information on the municipality's website (www.uthungulu.org.za); and
- Mid-year budget and performance assessment as required by section 72.

The 2009/10 Budget was prepared taking into account the Regulations dealing with Budgeting and reporting. It must be noted though that the regulations are effective in the 2010/2011 financial year, however complying early with the regulations is encouraged by National Treasury.

The objective of the regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities and municipal entities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the Act.

OTHER LEGISLATION

The other important pieces of legislation when considering the budget processes are:

- The Division of Revenue Act 2009; and
- The Municipal Systems Act (Act No.32 of 2000), together with the Municipal Systems Amendment Act (Act No. 44 of 2003).

Division of Revenue Act 2009

This Act issued in April annually, provides the three year allocations from national government to local government. It sets out all the reporting requirements and conditions relating to the grants. Alongside this Provincial Departments allocate funding to local government by means of a provincial gazette.

These allocations are used when preparing the three year budget in order to comply with section 18 of the MFMA (relating to reasonably anticipated revenues to be collected). Additional allocations – both nationally and provincially – are sometimes made to municipalities. However, these are not included in the original budget as the allocations are not certain. When confirmed they will be included in an adjustments budget in accordance with section 28 of the MFMA.

The Municipal Systems Act (Act No.32 of 2000) and the Municipal Systems Amendment Act (Act No. 44 of 2003)

These Acts form the basis of the links between the budget and the integrated development Plan (IDP). In particular, the aspects that have been considered in preparing the budget are:

- Community participation (Chapters 4 & 5);
- Performance management (Chapter 6), providing also the basis for measurable performance objectives in the Service Delivery and Budget Implementation Plan (SDBIP); and Tariff policy (Chapter8).

12. Service Delivery Implementation Plan

Vote: Community & Social Services

Department: Community Services (Executive Director – Corporate Services)

Perf Indicator Area	Strategy	Objective (KPI)	Output/outcome indicator-performance target(Definition/ Measurement)	09/10 Original Target	1st Q	2nd Q	3rd Q	4th Q
Comm Awareness & Education on Diseases	People Emp	Enhance Community Awareness and provide education on diseases	Enhanced Community Awareness and improved knowledge on community diseases	100%	25% Disease Awareness Education	50% Diseases Awareness Education	75% Diseases Awareness Education	100% Diseases Awareness Education
SALGA KZN (Kwanaloga) Games	People Emp	Competing in the SALGA KZN (Kwanaloga) Games	Effective participation in well organized SALGA KZN Games	100%	30% District Games to be held Sept 09	99.5% Provincial Games to be held Dec 2009		100% Sports Stakeholders Meeting
Marginalized Groups (Youth)	People Emp	Advance Youth Programmes	Celebration of Youth Day - June 2010	100%	05% Youth Planning Meetings		10% Youth Day Planning Meetings	100% Youth Day to be celebrated June 2010
Marginalized Groups (People with Disabilities)	People Emp	Advance the programmes of people with disabilities	Celebration of the International Day of People with disabilities	100%	05% Disability Forum Meeting	90% International Day of the Disabled 3rd Dec 09	95% Disunity Forum Meeting	100% Disability Forum Meeting
Marginalized Groups (Gender)	People Emp	Advance gender programmes	Celebration of Women's day	100%	90% Women's Day August 2009		95% Gender Forum Meeting	100% Gender Forum Meeting
UNDP Model Communities Programme	People Emp	Advance the HIV/ Aids Programme	HIV / AIDS awareness campaigns	100%	25% Awareness Campaigns	50% Awareness Campaigns	75% Awareness Campaigns	100% Awareness Campaigns
Marginalized Groups (Children's Rights)	People Emp	Undertake programmes to advance children's rights	Celebration of Children's Rights Day	100%		60% Children's Rights Day	100% School Uniform Support	
Aids Day	People Emp	Contribute towards the commemoration of Aids Day	Commemoration of Aids Day	100%	05% Aids Day planning meeting	100% World Aids Day 1 December 2009		

Marginalized Groups (Senior Citizen's Programme)	People Emp	Undertake programmes to advance Senior Citizen's rights	Celebration of the International Day for Older Persons	100%	05% Senior Citizens Meeting	85% International Day for Older Persons 1st Oct 2009	95% Senior Citizens Meeting	100% Senior Citizens Meeting
Crime Prevention	People Emp	Contribute towards programmes/ organizations aimed at preventing and combating crime.	Sustenance of Crime prevention initiatives.	100%	25% Support Community Police Forums	50% Support Community Police Forums	75% Support Community Police Forums	100% Support Community Police Forums
Disaster Management (Centre and Equipment)	People Emp	Prevent and reduce the risk of disasters	An integrated and uniform approach to disaster management within the district.	100%	05% Disaster Forum Meeting	40% Conduct awareness Campaigns	70% Support local municipality disaster prevention initiatives	100% Fire awareness Campaigns
Disaster Management (Centre and Equipment)	People Emp	Undertake programmes to mitigate the severity of disasters	Contribute to the rehabilitation of communities affected by disasters.	100%	100% Purchase and keep stock of tents and blankets for distribution in case of disaster.			
Heritage Day	People Emp	Contribute towards Heritage Day Celebration	Celebration of Heritage Day	100%	100% Heritage Day Sept 2008			

Vote: Finance & Administration

Department: Corporate Services – I.T (Executive Director – Corporate Services)

Perf Indicator Title	Strategy	Objective (KPI)	Output/outcome indicator-performance target(Definition/ Measurement)	09/10 Original Target	1st Q	2nd Q	3rd Q	4th Q
Communication & Business process	Ops	Connectivity @ 90% + uptime of (WAN) Wide Area Network	99% uptime	100%	25%	50%	75%	100%
Business Continuity	Ops	Ongoing repairs & maintenance of printers to minimise man hour loss	Reduction of man hour loss	100%				
Licenses	Ops	Legal Compliance (Microsoft, Hummingbird, Venus, Trend Micro, Web sense, Faxination, Orgplus, Payday, PDF converter, Design Software)	Compliance	100%			100%	
DRP/BCP	Ops	Offsite storage of media tapes (daily, weekly, monthly & yearly)	Business Continuity	100%	25%	50%	75%	100%
Business Continuity	Ops	UPS ongoing maintenance & repairs	Business Continuity	100%	25%	50%	75%	100%
Dims support	Ops	Support (Dims server support, development, Version updates, user support, Issue manager support)	Business Continuity	100%	25%	50%	75%	100%
Humming Bird	Ops	Support (Software updates, high level user support, enhancements)	Business Continuity	100%	25%	50%	75%	100%

Vote Finance & Administration

Department: Corporate Services – Management Services (Executive Director – Corporate Services)

Perf Indicator Area	Strategy	Objective (KPI)	Output/outcome indicator-performance target(Definition/ Measurement)	09/10 Original Target	1st Q	2nd Q	3rd Q	4th Q
Human Res Dev Programme	Ops	Award of External Scarce Skills Bursaries	Bursaries, recruitment for tertiary institutions - advertise external bursaries within tertiary institutions & local media i.t.o scarce skills, e.g. engineering, technicians. Award external bursaries to suitable candidates. Ensure candidates complete 8 weeks of in-service training at UDM per year of study. Ensure ongoing monitoring of students' academic performance.	100%		25%	25%	25%
Human Res Dev Programme	Leadership Excellence	Employee Assistance Programme	Submit quarterly reports & annual report to MANCO on the number of employees who were provided with the necessary assistance (EAP Utilisation Report). Ensure ongoing roll-out & maintenance of EAP 01/07/2009 to 30/06/2010.	100%			50%	

Human Res Dev Programme	Operational	Skills Development & Implementation	<p>Successful implementation of WSP: 01/07/2009 - 30/06/2010. Submit quarterly report of training completed to Training Committee. Compilation of monthly & quarterly training report - ongoing. Conducting of Skills Audit: Staff & Cllrs: 30 April 2009. Compilation of ATR - 31 May 2010. Compilation of WSP by 31 May 2010. Approval of the ATR & WSP by the training Committee by 15 June 2010. Submission of approved WSP to LGSETA by 30 June 2010.</p>	100%		30%	25%	10%
Human Res Dev Programme	Leadership Excellence	Implementation of Occupational Health & Safety Act	<p>Ensuring ongoing compliance. Ongoing Identification and risk assessment of water plants & offices. Re-inspection of water plants every 3 months & report quarterly at Health & Safety meetings. Attend to injuries on duty timeously, do follow up on payments. Organise medical exam for staff in water plants by November 2009: Water & Cemetery staff annually - November 2009. Sewerage staff bi-annually - July & November 2009. Ensure that doctor's recommendations are followed. Co-ordination of Exit Medicals on employees exiting the organisation (Technical). Ensure ongoing compliance to health & safety as per risk plan. Ensure that at least 4 Health & Safety Committee meetings are conducted during the year.</p>	100%		25%	25%	25%

Human Res Dev Programme		Implementation of Employment Equity Plan	Ensure that 75 % of appointments are made in line with the EE Plan. Submit bi-annual update report to Employment Equity Committee. Ensure that EE Report is submitted to EE Committee by mid September 2009 and submitted to Dept Of Labour by 01 October 2009	100%		25%	25%	25%
Human Res Dev Programme		Ensure HR administration to internal customers is in place	Submit quarterly reports to the Corporate Services Portfolio Committee on appointments, resignations, disciplinaries, benefits, etc, within the first month after the quarter.	100%				
Human Res Dev Programme		Substance Abuse Policy	Ensure ongoing implementation of Substance Abuse Policy by 30 June 2010. Ensure breathalyser equipment is calibrated annually. Submission of quarterly report to MANCO.	100%			50%	
Human Res Dev Programme		HR Personnel Records Filing System	Ensure that the HR personnel records filing system is set up in accordance with the National Archives Act & maintenance of personnel records	100%			50%	
Human Res Dev Programme		Implementation of Induction Programme	Ensure all newly appointed employees are inducted in terms of the induction programme	100%		25%	25%	25%

Vote: Executive & Council

Department: Corporate Services - Administrative Services (Executive Director – Corporate Services)

Perf Indicator Area	Strategy	Objective (KPI)	Output/outcome indicator-performance target(Definition/ Measurement)	09/10 Original Target	1st Q	2nd Q	3rd Q	4th Q
		Access to Information Manual	Approval of Manual	Approved Manual	Revised Manual	ExCo/Council approved manual	Information to relevant Government Departments	Approved Manual
			Handling of enquiries in terms of Promotion of Access to Information Act (PAIA)	All enquiries resolved	Actual number of enquiries received and turnaround time	Actual number of enquiries received and turnaround time	Actual number of enquiries received and turnaround time	Actual number of enquiries received and turnaround time
		Support Services	Portfolio Committee Meetings	4 Meetings p/a per Portfolio	1 Meeting per Portfolio	2 Meeting per Portfolio	3 Meeting per Portfolio	4 Meeting per Portfolio
			ExCo Meetings	12 Meetings p/a	3 Meetings	6 Meetings	9 Meetings	12 Meetings
			Council Meetings	4 Meetings p/a	1 Meeting	2 Meetings	3 Meetings	4 Meetings
			Bid Committee Meetings	4 Reports to ExCo per year	1 Report on Bids Awarded	2 Reports on Bids Awarded	3 Reports on Bids Awarded	4 Reports on Bids Awarded
		Records Management	Manage Council Records via Electronic Document Management System (EDMS).	Quarterly Reports of statistics of EDMS	1 Reports on EDMS	2 Reports on EDMS	3 Reports on EDMS	4 Reports on EDMS
			Monitor Photocopy usage in line with Budget	Actual budgeted figures and usage	Actual vs Budget	Actual vs Budget	Actual vs Budget	Actual vs Budget
		Provision of Building Maintenance Service	Rental - In line with the budget. Maintenance - In line with budget.	Actual budgeted figures and usage	Actual vs Budget	Actual vs Budget	Actual vs Budget	Actual vs Budget
		Management of Fleet Services	Report monthly on mileage and fuel consumption	Monthly reports to Management	1st Report	2nd Report	3rd Report	4th Report

Vote: Finance & Administration

Department: Finance Services – Budget & Management Accounts (Chief Financial Officer)

Perf Indicator Area	Strategy	Objective (KPI)	Output/outcome indicator-performance target(Definition/ Measurement)	09/10 Original Target	1st Q	2nd Q	3rd Q	4th Q
Financial Control	Leadership Excellence	Management of Municipal Budgets & Management Accounts.	Completion of 2008/09 financial statements and formal submission to Auditor General by 31 August 2009. Entity by 30 September 2009	1	1			
Financial Control	Leadership Excellence	Management of Municipal Budgets & Management Accounts.	The preparation of the annual budget & related policies within the prescribed period.	2			1 Tabled to Council 01 March 2010	1 Approved May 2010
Financial Control	Leadership Excellence	Management of Municipal Budgets & Management Accounts.	Prepare & submit mid year financial review for 2009/10 budget in terms of S72 of MFMA.	1			1 Tabled to Council Jan 2010	
Financial Control	Leadership Excellence	Management of Municipal Budgets & Management Accounts.	Prepare & submit adjustment budget , if required per section 72 of MFMA by 28 February 10				1 Tabled to Council 01 Feb 2010	
Financial Control	Leadership Excellence	Management of Municipal Budgets & Management Accounts.	Prepare & submit monthly financial reports to Mayor/FSPC on a monthly basis.	11	2	3	3	3

Vote: Finance & Administration

Department: Finance Services – Revenue (Chief Financial Officer)

Perf Indicator Area	Strategy	Objective (KPI)	Output/outcome indicator-performance target(Definition / Measurement)	09/10 Original Target	1st Q	2nd Q	3rd Q	4th Q
Financial Control	Leadership Excellence	Management of Municipal Revenues & Collection of debtors	Approval of the revised Credit & Debt control, Tariff, Incentive and Indigent policies by 30 June	1				1
Financial Control	Leadership Excellence	Management of Municipal Revenues & Collection of debtors	Submit a report quarterly on debt collection target and credit control progress to the Finance portfolio.	4	1	1	1	1
Financial Control	Leadership Excellence	Management of Municipal Revenues & Collection of debtors /Financial Reporting	Monthly Grant reports on all grants received are submitted on time	12	3	3	3	3
Financial Control	Leadership Excellence	Monitor and report on Financial viability (debtors collection)	Prepare & submit quarterly report on Financial viability of applicable Finance KPI ratios	4	1	1	1	1

Vote: Finance & Administration

Department: Finance Services – Expenditure (Chief Financial Officer)

Perf Indicator Area	Strategy	Objective (KPI)	Output/outcome indicator-performance target(Definition / Measurement)	09/10 Original Target	1st Q	2nd Q	3rd Q	4th Q
Financial Control	Leadership Excellence	Management of Municipal Assets, Expenditure, Supply Chain & Stores	Ensure SCM reports are submitted in accordance with regulations, policy and procedures	100%	100%	100%	100%	100%
Financial Control	Leadership Excellence	Annual review of Supply chain management policy & Fixed Asset policy	Submit the annual review on the Supply chain management policy and Fixed asset policy to Finance service portfolio by 30 June	1				1
Financial Control	Leadership Excellence	Management of Municipal Assets, Expenditure, Supply Chain & Stores	Administration of fixed asset register by monthly update and annual verification	13	3	3	3	4
Financial Control	Leadership Excellence	Management of Municipal Assets, Expenditure, Supply Chain & Stores	Control & monitor stores with minimum of four stock counts.	4	1	1	1	1
Financial Control	Leadership Excellence	Management of Municipal Assets, Expenditure, Supply Chain & Stores	Percentage payroll related payments be completed within 7 working days at the end of the month	98%	100%	100%	100%	100%

Vote: Executive & Council

Department: Municipal Manager – Executive & Council (Municipal Manager)

Perf Indicator Area	Strategy	Objective (KPI)	Output/outcome indicator-performance target(Definition / Measurement)	09/10 Original Target	1st Q	2nd Q	3rd Q	4th Q
Operational Exp. "Leadership Excellence"	Leadership Excellence	No over expenditure	Keeping within the approved operational budget		≤25%	≤ 50%	≤75%	≤ 100%
Public Relations & Communications	Leadership Excellence	Execute PR Plan within approved budget incorporating all ongoing operational communication and brand management initiatives of the Council.	Operational		≤25%	≤ 50%	≤75%	≤ 100%
		Manage events, izimbizo and road shows to promote community participation in municipal initiatives, demonstrate service delivery and enhance uThungulu's public image throughout the district.	Public participation		≤25%	≤ 50%	≤75%	≤ 100%
		Market all IDP projects to all relevant stakeholders using a wide variety of communication channels dependant on the identified target audience.	Marketing		≤25%	≤ 50%	≤75%	≤ 100%
		Establish District Communicator's Forum to coordinate communication within all LM's and report to Provincial Communicator's Forum	District Communicator's Forum		≤25%	≤ 50%	≤75%	≤ 100%
		Co-ordinate updates and technological upgrade to district municipality website in accordance with approved budget	Website Development		≤25%	≤ 50%	≤75%	≤ 100%
		Monitoring and Maintenance of the Fraud Risk Assessment Register	Fraud Prevention Strategy and Implementation Plan		≤25%	≤ 50%	≤75%	≤ 100%
Other / Special Projects	Leadership Excellence	Provision of Development Planning Shared Services during 1 st year of 3 year agreement	Shared Services for Development Planning					

Vote: Planning and Development
Department: Planning & Development (Deputy Municipal Manager)

Perf Indicator Area	Strategy	Objective (KPI)	Output/outcome indicator-performance target(Definition/ Measurement)	09/10 Original Target	1st Q	2nd Q	3rd Q	4th Q
Operational Expenditure "Economic Sound District	Economic Sound District	No Over Expenditure	Ensure Expenditure is within Budget	Keeping within the approved Budget (operational)	≤ 25%	≤ 50%	≤ 75%	≤ 100%
LED Capacity, Institutional & Operational Support	Economic Sound District	Institutional and Operational support within Budget	Ensure Expenditure is within Budget	Provide Institutional and Operational Support to SMME's	≤ 10%	≤ 30%	≤ 75%	≤ 100%
Marketing, Trade and Investment	Economic Sound District	Marketing of District within budget	Ensure Expenditure is within Budget	Marketing District as Investment Destination	≤ 10%	≤ 30%	≤ 75%	≤ 100%
Implement LED Framework: Tourism	Economic Sound District	Promotion of LED through tourism within budget	Ensure Expenditure is within Budget	Development of Tourism projects to promote LED	≤ 10%	≤ 30%	≤ 75%	≤ 100%
Uthungulu Tourism Development Office	Economic Sound District	Marketing of District within budget	Ensure Expenditure is within Budget	Marketing of District as Tourism Destination	≤ 10%	≤ 30%	≤ 75%	≤ 100%
Agricultural Development & Implementation	Economic Sound District	Revive Agric Projects within Budget	Ensure Expenditure is within Budget	Operations of Agric Projects	≤ 10%	≤ 30%	≤ 75%	≤ 100%
Operational Expenditure " Integrated Environment"	Integrated Environment	No over expenditure	Ensure Expenditure is within Budget	Keeping within the approved Budget (operational)	≤ 25%	≤ 50%	≤ 75%	≤ 100%
Integrated Development Planning	Integrated Environment	Approved Review	Review IDP within Budget	IDP Review 2008/09 Annual	≤ 25%	≤ 50%	≤ 75%	≤ 100%
Planning Implementation	Integrated Environment	Provide Strategic Planning Implementation support within Budget	Ensure Expenditure is within Budget	Provide Strategic Town Planning and Land Use Management Support	≤ 10%	≤ 30%	≤ 75%	≤ 100%
Implementation of Integrated Environmental Programme	Integrated Environment	Approved Policy and procedure document on Environmental Impact Assessment	Ensure Expenditure is within Budget	Prepare Policy and procedure document on Environmental Impact assessment	≤ 10%	≤ 30%	≤ 75%	≤ 100%

Vote: Technical Executive
Department: Technical Services

Perf Indicator Area	Strategy	Objective (KPI)	Output/outcome indicator-performance target(Definition / Measurement)	09/10 Original Target	1st Q	2nd Q	3rd Q	4th Q
Operational Budget	Effective Infrastructure	Management of the Departmental operational budget	Setting up management system to ensure effective monitoring of budget to avoid over expenditure	Q1=25% Q2=50% Q3=75% Q4=100%				
Capital Budget	Effective Infrastructure	Management of the capital budget of the Department	Setting up financial monitoring systems to control the budget and monitor expenditure to prevent over expenditure and under spending	Q1=25% Q2=50% Q3=75% Q4=100%				
Compilation of the Comprehensive Infrastructure Plan for the entire district	Effective Infrastructure	Formation of the working group for the higher level CIP	Identify all role players and establish the Working Group for the preparation of the terms of reference and appointing an experienced service provider to undertake the CIP	Q1=25% Q2=50% Q3=75% Q4=100%				
Completion of the Review of the Integrated Waste Management Plan	Effective Infrastructure	Complete the annual review of the IWMP as per the DEAT guidelines	Appoint experience service provider, identify stakeholders, set terms of reference and finalize the review	Q1=100% Q2=100%				
Completion of the review of the Energy Sector Plan	Effective Infrastructure	To review the energy sector plan as required by the Department of Minerals and Energy	Secure sufficient funding for this work and align all municipal electricity programs to UDM plan through the formulation of the District Electricity Forum	Q1=75% Q2=100%				
Feasibility study for the Amakhosi district offices	Effective Infrastructure	To appoint an architect for the preparation of model and concept for the proposed offices	Liaise with Umlalazi Municipality to secure suitable land and finalise the concept and feasibility plans for the proposed offices and secure approval from the District Chairperson.	Q1=25% Q2=50% Q3=75% Q4=100%				

Vote: Water Services Authority
Department: Technical Department

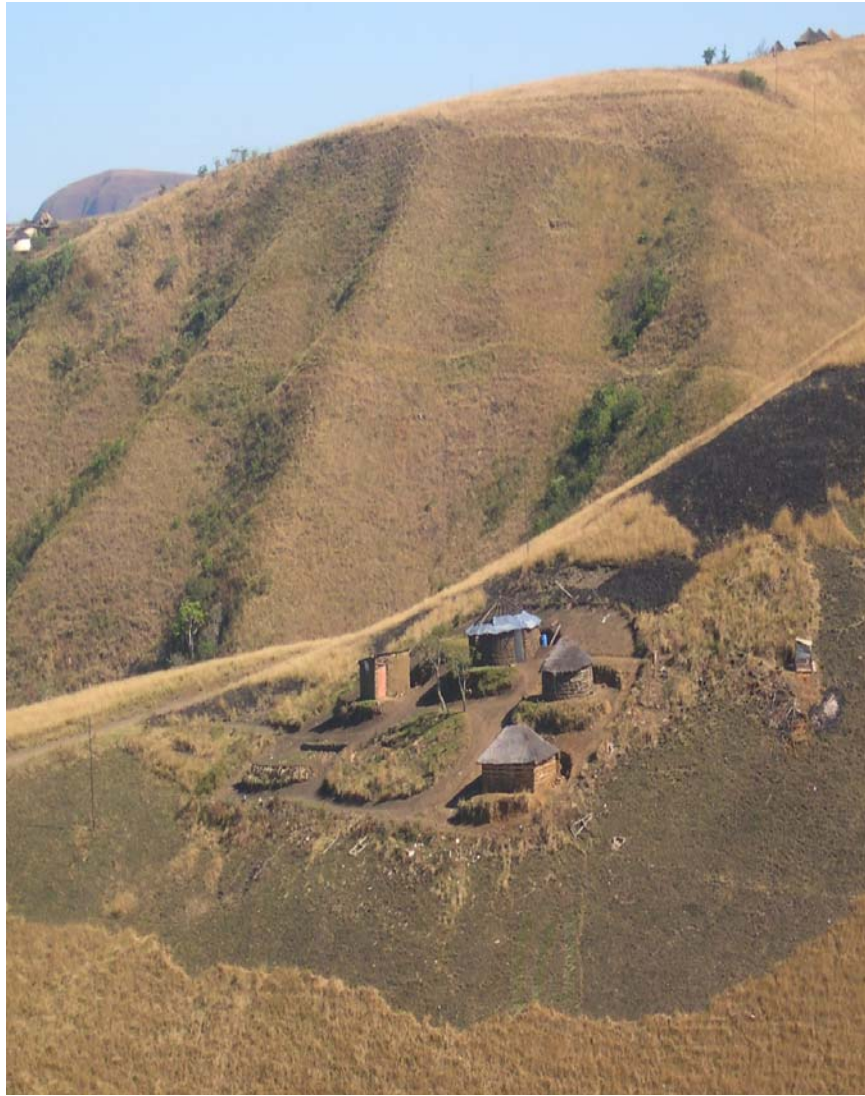
Perf Indicator Area	Strategy	Objective (KPI)	Output/outcome indicator-performance target(Definition / Measurement)	09/10 Original Target	1st Q	2nd Q	3rd Q	4th Q
Review of the Water Services Development plans	Effective Infrastructure	To do an annual review of the WSDP as required by the Water Services Act	Updating of the annual targets and backlogs and reviewing of the project priority lists and cash flows	Q1=0% Q2=0% Q3=25% Q4=50%				
Review of the Water Services Master Plan	Effective Infrastructure	To update the Water Services Master Plan to capture and reflect the correct picture regarding the backlog challenges and the achievements to date	Review of the water services master plan to reflect the true backlog picture and aligning the proposed interventions to the annual cash flows and IDP frame	Q1=0% Q2=0% Q3=10% Q4=20%				
Arbour week	Effective Infrastructure	To arrange the arbour week as a prescribed annual event	Aligning the municipal activities related to the Arbour week in line with the Sector Departments plan and arrangements	Q1=10% Q2=100% Q3=0% Q4=0%				
Water Week	Effective Infrastructure	To arrange the Water Week as required by DWAF	Aligning the municipal activities related to the water week in line with the Sector Departments plan and arrangements	Q1=0% Q2=10% Q3=50% Q4=100%				
Water Road Shows	Effective Infrastructure	To arrange the road shows as a tool to communicate the annual approved projects and backlog eradication programme of the municipality	Arranging the road shows in line with the requirements and municipal budget and IDP programmes to maximize the community coverage	Q1=25% Q2=50% Q3=75% Q4=100%				
UDM internal project investigation and design	Effective Infrastructure	To identify UDM funded projects emanating from the Tanker reduction strategy	Identification, prioritisation and project feasibilities and design on internally funded projects	Q1=10% Q2=30% Q3=70% Q4=100%				

Vote: Municipal Infrastructure Implementation
Department: Technical Services

Perf Indicator Area	Strategy	Objective (KPI)	Output/outcome indicator-performance target(Definition / Measurement)	09/10 Original Target	1st Q	2nd Q	3rd Q	4th Q
MIG Capital Programme Implementation and management	Effective Infrastructure	To implement the MIG programme and ensure that the budget is spent as per the approved business plans	Implementation of all capital projects within the UDM and MIG annual programmes in terms of good project management practice and ensure the successful commissioning of the project to effectively achieve the desired objective of the department	Q1=25% Q2=50% Q3=75% Q4=100%				
Construction of Regional Solid Waste Cell 2	Effective Infrastructure	To manage the completion of cell 2 of the regional solid waste	The completion and commissioning of Cell 2 in terms of the project specification and project management.	Q1=80% Q2=100%				
Uthungulu House upgrade	Effective Infrastructure	To ensure successful implementation and completion of the new building	The coordination and facilitation of all building activities ensuring that all building standards and regulations are met and apply good project management principles	Q1=60% Q2=85% Q3=95% Q4=100%				
Construction of Phase 2 of the regional Cemetery	Effective Infrastructure	To commence the construction of Phase 2 of the Regional Cemetery	Design, secure contractor and project manage the construction of Phase 2 of the Regional Cemetery in terms of the specification and building regulations	Q1=0% Q2=10% Q3=30% Q4=50%				
Building Control Function	Effective Infrastructure	To provide support to the participating local municipalities on the implementation of Building Regulations	Assisting local municipalities in the implementation of building regulations through the approval of building plans and conduct regular inspections on building under construction.	Q1=25% Q2=50% Q3=75% Q4=100%				

Vote: Municipal Infrastructure Operation and Maintenance
Department: Technical Department

Perf Indicator Area	Strategy	Objective (KPI)	Output/outcome indicator-performance target(Definition / Measurement)	09/10 Original Target	1st Q	2nd Q	3rd Q	4th Q
Operation and Maintenance of Towns' 'water services infrastructure	Effective Infrastructure	To operate and manage the towns water services infrastructure to ensure that the no disruption of the services.	Reduce water losses to 20% in all the towns and improve on the down time for repair and planned maintenance	Q1=25% Q2=50% Q3=75% Q4=100%				
Implementation of the water meter programme	Effective Infrastructure	To install water meter in line with the cost recovery strategy of the municipality	Facilitate and manage the installation of water meters in the approved projects as per WSA and Consumer Billing directive	Q1=200 Q2=800 Q3=1000 Q4=1000				
Tanker reduction strategy	Effective Infrastructure	To update the tanker reduction strategy and secure funding for the implementation thereof	Review of the tanker reduction strategy and provide motivation for the securing of budget during the Mid year budget review for its successful implementation to provide sustainable water sources	Q1=25% Q2=50% Q3=75% Q4=100%				
Drought relief intervention and survival water provision	Effective Infrastructure	To support drought affected areas by providing C149' survival water through water tankers, boreholes and springs developments	Verification of affected areas through field visits and prioritisation of needy areas with a view to provide appropriate assistance inline with the Council policy	Q1=25% Q2=50% Q3=75% Q4=100%				
Operation and maintenance of rural schemes	Effective Infrastructure	To manage and provide strict control s on the activities of the Service Support Agent (SSA) as part of the budget control measures	Develop management and control measure for the material and routine repairs to limit unnecessary cost from the SSA	Q1=25% Q2=50% Q3=75% Q4=100%				
Ring-fencing of electricity function	Effective Infrastructure	Completion of the electricity ring-fencing process for the Nkandla municipality	Project manage the ring-fencing process in terms of the requirements and specifications as set out by EDI Holdings Pty Ltd	Q1=25% Q2=50% Q3=75% Q4=100%				
Operation and maintenance of the Regional Solid Waste	Effective Infrastructure	To manage and provide strict control s on the activities of the Service Support Agent (SSA) as part of the budget control measures	Interpretation of the permit conditions and managing the compliance thereof in terms of DEAT and DWAF requirements	Q1=25% Q2=50% Q3=75% Q4=100%				

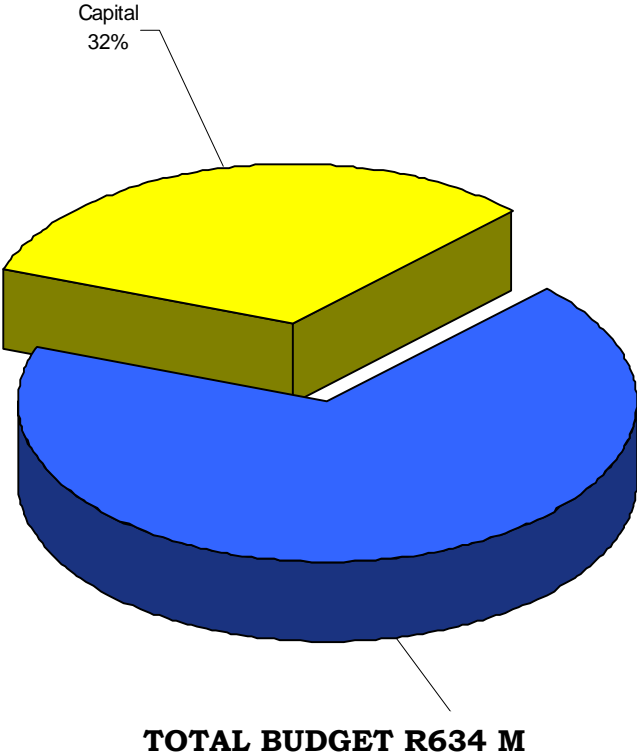


Nkandla Municipal Area

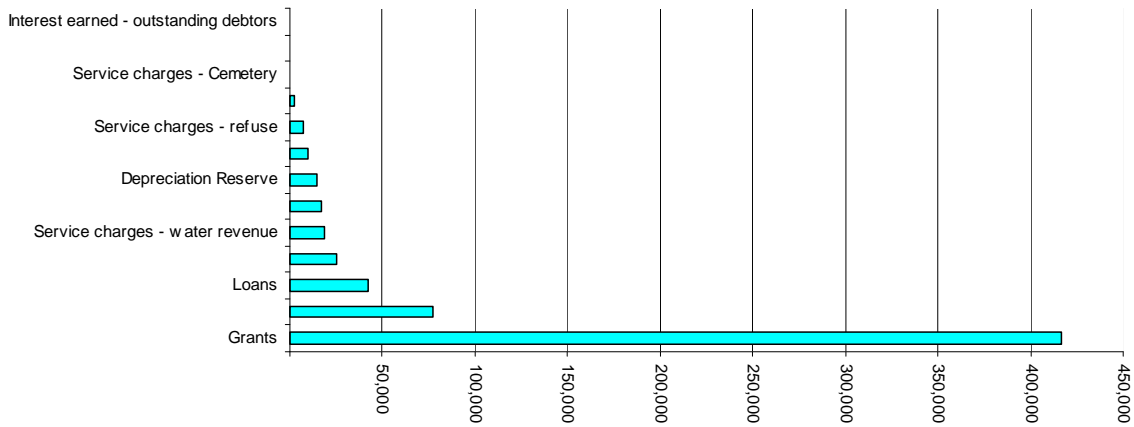
13. BUDGET RELATED CHARTS AND TABLES

13.1 BUDGET RELATED CHARTS

2009/2010 BUDGET

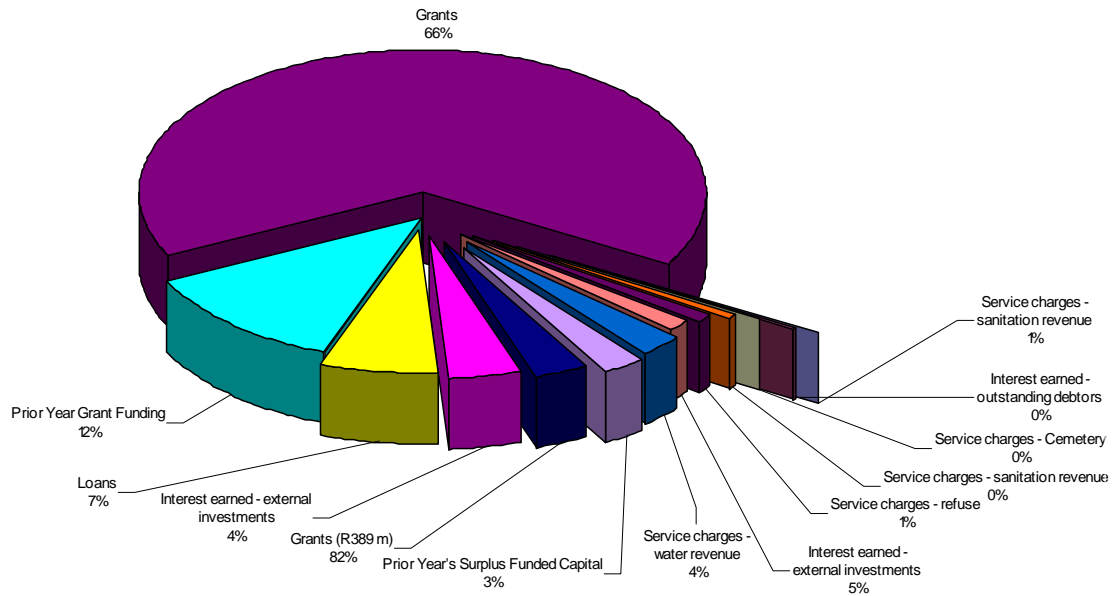


REVENUE 2009/2010



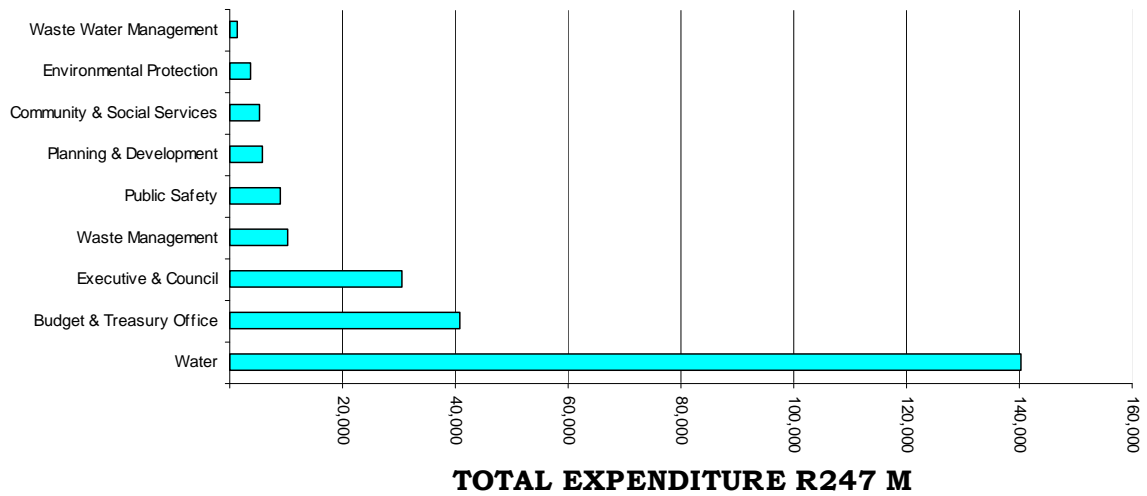
TOTAL REVENUE R634 M

REVENUE 2009/2010

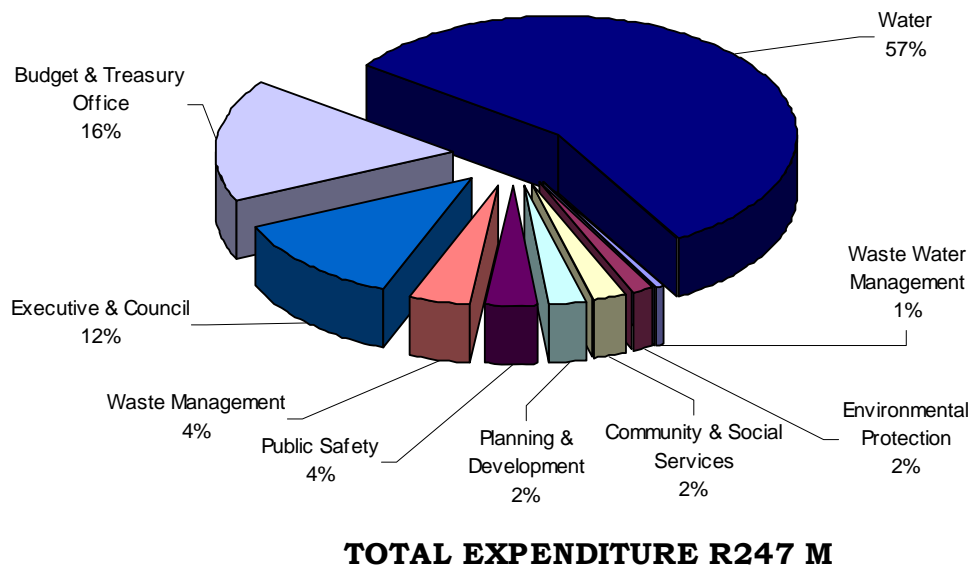


TOTAL REVENUE R634 M

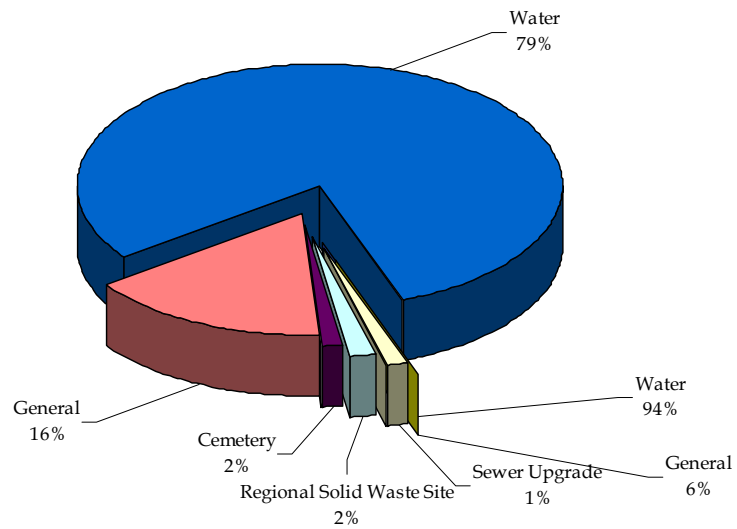
OPERATIONAL EXPENDITURE 2009/2010



EXPENDITURE 2009/2010



2009/2010 CAPITAL BUDGET BY SERVICE



TOTAL CAPITAL BUDGET R203 M

13.2 Budget Related Tables

Table A1 Budget summary

Description	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Financial Performance									
Service charges	22	26	30	29	30	30	30	32	34
Investment revenue	14	18	27	18	32	32	31	33	36
Transfers recognised	125	218	244	337	515	515	385	306	315
Other own revenue	96	21	8	12	99	99	63	16	16
Total Revenue	256	282	309	397	677	677	508	387	401
Employee costs	37	40	55	88	81	81	84	93	102
Remuneration of councillors	4	4	-	8	6	6	9	9	10
Depreciation & asset impairment	11	9	11	15	15	15	15	15	15
Finance charges	-	-	-	-	-	-	14	14	14
Materials and bulk purchases	6	7	12	15	15	15	14	15	16
Grants and subsidies	1	1	-	2	-	-	2	2	2
Other expenditure	141	148	182	159	300	300	293	222	221
Total Expenditure	200	211	260	287	418	418	431	370	381
Surplus/(Deficit)	56	72	49	110	259	259	77	17	20
Transfers recognised - capital	-	-	-	-	-	-	126	116	109
Surplus/(Deficit) after capital transfers & contributions	56	72	49	110	259	259	203	132	129
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	56	72	49	110	259	259	203	132	129
Capital expenditure & funds sources									
Capital expenditure	97	71	101	171	259	259	203	132	129
Capital transfers recognised	55	44	58	114	160	160	126	116	109
Public contributions & donations	-	4	-	-	-	-	-	-	-
Borrowing	-	-	-	46	76	76	42	-	-
Internally generated funds	42	23	43	11	23	23	35	17	20
Total sources of capital funds	97	71	101	171	259	259	203	132	129
Financial position									
Total current assets	205	231	283	348	348	348	357	367	379
Total non current assets	236	297	389	472	472	472	532	544	552
Total current liabilities	88	102	161	198	198	198	191	168	149
Total non current liabilities	57	59	93	177	177	177	184	186	178
Community wealth	296	368	417	445	445	445	514	557	603
Cash flows									
Net cash from (used) operating	91	85	140	185	185	185	116	146	142
Net cash from (used) investing	(93)	(71)	(102)	(126)	(126)	(126)	(103)	(134)	(130)
Net cash from (used) financing	1	5	2	2	2	2	3	3	4
Cash/cash equivalents at the year end	182	200	241	302	302	302	317	333	348
Cash backing/surplus reconciliation									
Cash and investments available	194	214	256	319	319	319	336	354	371
Application of cash and investments	194	214	256	319	319	319	336	354	371
Balance - surplus (shortfall)	-	-	-	-	-	-	-	-	-

Table A2 Budgeted Financial Performance (Revenue and Expenditure by standard classification)

Standard Classification Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
R thousand	1									
Revenue - Standard										
Budget & Treasury Office		184,775	207,020	221,291	282,846	566,184	566,184	510,401	353,785	348,048
Community & Social Services		-	291	592	935	935	935	991	1,050	1,113
Waste Management		4,352	5,646	5,570	6,795	6,795	6,795	7,203	7,635	8,093
Waste Water Management		2,106	2,222	3,010	2,544	2,544	2,544	2,748	2,913	3,087
Water		63,645	65,227	76,370	91,776	91,776	91,776	112,777	137,144	149,161
Electricity		1,611	1,934	2,040	1,920	2,654	2,654	-	-	-
Total Revenue - Standard	2	256,489	282,340	308,873	386,816	670,888	670,888	634,120	502,527	509,503
Expenditure - Standard	-									
Executive & Council		17,844	16,527	18,358	30,822	30,259	30,259	36,003	35,936	37,470
Budget & Treasury Office		23,577	25,997	29,884	34,202	33,628	33,628	46,807	44,284	47,973
Planning & Development		20,730	10,121	19,298	11,990	86,397	86,397	110,735	20,419	19,447
Community & Social Services		5,502	6,387	11,642	23,262	36,232	36,232	8,817	8,643	9,513
Public Safety		-	6,565	8,430	8,060	9,653	9,653	10,298	10,664	11,358
Environmental Protection		-	1,632	2,303	3,599	3,567	3,567	3,904	4,302	4,341
Waste Management		13,334	16,165	13,186	10,873	12,092	12,092	11,117	10,829	10,832
Waste Water Management		8,060	13,731	17,062	17,915	4,887	4,887	32,117	42,494	29,381
Water		108,440	111,471	137,105	133,946	169,682	169,682	170,806	192,584	210,512
Electricity		2,571	2,212	2,389	2,253	25,238	25,238	450	100	150
Total Expenditure - Standard	3	200,058	210,808	259,657	276,922	411,635	411,635	431,055	370,256	380,978
Surplus/(Deficit) for the year		56,431	71,532	49,216	109,894	259,253	259,253	203,065	132,271	128,525

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
2. Total Revenue by Standard Classification must reconcile to total operating revenue shown in Financial Performance (Revenue and Expenditure)
3. Total Expenditure by Standard Classification must reconcile to total operating expenditure shown in Financial Performance (Revenue and Expenditure)
4. All amounts must be classified under a Standard (modified GFS) classification. Where the function was previously within the GFS function "Other", assign another appropriate standard classification; e.g. Air Transport, Markets. Assign associate share to relevant classification

Table A3 Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote)

Vote Description R thousand	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Revenue by Vote	1									
Finance And Administration		184,775	207,020	221,291	282,846	566,184	566,184	510,401	353,785	348,048
Community And Social Services - Vote4		-	291	592	935	935	935	991	1,050	1,113
Waste Management - Vote7		4,352	5,646	5,570	6,795	6,795	6,795	7,203	7,635	8,093
Electricity Services - Vote8		1,611	1,934	2,040	1,920	2,654	2,654	-	-	-
Water - Vote9		63,645	65,227	76,370	91,776	91,776	91,776	112,777	137,144	149,161
Waste Water Management - Vote10		2,106	2,222	3,010	2,544	2,544	2,544	2,748	2,913	3,087
Total Revenue by Vote	2	256,489	282,340	308,873	386,816	670,888	670,888	634,120	502,527	509,503
Expenditure by Vote to be appropriated	1									
Executive And Council - Vote1		17,844	16,527	18,358	30,822	30,259	30,259	36,003	35,936	37,470
Finance And Administration - Vote2		23,577	25,997	29,884	34,202	33,628	33,628	46,807	44,284	47,973
Planning And Development - Vote3		22,289	10,121	19,298	11,990	86,397	86,397	110,735	20,419	19,447
Community And Social Services - Vote4		2,906	6,387	11,642	23,262	36,232	36,232	8,817	8,643	9,513
Public Safety - Vote5		1,037	6,565	8,430	8,060	9,653	9,653	10,298	10,664	11,358
Environmental Health - Vote6		-	1,631	2,303	3,599	3,567	3,567	3,904	4,302	4,341
Waste Management - Vote7		13,334	16,165	13,186	10,873	12,092	12,092	11,117	10,829	10,832
Electricity Services - Vote8		2,571	2,212	2,389	2,253	4,887	4,887	450	100	150
Water - Vote9		108,439	111,472	137,106	133,946	169,683	169,683	170,806	192,584	210,512
Waste Water Management - Vote10		8,060	13,731	17,062	17,915	25,238	25,238	32,117	42,494	29,381
Total Expenditure by Vote	2	200,058	210,808	259,658	276,922	411,635	411,635	431,055	370,256	380,978
Surplus/(Deficit) for the year	2	56,431	71,532	49,215	109,894	259,253	259,253	203,065	132,271	128,525

Table A4 Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote)

Vote Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Revenue by Vote	1									
FINANCE AND ADMINISTRATION - Vote2		184,775	207,020	221,291	282,846	566,184	566,184	510,401	353,785	348,048
Executive Division - Financial Services		184,775	207,020	221,291	282,846	566,184	566,184	510,401	353,785	348,048
COMMUNITY AND SOCIAL SERVICES - Vote4		-	291	592	935	935	935	991	1,050	1,113
Cemetery		-	291	592	935	935	935	991	1,050	1,113
WASTE MANAGEMENT - Vote7		4,352	5,646	5,570	6,795	6,795	6,795	7,203	7,635	8,093
Solid Waste		4,352	5,646	5,570	6,795	6,795	6,795	7,203	7,635	8,093
ELECTRICITY SERVICES - Vote8		1,611	1,934	2,040	1,920	2,654	2,654	-	-	-
Electricity		1,611	1,934	2,040	1,920	2,654	2,654	-	-	-
WATER - Vote9		63,645	65,227	76,370	91,776	91,776	91,776	112,777	137,144	149,161
Water Services Authority Division		49,829	-	1	3,376	3,376	3,376	-	-	-
Water Services Provider Division		-	49,407	57,101	73,788	73,788	73,788	112,777	137,144	149,161
Water Services Provider - Mthonjaneni		1,179	1,456	2,246	1,744	1,744	1,744	-	-	-
Water Services Provider - uMlalazi		8,170	8,882	10,409	12,868	12,868	12,868	-	-	-
Consumer Billing		4,467	5,482	6,613	-	-	-	-	-	-
WASTE WATER MANAGEMENT - Vote10		2,106	2,222	3,010	2,544	2,544	2,544	2,748	2,913	3,087
Waster Water Management		2,106	2,222	3,010	2,544	2,544	2,544	2,748	2,913	3,087
Total Revenue by Vote	2	256,489	282,340	308,873	386,816	670,888	670,888	634,120	502,527	509,503
Expenditure by Vote	1									
EXECUTIVE AND COUNCIL - Vote1		17,844	16,527	18,358	30,822	30,259	30,259	36,003	35,936	37,470
Board & General		8,464	8,318	8,108	11,966	11,621	11,621	13,379	15,157	16,547
Executive Division - Corporate Services		1,307	978	1,467	1,575	1,661	1,661	1,794	1,938	2,094
Administrative Services		4,254	4,131	5,095	12,107	11,858	11,858	15,135	11,691	12,582
Municipal Manager's Department		3,819	3,100	3,688	5,174	5,119	5,119	5,694	7,150	6,247
FINANCE AND ADMINISTRATION - Vote2		23,577	25,997	29,884	34,202	33,628	33,628	46,807	44,284	47,973
Management Services - HR		3,688	2,929	4,161	6,576	6,511	6,511	7,860	9,073	9,998
Management Services - IT		-	1,200	2,942	2,997	2,983	2,983	5,295	4,704	5,103
Executive Division - Financial Services		12,277	7,678	5,761	4,892	5,305	5,305	9,716	5,755	6,167
Expenditure Department		3,472	2,453	2,743	3,753	3,792	3,792	5,138	4,785	5,270
Supply Chain Management Unit		-	2,062	3,995	5,330	6,066	6,066	6,322	6,968	7,682
uThungulu House		1,119	5,637	6,057	4,976	3,590	3,590	6,406	6,477	6,552
Satellite Offices		1,174	1,774	2,020	2,397	1,994	1,994	1,661	1,761	1,867
Bateleur Park		594	845	753	1,132	1,124	1,124	1,158	1,228	1,301
Budgeting & Reporting		1,031	703	1,144	1,669	1,737	1,737	2,519	2,663	2,823
Finance Interns		221	718	308	480	526	526	730	870	1,210
PLANNING AND DEVELOPMENT - Vote3		22,289	10,121	19,298	11,990	86,397	86,397	110,735	20,419	19,447
Planning Department		19,983	9,950	19,146	11,377	85,572	85,572	110,076	19,705	18,987
MSIG		2,306	171	152	613	575	575	-	-	-
Planning Shared Services		-	-	-	-	250	250	660	714	460
COMMUNITY AND SOCIAL SERVICES - Vote4		2,906	6,387	11,642	23,262	36,232	36,232	8,817	8,643	9,513
Community Services		2,387	5,231	10,164	21,562	34,532	34,532	6,565	6,242	7,050
Cemetery		519	1,156	1,478	1,700	1,700	1,700	2,252	2,401	2,462
PUBLIC SAFETY - Vote5		1,037	6,565	8,430	8,060	9,653	9,653	10,298	10,664	11,358
Fire Fighting		-	4,847	5,933	5,595	5,595	5,595	6,587	7,197	7,433
Disaster Management		1,037	1,718	2,497	2,465	4,058	4,058	3,711	3,467	3,925
ENVIRONMENTAL HEALTH - Vote6		-	1,631	2,303	3,599	3,567	3,567	3,904	4,302	4,341
Municipal Health		-	1,631	2,303	3,599	3,567	3,567	3,904	4,302	4,341
WASTE MANAGEMENT - Vote7		13,334	16,165	13,186	10,873	12,092	12,092	11,117	10,829	10,832
Solid Waste		13,334	16,165	13,186	10,873	12,092	12,092	11,117	10,829	10,832
ELECTRICITY SERVICES - Vote8		2,571	2,212	2,389	2,253	4,887	4,887	450	100	150
Electricity		2,571	2,212	2,389	2,253	4,887	4,887	450	100	150
WATER - Vote9		108,439	111,472	137,106	133,946	169,683	169,683	170,806	192,584	210,512
Executive Division - Technical Services		1,116	1,245	1,493	1,790	1,759	1,759	2,028	2,188	2,361
Technical Services		1,952	2,856	2,883	4,039	3,885	3,885	4,698	5,164	5,678

Table A4 Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote)

Vote Description R thousand	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Municipal Support		886	2,503	3,047	4,555	4,555	4,555	5,594	6,201	6,874
Water Services Authority Division		35,480	30,846	11,570	23,403	26,970	26,970	26,797	26,908	27,687
Water Services Provider Division		58,332	63,863	103,804	81,150	112,260	112,260	110,081	128,436	141,834
Water Services Provider - Mthonjaneni		818	808	1,285	2,178	2,087	2,087	1,532	1,664	1,809
Water Services Provider - uMlalazi		6,214	4,655	6,060	5,723	5,644	5,644	5,899	6,484	7,129
Consumer Billing		3,643	4,697	6,964	11,108	12,523	12,523	14,177	15,540	17,141
WASTE WATER MANAGEMENT - Vote10		8,060	13,731	17,062	17,915	25,238	25,238	32,117	42,494	29,381
Waster Water Management		8,060	13,731	17,062	17,915	25,238	25,238	32,117	42,494	29,381
Total Expenditure by Vote	2	200,058	210,808	259,658	276,922	411,635	411,635	431,055	370,256	380,978
Surplus/(Deficit) for the year	2	56,431	71,532	49,215	109,894	259,253	259,253	203,065	132,271	128,525

References

1. Insert 'Vote'; e.g. Department, if different to standard structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Standard Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote

Table A4 Budgeted Financial Performance (Revenue and Expenditure)

Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
R thousand	1									
Revenue By Source										
Service charges - electricity revenue		1,476	1,928	2,035	1,920	2,654	2,654	-	-	-
Service charges - water revenue		14,044	16,070	19,150	17,988	17,988	17,988	19,067	20,211	21,424
Service charges - sanitation revenue		2,072	2,198	2,931	2,544	2,544	2,544	2,748	2,913	3,087
Service charges - refuse	2	4,306	5,645	5,570	6,795	6,795	6,795	7,203	7,635	8,093
Service charges - other		-	-	-	-	-	-	991	1,050	1,113
Rental of facilities and equipment		750	610	-	-	24	24	-	-	-
Interest earned - external investments		13,620	17,968	26,563	18,085	32,183	32,183	31,000	33,281	35,568
Interest earned - outstanding debtors		686	453	311	103	103	103	45	49	52
Transfers recognised		124,839	217,744	244,257	337,209	515,310	515,310	384,873	305,679	315,023
Other revenue	2	94,696	19,723	8,057	11,980	99,159	99,159	62,523	16,158	16,251
Total Revenue		256,489	282,339	308,873	396,624	676,760	676,760	508,449	386,976	400,613
Expenditure By Type	-									
Employee related costs	2	37,054	40,399	54,739	87,884	81,446	81,446	84,107	92,686	101,867
Remuneration of councillors		4,128	4,415		7,685	6,124	6,124	8,521	9,459	10,499
Depreciation & asset impairment	2	10,653	9,386	10,966	15,318	15,318	15,318	15,318	15,318	15,318
Finance charges		-	-	-	-	-	-	13,958	13,958	13,958
Bulk purchases	2	5,544	7,296	11,895	14,800	14,800	14,800	13,780	14,607	15,483
Other materials		-	-	-	-	-	-	272	285	304
Contracted services		28,822	37,238	39,933	42,050	39,380	39,380	30,000	31,800	33,708
Grants and subsidies	2	1,345	1,286	-	2,123	-	-	2,123	2,250	2,385
Other expenditure	4, 5	112,512	110,788	142,124	116,869	260,438	260,438	262,975	189,983	187,456
Loss on disposal of PPE								-	-	-
Total Expenditure		200,058	210,808	259,658	286,730	417,506	417,506	431,055	370,346	380,978
Surplus/(Deficit)		56,431	71,532	49,216	109,894	259,253	259,253	77,395	16,629	19,635
Transfers recognised - capital								125,671	115,641	108,890
Surplus/(Deficit) after capital transfers & contributions		56,431	71,532	49,216	109,894	259,253	259,253	203,065	132,271	128,525
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		56,431	71,532	49,216	109,894	259,253	259,253	203,065	132,271	128,525
Attributable to minorities										
Surplus/(Deficit) attributable to UTHUNGULU MUNICIPALITY		56,431	71,532	49,216	109,894	259,253	259,253	203,065	132,271	128,525
Surplus/(Deficit) for the year		56,431	71,532	49,216	109,894	259,253	259,253	203,065	132,271	128,525

Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Capital expenditure - Municipal Vote										
Multi-Year expenditure, to be appropriated	2									
EXECUTIVE AND COUNCIL - Vote1		1,533	870	454	145	70	70	302	200	160
FINANCE AND ADMINISTRATION - Vote2		6,554	6,249	7,304	28,020	43,631	43,631	29,867	680	250
PLANNING AND DEVELOPMENT - Vote3		520	240	125	40	282	282	242	100	-
COMMUNITY AND SOCIAL SERVICES - Vote4		1,835	775	654	3,075	3,838	3,838	3,244	1,100	1,030
PUBLIC SAFETY - Vote5		-	-	163	-	2,842	2,842	2,090	500	500
ENVIRONMENTAL HEALTH - Vote6		-	-	-	-	-	-	30	-	-
WASTE MANAGEMENT - Vote7		19,968	-	32,350	-	20,000	20,000	3,183	-	-
ELECTRICITY SERVICES - Vote8		-	-	-	-	200	200	200	-	-
WATER - Vote9		67,073	62,466	60,114	139,614	185,492	185,492	161,289	129,691	126,585
WASTE WATER MANAGEMENT - Vote10		-	-	-	-	2,899	2,899	2,618	-	-
Capital Multi-year expenditure sub-total	7	97,484	70,600	101,164	170,894	259,253	259,253	203,065	132,271	128,525
Total Capital Expenditure	8	97,484	70,600	101,164	170,894	259,253	259,253	203,065	132,271	128,525
Capital Expenditure - Standard										
Executive & Council		254	194	95	145	70	70	302	200	160
Budget & Treasury Office		2,756	4,875	7,860	28,020	43,632	43,632	29,867	680	250
Corporate Services		-	-	-	-	-	-	-	-	-
Planning & Development		79	16	31	40	282	282	242	100	-
Community & Social Services		2,824	340	419	3,075	3,838	3,838	3,244	1,100	1,030
Public Safety		-	3,127	593	-	2,842	2,842	2,090	500	500
Environmental Protection		-	-	-	-	-	-	30	-	-
Waste Management		19,968	-	32,350	-	20,000	20,000	3,183	-	-
Waste Water Management		-	-	14	-	2,899	2,899	2,618	-	-
Water		71,603	62,048	59,802	139,614	185,492	185,492	161,289	129,691	126,585
Electricity		-	-	-	-	200	200	200	-	-
Total Capital Expenditure - Standard	3	97,484	70,600	101,164	170,894	259,253	259,253	203,065	132,271	128,525
Funded by:										
National Government		55,269	44,179	57,892	113,574	155,413	155,413	125,671	115,641	108,890
Provincial Government		-	-	-	-	4,678	4,678	-	-	-
Total Capital transfers recognised	4	55,269	44,179	57,892	113,574	160,092	160,092	125,671	115,641	108,890
Public contributions & donations	5	-	3,613	-	-	-	-	-	-	-
Borrowing	6	-	-	-	46,000	76,000	76,000	42,393	-	-
Internally generated funds		42,215	22,808	43,272	11,320	23,162	23,162	35,002	16,630	19,635
Total Capital Funding	7	97,484	70,600	101,164	170,894	259,253	259,253	203,065	132,271	128,525

References

1. Votes are high level departments or functions as determined by the municipality - must be at a strategic level - refer MFMA definition of 'vote'
2. Municipalities may choose to appropriate for capital expenditure for 3 years (complete expenditure section 2 if only appropriating for 1 year (projected expenditure required for yr2 and yr3). Include capital component of PPP unitary payment. Note than capital transfers are only appropriated to municipalities for the budget year
3. Capital expenditure by standard classification must reconcile to the appropriations
4. Must reconcile to supporting table A20 and to 'Financial Performance (Revenue and Expenditure)'
5. Must reconcile to 'Financial Performance (Revenue and Expenditure)'
6. Include Finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table A17
7. Total capital funding must balance with total capital expenditure

Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
R thousand	1									
Capital expenditure - Municipal Vote										
Multi-Year expenditure appropriation	2									
EXECUTIVE AND COUNCIL - Vote1		1,533	870	454	145	70	70	302	200	160
Board & General		370	210	110	35	35	35	222	50	80
Executive Division - Corporate Services		793	450	235	75	-	-	-	100	20
Administrative Services		-	-	-	-	-	-	60	-	-
Municipal Manager's Department		370	210	110	35	35	35	20	50	60
FINANCE AND ADMINISTRATION - Vote2		6,554	6,249	7,304	28,020	43,631	43,631	29,867	680	250
Management Services - HR		-	-	-	-	-	-	40	-	60
Management Services - IT		2,115	1,199	626	200	200	200	320	-	50
Executive Division - Financial Services		2,115	1,199	626	200	1,318	1,318	1,078	100	60
Expenditure Department		-	-	-	-	-	-	30	-	-
Supply Chain Management Unit		-	-	-	1,000	3,783	3,783	1,981	-	-
uThungulu House		2,113	3,730	5,988	26,600	38,310	38,310	26,365	500	-
Budgeting & Reporting		-	-	-	-	-	-	10	40	40
Finance Interns		211	120	63	20	20	20	43	40	40
PLANNING AND DEVELOPMENT - Vote3		520	240	125	40	282	282	242	100	-
Planning Department		97	-	-	-	92	92	75	-	-
MSIG		423	240	125	40	140	140	114	-	-
Planning Shared Services		-	-	-	-	50	50	52	100	-
COMMUNITY AND SOCIAL SERVICES - Vote4		1,835	775	654	3,075	3,838	3,838	3,244	1,100	1,030
Community Services		793	450	235	75	112	112	30	100	30
Cemetery		1,042	326	419	3,000	3,726	3,726	3,214	1,000	1,000
PUBLIC SAFETY - Vote5		-	-	163	-	2,842	2,842	2,090	500	500
Fire Fighting		-	-	-	-	2,650	2,650	2,063	500	500
Disaster Management		-	-	163	-	192	192	27	-	-
ENVIRONMENTAL HEALTH - Vote6		-	-	-	-	-	-	30	-	-
Municipal Health		-	-	-	-	-	-	30	-	-
WASTE MANAGEMENT - Vote7		19,968	-	32,350	-	20,000	20,000	3,183	-	-
Solid Waste		19,968	-	32,350	-	20,000	20,000	3,183	-	-
ELECTRICITY SERVICES - Vote8		-	-	-	-	200	200	200	-	-
Electricity		-	-	-	-	200	200	200	-	-
WATER - Vote9		67,073	62,466	60,114	139,614	185,492	185,492	161,289	129,691	126,585
Executive Division - Technical Services		-	-	-	-	-	-	50	40	40
Technical Services		-	3	-	-	-	-	-	-	-
Municipal Support		66,016	61,864	59,801	139,514	185,392	185,392	161,144	129,551	126,505
Water Services Authority Division		-	-	-	-	-	-	20	-	-
Water Services Provider Division		1,057	600	313	100	100	100	-	100	-
Water Services Provider - Mthonjaneni		-	-	-	-	-	-	-	-	-
Water Services Provider - uMlalazi		-	-	-	-	-	-	-	-	-
Consumer Billing		-	-	-	-	-	-	75	-	40
WASTE WATER MANAGEMENT - Vote10		-	-	-	-	2,899	2,899	2,618	-	-
Waster Water Management		-	-	-	-	2,899	2,899	2,618	-	-
Total Capital Expenditure		97,484	70,600	101,164	170,894	259,253	259,253	203,065	132,271	128,525

Table A6 Budgeted Financial Position

Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
ASSETS										
Current assets										
Cash	1	91,847	30,382	50,685	23,315	23,315	23,315	17,720	13,447	10,235
Call investment deposits	1	90,000	170,000	190,000	278,688	278,688	278,688	299,601	319,172	337,722
Consumer debtors		9,868	13,476	12,237	11,136	11,135	11,136	10,134	9,222	8,392
Other debtors		12,711	14,471	26,271	29,949	29,949	29,949	23,959	19,167	15,334
Current portion of long-term receivables		455	335	261	199	199	199	153	118	91
Inventory	2	571	1,885	3,086	5,061	5,061	5,061	5,568	6,124	6,737
Total current assets		205,452	230,549	282,541	348,347	348,347	348,347	357,134	367,250	378,510
Non current assets										
Long-term receivables		2,940	2,101	1,539	1,126	1,126	1,126	822	600	438
Investments		12,086	13,497	15,078	16,887	16,887	16,887	18,914	21,183	23,725
Investment property										
Investment in Associate										
Property, plant and equipment	3	220,807	281,871	372,013	453,856	453,856	453,856	512,227	522,472	527,697
Agricultural										
Biological										
Intangible										
Other non-current assets										
Total non current assets		235,833	297,470	388,630	471,869	471,869	471,869	531,963	544,255	551,860
TOTAL ASSETS		441,285	528,018	671,171	820,217	820,216	820,217	889,097	911,505	930,370
LIABILITIES										
Current liabilities										
Borrowing	4	-	41	-	-	-	-	-	-	-
Consumer deposits		782	3,789	4,422	5,085	5,085	5,085	5,848	6,432	7,076
Trade and other payables	4	85,504	96,405	155,425	191,584	191,584	191,584	182,920	159,898	139,888
Current portion of long-term liabilities		74	-	-						
Provisions		1,459	1,265	1,411	1,623	1,623	1,623	1,866	2,146	2,468
Total current liabilities		87,819	101,501	161,258	198,291	198,291	198,291	190,634	168,476	149,431
Non current liabilities										
Borrowing		39,986	41,532	43,141	119,141	119,141	119,141	117,950	116,770	115,603
Provisions		17,385	17,341	49,928	57,417	57,417	57,417	66,029	69,331	62,398
Total non current liabilities		57,370	58,872	93,069	176,558	176,558	176,558	183,979	186,101	178,000
TOTAL LIABILITIES		145,189	160,373	254,327	374,849	374,849	374,849	374,613	354,577	327,432
NET ASSETS	5	296,095	367,645	416,844	445,367	445,367	445,367	514,485	556,928	602,938
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		203,693	229,245	222,060	224,281	224,281	224,281	249,963	266,360	309,537
Reserves	4	92,402	138,384	194,784	221,087	221,087	221,087	264,522	290,568	293,401
Minorities' interests										
TOTAL COMMUNITY WEALTH/EQUITY	5	296,095	367,629	416,844	445,367	445,367	445,367	514,485	556,928	602,938

References

1. The total of Bank balances and cash, Call investment deposits and Overdraft must reconcile with the end balance of cash and cash equivalents shown on Budgeted Cash Flows
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table A3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity

Table A7 Budgeted Cash Flows

Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		-	70,219	73,843	77,085	77,085	77,085	53,542	51,664	53,590
Government - capital	1	253,906	203,218	244,257	336,508	336,508	336,508	384,441	420,516	423,453
Interest		14,306	18,420	26,874	34,223	34,223	34,223	30,876	33,329	35,621
Payments										
Suppliers and employees		(170,035)	(199,322)	(196,905)	(252,309)	(252,309)	(252,309)	(342,351)	(348,714)	(359,525)
Finance charges		(7,242)	(7,541)	(7,856)	(10,444)	(10,444)	(10,444)	(10,561)	(10,981)	(11,195)
NET CASH FROM/(USED) OPERATING ACTIVITIES		90,936	84,994	140,211	185,063	185,063	185,063	115,947	145,814	141,944
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	73	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		5,740	958	636	663	663	663	763	585	643
Decrease (increase) in non-current investments		(1,264)	(1,411)	(1,581)	(1,809)	(1,809)	(1,809)	(2,026)	(2,270)	(2,542)
Payments										
Capital assets		(97,412)	(70,600)	(101,164)	(124,894)	(124,894)	(124,894)	(101,896)	(132,181)	(128,525)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(92,936)	(70,979)	(102,108)	(126,040)	(126,040)	(126,040)	(103,159)	(133,866)	(130,424)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Increase in consumer deposits		57	3,007	633	-	-	-	-	-	-
Payments										
Repayment of borrowing		1,008	1,514	1,568	2,295	2,295	2,295	2,530	3,370	3,798
NET CASH FROM/(USED) FINANCING ACTIVITIES		1,066	4,521	2,201	2,295	2,295	2,295	2,530	3,370	3,798
NET INCREASE/ (DECREASE) IN CASH HELD		(935)	18,535	40,304	61,318	61,318	61,318	15,318	15,318	15,318
Cash/cash equivalents at the year begin:	2	182,781	181,847	200,382	240,685	240,685	240,685	302,003	317,321	332,639
Cash/cash equivalents at the year end:	2	181,847	200,382	240,685	302,003	302,003	302,003	317,321	332,639	347,957

Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Cash and investments available										
Cash/cash equivalents at the year end	1	181,847	200,382	240,685	302,003	302,003	302,003	317,321	332,639	347,957
Call investment deposits - >90 days		-	-	-	-	-	-	-	(20)	-
Non current assets - Investments	1	12,086	13,497	15,078	16,887	16,887	16,887	18,914	21,183	23,725
Cash and investments available:		193,933	213,879	255,763	318,890	318,890	318,890	336,235	353,803	371,682
Application of cash and investments										
Unspent conditional transfers		45,403	59,929	101,172	111,290	111,290	111,290	94,596	80,407	68,346
Unspent borrowing										
Statutory requirements	2									
Other working capital requirements	3	72,793	63,227	110,197	141,823	155,096	155,096	153,901	131,945	116,369
Other provisions		75,737	90,722	44,394	65,778	52,505	52,505	87,738	141,451	186,968
Reserves to be backed by cash/investments	5									
Total Application of cash and investments:		193,933	213,879	255,763	318,890	318,890	318,890	336,235	353,803	371,683
Surplus(shortfall)		-	-	-	-	-	-	-	-	-

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

Table A9 Asset Management

Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
CAPITAL EXPENDITURE										
Capital Multi-year expenditure sub-total	2	97,484	70,600	101,164	170,894	259,253	259,253	203,065	132,271	128,525
<u>Comprises:</u>										
<u>New assets</u>		-	70,600	59,802	138,894	217,308	217,308	160,803	122,771	116,525
<i>Infrastructure - Water & Sanitation</i>	6		61,864	59,802	133,514	187,378	187,378	147,866	120,551	114,505
<i>Infrastructure - Electricity</i>	6				-	200	200	200	-	-
<i>Infrastructure - Road Transport</i>	6				-	-	-	-	-	-
<i>Infrastructure - Other</i>	6		2,056		-	20,000	20,000	3,183	-	-
Infrastructure		-	63,920	59,802	133,514	207,578	207,578	151,249	120,551	114,505
Community					3,000	3,726	3,726	3,214	1,000	1,000
Heritage assets					-	-	-	-	-	-
Investment properties					-	-	-	-	-	-
Other assets	5		6,680		2,380	6,005	6,005	6,340	1,220	1,020
Intangibles					-	-	-	-	-	-
Biological assets					-	-	-	-	-	-
<u>Renewal of existing assets</u>		-	-	-	32,000	46,095	46,095	42,261	9,500	12,000
<i>Infrastructure - Water & Sanitation</i>	6				6,000	8,146	8,146	15,896	9,000	12,000
<i>Infrastructure - Electricity</i>	6				-	-	-	-	-	-
<i>Infrastructure - Road Transport</i>	6				-	-	-	-	-	-
<i>Infrastructure - Other</i>	6				-	-	-	-	-	-
Infrastructure	-	-	-	-	6,000	8,146	8,146	15,896	9,000	12,000
Community	-				-	-	-	-	-	-
Heritage assets	-				-	-	-	-	-	-
Investment properties	-				-	-	-	-	-	-
Other assets	5				26,000	37,949	37,949	26,365	500	-
Intangibles					-	-	-	-	-	-
Biological assets					-	-	-	-	-	-
<u>Total Capital expenditure by Asset Class/Sub-class</u>										
<i>Infrastructure - Water & Sanitation</i>	6	-	61,864	59,802	139,514	195,523	195,523	163,762	129,551	126,505
<i>Infrastructure - Electricity</i>	6	-	-	-	-	200	200	200	-	-
<i>Infrastructure - Road Transport</i>	6	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>	6	-	2,056	-	-	20,000	20,000	3,183	-	-
Infrastructure	3	-	63,920	59,802	139,514	215,723	215,723	167,145	129,551	126,505
Community	3	-	-	-	3,000	3,726	3,726	3,214	1,000	1,000
Heritage assets	3	-	-	-	-	-	-	-	-	-
Investment properties	3	-	-	-	-	-	-	-	-	-
Other assets	3, 6	-	6,680	-	28,380	43,954	43,954	32,705	1,720	1,020
Intangibles		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
CAPITAL EXPENDITURE	3	-	70,600	59,802	170,894	263,403	263,403	203,065	132,271	128,525

13.3 Budget Supporting Tables

UTHUNGULU MUNICIPALITY Supporting Table SA23Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No. 10	Salary	Contrib. 1.	Allowances	Performance Bonuses	In-kind benefits 2.	Total Package 3.
Rand per annum								
Councillors	4							
Speaker	5	1	478,255	6,607	15,984			500,846
Chief Whip								-
Mayor		1	610,550	7,802	32,004			650,356
Deputy Mayor		1	478,255	6,607	15,984			500,846
Executive Committee		6	2,241,815	31,538	79,920			2,353,273
Total for all other councillors		0	4,194,786	91,829	229,356			4,515,971
Total Councillors	9	39	8,003,661	144,382	373,248			8,521,291
Senior Managers of the Municipality	6							
Municipal Manager (MM)		1	1,018,442	77,100	-	152,766	-	1,248,308
Chief Finance Officer		1	916,598	69,758	-	137,490	-	1,123,846
Deputy Municipal Manager		1	967,520	73,529	-	145,028	-	1,186,077
Executive Director Corporate Services		1	916,598	69,758	-	137,490	-	1,123,846
Executive Director Technical Services		1	916,598	69,758	-	137,490	-	1,123,846
<i>List of each official with packages >= senior manager</i>								
Head: Internal Audit & Performance Management								-
Head: Geographical Information & Policy								-
Head Office of Intergovernmental & Governance Relations								-
Total Senior Managers of the Municipality	9	5	4,735,756	359,903	-	710,264	-	5,805,923
A Heading for Each Entity	7, 8							
List each member of board by designation								
Chief Executive Officer (CEO)								-
Total for municipal entities	9	-	-	-	-	-	-	-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION		44	12,739,417	504,285	373,248	710,264	-	14,327,214

References

1. Pension and medical aid
2. If benefits in kind are provided (e.g. provision of living quarters) the full market value must be shown as the cost to the municipality
3. Total package must equal the total cost to the municipality
4. List each political office bearer by designation. Provide a total for all other councillors
5. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
6. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
7. List each entity where municipality has an interest and state percentage ownership and control
8. List each senior manager reporting to the CEO of an Entity by designation
9. Must reconcile to relevant section of Table A24
10. Must reconcile to totals shown for the budget year of Table A22

Description	Ref	Budget Year 2009/10											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Revenue By Source	-															
Service charges - water revenue		1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589	19,067	20,211	21,424
Service charges - sanitation revenue		229	229	229	229	229	229	229	229	229	229	229	229	2,748	2,913	3,087
Service charges - refuse		600	600	600	600	600	600	600	600	600	600	600	600	7,203	7,635	8,093
Service charges - other		83	83	83	83	83	83	83	83	83	83	83	83	991	1,050	1,113
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments		2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,767	31,000	33,281	35,568
Interest earned - outstanding debtors		4	4	4	4	4	4	4	4	4	4	4	4	45	49	52
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised		55,053	21,620	21,620	21,620	68,603	21,620	21,620	21,620	59,955	21,620	21,620	28,300	384,873	305,679	315,023
Other revenue		5,210	5,210	5,210	5,210	5,210	5,210	5,210	5,210	5,210	5,210	5,210	5,210	62,523	16,158	16,251
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue		65,334	31,902	31,902	31,902	78,884	31,902	31,902	31,902	70,236	31,901	31,902	38,781	508,449	386,976	400,613
Expenditure By Type																
Employee related costs		6,440	6,440	6,440	6,440	12,880	6,440	6,440	6,440	6,440	6,440	6,440	6,826	84,107	92,686	101,867
Remuneration of councillors		710	710	710	710	710	710	710	710	710	710	710	710	8,521	9,459	10,499
Depreciation & asset impairment		1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	15,318	15,318	15,318
Finance charges		-	-	-	-	-	6,979	-	-	-	-	-	6,979	13,958	13,958	13,958
Bulk purchases		1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	13,780	14,607	15,483
Other materials		23	23	23	23	23	23	23	23	23	23	23	23	272	285	304
Contracted services		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	31,800	33,708
Grants and subsidies		177	177	177	177	177	177	177	177	177	177	177	177	2,123	2,250	2,385
Other expenditure		21,915	21,915	21,915	21,915	21,915	21,915	21,915	21,915	21,915	21,915	21,915	21,915	262,975	189,983	187,456
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		34,189	34,189	34,189	34,189	40,629	41,168	34,189	34,189	34,189	34,189	34,189	41,555	431,055	370,346	380,978
Surplus/(Deficit)		31,145	(2,287)	(2,287)	(2,287)	38,255	(9,266)	(2,287)	(2,287)	36,047	(2,288)	(2,287)	(2,773)	77,395	16,629	19,635
Transfers recognised - capital		10,473	10,473	10,473	10,473	10,473	10,473	10,473	10,473	10,473	10,473	10,473	10,472	125,671	115,641	108,890

Description	Ref	Budget Year 2009/10											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
R thousand																
Surplus/(Deficit) after capital transfers & contributions		41,618	8,185	8,185	8,185	48,727	1,206	8,185	8,185	46,520	8,185	8,185	7,699	203,065	132,271	128,525
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	31,145	(2,287)	(2,287)	(2,287)	38,255	(9,266)	(2,287)	(2,287)	36,047	(2,288)	(2,287)	(2,773)	203,065	132,271	128,525

UTHUNGULU MUNICIPALITY Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2009/10												Medium Term Revenue and Expenditure Framework		
		Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Revenue - Standard	-															
Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget & Treasury Office		77,100	34,676	34,676	34,676	75,615	34,676	34,676	34,676	75,615	34,676	34,676	4,667	510,401	353,785	348,048
Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning & Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community & Social Services		83	83	83	83	83	83	83	83	83	83	83	83	991	1,050	1,113
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management		600	600	600	600	600	600	600	600	600	600	600	600	7,203	7,635	8,093
Waste Water Management		229	229	229	229	229	229	229	229	229	229	229	229	2,748	2,913	3,087
Road Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		32,826	1,589	1,589	1,589	32,826	1,589	1,589	32,826	1,589	1,589	1,589	1,589	112,777	137,144	149,161
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		110,838	37,176	37,176	37,176	109,353	37,176	37,176	68,413	78,116	37,176	37,176	7,168	634,120	502,527	509,503
Expenditure - Standard	-															
Executive & Council		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,003	35,936	37,470
Budget & Treasury Office		3,901	3,901	3,901	3,901	3,901	3,901	3,901	3,901	3,901	3,901	3,901	3,900	46,807	44,284	47,973
Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning & Development		9,228	9,228	9,228	9,228	9,228	9,228	9,228	9,228	9,228	9,228	9,228	9,228	110,735	20,419	19,447
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community & Social Services		735	735	735	735	735	735	735	735	735	735	735	735	8,817	8,643	9,513
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Safety		858	858	858	858	858	858	858	858	858	858	858	858	10,298	10,664	11,358

UTHUNGULU MUNICIPALITY Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2009/10												Medium Term Revenue and Expenditure Framework		
		Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Environmental Protection		325	325	325	325	325	325	325	325	325	325	325	325	3,904	4,302	4,341
Waste Management		926	926	926	926	926	926	926	926	926	926	926	927	11,117	10,829	10,832
Waste Water Management		2,676	2,676	2,676	2,676	2,676	2,676	2,676	2,676	2,676	2,676	2,677	32,117	42,494	29,381	
Road Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		14,234	14,234	14,234	14,234	14,234	14,234	14,234	14,234	14,234	14,234	14,234	170,806	192,584	210,512	
Electricity		38	38	38	38	38	38	38	38	38	38	38	450	100	150	
Total Expenditure by Vote		35,921	35,921	35,921	35,921	35,921	35,921	35,921	35,921	35,921	35,921	35,922	431,055	370,256	380,978	
Surplus/(Deficit) before assoc.		74,916	1,255	1,255	1,255	73,431	1,255	1,255	32,492	42,195	1,255	1,255	(28,754)	203,065	132,271	128,525
Share of surplus/ (deficit) of associate													0	0	0	-
Surplus/(Deficit)	1	74,916	1,255	1,255	1,255	73,431	1,255	1,255	32,492	42,195	1,255	1,255	(28,754)	203,065	132,271	128,525

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

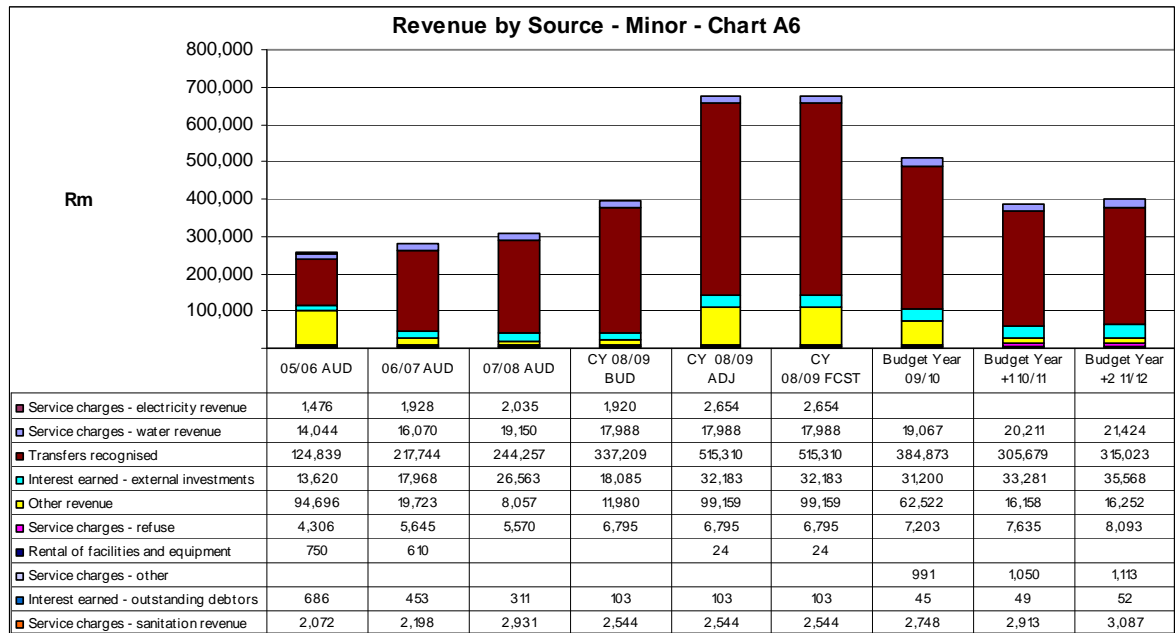
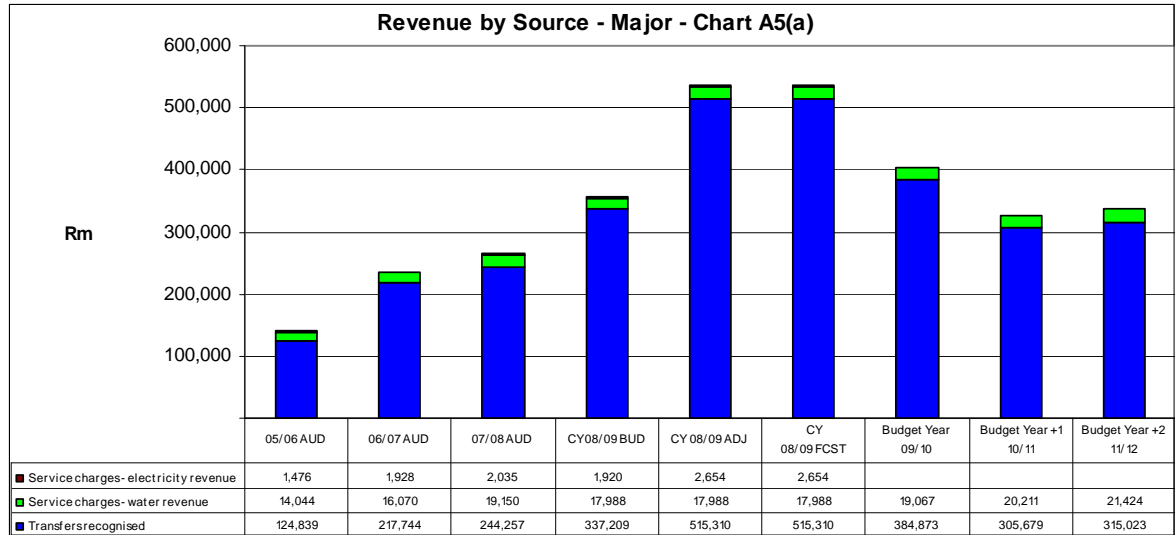
UTHUNGULU MUNICIPALITY Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

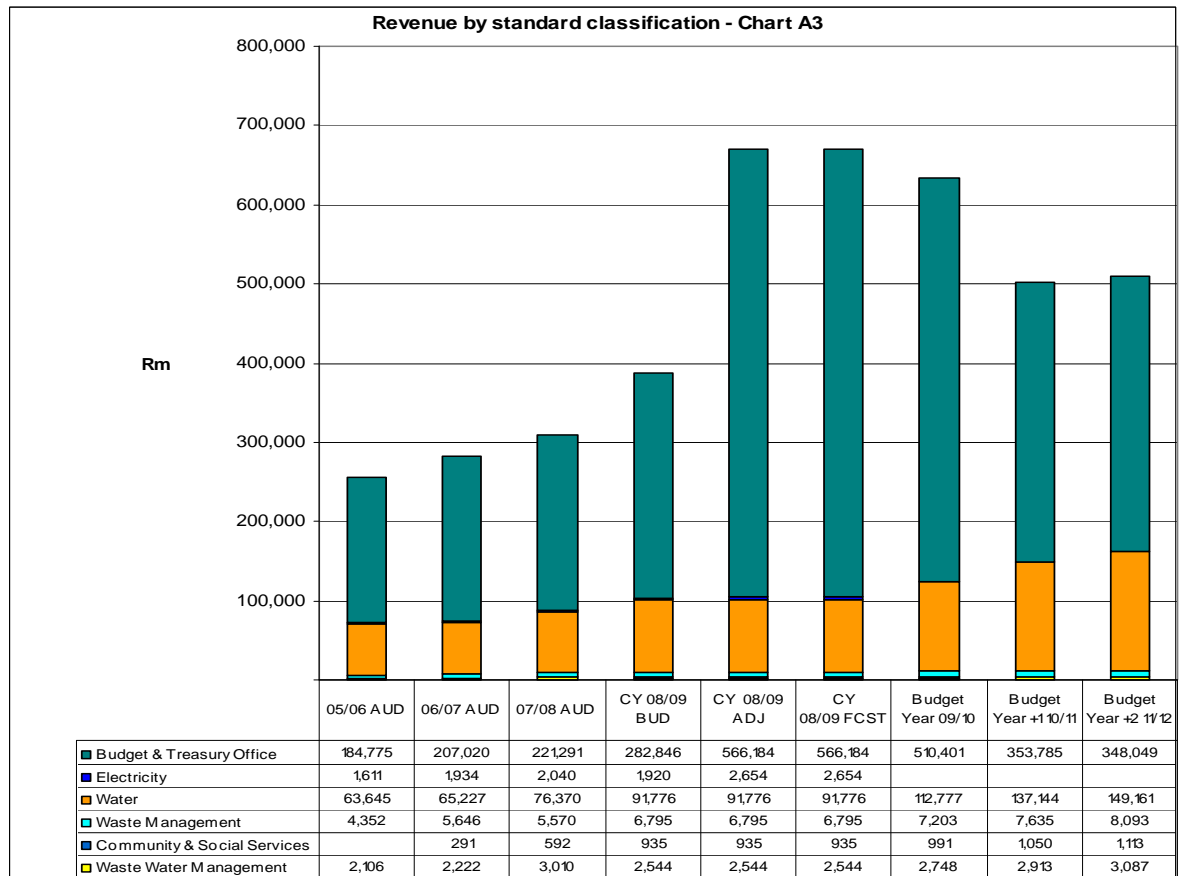
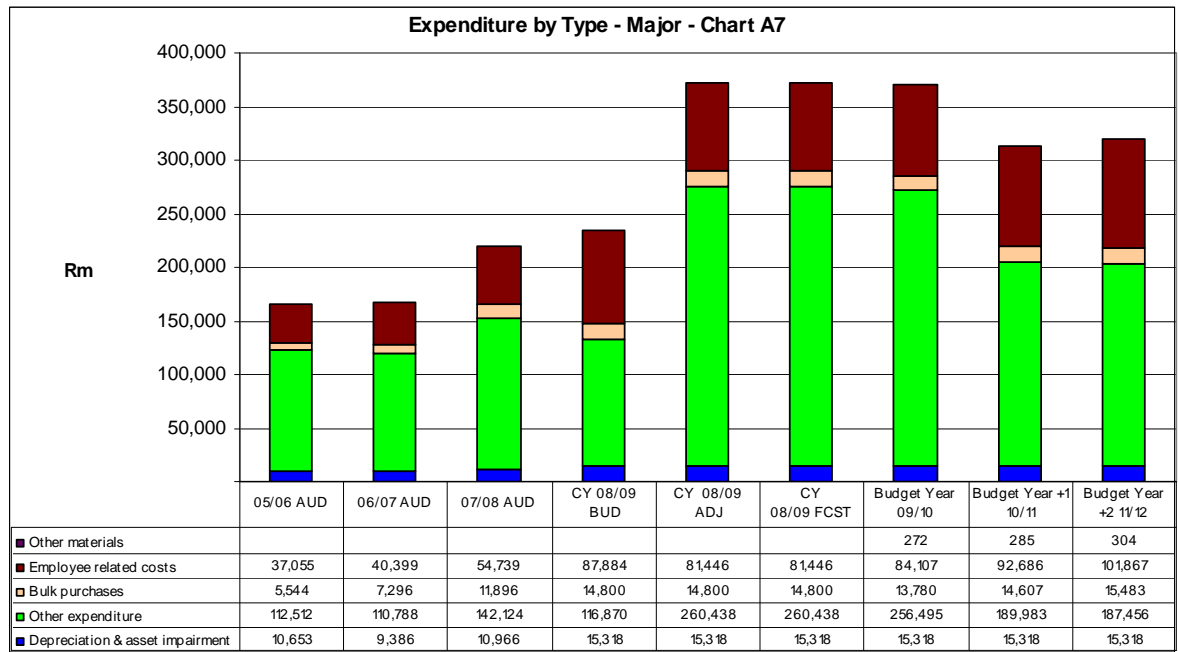
Description	Ref	Budget Year 2009/10												Medium Term Revenue and Expenditure Framework		
		Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Multi-Year expenditure to be appropriated	1															
EXECUTIVE AND COUNCIL - Vote1		25	25	25	25	25	25	25	25	25	25	25	25	302	200	160
FINANCE AND ADMINISTRATION - Vote2		2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	29,867	680	250
PLANNING AND DEVELOPMENT - Vote3		20	20	20	20	20	20	20	20	20	20	20	20	242	100	-
COMMUNITY AND SOCIAL SERVICES - Vote4		270	270	270	270	270	270	270	270	270	270	270	271	3,244	1,100	1,030
PUBLIC SAFETY - Vote5		174	174	174	174	174	174	174	174	174	174	174	174	2,090	500	500
ENVIRONMENTAL HEALTH - Vote6		3	3	3	3	3	3	3	3	3	3	3	3	30	-	-
WASTE MANAGEMENT - Vote7		265	265	265	265	265	265	265	265	265	265	265	266	3,183	-	-
ELECTRICITY SERVICES - Vote8		17	17	17	17	17	17	17	17	17	17	17	17	200	-	-
WATER - Vote9		13,441	13,441	13,441	13,441	13,441	13,441	13,441	13,441	13,441	13,441	13,441	13,441	161,289	129,691	126,585
WASTE WATER MANAGEMENT - Vote10		218	218	218	218	218	218	218	218	218	218	218	218	2,618	-	-
Total Capital Expenditure	2	16,922	16,922	16,922	16,922	16,922	16,922	16,922	16,922	16,922	16,922	16,922	16,922	203,065	132,271	128,525

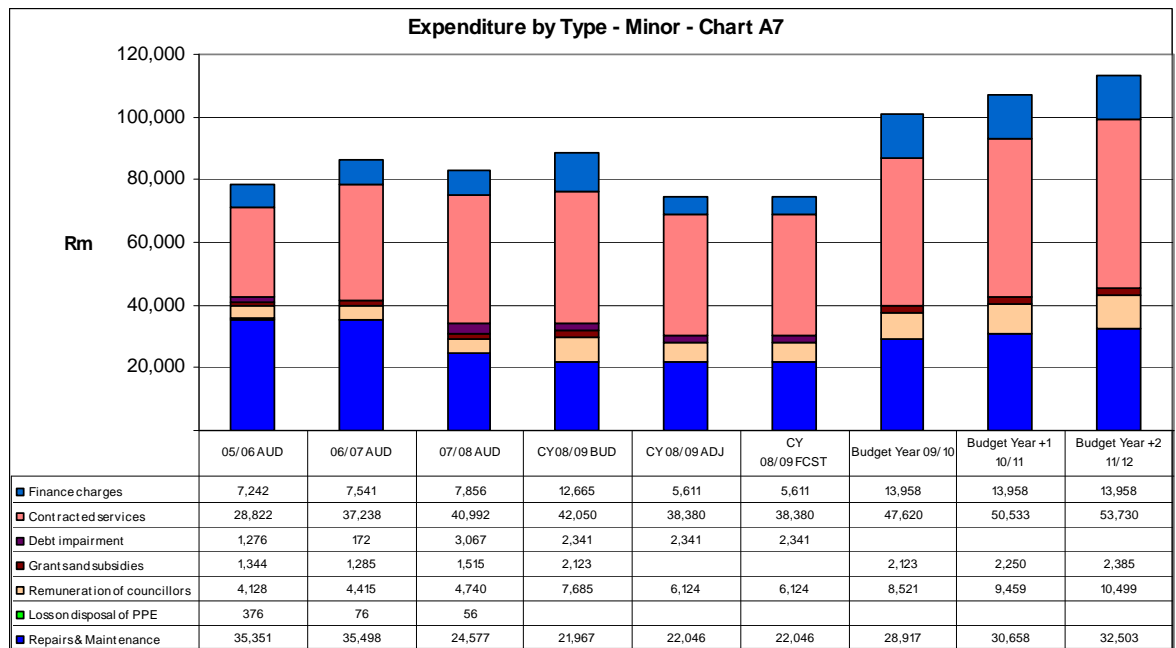
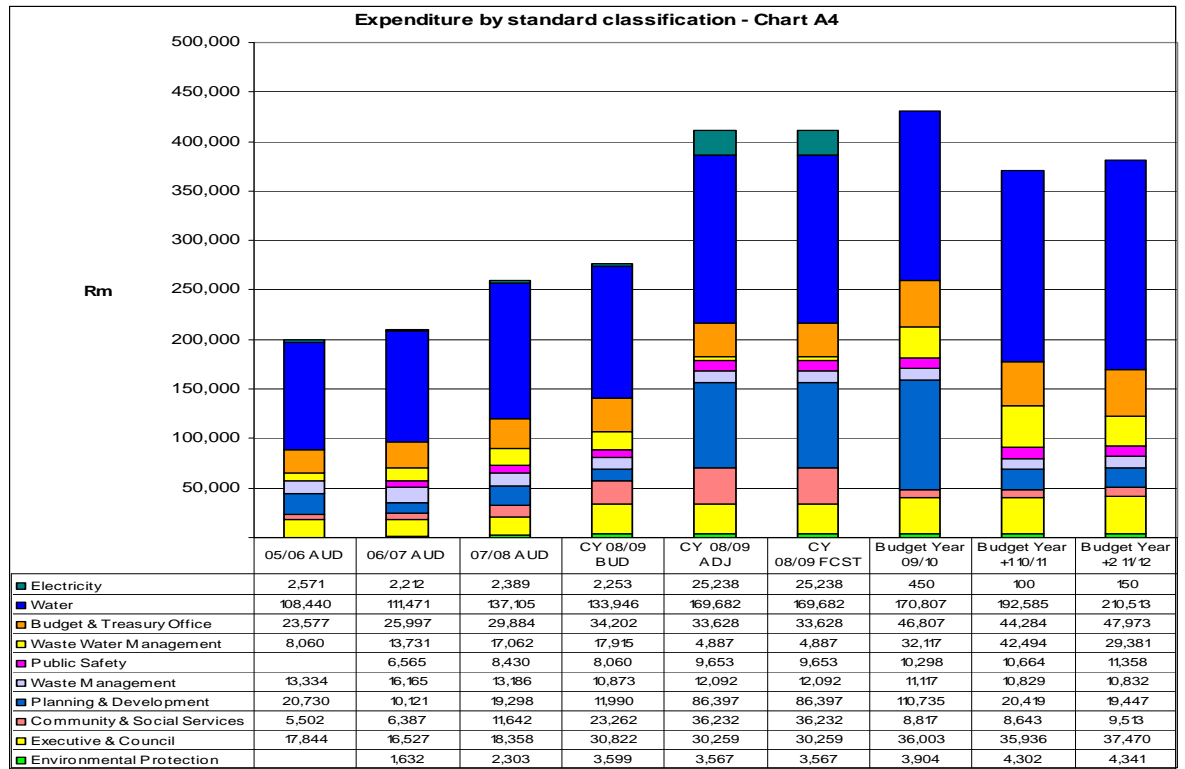
References

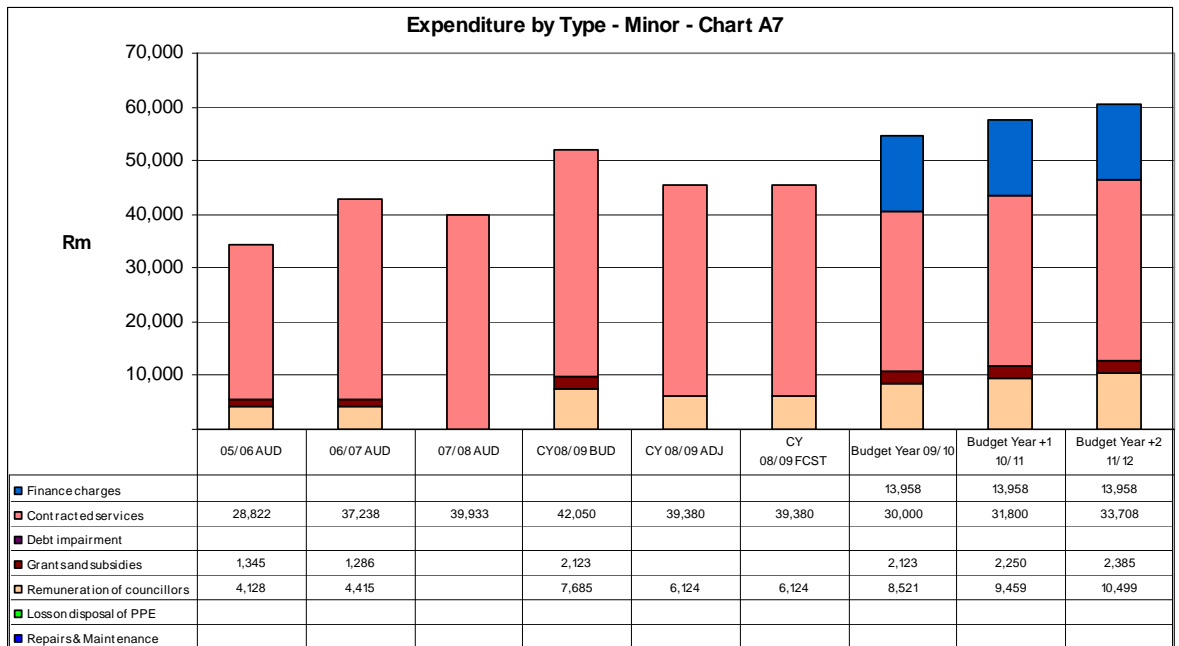
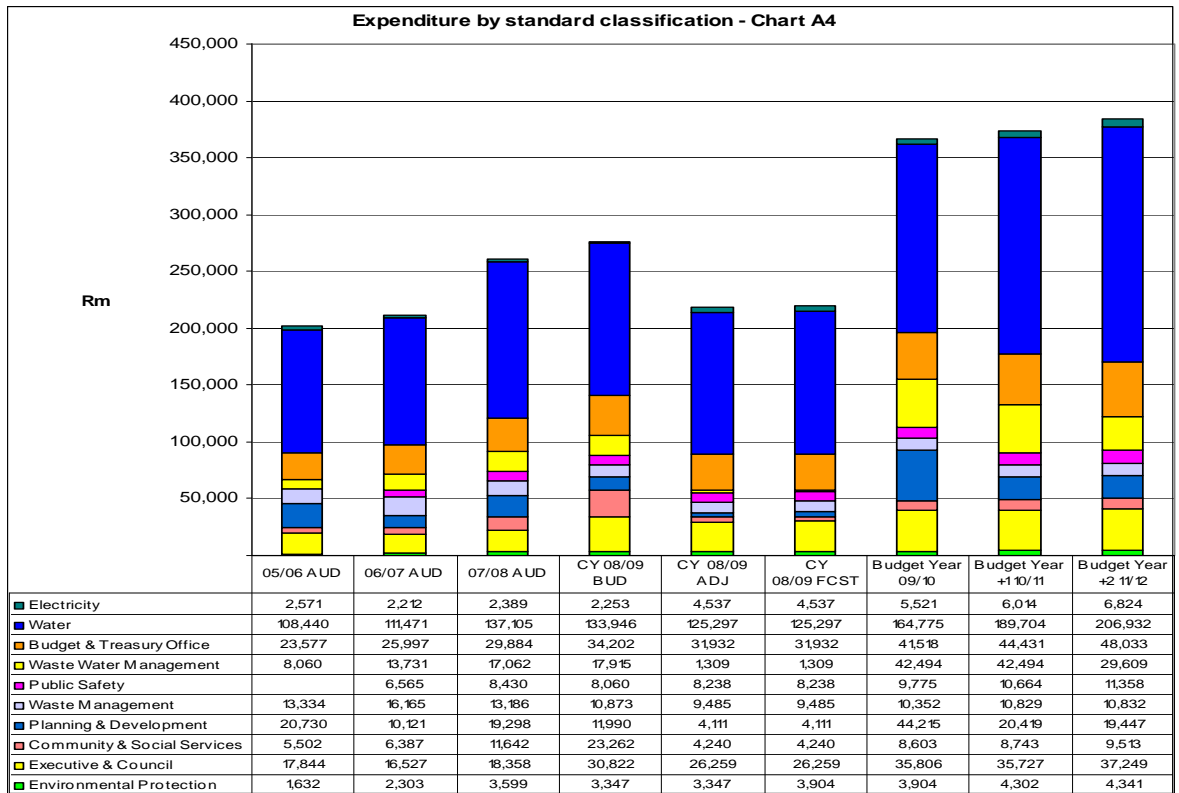
1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

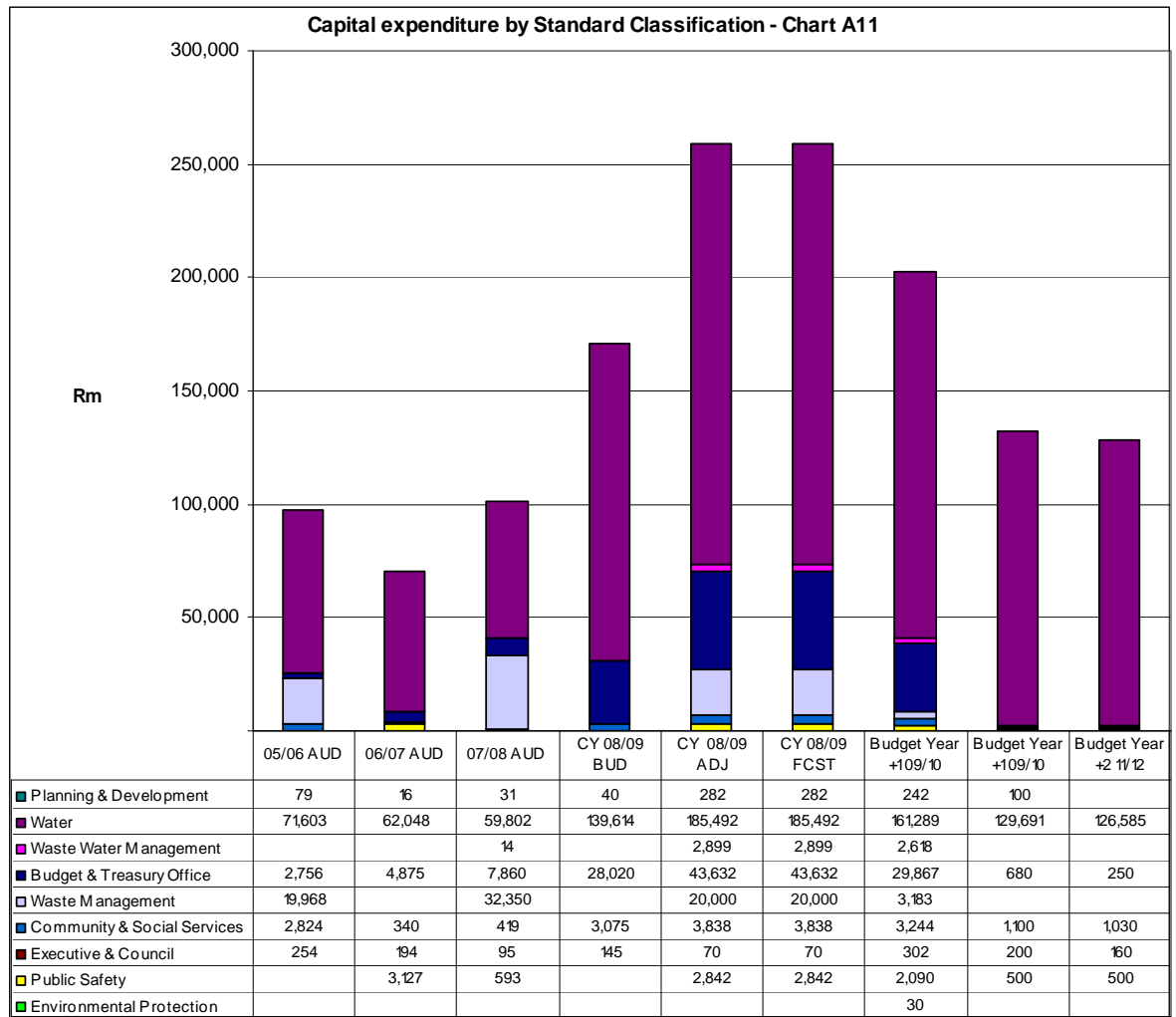
13.4 Budget Related Charts











13.5 Detailed Operational IDP projects budget

No	PROJECT NAME/DESCRIPTION	VALUE (R000)
1	Library Services	5,000
2	Budget Cycle	109
3	Credit Rating	20
4	Cemeteries/Crematoria Sector Plan Review	100
5	Cinci Sports Facility	2
6	Nkandla Swimming Pool	18
7	Nkandla Sportsfield	36
8	Social Empowerment Upliftment Grant	53
9	Gender Violence Camp	1
10	UNDP Programmes	30
11	Infrastructure	852
12	Formulation of Crime Prevention Strategy	50
13	District Elimination & Kwanaloga Games	1,800
14	Programmes for the Marginalized	425
15	HIV/AIDS Programme	144
16	Disaster Management Advisory Forum	1
17	Disaster Management Plans	11
18	Disaster Management Centre	343
19	Shared Services	168
20	Disaster Management Plan (Operational Plans)	100
21	Disaster Stock Items	150
22	Centre Management Support	500
23	Energy Master Plan Review	100
24	Energy Sector Planning	200
25	Support & Integration of REDS	150
26	Asset Care Centre	280
27	Fixed Asset Register	512
28	Implementation of Financial Legislation - MSIG	153
29	Motor Vehicle Licence Fees	91
30	uThungulu Financing Partnership	4,058
31	Revenue Enhancement Plan (MSIG)	130
32	DPLGA Grant	14
33	Website Development	250
34	PAYDAY Upgrade	40
35	HR Road shows	100
36	Employee Assistance Programme	150
37	Implementation of Occupational Health & Safety Act	150
38	Community Awareness & Education on diseases	120
39	Events	150
40	Marketing	150
41	Uthungulu Web-site Development	50

No	PROJECT NAME/DESCRIPTION	VALUE (R000)
42	Risk Management Strategy	50
43	KwaBulawayo Development	1,922
44	Agricultural North Eastern Region Grant	1
45	Craft Market Richards Bay Marina	1
46	Public Transport Plan	314
47	uMhlathuze 2010 Sports Stadium	10,000
48	uMhlathuze 2010 Synthetic Athletic Track	2,500
49	Soccer Stadiums (Infrastructure)	8,773
50	Zululand Heritage Route	1,498
51	KwaBulawayo Tourism Development	3,000
52	Northern KZN Film Office	1,000
53	Marina Craft Development & Training	2,100
54	District Transport Plan Review	500
55	IDP Revision	1
56	Mbonambi SDF	150
57	Development Planning Grant - Shared Services	1,700
58	MIIP Grant	220
59	Strategic Support (IDP Review) Grant	31
60	IDP Road shows	54
61	Review of Spatial Development Framework	250
62	Town Planning (Development Administration)	250
63	Planning	789
64	Planning : Regional Council	2,186
65	MSIG 04/05 Capacity Building	400
66	MSIG - Nkandla	80
67	MSIG 07/08	131
68	MSIG 06/07	639
69	MSIG Consolidated	192
70	LED Development Fund	250
71	Trade Missions	300
72	Richards Bay Passenger Cruise Terminal & Arrivals	85
73	2010 World Cup Stadia	34,000
74	2010 Soccer World Cup Stadiums (Pending) - DTLGA	14,000
75	2010 Soccer World Cup Stadiums (Pending) - SAFA	4,000
76	2010 Soccer World Cup Stadiums (Pending) - uMhlathuze	10,000
77	2010 Disaster Management Grant	500
78	Film Office	100
79	Craft Marketing & Development Strategy	100
80	Ongoye Forest Tourism Development	100
81	Tourism Marketing: Shows	200
82	Tourism Media Marketing	400
83	Tourism Events (Zulu Dance)	500
84	Community Farm: KwaMthethwa	100
85	Community Farm: Mthonjaneni	100

No	PROJECT NAME/DESCRIPTION	VALUE (R000)
86	Community Farm: Nkandla	100
87	Community Farm: Entumeni	100
88	Community Farm: Ntambanana	100
89	Strategic Support	250
90	IDP Road shows - Izimbizo	600
91	GIS Development and Training (Municipal Development Information Services)	250
92	EIA Policies	153
93	Municipal Systems Improvement Grant	19
94	Integrated Waste Management Plan Review	100
95	Waste Management Ntambanana	265
96	Integrated Waste Grant	200
97	Review of Waste Management Plan	300
98	281-2 - VIP Sanitation Project	8,029
99	283-2 - VIP Sanitation Project	6,715
100	Upgrade sewerage plant, Mtunzini, Eshowe, Gingindlovu	7,337
101	Upgrade sewerage plant, Mtunzini, Eshowe, Gingindlovu (08/09)	4,357
102	National Sanitation Week	50
103	Mthonjaneni Sanitation - DWAF	1,780
104	Sanitation UDM	1,781
105	Sanitation - DWAF	728
106	Water Quality Improvement Interventions	500
107	Annual Update of WSDP	350
108	Water Master Planning	500
109	National Water Week	50
110	National Arbour Week	50
111	Facilitation Assessment Service Delivery	95
112	Integrated Development Infrastructure - Capacity Building	90
113	Subsidy for Water Services Works	535
114	Institutional Support & Capacity Building Grant	575
115	Municipal Development Information Service	980
116	Tanker Reduction Strategy	5,000
117	Issue Manager	127
118	Water metre installation	1,000
119	Customer Care and Call Centre	300
120	Emergency Water Supply (Water Tankers)	2,500
121	Survival Water Programme / Drought Relief / Emergency Water	14,100
122	EPWP Incentive Grant	754
123	Section 78 Capacity Assessment	528
124	Water Services Provider Plan	1,147
125	Technical Support, Infrastructure Backlog, MIIPS	900
126	Issue Manager	176
127	Public Works	71
128	Co-Funding Business Plans	190
	Grand Total	183,961

13.6 Detailed Capital Budget

No	PROJECT NAME/DESCRIPTION	VALUE (R000)
1	Internal Fixed Assets	60
2	Internal Fixed Assets	10
3	Internal Fixed Assets	30
4	Internal Fixed Assets	222
5	Internal Fixed Assets	20
6	Internal Fixed Assets	40
7	Regional Cemetery	214
8	Construction of Regional Cemetery Ph 2	3,000
9	Internal Fixed Assets	75
10	Civil Protection	7
11	Internal Fixed Assets	20
12	Internal Fixed Assets (R2600 from 08/09)	43
13	Internal Fixed Assets	50
14	Nkandla Electricity Upgrade	200
15	Fire Fighting Equipment	511
16	Fire Fighting Equipment	1,553
17	Internal Fixed Assets	230
18	Network Link at Gingindlovu & Melmoth	90
19	Internal Fixed Assets	50
20	E-Venus	448
21	Venus Server System	581
22	Internal Fixed Assets	30
23	Internal Fixed Assets	30
24	Internal Fixed Assets	114
25	Kwambonambi Low Cost Housing Connections	120
26	Kwambonambi Low Cost Housing	1,349
27	Mbonambi Water Phase 1	3,886
28	Greater Mthonjaneni	6,626
29	Regional bulk Scheme (06/07)	1,675
30	Nkandla Hospital	86
31	Nseleni Town Fire Hydrant	300
32	Security at Upper Nseleni Projects	44
33	Mhlana Bulk Water Supply 3B ext.	3,414
34	Vutshini Phase 2	15,285
35	Upper Nseleni Phase 3 B	45,435
36	Mpungose Phase 1D	2,396
37	Middledrift Phase 2	23,932
38	Greater Mthonjaneni Phase 1 & 2 - DWAF	15,200
39	Greater Mthonjaneni Phase 3 - DWAF	2,000
40	Greater Mthonjaneni Regional Bulk Scheme	20,000
41	Melmoth Water Services Network Upgrade	2,624
42	Mtunzini Water Services Network Upgrade	2,038
43	Gingindlovu Water Services Network Upgrade	2,545
44	Eshowe Water Services Network Upgrade	3,716
45	Kwambonambi Water Services Network Upgrade	1,874
46	Mthonjaneni Water Services Network Upgrade	44
47	Nkandla Water Services Network Upgrade	3,055

No	PROJECT NAME/DESCRIPTION	VALUE (R000)
48	Amakhosi Chamber	1,500
49	Eshowe New Industrial Bulk Services	2,000
50	Building Extensions	5,000
51	Building Extensions	21,365
52	Internal Fixed Assets	75
53	Internal Fixed Assets	52
54	Internal Fixed Assets	75
55	Supply Chain Management Stores	1,876
56	Fixed Asset Register System	30
57	Construction of Regional Solid Waste Site	2,156
58	Construction of Regional Solid Waste Site	1,028
59	Ocean View Sewer Upgrade	2,618
60	Internal Fixed Assets	20
	Grand Total	203,065

14. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Bonginkosi, Bhekizenzo Biyela**, municipal manager of **uThungulu District Municipality**, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act to a certain extent with the budget document as set out in schedule A of the regulations including the main tables (A1 - A10), and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name.....

Municipal Manager of.....

Signature.....

Date.....



Executive Committee Board Room

CONTACT DETAILS

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Krugerrand
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Email: budget@uthungulu.co.za



Goedetrouw/Phobane Dam Regional Scheme