

uMLALAZI MUNICIPALITY



DRAFT BUDGET AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) COMMENCING IN 2011/2012 15 MARCH 2011

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BUDGET AND MTREF STARTING 2011/2012

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1. MAYORS' REPORT

The purpose of the mayor's report is to provide a high level summary of the budget that draws on the executive summary and highlights key deliverables during the coming years. The report will address certain fundamental issues such as the eradication of backlogs, commencement of new projects and programmes.

The mayor's report will be tabled at the Council's meeting on 5 May 2011, where the Draft Budget and Medium Term revenue and expenditure Framework (MTREF), will be considered by Council.

The mayor's report will provide the following:

- (a) a summary of the medium-term service delivery objectives and the associated medium term financial implications contained in the annual budget;
- (b) a summary of linkages between the annual budget, the Integrated Development Plan and the political priorities at the national, provincial, district and local levels;
- (c) a summary of infrastructure development objectives;
- (d) a summary of material amendments made to the annual budget after the consultation processes; and

2. **RESOLUTIONS**

Recommended

1. That the Council approve the draft Budget and Medium Term Revenue and Expenditure Framework (MTREF) commencing in 2011/2012, as working documents for the 2011/2012 budget process.
2. That in terms of Section 22 of the Local Government: Municipal Finance Management Act No. 56 of 2003, an advertisement be placed to invite the local community to submit representations in connection with the Medium Term Revenue and Expenditure Framework (MTREF).
3. That Councilors ensure that this working document be discussed at the respective ward committee meetings.

3. EXECUTIVE SUMMARY

In terms of Section 16(2) of the Local Government: Municipal Finance Management Act (LG:MFMA), No. 56 of 2003, the mayor of the municipality must table the annual draft budget at a council meeting at least 30 days before the start of the budget year.

The budget/IDP process occurred according to the budget timetable approved by Council in August 2010. This ensured compliance with the LG: MFMA and subsequent circulars in the preparation and approval of the multi-year budget/IDP.

The Draft Budget and Medium Term Revenue and Expenditure Framework (MTREF) was also prepared taking cognizance of the contents of the Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 54 and the LG:MFMA Budget Formats Guide received from National Treasury.

3.1 Draft Operating Budget

The budget is based on the line item budget system, ie where the current year's expenditure and revenue pattern is used as a basis plus expected changes. The following inflation forecasts were taken into consideration when the draft budget was prepared:

2011/2012	-	4.8%
2012/2013	-	5.3%
2013/2014	-	5.5%

3.1.1 Revenue by source (Table A4- Page 14)

The operating revenue has increased by 16.66% from the 2010/2011 budget year, largely due to increases in revenue from property rates of R2 463 000 service charges of R8 817 000 and grants received of R15 467 000.

Transfers recognized (grants and subsidies) has increased by R15 467 000 and is now 39.48% of the operating revenue.

3.1.2 Tariffs

When the rates tariffs and other charges were revised, the following were taken into account:

- The wage agreements with unions.
- Other input costs of services provided by the Council
- The need to ensure financial sustainability
- Local economic conditions
- The affordability of services, taking into consideration the Council's indigent policy
- Relevant policy developments in the different sectors.

In considering changes in property rates, cognizance was taken of the local economic conditions such as the gradual recovery in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non-payment and increased bad debts.

The uMlalazi Municipality is one of four municipalities in KwaZulu Natal, that completed the second round of re-valuation of properties, to be implemented on 1 July 2011. Efforts are made to keep the revenue growth of the property rates revenue line on 4% and lower.

An investigation is in the process to grant all pensioners a rebate, where the household income will not form part of the criteria to qualify for the rebate.

Council also explored ways of structuring the tariffs for utility services to encourage more efficient use of these services and to generate the resources required to fund the maintenance, renewal and expansion of the infrastructure required to provide the services.

National Treasury continues to encourage the Council to keep increases in rates, tariffs and other charges as low as practically possible. For this reason National Treasury continues to require that the Council must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target.

The Council should note that Section 20 of the LG:MFMA specifically empowers the Minister of Finance to take appropriate steps to ensure that the Council do not materially and unreasonably prejudice national economic policies, particularly those on inflation, administered prices and equity.

The tariff increases under consideration in this draft budget are as follows:

		2011/2012	2012/2013	2013/2014	
*	General Rates	-	21.9%(decrease)	3.74%	4.5%
*	Refuse removal charges	-	10%	10%	10%
*	Sale of electricity	-	16.99% (average)	16.16%	10%

3.1.3 *Transfers recognized (grants and subsidies) are made up as follows:*

	2011/2012	2012/2013	2013/2014
Equitable Share Grant	61 552 620	70 509 000	75 147 900
Municipal Systems Improvement Grant	790 000	800 000	900 000
Establishment of Pound Grant	1 000 000		
Finance Management Grant	1 450 000	1 500 000	1 750 000
uThungulu District Municipality Grant	583 120	618 110	618 110
State Health Subsidy	2 400 000	2 520 000	2 646 000
Municipal Infrastructure Grant (PMU)	950 000	980 000	1 200 000
Museum Subsidy	220 000	234 000	245 000
Library subsidy	143 000	1 503 000	3 023 000
Greenest Municipality grant	400 000		
Other Grants	128 000	128 000	128 000
	70 905 740	78 792 110	85 658 010

3.2.3 *Expenditure by type (Table A4-Page 14)*

3.2.3.1 *Employee related costs and remuneration of councillors.*

The salary increase of 6% is based on the wage agreement which SALGA concluded with municipal workers unions in April 2010.

An increase of 6% is budgeted for the increase for councillor allowances.

The Executive Committee at its meeting held on 1 December 2009, resolved that until such time as and when the report of the staff structure/organogram of the uMlalazi Municipality has been considered and approved by the Executive Committee, no additional posts be created on the staff structure.

Employee related costs has increased by 7.65% and is now 31.23% of the operational budget.

3.2.3.2 Repairs and Maintenance

Provision is made for the following repairs and maintenance:

	2011/2012	2012/2013	2013/2014
Air-conditioning	30 000	35 000	40 000
Buildings	451 650	393 680	413 450
Electricity mains	771 480	848 620	933 490
Electricity sub stations	25 010	27 520	30 270
Fire extinguishers	40 000	50 000	60 000
Fuel and oil	1 535 630	1 612 400	1 693 010
Furniture, plant and equipment	126 740	145 400	153 520
Government grants expenditure	2 200 000	1 558 730	2 000 000
Grounds	131 170	132 720	62 190
Information signs	7 000	8 000	9 000
Office equipment	64 900	68 150	71 540
Roads & Streets	686 300	689 120	723 570
Small plant and equipment	139 650	146 640	153 970
Speed testing equipment	20 920	20 920	20 920
Street lights	207 570	228 330	251 160
Traffic signs	27 700	29 090	30 540
Transport	716 740	754 770	792 670
Other	91 320	25 170	33 890
	7 273 780	6 774 260	7 473 190

3.2.3.3 Bulk purchases for electricity

According to information received from the National Energy Regulator of SA (NERsa) on 24 February 2010;

The following increases are applicable to the Eskom tariffs:

2011/2012	-	26.71%
2012/2013	-	25.9%
2013/2014	-	25.0% (Provisional)

3.2.3.4 Contracted Services

Provision is made for the following contracted services:

	2011/2012	2012/2013	2013/2014
Animal pound facility	1 000 000	552 810	585 980
Archive storage	42 400	44 950	47 640
Bank collections	191 200	200 760	210 800
Cleaning	386 080	408 790	432 890
Computer maintenance	980 230	1 043 710	1 133 330
Grass cutting	1 187 000	1 246 350	1 308 670
Insurance	572 560	606 939	640 940
Internal audit	660 000	660 000	660 000
Medical waste	30 660	32 190	33 800
Pauper burials	20 000	23 000	25 000
Performance management system	150 000	100 000	100 000
Pre paid electricity vending management system	82 850	86 990	91 340
Pre paid electricity vending: commission	245 000	251 500	258 000
Post employment report	22 800	24 200	25 620
Refuse removal contracts	4 066 240	4 329 170	4 609 130
Rental of land	294 190	316 200	74 060
Rental of office equipment	345 640	363 050	381 330
Security	1 872 970	1 972 590	2 077 600

Town planning	462 000	508 200	559 020
Traffic violation system	1 935 310	1 996 460	2 057 610
Valuation costs	300 000	300 000	300 000
Weigh bridge	356 820	380 020	404 720
	15 203 950	15 447 870	16 017 480

3.2.3.5 General Expenses

Provision is made for the following general expenses:

	2011/2012	2012/2013	2013/2014
Advertising	360 000	381 600	400 000
Audit fees (Auditor General)	1 370 070	1 497 370	1 636 830
Bank charges	290 510	305 040	320 290
Bargaining Council levies	16 710	17 710	18 780
Bursaries	70 000	80 000	90 000
Chemicals	29 750	31 240	52 800
Civic expenses	120 000	126 000	132 300
Cleaning material	51 170	53 720	57 430
Conference and delegations	39 000	40 000	41 000
Council's communications	240 000	260 000	280 000
Entertainment expenses	151 820	160 420	169 550
Finance management grant	1 450 000	1 500 000	1 750 000
Free electricity	1 074 610	1 116 150	1 173 310
Free refuse	1 024 730	1 257 430	1 383 170
Government grants expenditure	23 739 350	31 083 000	33 751 810
Grants in aid	417 450	436 070	454 880
Greenest Municipality grant Expenditure	400 000	-	-
Integrated development plan review	100 000	120 000	120 000
Legal expenses	1 105 470	1 160 750	1 218 780
Library books	23 000	25 000	27 000
Licence fees	58 580	60 880	63 320
Loose tools	71 700	28 030	29 410
Medical supplies	168 000	176 400	185 220
Membership fees	352 330	399 920	453 440
Municipal systems improvement grant expenditure	790 000	800 000	900 000
Periodicals and publications	58 540	61 460	64 540
Postage	157 110	164 970	173 220
Printing and stationery	775 560	814 300	856 040
Publicity	66 300	71 620	76 950
Project Management Unit Costs (MIG projects)	950 000	980 000	1 200 000
Rates rebate	11 289 750	11 920 060	11 491 310
Refuse bin liners	304 520	334 970	368 470
Rental of buildings	29 040	29 040	29 040
Road marking	68 440	71 860	75 460
SABS:3% charge	36 970	38 820	40 760
Staff relocation costs	20 000	20 000	20 000
Subsistence & travel	604 500	634 720	666 460
Telephones costs	1 298 340	1 363 260	1 431 420
Training	612 000	612 000	412 000
Ward committees	150 000	156 000	182 000
Weed eradication	634 040	673 390	829 110
Water & sanitation costs	220 500	231 530	243 100
Others	68 400	69 830	74 060
	50 848 200	59 364 560	62 943 260

3.2.3.6 Clinics

The operating costs for the clinics are as follows:

2011/2012	-	R4 012 770
2012/2013	-	R4 302 260
2013/2014	-	R4 639 200

The estimated subsidy allocations from the KZN Department of Health are as follows:

2011/2012	-	R2 400 000
2012/2013	-	R2 520 000
2013/2014	-	R2 646 000

To subsidize the operational costs of the clinics, the following amounts are made available from the equitable share grant:

2011/2012	-	R1 612 770
2012/2013	-	R1 782 260
2013/2014	-	R1 993 200

3.2.3.7 Waste management

It must be noted that the implementation of transfer stations for the refuse to be transferred to a regional site, is an expensive operation. To subsidize the operational costs of the refuse removal service, the following amounts are made available from the equitable share grant:

2011/2012	-	R1 189 180
2012/2013	-	R 571 990
2013/2014	-	R 200 000

3.2 Draft Capital Budget

The following guidelines were applied in order to value and prioritize the capital projects:

- In line with the Council's revised IDP
- Carry over of previously approved projects
- Existing Council's resolutions, statutory requirements and services related benefits.
- Provision was made for the basic capital projects to be funded from the equitable share if actual cash is available.
- Provision was made for the basic capital budget to fall within a expenditure growth limit of 6%.

The draft Capital Budget depicts an amount of R33 263 million which is to be funded as follows:

Equitable Share Grant	-	R10 994 000
Municipal Infrastructure Grant	-	R21 609 000
Department of Minerals & Energy	-	R 660 000

The main capital projects to be funded from National Government Grants are the following:

Crèches	-	R 1 312 980
Sportsfields	-	R 1 827 990
Causeways	-	R 1 225 630
Rural roads	-	R 1 380 000
Urban roads	-	R1 6 432 594
Small Business Development at Eshowe bus & taxi rank	-	R 3 100 000
Electrification: Sunnydale	-	R 660 000
Admin offices (Alpha Control)	-	R 2 000 000

The basic capital projects to be funded from the Council's Equitable Share are the following:

Furniture & Equipment	-	R 1 800 300
Vehicles	-	R 780 000
Cemeteries	-	R 300 000
Buildings	-	R 6 550 000
Roads, Sidewalks & Stormwater	-	R 970 000
Electricity	-	R 593 500

The draft capital budget will be spent on the following categories of assets:

			% of budget
Infrastructure :	Roads	- R19 138 000	58%
	Electricity	- R 1 254 000	4%
	Other	- R 3 750 000	12%
Investment properties		- R 200 000	1%
Community assets		- R 6 341 000	19%
Other assets		- R 2 580 000	8%
Total draft capital expenditure		R33 263 000	

3.3 Financial position of Council

The accumulated surplus of the Council was R154 593 187 as at 30 June 2010. Unfortunately this amount is not cash backed. The surplus for the 2010/2011 and next three years is projected as follows:

2010/2011-	R2 126 000
2011/2012-	R 944 720
2012/2013	R 37 830
2013/2014-	R 908 880

3.4 Alignment with National Priorities

3.4.1 In preparing the draft budget, government's 12 outcomes were taken into account. These outcomes are:

- Improve the quality of basic education
- Improve health and life expectancy
- All people in South Africa protected and feel safe
- Decent employment through inclusive economic growth
- A skilled and capable workforce to support inclusive growth
- An efficient, competitive and responsive economic infrastructure network
- Vibrant, equitable and sustainable rural communities and food security
- Sustainable human settlements and improved quality of household life
- A response and, accountable, effective and efficient local government system.
- Protection and enhancement of environmental assets and natural resources
- A better South Africa, a better and safer Africa and world
- A development orientated public service and inclusive citizenship

These objectives are directly relevant to the municipality. The challenge for the municipality is do more within its existing resource envelope.

3.5 The Municipality's role in employment creation

" Employment is central to human dignity, sustainable economic development and social cohesion. Creating jobs and increasing employment is South Africa's most critical objective.

While there are many policy options to consider, emphasis should be placed on removing the structural impediments to faster job growth. This means aligning real wage growth with productivity, spending up regulatory reform to ensure that young and less skilled workers can access the job market, and ensuring that further education and training programmes provide the real world skills needed by public and private sector employers. Public employment to support service delivery, and public works projects that draw in lower skilled workers, will continue to play an important role. The issue of youth unemployment is imperative and needs to be confronted directly."

Chapter 12 of the Local Government Budget and Expenditure review 2008 analysed the extent to which municipalities were supporting job creation. It is noted that:

" Many activities performed by municipalities lend themselves to providing job opportunities for low and unskilled labour. As indicated, municipalities face critical choices in this regard, whether to adopt capital intensive approaches or labour intensive approaches... Anecdotal information suggests that generally municipalities are inclined to adopt capital intensive approaches. The mechanization of grass cutting, street sweeping, ditch digging, road maintenance and a host of other activities points in this direction. Of course there is balance between job creation, efficiency and cost. This needs to be managed and in each instance the appropriate technology for the task needs to be decided upon, with a bias towards labour intensive approaches. The challenge is to mainstream the labour intensive approaches that are being used in the EPWP projects into the normal way municipalities go about their business of delivering services."

The Council will explore how it can contribute to job creation when revising the IDP and preparing the 2011/2012 budget. However, the Council will not just employ more people without any reference to the level of staffing required to deliver effective services, and what is financially sustainable over the medium term. The Council will focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate
- Ensuring that service providers use labour intensive approaches.
- Supporting labour intensive LED projects;
- Participating fully in the Extended Public Works Programmes; and
- Implementing interns programmes to provide young people with on the job training.

With reference to employment creation, provision is made for the following:

- Contractors that are appointed for Municipal Infrastructure Grant (MIG) projects, are encouraged to make use of local labour;
- R3 726 330 from the equitable share is allocated for LED projects;
- R5 942 020 from the equitable share is allocated for work creation projects;
- The Manager: Engineering Services is investigating how to participate in the Extended Public Works Programme, and
- The Council has appointed five financial interns.

3.6 Key amendments to budget –related policies

3.6.1 Rates Policy

3.6.1.1 The household income for pensioners to qualify for an additional 40% rebate, is increased as follows:

- single persons from R4 200.00 per month to R4 800.00 per month
- married couples from R5 400.00to R6 000.00 per month

3.6.1.2 Residential property owners who are registered annual ratepayers, will receive an additional rebate of 2.5% if the accounts are settled on or before the last working day of September of each financial year.

3.6.2 Indigent Policy

Indigent residents may now apply annually instead of biannually, for indigent relief.

3.6.3 The detail amendments of the budget related polices are tabled under Section 8 of the budget documents.

4. Annual Draft Budget Tables

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KZN284 uMalazi - Table A1 Budget Summary

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Financial Performance										
Property rates	23,469	27,352	32,047	38,314	39,425	39,404	-	40,778	42,261	43,857
Service charges	22,274	29,241	38,025	46,519	46,786	46,786	-	55,335	65,294	76,282
Investment revenue	859	566	393	600	350	350	-	350	350	350
Transfers recognised - operational	33,846	41,744	46,110	55,439	59,845	62,738	-	70,906	78,792	85,658
Other own revenue	10,934	11,597	10,792	13,083	11,661	11,652	-	12,237	12,756	13,328
	91,381	110,499	127,368	153,955	158,067	160,930	-	179,606	199,454	219,475
Total Revenue (excluding capital transfers and contributions)										
Employee costs	31,488	36,546	44,285	51,818	53,449	51,746	-	55,792	59,882	64,185
Remuneration of councillors	9,092	9,871	10,565	11,491	11,083	11,083	-	12,435	13,181	13,971
Depreciation & asset impairment	4,915	5,603	7,265	5,263	7,276	7,276	-	8,004	8,804	9,685
Finance charges	90	43	149	36	517	517	-	892	854	818
Materials and bulk purchases	11,653	14,815	17,812	24,372	20,701	20,701	-	26,231	33,024	41,280
Transfers and grants	238	306	335	359	399	399	-	417	436	455
Other expenditure	36,453	46,509	51,671	60,405	64,226	67,082	-	74,890	83,235	88,171
Total Expenditure	93,928	113,692	132,081	153,743	157,652	158,804	-	178,661	199,416	218,566
Surplus/(Deficit)	(2,546)	(3,193)	(4,713)	212	415	2,126	-	945	38	909
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(2,546)	(3,193)	(4,713)	212	415	2,126	-	945	38	909
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2,546)	(3,193)	(4,713)	212	415	2,126	-	945	38	909
Capital expenditure & funds sources										
Capital expenditure	25,501	23,690	46,546	52,642	35,434	35,434	-	33,263	32,432	40,006
Transfers recognised - capital	19,710	18,905	41,056	52,642	33,126	33,126	-	33,263	32,432	40,006
Borrowing	-	-	5,490	-	2,308	2,308	-	-	-	-
Internally generated funds	5,791	4,785	-	-	-	-	-	-	-	-
Total sources of capital funds	25,501	23,690	46,546	52,642	35,434	35,434	-	33,263	32,432	40,006
Financial position										
Total current assets	32,107	40,104	41,563	28,166	26,171	26,171	-	26,433	26,697	26,964
Total non current assets	140,220	203,792	249,135	248,025	275,710	277,600	-	308,312	338,536	376,223
Total current liabilities	17,514	26,949	32,563	16,374	16,649	16,649	-	16,815	16,984	17,153
Total non current liabilities	7,949	10,681	18,420	11,928	14,599	14,599	-	14,745	14,892	15,041
Community wealth/Equity	146,864	206,265	239,714	247,889	270,633	272,523	-	303,184	333,357	370,992
Cash flows										
Net cash from (used) operating	10,128	16,127	42,840	54,527	13,937	13,937	-	33,309	32,525	40,199
Net cash from (used) investing	(10,287)	(18,629)	(46,319)	200	(29,459)	(29,459)	-	(33,098)	(32,267)	(39,842)
Net cash from (used) financing	(1,309)	(327)	(31)	(430)	2,297	2,297	-	(336)	(340)	(342)
Cash/cash equivalents at the year end	522	(2,307)	(5,817)	77,727	(9,980)	(9,980)	3,245	297	215	230
Cash backing/surplus reconciliation										
Cash and investments available	9,617	13,681	18,953	8,697	11,329	11,329	-	11,442	11,557	11,672
Application of cash and investments	4,164	14,400	12,168	4,142	7,962	7,959	-	2,170	3,336	4,735
Balance - surplus (shortfall)	5,454	(719)	6,785	4,555	3,367	3,370	-	9,272	8,220	6,937
Asset management										
Asset register summary (WDV)	30,335	29,621	53,304	59,573	41,107	42,997	42,516	42,516	42,357	50,426
Depreciation & asset impairment	4,915	5,603	7,265	5,263	7,276	7,276	8,004	8,004	8,804	9,685
Renewal of Existing Assets	4,413	2,483	1,863	2,689	2,689	2,689	2,417	2,417	1,718	1,693
Repairs and Maintenance	2,507	6,671	5,097	5,215	5,706	5,757	7,274	7,274	6,774	7,473
Free services										
Revenue cost of free services provided	6,559	7,709	12,836	12,955	14,313	14,313	11,237	11,237	11,846	11,331
Households below minimum service level										
Energy:	412,000	474,000	461,000	583,000	583,000	583,000	584,000	584,000	584,000	584,000
Refuse:	2,000	2,000	2,000	2,000	2,000	2,000	-	-	-	-

KZN284 uMlalazi - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		52,534	58,931	62,460	78,561	80,281	81,760	83,450	89,460	95,080
Executive and council		50,698	56,841	60,254	76,271	77,773	79,253	80,696	86,699	92,099
Budget and treasury office		1,432	1,815	2,072	2,182	2,380	2,380	2,607	2,593	2,793
Corporate services		404	275	134	108	128	127	147	168	188
<i>Community and public safety</i>		7,808	13,898	17,192	15,650	17,167	18,574	22,208	21,568	24,531
Community and social services		254	255	1,282	1,308	1,570	1,726	3,024	3,421	5,357
Sport and recreation		2,479	1,521	1,964	2,008	2,436	2,436	4,599	5,080	5,524
Public safety		956	3,412	4,312	4,632	4,143	4,894	5,530	5,979	6,217
Housing		192	3,657	4,251	1,953	2,465	2,965	3,060	167	175
Health		3,927	5,053	5,383	5,749	6,553	6,553	5,996	6,920	7,257
<i>Economic and environmental services</i>		5,617	5,746	6,760	8,219	8,455	8,455	10,380	15,178	16,306
Planning and development		329	364	658	1,030	1,051	1,051	1,481	1,118	1,345
Road transport		5,288	5,381	6,102	7,189	7,403	7,403	8,899	14,060	14,961
<i>Trading services</i>		25,422	31,924	40,955	51,526	52,164	52,142	63,567	73,249	83,559
Electricity		20,992	26,404	33,782	42,130	42,440	42,418	53,714	62,513	72,193
Waste water management		2	1	2	1	1	1	1	1	1
Waste management		4,428	5,520	7,171	9,395	9,723	9,723	9,852	10,735	11,364
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	91,381	110,499	127,368	153,955	158,067	160,930	179,605	199,454	219,475
Expenditure - Standard										
<i>Governance and administration</i>		39,683	44,393	49,960	56,589	61,085	62,615	64,465	70,663	75,740
Executive and council		32,984	36,074	40,042	45,191	49,551	51,247	51,869	57,264	61,278
Budget and treasury office		3,869	4,956	6,304	7,168	7,312	7,351	8,211	8,707	9,441
Corporate services		2,830	3,363	3,614	4,230	4,221	4,017	4,386	4,692	5,021
<i>Community and public safety</i>		19,344	27,464	31,982	34,971	37,188	37,522	41,323	42,164	45,103
Community and social services		2,196	2,382	3,905	4,677	4,975	4,891	4,826	5,409	6,108
Sport and recreation		6,787	6,022	6,498	7,807	8,290	7,798	10,443	11,352	12,332
Public safety		5,414	9,153	10,714	12,897	13,367	13,896	14,961	16,130	16,848
Housing		113	3,633	4,241	1,943	2,439	2,939	3,044	147	150
Health		4,834	6,274	6,624	7,647	8,117	7,998	8,049	9,126	9,665
<i>Economic and environmental services</i>		7,771	8,961	10,261	12,543	13,362	12,829	16,208	21,334	22,850
Planning and development		716	1,339	1,795	2,585	2,605	2,355	3,025	2,756	3,086
Road transport		7,055	7,622	8,466	9,958	10,757	10,474	13,183	18,578	19,764
<i>Trading services</i>		26,810	32,536	39,584	49,297	45,677	45,510	56,125	64,785	74,367
Electricity		20,601	25,095	29,098	37,440	34,120	33,990	44,244	51,943	60,630
Waste water management		252	285	383	414	414	383	407	433	461
Waste management		5,957	7,157	10,102	11,442	11,143	11,137	11,474	12,408	13,275
<i>Other</i>	4	319	338	293	343	341	329	539	471	507
Total Expenditure - Standard	3	93,927	113,692	132,080	153,743	157,652	158,804	178,661	199,416	218,566
Surplus/(Deficit) for the year		(2,546)	(3,193)	(4,713)	212	415	2,126	945	38	909

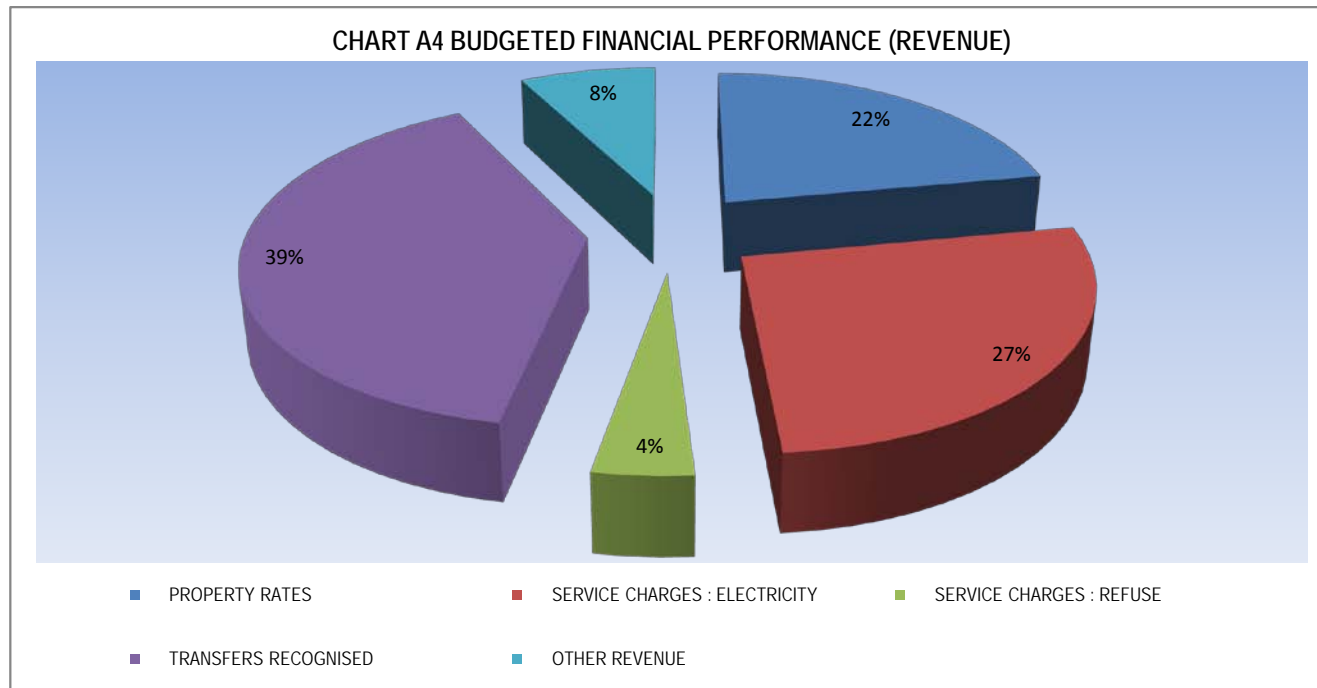
KZN284 uMlalazi - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue by Vote										
Vote1 - EXECUTIVE AND COUNCIL	1	50,698	56,841	60,254	76,271	77,773	79,253	80,696	86,699	92,099
Vote2 - BUDGET AND TREASURY OFFICE		1,432	1,815	2,072	2,182	2,380	2,380	2,607	2,593	2,793
Vote3 - CORPORATE SERVICES		441	330	1,161	1,088	1,358	1,521	1,346	1,671	2,096
Vote4 - PLANNING AND DEVELOPMENT		329	364	658	1,030	1,051	1,051	1,481	1,118	1,345
Vote5 - HEALTH		3,927	5,053	5,383	5,749	6,553	6,553	5,996	6,920	7,257
Vote6 - COMMUNITY AND SOCIAL SERVICES		217	200	255	328	340	333	1,825	1,918	3,449
Vote7 - HOUSING		192	3,657	4,251	1,953	2,465	2,965	3,060	167	175
Vote8 - PUBLIC SAFETY		956	3,412	4,312	4,632	4,143	4,894	5,530	5,979	6,217
Vote9 - SPORTS AND RECREATION		2,480	1,521	1,964	2,008	2,436	2,436	4,599	5,080	5,524
Vote10 - WASTE MANAGEMENT		4,430	5,520	7,173	9,396	9,724	9,724	9,853	10,736	11,365
Vote11 - ROAD TRANSPORT		5,288	5,381	6,102	7,189	7,403	7,403	8,899	14,060	14,961
Vote12 - ELECTRICITY		20,991	26,404	33,782	42,130	42,440	42,418	53,714	62,513	72,193
Vote13 - AIR TRANSPORT		-	-	-	-	-	-	-	-	-
Vote14 - WORKSHOP		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	91,381	110,499	127,368	153,955	158,067	160,930	179,605	199,454	219,475
Expenditure by Vote to be appropriated										
Vote1 - EXECUTIVE AND COUNCIL	1	32,984	36,074	40,042	45,191	49,551	51,247	51,869	57,264	61,278
Vote2 - BUDGET AND TREASURY OFFICE		3,869	4,956	6,304	7,168	7,312	7,351	8,211	8,707	9,441
Vote3 - CORPORATE SERVICES		3,803	4,357	5,551	6,294	6,534	6,462	6,860	7,567	8,405
Vote4 - PLANNING AND DEVELOPMENT		716	1,339	1,795	2,585	2,605	2,355	3,025	2,756	3,086
Vote5 - HEALTH		4,835	6,274	6,624	7,647	8,117	7,998	8,049	9,126	9,665
Vote6 - COMMUNITY AND SOCIAL SERVICES		1,224	1,388	1,968	2,614	2,662	2,445	2,352	2,534	2,724
Vote7 - HOUSING		113	3,633	4,241	1,943	2,439	2,939	3,044	147	150
Vote8 - PUBLIC SAFETY		5,413	9,153	10,714	12,897	13,367	13,896	14,961	16,130	16,848
Vote9 - SPORTS AND RECREATION		6,787	6,022	6,498	7,807	8,290	7,798	10,443	11,352	12,332
Vote10 - WASTE MANAGEMENT		6,208	7,442	10,486	11,857	11,557	11,520	11,881	12,841	13,737
Vote11 - ROAD TRANSPORT		7,055	7,622	8,466	9,958	10,757	10,474	13,183	18,578	19,764
Vote12 - ELECTRICITY		20,598	25,095	29,098	37,440	34,120	33,990	44,244	51,943	60,630
Vote13 - AIR TRANSPORT		9	14	9	11	9	9	11	12	12
Vote14 - WORKSHOP		313	324	284	332	332	320	528	459	494
Total Expenditure by Vote	2	93,927	113,692	132,080	153,743	157,652	158,804	178,661	199,416	218,566
Surplus/(Deficit) for the year	2	(2,546)	(3,193)	(4,713)	212	415	2,126	945	38	909

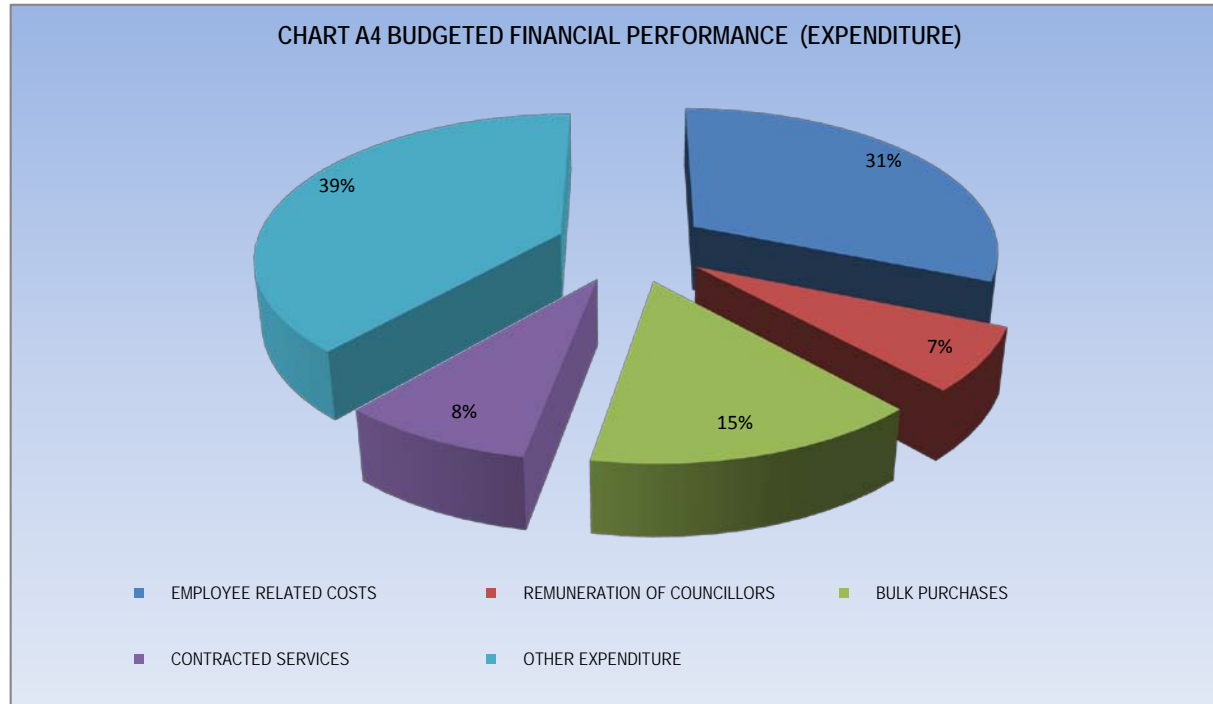
KZN284 uMlalazi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2007/8			2008/9			2009/10			Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14						
R thousand	1																
Revenue By Source																	
Property rates	2	22,671	26,432	31,005	37,364	38,282	38,262	-	39,661	41,212	42,860						
Property rates - penalties & collection charges		797	920	1,042	950	1,143	1,143		1,116	1,049	997						
Service charges - electricity revenue	2	18,597	24,475	32,722	40,520	40,555	40,555	-	48,171	56,896	67,043						
Service charges - refuse revenue	2	3,677	4,766	5,303	5,999	6,231	6,231	-	7,165	8,399	9,238						
Rental of facilities and equipment		891	775	1,447	1,011	1,286	1,299		1,335	1,412	1,494						
Interest earned - external investments		859	566	393	600	350	350		350	350	350						
Fines		967	2,303	3,709	4,230	3,709	3,709		3,904	4,100	4,306						
Licences and permits		3	5	2,320	12	2,915	2,914		3,060	3,212	3,373						
Transfers recognised - operational		33,846	41,744	46,110	55,439	59,845	62,738		70,906	78,792	85,658						
Other revenue	2	6,343	7,799	3,263	7,629	3,551	3,529	-	3,738	3,832	3,955						
Gains on disposal of PPE		2,730	715	53	200	200	200		200	200	200						
Total Revenue (excluding capital transfers and contributions)		91,381	110,499	127,368	153,955	158,067	160,930	-	179,606	199,454	219,475						
Expenditure By Type																	
Employee related costs	2	31,488	36,546	44,285	51,818	53,449	51,746	-	55,792	59,882	64,185						
Remuneration of councillors		9,092	9,871	10,565	11,491	11,083	11,083		12,435	13,181	13,971						
Depreciation & asset impairment	2	4,915	5,603	7,265	5,263	7,276	7,276	-	8,004	8,804	9,685						
Finance charges		90	43	149	36	517	517		892	854	818						
Bulk purchases	2	11,653	14,815	17,812	24,372	20,701	20,701	-	26,231	33,024	41,280						
Contracted services		5,410	9,249	11,175	13,921	13,391	13,707	-	15,204	15,448	16,017						
Transfers and grants		238	306	335	359	399	399		417	436	455						
Other expenditure	4, 5	31,043	37,260	40,488	46,484	50,835	53,375	-	59,686	67,787	72,154						
Loss on disposal of PPE				8					-								
Total Expenditure		93,928	113,692	132,081	153,743	157,652	158,804	-	178,661	199,416	218,566						
Surplus/(Deficit)		(2,546)	(3,193)	(4,713)	212	415	2,126	-	945	38	909						
Transfers recognised - capital																	
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-						
Contributed assets																	
Surplus/(Deficit) after capital transfers & contributions		(2,546)	(3,193)	(4,713)	212	415	2,126	-	945	38	909						
Taxation																	
Surplus/(Deficit) after taxation		(2,546)	(3,193)	(4,713)	212	415	2,126	-	945	38	909						
Attributable to minorities																	
Surplus/(Deficit) attributable to municipality		(2,546)	(3,193)	(4,713)	212	415	2,126	-	945	38	909						
Share of surplus/ (deficit) of associate	7																
Surplus/(Deficit) for the year		(2,546)	(3,193)	(4,713)	212	415	2,126	-	945	38	909						

CHART A4 BUDGETED FINANCIAL PERFORMANCE (REVENUE)	
2011/2012 Budget	
DESCRIPTION	BUDGET YEAR 2011/2012 R'000
REVENUE BY SOURCE	
PROPERTY RATES	39661
SERVICE CHARGES : ELECTRICITY	48171
SERVICE CHARGES : REFUSE	7165
TRANSFERS RECOGNISED	70906
OTHER REVENUE	13703
TOTAL REVENUE	179606



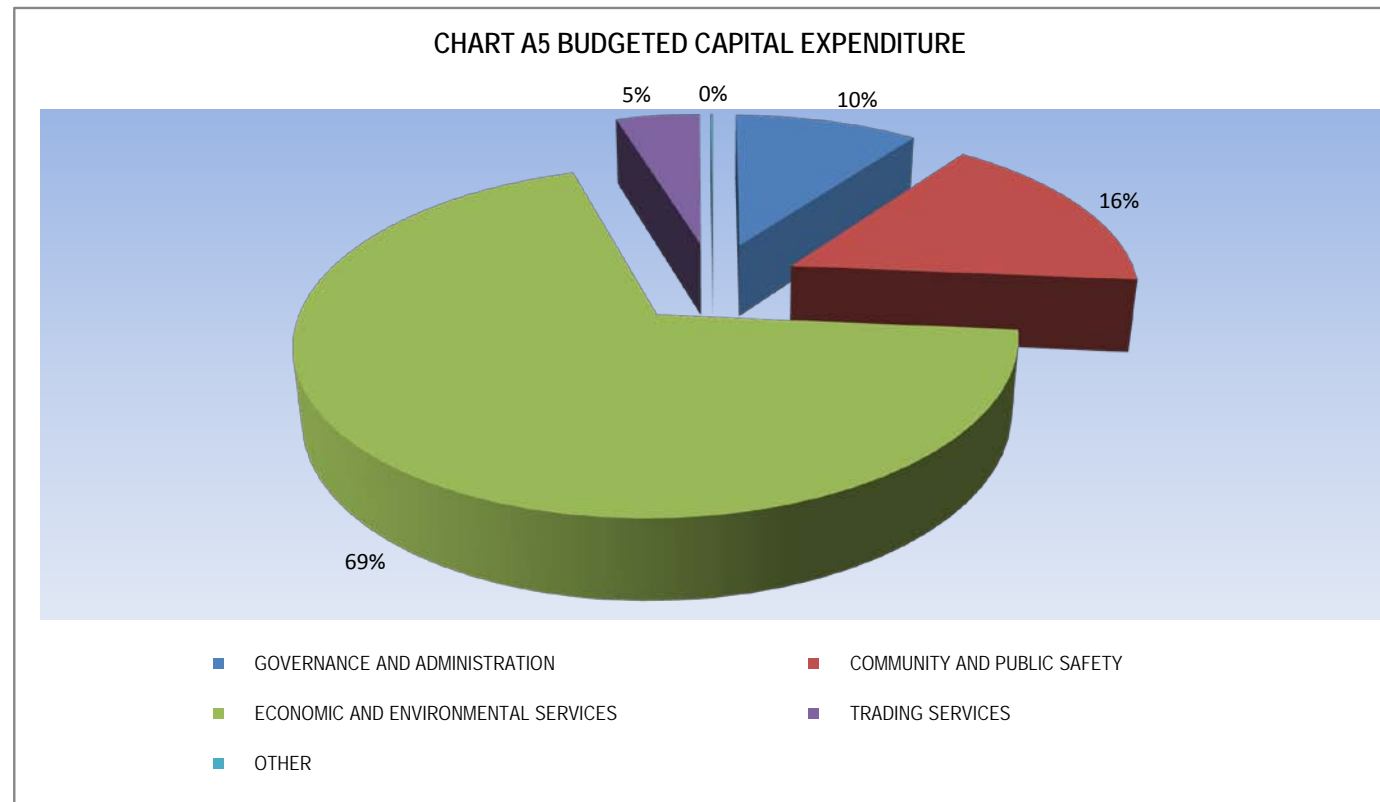
2011/2012 Budget	
DESCRIPTION	BUDGET YEAR 2011/2012 R'000
EXPENDITURE BY TYPE	
EMPLOYEE RELATED COSTS	55792
REMUNERATION OF COUNCILLORS	12435
BULK PURCHASES	26231
CONTRACTED SERVICES	15204
OTHER EXPENDITURE	68999
TOTAL EXPENDITURE	178661



KZN284 uMlalazi - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure - to be appropriated	2										
Vote1 - EXECUTIVE AND COUNCIL		2,133	45	278	285	228	228	-	79	74	406
Vote2 - BUDGET AND TREASURY OFFICE		167	290	116	130	250	250	-	609	373	411
Vote3 - CORPORATE SERVICES		1,589	721	308	3,392	3,170	3,170	-	2,665	940	1,880
Vote4 - PLANNING AND DEVELOPMENT		19	17	52	35	35	35	-	225	80	-
Vote5 - HEALTH		22	-	23	70	147	147	-	120	50	-
Vote6 - COMMUNITY AND SOCIAL SERVICES		112	5,082	2,404	3,017	3,440	3,440	-	1,673	355	370
Vote7 - HOUSING		39	-	-	20,000	-	-	-	-	-	-
Vote8 - PUBLIC SAFETY		233	1,568	2,002	1,249	650	650	-	892	580	935
Vote9 - SPORTS AND RECREATION		145	4,124	3,337	4,030	3,803	3,803	-	2,728	640	841
Vote10 - WASTE MANAGEMENT		1,811	1,264	8,843	3,246	3,270	3,270	-	280	80	1,445
Vote11 - ROAD TRANSPORT		18,461	10,398	26,781	13,337	16,988	16,988	-	22,693	27,360	30,980
Vote12 - ELECTRICITY		769	177	2,374	3,792	3,392	3,392	-	1,254	1,860	2,738
Vote13 - AIR TRANSPORT		-	-	-	-	-	-	-	-	-	-
Vote14 - WORKSHOP		-	4	30	60	60	60	-	45	40	-
Capital multi-year expenditure sub-total	7	25,501	23,690	46,546	52,642	35,434	35,434	-	33,263	32,432	40,006
Total Capital Expenditure - Vote		25,501	23,690	46,546	52,642	35,434	35,434	-	33,263	32,432	40,006
Capital Expenditure - Standard											
Governance and administration		3,890	1,056	702	3,807	3,648	3,648	-	3,353	1,387	2,697
Executive and council		2,133	45	278	285	228	228	-	79	74	406
Budget and treasury office		167	290	116	130	250	250	-	609	373	411
Corporate services		1,589	721	308	3,392	3,170	3,170	-	2,665	940	1,880
Community and public safety		551	10,775	7,766	28,365	8,040	8,040	-	5,413	1,625	2,146
Community and social services		112	5,082	2,404	3,017	3,440	3,440	-	1,673	355	370
Sport and recreation		145	4,124	3,337	4,030	3,803	3,803	-	2,728	640	841
Public safety		233	1,568	2,002	1,249	650	650	-	892	580	935
Housing		39	-	-	20,000	-	-	-	-	-	-
Health		22	-	23	70	147	147	-	120	50	-
Economic and environmental services		18,480	10,414	26,832	13,372	17,023	17,023	-	22,918	27,440	30,980
Planning and development		19	17	52	35	35	35	-	225	80	-
Road transport		18,461	10,398	26,781	13,337	16,988	16,988	-	22,693	27,360	30,980
Trading services		2,580	1,441	11,217	7,038	6,662	6,662	-	1,534	1,940	4,183
Electricity		769	177	2,374	3,792	3,392	3,392	-	1,254	1,860	2,738
Waste management		1,811	1,264	8,843	3,246	3,270	3,270	-	280	80	1,445
Other		-	4	30	60	60	60	-	45	40	-
Total Capital Expenditure - Standard	3	25,501	23,690	46,546	52,642	35,434	35,434	-	33,263	32,432	40,006
Funded by:											
National Government		19,626	18,905	41,033	52,642	33,126	33,126		33,263	32,432	40,006
Provincial Government		84									
District Municipality				24							
Other transfers and grants											
Transfers recognised - capital	4	19,710	18,905	41,056	52,642	33,126	33,126	-	33,263	32,432	40,006
Public contributions & donations	5										
Borrowing	6			5,490		2,308	2,308				
Internally generated funds		5,791	4,785								
Total Capital Funding	7	25,501	23,690	46,546	52,642	35,434	35,434	-	33,263	32,432	40,006

CHART A5 BUDGETED CAPITAL EXPENDITURE BY STANDARD CLASSIFICATION	
2011/2012 Budget	
DESCRIPTION	BUDGET YEAR 2011/2012 R'000
GOVERNANCE AND ADMINISTRATION	3,353
COMMUNITY AND PUBLIC SAFETY	5,413
ECONOMIC AND ENVIRONMENTAL SERVICES	22,918
TRADING SERVICES	1,534
OTHER	45
TOTAL EXPENDITURE	33,263



KZN284 uMlalazi - Table A6 Budgeted Financial Position

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
ASSETS											
Current assets											
Cash		28	26	3,510	28	608	608		614	620	626
Call investment deposits	1	11,165	15,987	15,441	10,720	10,720	10,720	-	10,827	10,935	11,045
Consumer debtors	1	18,939	21,170	19,790	15,499	11,906	11,906	-	12,025	12,145	12,267
Other debtors		488	1,067	794	418	418	418		422	426	431
Current portion of long-term receivables		5	23	19	19	19	19		19	19	20
Inventory	2	1,482	1,830	2,009	1,482	2,500	2,500		2,525	2,550	2,576
Total current assets		32,107	40,104	41,563	28,166	26,171	26,171	-	26,433	26,697	26,964
Non current assets											
Long-term receivables		982	981	958	979	979	979		989	999	1,009
Investments		1	1	1	1	1	1		1	1	1
Investment property		4,834	5,931	6,735	8,821	7,535	9,425		9,425	9,896	10,391
Investment in Associate									-	-	-
Property, plant and equipment	3	134,402	196,879	241,419	238,224	267,167	267,167	-	297,869	327,611	364,793
Intangible				23		28	28		28	29	29
Other non-current assets									-	-	-
Total non current assets		140,220	203,792	249,135	248,025	275,710	277,600	-	308,312	338,536	376,223
TOTAL ASSETS		172,327	243,895	290,698	276,191	301,881	303,771	-	334,745	365,233	403,187
LIABILITIES											
Current liabilities											
Bank overdraft	1	1,576	2,333	-	2,052	-	-		-	-	-
Borrowing	4	228	79	170	87	343	343	-	346	350	353
Consumer deposits		778	728	776	820	1,007	1,007		1,017	1,027	1,038
Trade and other payables	4	14,545	23,272	29,132	12,815	12,815	12,815	-	12,943	13,073	13,203
Provisions		387	537	2,485	600	2,484	2,484		2,509	2,534	2,559
Total current liabilities		17,514	26,949	32,563	16,374	16,649	16,649	-	16,815	16,984	17,153
Non current liabilities											
Borrowing		79	717	3,755	3,500	6,171	6,171	-	6,233	6,295	6,358
Provisions		7,870	9,964	14,666	8,428	8,428	8,428	-	8,512	8,597	8,683
Total non current liabilities		7,949	10,681	18,420	11,928	14,599	14,599	-	14,745	14,892	15,041
TOTAL LIABILITIES		25,463	37,630	50,983	28,302	31,248	31,248	-	31,560	31,876	32,195
NET ASSETS	5	146,864	206,265	239,714	247,889	270,633	272,523	-	303,184	333,357	370,992
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		48,873	125,843	154,593	143,959	166,703	168,593		198,215	227,338	263,913
Reserves	4	97,991	80,422	85,121	103,930	103,930	103,930	-	104,969	106,019	107,079
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	146,864	206,265	239,714	247,889	270,633	272,523	-	303,184	333,357	370,992

KZN284 uMlalazi - Table A7 Budgeted Cash Flows

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		48,821	51,614	125,339	96,199	91,934	91,934		148,942	150,417	152,026
Government - operating	1	37,653	33,846	46,110	53,148	67,114	67,114		75,738	78,792	85,658
Government - capital	1	10,287	18,821	6,373	43,731	9,781	9,781		22,284	26,115	31,314
Interest		1,538	859	896	600	517	517		350	350	350
Dividends											
Payments											
Suppliers and employees		(87,723)	(88,685)	(135,460)	(138,758)	(154,657)	(154,657)		(212,696)	(221,859)	(227,876)
Finance charges		(248)	(90)	(149)	(36)	(353)	(353)		(892)	(854)	(818)
Transfers and Grants	1	(200)	(238)	(270)	(357)	(399)	(399)		(417)	(436)	(455)
NET CASH FROM/(USED) OPERATING ACTIVITIES		10,128	16,127	42,840	54,527	13,937	13,937	-	33,309	32,525	40,199
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			2,730	228	200	200	200		200	200	200
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables									(10)	(10)	(10)
Decrease (increase) in non-current investments											
Payments											
Capital assets		(10,287)	(21,359)	(46,546)		(29,659)	(29,659)		(33,288)	(32,457)	(40,032)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(10,287)	(18,629)	(46,319)	200	(29,459)	(29,459)	-	(33,098)	(32,267)	(39,842)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing						2,418	2,418				
Increase (decrease) in consumer deposits		52	4	48	20	231	231		10	10	11
Payments											
Repayment of borrowing		(1,361)	(331)	(79)	(450)	(352)	(352)		(346)	(350)	(353)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,309)	(327)	(31)	(430)	2,297	2,297	-	(336)	(340)	(342)
NET INCREASE/ (DECREASE) IN CASH HELD		(1,468)	(2,829)	(3,510)	54,297	(13,225)	(13,225)	-	(125)	(82)	15
Cash/cash equivalents at the year begin:	2	1,990	522	(2,307)	23,430	3,245	3,245	3,245	422	297	215
Cash/cash equivalents at the year end:	2	522	(2,307)	(5,817)	77,727	(9,980)	(9,980)	3,245	297	215	230

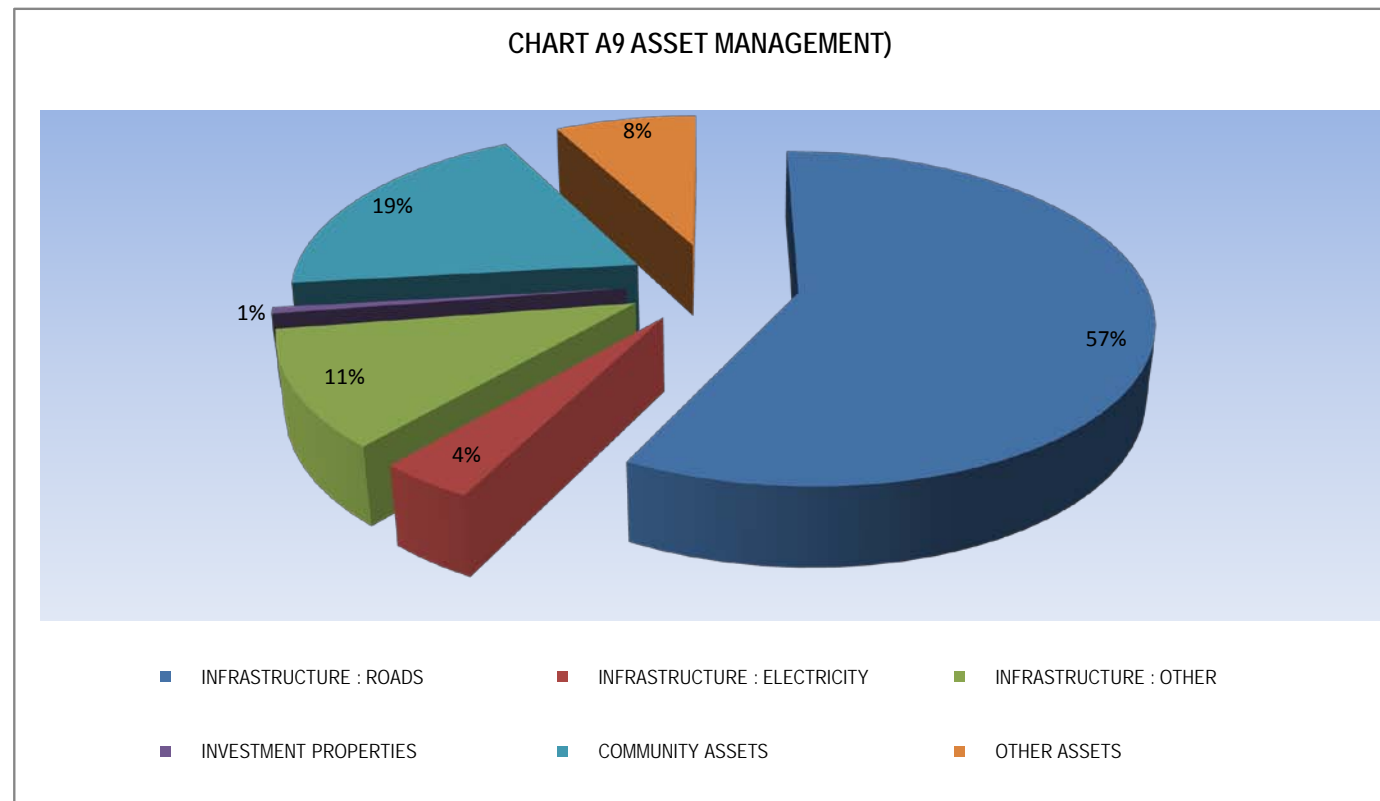
KZN284 uMlalazi - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Cash and investments available											
Cash/cash equivalents at the year end	1	522	(2,307)	(5,817)	77,727	(9,980)	(9,980)	3,245	297	215	230
Other current investments > 90 days		9,094	15,987	24,769	(69,031)	21,308	21,308	(3,245)	11,144	11,341	11,441
Non current assets - Investments	1	1	1	1	1	1	1	-	1	1	1
Cash and investments available:		9,617	13,681	18,953	8,697	11,329	11,329	-	11,442	11,557	11,672
Application of cash and investments											
Unspent conditional transfers		5,689	7,738	14,111	6,267	5,767	5,767	-	5,825	5,883	5,942
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	(1,526)	6,662	(1,944)	(2,125)	2,195	2,192	-	(3,655)	(2,546)	(1,207)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		4,164	14,400	12,168	4,142	7,962	7,959	-	2,170	3,336	4,735
Surplus(shortfall)		5,454	(719)	6,785	4,555	3,367	3,370	-	9,272	8,220	6,937

KZN284 uMlalazi - Table A9 Asset Management

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	21,088	21,207	44,683	49,953	32,745	32,745	30,846	30,714	38,313
Infrastructure - Road transport		16,106	8,158	24,905	11,422	14,874	14,874	18,168	21,149	22,289
Infrastructure - Electricity		-	72	1,831	3,210	2,810	2,810	1,254	1,660	2,738
Infrastructure - Other		1,760	1,238	8,334	3,116	3,140	3,140	3,550	5,006	6,734
Infrastructure		17,866	9,469	35,071	17,748	20,824	20,824	22,972	27,815	31,761
Community		2,142	10,657	6,120	27,981	7,374	7,374	5,441	300	3,091
Investment properties		-	-	-	1,890	1,890	1,890	200	-	-
Other assets	6	1,080	1,082	3,491	2,334	2,657	2,657	2,233	2,599	3,461
Total Renewal of Existing Assets	2	4,413	2,483	1,863	2,689	2,689	2,689	2,417	1,718	1,693
Infrastructure - Road transport		2,265	1,761	1,388	1,375	1,375	1,375	970	1,065	1,087
Infrastructure - Electricity		769	105	112	582	582	582	-	-	-
Infrastructure - Other		1,164	256	164	5	5	5	200	80	-
Infrastructure		4,198	2,121	1,664	1,962	1,962	1,962	1,170	1,145	1,087
Community		-	223	-	500	500	500	900	200	200
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	215	139	200	227	227	227	347	373	406
Total Capital Expenditure	4	18,371	9,919	26,294	12,797	16,249	16,249	19,138	22,214	23,376
Infrastructure - Road transport		769	177	1,943	3,792	3,392	3,392	1,254	1,660	2,738
Infrastructure - Electricity		2,924	1,494	8,498	3,121	3,145	3,145	3,750	5,086	6,734
Infrastructure - Other		22,064	11,590	36,735	19,710	22,786	22,786	24,142	28,960	32,848
Infrastructure		2,142	10,880	6,120	28,481	7,874	7,874	6,341	500	3,291
Community		-	-	-	1,890	1,890	1,890	200	-	-
Investment properties		-	-	-	1,890	1,890	1,890	200	-	-
Other assets		1,295	1,220	3,691	2,561	2,884	2,884	2,580	2,972	3,867
TOTAL CAPITAL EXPENDITURE - Asset class	2	25,501	23,690	46,546	52,642	35,434	35,434	33,263	32,432	40,006
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	18,371	9,919	26,294	12,797	16,249	16,249	19,138	22,214	23,376
Infrastructure - Electricity		769	177	1,943	3,792	3,392	3,392	1,254	1,660	2,738
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		2,924	1,494	8,498	3,121	3,145	3,145	3,750	5,086	6,734
Infrastructure		22,064	11,590	36,735	19,710	22,786	22,786	24,142	28,960	32,848
Community		2,142	10,880	6,120	28,481	7,874	7,874	6,341	500	3,291
Investment properties		-	-	-	1,890	1,890	1,890	200	-	-
Other assets		1,295	1,220	3,691	2,561	2,884	2,884	2,580	2,972	3,867
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	25,501	23,690	46,546	52,642	35,434	35,434	33,263	32,432	40,006
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		4,915	5,603	7,265	5,263	7,276	7,276	8,004	8,804	9,685
Repairs and Maintenance by Asset Class	3	2,507	6,671	5,097	5,215	5,706	5,757	7,274	6,774	7,473
Infrastructure - Road transport		313	941	1,721	1,794	2,074	2,074	1,453	2,632	3,127
Infrastructure - Electricity		413	638	946	1,016	1,032	1,057	1,155	1,263	1,381
Infrastructure - Other		120	898	573	328	410	429	451	474	497
Infrastructure		846	2,477	3,240	3,138	3,516	3,560	3,059	4,369	5,006
Community		1,312	2,731	1,550	1,570	1,637	1,651	3,560	1,821	1,852
Other assets	6,7	349	1,464	307	507	553	545	655	585	615
TOTAL EXPENDITURE OTHER ITEMS		7,422	12,274	12,362	10,478	12,982	13,033	15,278	15,579	17,158
<i>Renewal of Existing Assets as % of total capex</i>		17.3%	10.5%	4.0%	5.1%	7.6%	7.6%	7.3%	5.3%	4.2%
<i>Renewal of Existing Assets as % of deprecn"</i>		89.8%	44.3%	25.6%	51.1%	37.0%	37.0%	30.2%	19.5%	17.5%
<i>R&M as a % of PPE</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and R&M as a % of PPE</i>		27.0%	39.0%	15.0%	15.0%	24.0%	24.0%	29.0%	26.0%	23.0%

CHART A9 ASSET MANAGEMENT	
2011/2012 Budget	
DESCRIPTION	BUDGET YEAR 2011/2012 R'000
ASSET REGISTER SUMMARY	
INFRASTRUCTURE : ROADS	19138
INFRASTRUCTURE : ELECTRICITY	1254
INFRASTRUCTURE : OTHER	3750
INVESTMENT PROPERTIES	200
COMMUNITY ASSETS	6341
OTHER ASSETS	2580
TOTAL CAPITAL EXPENDITURE	33263



KZN284 uMlalazi - Table A10 Basic service delivery measurement

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Household service targets (000)										
<u>Energy:</u>										
Electricity (at least min.service level)	1	1,074	991	1,412	1,552	1,552	1,552	1,707	1,878	1,880
Electricity - prepaid (min.service level)		2,496	2,772	3,949	4,340	4,340	4,340	4,115	4,115	4,115
<i>Minimum Service Level and Above sub-total</i>		3,570	3,763	5,361	5,892	5,892	5,892	5,822	5,993	5,995
Other energy sources		412	474	461	583	583	583	584	584	584
<i>Below Minimum Service Level sub-total</i>		412	474	461	583	583	583	584	584	584
Total number of households	5	3,982	4,237	5,822	6,475	6,475	6,475	6,406	6,577	6,579
<u>Refuse:</u>										
Removed at least once a week		2,974	4,042	5,820	6,473	6,473	6,473	929	1,015	1,015
<i>Minimum Service Level and Above sub-total</i>		2,974	4,042	5,820	6,473	6,473	6,473	929	1,015	1,015
Using communal refuse dump		2	2	2	2	2	2	-	-	-
<i>Below Minimum Service Level sub-total</i>		2	2	2	2	2	2	-	-	-
Total number of households	5	2,976	4,044	5,822	6,475	6,475	6,475	929	1,015	1,015
Households receiving Free Basic Service										
Electricity/other energy (50kwh per household per month)	7							2,404	2,404	2,404
Refuse (removed at least once a week)								929	1,015	1,015
Highest level of free service provided										
Property rates (R value threshold)		50	50	50	50	50	50	50	50	50
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)										
Property rates (R15 000 threshold rebate)	9	5,888	6,899		4,947	5,304	5,304	672	699	727
Property rates (other exemptions, reductions and rebates)				11,766	6,477	6,986	6,986	8,475	8,774	8,048
Electricity/other energy		353	401	611	972	1,179	1,179	1,065	1,116	1,173
Refuse		318	409	459	559	844	844	1,025	1,257	1,383
Total revenue cost of free services provided (total social package)		6,559	7,709	12,836	12,955	14,313	14,313	11,237	11,846	11,331

5. OVERVIEW OF ANNUAL BUDGET PROCESS

5.1 Process to prepare the draft budget

The budget and IDP process occurred according to the budget timetable approved by Council in August 2010. The Draft Budget and MTREF was also prepared taking cognizance of the contents of the LG: MFMA, Act No. 56 of 2003, Circular No.54 and the LG: MFMA Budget Formats Guide received from National Treasury.

5.2 Draft Service Delivery and Budget Implementation Plan

Section 1 of the Local Government: Municipal Finance Management Act (No.56 of 2003) defines the SDBIP as:

- “ a detailed plan approved by the mayor of a municipality in terms of section 53 (1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:
- (a) projections for each month of-
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
 - (b) service delivery targets and performance indicators for each quarter”.

The municipal manager is responsible for the preparation of the SDBIP, which must be legally submitted to the mayor for approval once the budget has been approved by the council (around end-May or early-June). However, the municipal manager should start the process to prepare the top-layer of the SDBIP no later than the tabling of the budget (around March or earlier) and preferably submit a draft SDBIP to the mayor by 1 May (for initial approval). Once the budget is approved by the Council, the municipal manager should merely revise the approved draft SDBIP, and submit for final approval within 14 days after the approval of the budget. The mayor should therefore approve the final SDBIP and performance agreements simultaneously, and then make the SDBIP and performance agreement of the municipal manager public within 14 days, preferably before 1 July. Note that it is only the top layer (of high-level) detail of the SDBIP that is required to be made public.

It is the output and goals made public in the SDBIP that will be used to measure performance on a quarterly basis during the financial year. Note that such in-year monitoring is meant to be a light form of monitoring. The council should reserve its oversight role over performance at the end of the financial year, when the mayor tables the annual report of the municipality. The in-year monitoring is designed to pick up major problems only, and aimed at ensuring that the mayor and municipal manager are taking corrective steps when any unanticipated problems arise. The SDBIP serves a critical role to focus both the administration and council on outputs by providing clarity of service delivery expectations, expenditure and revenue requirements, service delivery targets and performance indicators.

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councilors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality. The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, service contracts and the like.

The Draft Service Delivery and Budget Implementation Plan (SDBIP) for the 2011/2012 budget year, is included in section 14 of this document.

5.3 Review of draft Integrated Development Plan (IDP)

Hereunder follows the summary of the draft IDP process:

TARGET DATE	IDP PROCESS PLAN - OBJECTIVE / ACTION
FIRST QUARTER	
JULY	
20	Preparation of draft Process Plan
AUGUST	
3	Consideration of draft Process Plan by EXCO
SEPTEMBER	
Tbd	UDM Consultation with Sector Department/ Service Providers (Serv Prov & KZ Alignment meetings)
Tbd	UDM Growth and Development Summit / IDP Rep Forum
28	Approval of draft Process Plan by Council
SECOND QUARTER	
OCTOBER	
7	Amakhosi Meeting 1: Presentation and discussion of the IDP Process Plan
15	Combined Ward Committee Meeting 1: Presentation and discussion of the IDP Process Plan (including capacity building)
Tbd	UDM Consultation with Sector Department/ Service Providers (Serv Prov & KZ Alignment meetings)
Tbd	UDM Cross border municipal alignment
1-31	Review Current Reality & Priority Issues, Strategic Content (Goals/Objectives & Development Strategies)
NOVEMBER	
8	Manco Strategic Session: Current Reality, Priority Issues, Strategic Content (Goals/Objectives & Development Strategies)
19	Exco Workshop 1: Current Reality & Priority Issues, Review Vision & Mission, Strategic Content (Goals/Objectives & Development Strategies) Strategic Content (Goals/Objectives & Development Strategies)
24	Local Representative Forum Meeting 1: Current Reality & Priority Issues, Vision & Mission, Strategic Content (Goals/Objectives & Development Strategies)
THIRD QUARTER	
JANUARY	
24	Manco Strategic Session: Projects & Prioritisation, available Resources & 1 st phase OPMS
31	Exco Workshop 2: Projects & Prioritisation, available Resources & 1 st phase of OPMS
FEBRUARY	
14	Manco Strategic Session: Budget Allocation
25	Conclusion of Sector Plans initiated and integration into the IDP Review report.
MARCH	
1	Exco Workshop 3: Budget Allocation
Tbd	UDM KZ Alignment Meeting
1-18	Finalise draft IDP
23	Local Representative Forum Meeting 2: Projects & Prioritisation, Budget Allocation
29	Council to adopt the final draft municipal Budget & IDP and resolve to advertise for public comment.
31	Publish final draft IDP for comment (21 days)
31	Draft IDP submission to DTLGA
FOURTH QUARTER	
APRIL	
tbd	Assessment of Draft IDP by Provincial IDP Forum

TARGET DATE	IDP PROCESS PLAN - OBJECTIVE / ACTION
6	Combined Ward Committee Meeting 2: : Presentation and Discussion of Draft IDP
13	Amakhosi Meeting 2: Presentation and Discussion of Draft IDP
Tbd	UDM IDP Representative Forum meeting 2 - Final draft IDP
15	Local Representative Forum Meeting 3: Presentation and Discussion of Draft IDP
21	Comment period (21 days) ends
MAY	
9-13	uMlalazi Roadshows 2: Presentation and Discussion of Draft IDP
27	Final approval of Budget & IDP by Council - (at least 30 days before start of budget year)
27	Submission of IDP to DTLGA (within 10 days)
JUNE	
30	Publish adopted budget and IDP

5.4 Consultation process

The proposed consultation meetings with the community are scheduled as follows:

Venue	Day	Date	Time
Mpushini Park Community Hall (Ward Committees)	Tuesday	22 March 2011	10:00am
King Dinuzulu Community Hall	Sunday	27 March 2011	14:00pm
Mtunzini Community Hall	Monday	28 March 2011	17:30pm
Gingindlovu Community Hall	Wednesday	30 March 2011	17:30pm
Sunnydale Community Hall	Sunday	3 April 2011	14:00pm
Norwood Park Community Hall	Wednesday	6 April 2011	17:30pm
EshoweTown Hall	Thursday	7 April 2011	17:30pm

5.5 Schedule of key deadlines

Hereunder is the schedule of key deadlines that was approved by Council in August 2010, and amended (due to the upcoming Local Government Election in May 2011) on 16 February 2011:

Tasks and Activities	Responsible Body	Effective Date
August 2010		
<ul style="list-style-type: none"> Council approval of the 2011/2012 multi year budget process and timetable 	Chief Financial Officer	31 August 2010
September 2010		
<ul style="list-style-type: none"> Issuing of 5 Capital Programme to Mayor and Senior Managers for amendments 	Chief Financial Officer	06 September 2010
<ul style="list-style-type: none"> Workshop with Senior Management in order to review the prioritization model to be used to compile the capital budget 	Chief Financial Officer	06 September 2010
<ul style="list-style-type: none"> Budget requests from Councillors/ward committees, fully supported within the IDP document, be submitted to the Municipal Manager in order for the relevant Senior Manager to determine the financial and operational impacts of such requests. 	Deputy MM/Councillors/Relevant Senior Managers	30 September 2010

<p>October 2010</p> <ul style="list-style-type: none"> • Issuing of blank Operating Budget to Mayor and Senior Mangers to be used as working documents • Issuing of the 2011//2012 multi year guideline addressing various budget assumptions, internal budget processes, policies etc. • Public information meetings(divided into the established clusters), reviewing and strategizing the current Integrated Development Plan • Obtain allocations to municipalities from National and Provincial Governments in terms of the Draft Division of Revenue Bill • Submission of the Draft 5 year Capital Programme according to the council's strategic objectives, as set out in the integrated Development Plan. 	<p>Chief Financial Officer</p> <p>Chief Financial Officer</p> <p>Deputy MM</p> <p>Chief Financial Officer</p> <p>Senior Managers</p>	<p>04 October 2010</p> <p>04 October 2010</p> <p>During October</p> <p>29 October 2010</p> <p>29 October 2010</p>
<p>November 2010</p> <ul style="list-style-type: none"> • Discussions with Senior Managers/Managers on the Draft Capital projects for the 2011/2012 Multi year budget • Information sharing meeting/session with all sector departments and neighboring local municipalities to ensure that synergy occurs on all levels between the various local IDP documents and to align with the IDP review document of the District Municipality to achieve more support on the regional scale • Submission of the public participation report to the Municipal Manager • Submission of the Draft Operating estimates for the 2011/2011 multi year budget, analyzed according to Activities aligned to the Council's strategic objectives, as set out in the Integrated Development Plan. 	<p>Chief Financial Officer</p> <p>Deputy MM</p> <p>Deputy MM</p> <p>Senior Managers</p>	<p>08 November 2010</p> <p>18 November 2010</p> <p>19 November 2010</p> <p>30 November 2010</p>
<p>December 2010</p> <ul style="list-style-type: none"> • Perform mid year financial review on the current year's (2010/2011) budget and revised estimates to submit as Adjustment budget to Council if considered necessary. • Alignment of the Draft Capital estimates to the IDP. 	<p>Senior Managers</p> <p>Senior Managers</p>	<p>15 December 2010</p> <p>15 December 2010</p>
<p>January 2011</p> <ul style="list-style-type: none"> • Discussions with Senior Managers on the Draft Operating estimates for the 2011/2012 multi year budget • Alignment of the Draft Operating estimates to IDP • Submit adjustment budget, mid year budget and performance assessment report to Council • Submit to National and Provincial Treasury in both printed and electronic form the adjustment budget, mid year budget and performance assessment within 10 working days of council meeting. • Make public the adjustment budget, mid budget and performance assessment report by placing it on municipal website. 	<p>Chief Financial Officer</p> <p>Senior Mangers Municipal Manager/ Chief Financial Officer</p> <p>Municipal Manager</p> <p>Municipal Manager</p>	<p>17 January 2011</p> <p>17 January 2011</p> <p>25 January 2011</p> <p>31 January 2011</p> <p>31 January 2011</p>

February 2011 <ul style="list-style-type: none"> Discussions with Senior managers on the Draft Capital and Operating estimates for the 2011/2012 Multi year budget Discussions with Senior managers on the Draft Service Delivery and Budget Implementation Plan for the 2011/2012 budget year 	Chief Financial Officer Chief Financial Officer	14 February 2011 15-18 February 2011
March 2011 <ul style="list-style-type: none"> Submit Draft 2011/2012 Multi Year budget, Draft IDP and Draft Service Delivery and Budget Implementation Plan to Council. Make public the tabled draft budget and supporting documentation within 10 working after being approved by Council. Tabled Draft 2011/2012 Multi year budget , Draft IDP and Draft Service Delivery and Budget Implementation Plan in both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council. Ward committee meeting highlights involvement of members in the budget public participation process. Undertake a 3 week community consultation process of the budget. 	Chief Financial Officer Municipal Manager Municipal Manager Deputy MM Mayor/MM and Senior Managers	15 March 2011 15 March 2011 18 March 2011 22 March 2011 During March and 1 April 2011
April 2011 <ul style="list-style-type: none"> Revision of the budget and IDP from inputs received from the community, Government departments and National Treasury 	Chief Financial Officer	11 April 2011
May 2011 <ul style="list-style-type: none"> Revised budget, IDP and Service Delivery and Budget Implementation Plan, incorporating community inputs, tabled at Council for approval. Make public the approval budget and supporting documentation within 10 working days after being approved by Council, by placing it on the municipal website. Publish approved budget and tariffs. For the 2011/2012 budget year. Approved 2011/2012 multi year budget, IDP and Service Delivery Budget Implementation Plan both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council. 	Mayor Municipal Manager Corporate Services Municipal Manager	05 May 2011 06 May 2011 06 May 2011 13 May 2011
June 2011 <ul style="list-style-type: none"> Council approved of the 2012/2013 Multi year budget process and timetable 	Chief Financial Officer	28 June 2011

6. Overview of alignment of annual budget with Integrated Development Plan

6.1 Details of proposed amendments to the IDP. Hereunder follows the amendments on the draft implementation plan:

Key Performance Area 1: Municipal Transformation and Organizational Development						
Development Goals						
<ul style="list-style-type: none"> ▪ To facilitate the process towards achieving a development-orientated municipality ▪ To build capacity among officials and councilors to lead and manage development throughout the Municipality 						
Development Strategies	Development Objectives	Budget Estimate	Actions / Projects	Targets	Responsible Department	Target Date
To develop staff and councilor skills to ensure effective service delivery	<ul style="list-style-type: none"> ▪ Continuously identify staff and councilor training needs ▪ Implementation of the Workplace Skills Plan 	R300,000 internal	<ul style="list-style-type: none"> a) Identify training requirements in terms of Council functionality and conduct skills audit for staff and councilors. b) Implement Workplace skills Plan in conjunction with skills audit. 	<ul style="list-style-type: none"> a) Implement a minimum of 50% of training needs identified in skills audit. b) Completion and adoption of skills plan b 30 June 2011. 	<ul style="list-style-type: none"> ▪ Corporate Services ▪ Corporate Services 	<ul style="list-style-type: none"> ▪ 30/06/2012 ▪ Ongoing
To improve effective and efficient communication between internal staff and Council	<ul style="list-style-type: none"> ▪ Implement Revised Communication Plan 	internal	<ul style="list-style-type: none"> a) Monthly Meetings with Staff b) Section 57 Managers to attend 12 EXCO Meetings c) Conduct regular team building sessions d) Conduct departmental strategic planning and review meetings 	<ul style="list-style-type: none"> a) Conducted every first week of the month totaling 12 meetings yearly b) Conduct 12 feedback staff meetings two days after EXCO meeting. c) Two measurable teambuilding sessions per financial year. d) Conduct strategic planning session in January and 12 follow up meetings on agreed performance objectives 	<ul style="list-style-type: none"> ▪ All Departments 	<ul style="list-style-type: none"> ▪ Ongoing
To improve productive and accountable staff	<ul style="list-style-type: none"> ▪ Amend and align PMS and Budget for Municipality to align with IDP ▪ Implement Employee Readiness and Wellness Programme ▪ Implement HR Strategy 	R100,000 R60,000 internal	<ul style="list-style-type: none"> a) Amended and aligned PMS, Budget and IDP b) Ensure that individual Performance Management System for Section 57 Managers is updated to Council for approval c) Compile terms of reference for service provider. d) Call for Proposals. e) Evaluate and appoint Service Provider f) Institute programme of awareness for Staff g) Workshop Managers and Staff on HR Strategy 	<ul style="list-style-type: none"> a) Complete amended and aligned PMS, Budget and IDP by 30 June 2010 b) Submit signed Section 57 Performance Plans to Council by 31 July 2010 a) Implementation of Employee Readiness and Wellness Programme and report quarterly to Local Labour Forum. b) HR Strategy workshopped by January 2011. 	<ul style="list-style-type: none"> ▪ Deputy MM • Corporate Services • Corporate Services 	<ul style="list-style-type: none"> ▪ 30/06/2012 • 30/06/2012 • 30/06/2012
To ensure that	<ul style="list-style-type: none"> ▪ Amend and align the 	R250,000	<ul style="list-style-type: none"> a) Compile terms of reference for 	<ul style="list-style-type: none"> a) Complete amended Organisational 	<ul style="list-style-type: none"> ▪ Corporate 	<ul style="list-style-type: none"> ▪ 30/06/2012

Key Performance Area 1: Municipal Transformation and Organizational Development						
Organisational Structure of the Municipality is fully aligned with the Municipality's developmental mandate	Municipal Organisational Structure with the IDP		<ul style="list-style-type: none"> a) service provider. b) Call for Proposals. c) Evaluate and appoint Service Provider d) Maintain and Strengthen GIS System 	Structure	Services	
Public / Private Partnerships	<ul style="list-style-type: none"> ▪ Prepare Public / Private Partnerships Strategy 	internal	<ul style="list-style-type: none"> a) Research private enterprises which could be interested in forming partnerships with the Municipality in respect of service provision and LED b) Together with such identified private enterprises, prepare and implement Public / Private Partnerships Strategy 	<ul style="list-style-type: none"> a) Completed database of possible private enterprises which could be interested in forming partnerships with the Municipality in respect of service provision and LED b) Completed Public / Private Partnerships Strategy 	<ul style="list-style-type: none"> ▪ Deputy MM 	<ul style="list-style-type: none"> ▪ 30/06/2012

Key Performance Area 2: Basic Service Delivery						
Development Goal						
<ul style="list-style-type: none"> ▪ To facilitate the delivery of basic services, namely water, sanitation and electricity as a 1st priority ▪ To facilitate the delivery of all other required infrastructure and services, such as access roads, telephones, postal services, clinics, schools, community halls, sport fields and facilities, pension payout points, police stations, housing, etc. in a sustainable manner 						
Development Strategies	Development Objectives	Budget Estimate	Actions / Projects	Targets	Responsible Department	Target Date
To ensure the provision, upgrading and maintenance of Infrastructure and Services to address Backlogs	<ul style="list-style-type: none"> ▪ Conduct a study to determine the backlogs within the Municipality with regards to all services and infrastructure ▪ To consult with UDM so that water and sanitation needs are catered for in the UDM (WSDP) ▪ Initiate a Rain Harvesting Programme – linked to rural 	R300,000	<ul style="list-style-type: none"> a) Other sector Departments and Uthungulu DM are contacted for the number of backlogs b) Project prioritization model be approved and implemented to ensure reduction on infrastructure backlogs • The uMlalazi Comprehensive Infrastructure plan be developed and implemented in consultation with Uthungulu DM. • Survey be conducted for houses not supplied with water ensuring alignment with the rural development 	<ul style="list-style-type: none"> • To ensure that the minimum standards for basic services are achieved in line with developmental objectives by 2014. Progress be reported to the Engineering Services • uMlalazi developments are integrated to ensure water and sanitation projects are in lined and report quarterly to the Engineering Services portfolio committee. • In liaison with Uthungulu DM ensure houses with no water reticulation are supplied with water tankers and progress 	<ul style="list-style-type: none"> • Eng. Services • Eng. Services • Eng. Services 	<ul style="list-style-type: none"> • 30/06/2012 • ongoing • linked to implementation of rural housing

	<p>housing development</p> <ul style="list-style-type: none"> ▪ To consult with Eskom and UDM, so that uMlalazi's residents receive free basic electricity, and that the UDM Energy Sector Plan as it relates to uMlalazi is implemented ▪ To ensure that all municipal infrastructure is properly maintained through the implementation of the Municipal Services and Infrastructure Maintenance Plan ▪ Implement a Municipal Roads Programme. 	R300,000	<ul style="list-style-type: none"> • Ensure engagement with Uthungulu DM and Eskom in their meetings for the energy sector plan • The maintenance and infrastructure plan for the uMlalazi be developed. • The pavement management system (PMS) for urban roads be produced 	<p>report be submitted to the Engineering Services Portfolio Committee.</p> <ul style="list-style-type: none"> • Ensure alignment among Eskom, Uthungulu Dm and the uMlalazi Municipality in the developments of the energy sector plan and the report be submitted to the Engineering Services Portfolio Committee • Report quarterly to the Engineering Services Portfolio Committee the number of vehicle serviced and the number of Council buildings maintained. • Report quarterly to the Engineering Services Portfolio committee on the number of kilometers of roads rehabilitated. 	<ul style="list-style-type: none"> • Eng. Services • Eng. Services • Eng. Services 	<p>projects</p> <ul style="list-style-type: none"> • ongoing • 30/06/2012 • 30/06/2012
To ensure the provision of sustainable, affordable and suitably-located housing development	<ul style="list-style-type: none"> ▪ Implement the uMlalazi Housing Sector Plan in conjunction with the Department of Housing [subject to subsidy allocation (funding) from DOH to achieve this] 	internal	<ol style="list-style-type: none"> a) Progress current funded housing projects by Department of Human Settlement. b) Progress planned housing projects in terms of Housing Plan 	<ol style="list-style-type: none"> a) Sunnyside Phase 2 – Close out project. b) Gingsindlovu Ext 5 and 6 – Appointment of Contractor for bulk infrastructure and top structure. c) Sunnyside Phase 2 Extension – Complete Phase 1 application. d) Ndlangubo – Complete Phase 1 application. e) Nzuza Rural Housing Project – Resolve land/legal issue. f) Mpushini Park, Ngudwini, Mpungose, Mombeni – Appoint Implementation Agent and commence Phase 1 application. 	<ul style="list-style-type: none"> ▪ Corporate Services 	<ul style="list-style-type: none"> ▪ 30/06/2012
To ensure the provision of sustainable community facilities	<ul style="list-style-type: none"> ▪ Prepare a Cemetery Sector Plan ▪ Constant liaison with the Department of Health to ensure to 	R150,000 internal			<ul style="list-style-type: none"> • Community Services • Community Services 	<ul style="list-style-type: none"> ▪ 30/06/2012 • ongoing

	<p>ensure an acceptable level of primary health care in the Municipal Area</p> <ul style="list-style-type: none"> Prepare, in conjunction with UDM, a Municipal Integrated Waste Management Plan 		<ul style="list-style-type: none"> The integrated waste management plan be prepared taking into account the waste recycling programme and job creation. 	<ul style="list-style-type: none"> Report the number of tonnages to the Uthungulu Regional Landfill site and the number of jobs created. 	<ul style="list-style-type: none"> Eng. Services 	<ul style="list-style-type: none"> 30/06/2012
To ensure the sustainable and effective use of scarce Energy Resources	<ul style="list-style-type: none"> Prepare Renewable Energy Strategy 	R60,000	<ul style="list-style-type: none"> In liaising with Eskom and the Department of Energy alternative source be investigated 	<ul style="list-style-type: none"> Report be submitted to the Engineering Services 	<ul style="list-style-type: none"> Eng. Services 	<ul style="list-style-type: none"> 30/06/2012

Key Performance Area 3: Local Economic Development

Development Goal

- To promote socio-economic development and provide support to assist communities throughout the Municipality to cope with the combined impact of poverty and HIV/AIDS; and
- To strengthen the local economy with particular emphasis on tourism, agriculture, commercial and light industrial development.
- To ensure that an enabling environment for development in the Municipality is created;
- To ensure the sustainable use of land and the natural environment

Development Strategies	Development Objectives	Budget Estimate	Actions / Projects	Targets	Responsible Department	Target Date
To ensure the appropriate and effective use of land through spatial planning initiatives and the implementation of the outcomes thereof	<ul style="list-style-type: none"> Finalize <u>approval</u> through the PDA of the 1st Phase of LUMS (towns of Eshowe, Mtunzini and Gingindlovu) 	internal	<ul style="list-style-type: none"> a) Submit final 1st Phase LUMS to Council for approval. b) Prepare 2nd Phase LUMS for rural areas. c) Engage DWAF and determine process for wetland delimitation. 	<ul style="list-style-type: none"> a) Approval by Council by 30 November 2010. b) Approval by Council 30 June 2011. c) Wetland in Ward 5 and Mbongolwane declared. 	<ul style="list-style-type: none"> Corporate Services 	<ul style="list-style-type: none"> 30/11/2012
	<ul style="list-style-type: none"> Prepare and implement 2nd Phase of LUMS focusing on all areas of the Municipality outside of the formal town areas of Eshowe, Gingindlovu and Mtunzini 	R250,000			<ul style="list-style-type: none"> Corporate Services 	<ul style="list-style-type: none"> 30/06/2012
	<ul style="list-style-type: none"> Facilitate the process to have Mbongolwane Wetland, as well as the wetland in Ward 5, declared as a protected area through liaison with DWAF Ongoing liaison with 	internal	<ul style="list-style-type: none"> Attend and provide input at CMWG Meetings 	<ul style="list-style-type: none"> Attend quarterly meetings of the CMWG 	<ul style="list-style-type: none"> Corporate Services 	<ul style="list-style-type: none"> 30/06/2012
	<ul style="list-style-type: none"> Ongoing liaison with 	internal			<ul style="list-style-type: none"> Community Services 	<ul style="list-style-type: none"> ongoing

Key Performance Area 3: Local Economic Development						
	UDM and Coastal Management Working Group					
Ensure the sustainability and protection of the Municipality's Natural Resources	<ul style="list-style-type: none"> ▪ Implement the Municipal Integrated Environmental Program ▪ Expand and implement Weed eradication programme into Rural Areas 	R100,000 R200,000	<ul style="list-style-type: none"> • Undertake Feasibility Study, focusing on areas closest to urban areas 		<ul style="list-style-type: none"> ▪ Community Services ▪ Community Services 	<ul style="list-style-type: none"> ▪ 30/06/2013 • 30/06/2012
To minimize the effect of natural and other disasters on communities	<ul style="list-style-type: none"> ▪ Implement the uMlalazi Municipal Disaster Management Plan 	internal	<ul style="list-style-type: none"> • Conduct investigation, training, workshops, and fire and disaster awareness campaigns to all residents businesses, industries & Government institutions. 	<ul style="list-style-type: none"> • Conduct 2 fire and disaster awareness campaigns 	<ul style="list-style-type: none"> ▪ Protection Services 	<ul style="list-style-type: none"> ▪ 30/06/2012
To cater for the economic and social development needs of youth, women, the disabled and the aged members of communities	<ul style="list-style-type: none"> ▪ Ensure that the municipal Procurement Policy is gender and disabled sensitive ▪ Ensure that Municipal Employment Equity Plan is gender and disabled sensitive 	internal internal	<ul style="list-style-type: none"> • Revise SCM Policy • Review and identify equity targets in Employment Equity Plan. 	<ul style="list-style-type: none"> • Revised SCM Policy • Report quarterly on reviewed targets 	<ul style="list-style-type: none"> ▪ Fin. Services • Corporate Services 	<ul style="list-style-type: none"> ▪ 30/06/2012 • 30/06/2012
To facilitate economic growth and development within the municipal area	<ul style="list-style-type: none"> ▪ Review uMlalazi's Local Economic Development (LED) Plan ▪ Facilitate the practical functioning of LED Business Forums ▪ Ensure LED Capacity institutional and 	R250,000 R100,000 internal	<ul style="list-style-type: none"> a) Procure Services of a qualified service Provider in reviewing the current LED Plan b) Engage with UDM in perusing through their LED Plan c) Ensure that the LED Plan is aligned to the Turn-around Strategy d) Prepare LED activity plan encompassing all 26 wards. a) Facilitate the establishment of business Forums in all 26 wards. b) Establish a Representative Business Forum representing all the wards a) Facilitate Public/Private 	<ul style="list-style-type: none"> a) Appoint Service Provider by 30 September 2010 b) Submit completed and compliant LED Plan to Council by 31 December 2010. a) Ensure that all 26 wards have established sustainable business forums b) Ensure that establishes Representative Business Forum seats quarterly c) a) Ensure that 20% of the local SMMES are funded, capacitated 	<ul style="list-style-type: none"> ▪ Deputy MM ▪ Deputy MM • Deputy MM 	<ul style="list-style-type: none"> ▪ 30/06/2012 ▪ 30/06/2012 • 30/06/2012

Key Performance Area 3: Local Economic Development						
	operational support to SMME's		Partnerships in the pursuance of the Local Economic Development	and fully functional.		
	<ul style="list-style-type: none"> ▪ Prepare Nodal Framework Plans for all Nodes, as identified in the revised SDF ▪ Prepare a Feasibility Study for the establishment of service and light industry at Gingindlovu ▪ Review the Municipal Tourism Plan ▪ Implement Urban Design Project in Eshowe 	R500,000	<ul style="list-style-type: none"> b) Engage with government LED agencies for capacity building and sourcing of funding for SMME's a) Determine Terms of Reference for Nodal Framework Plan, feasibility Study for Gingindlovu and Urban Design Project. b) Appoint Consultants to undertake studies and plans in (a) above. c) Engage uMlalazi Tourism Association and uThungulu District Municipality to align tourism plan. 	<ul style="list-style-type: none"> a) Finalisation and adoption of nodal Framework Plans and Urban Design Project. b) Complete Town Planning requirements for Light Industrial area in Gingindlovu. c) Commence marketing of Light Industrial sites in Gingindlovu. d) Finalise reviewed Tourism Plan and include in IDP Review. e) Development control by town planning on urban design project. 	<ul style="list-style-type: none"> • Corporate Services • Corporate Services • Corporate Services • Corporate Services 	<ul style="list-style-type: none"> • 30/06/2013 • 30/06/2012 • 30/06/2012 • 30/06/2012
To market uMlalazi Municipal area to attract investment	<ul style="list-style-type: none"> ▪ Prepare a Municipal Marketing Strategy 	R50,000	<ul style="list-style-type: none"> a) Creating an enabling environment for investors and potential SMME'S to participate in the economy of uMlalazi b) Identify inventory of available municipal land available to sell to prospective investors. c) Utilize all local press media to advertise land. d) Host LED Indaba to attract prospective investors and potential SMME'S e) Engage with other stakeholders to ensure that infrastructure development is coordinated. 	<ul style="list-style-type: none"> a) A completed inventory list of assets and available land for sale. b) Accordingly advertise land by 31 December 2010 c) LED indaba with all stakeholders participating by 31 October 2010. 	<ul style="list-style-type: none"> ▪ Deputy MM 	<ul style="list-style-type: none"> ▪ 30/06/2012
To promote uMlalazi as a tourism destination	<ul style="list-style-type: none"> ▪ Prepare a Feasibility Study for Cross Border Tourism Initiatives – particularly along the coastal strip and the Tugela River ▪ Initiate Publicity Drive to promote uMlalazi as a Tourism destination 	R100,000	<ul style="list-style-type: none"> a) Determine Terms of Reference for feasibility study for Cross Border Tourism Initiatives. b) Appoint Service Provider to undertake feasibility study for Cross Border Tourism. c) Participate in tourism exhibitions to promote tourism. d) Compile and distribute community 	<ul style="list-style-type: none"> a) Alignment of cross border tourism included in tourism plan. b) Increased tourism statistics (visitors) by 10%. 	<ul style="list-style-type: none"> • Corporate Services • Corporate Services 	<ul style="list-style-type: none"> • 30/06/2012 • 30/06/2012

Key Performance Area 3: Local Economic Development						
			newsletters. e) Undertake radio broadcasts to publicize Council budget. f) Ensure tourism and brochure management			
To promote SMME development in the Municipality	<ul style="list-style-type: none"> ▪ Promote SMME development 	internal			<ul style="list-style-type: none"> ▪ Community Services 	<ul style="list-style-type: none"> ▪ 30/06/2012

Key Performance Area 4: Municipal Financial Viability and Management

Development Goal

- To ensure sound Financial Management that will ensure alignment with the Municipality's IDP, in order to ensure efficient, effective and sustainable development

Development Strategies	Development Objectives	Budget Estimate	Actions / Projects	Targets	Responsible Department	Target Date
Ensure that financial resources are efficiently and effectively allocated	<ul style="list-style-type: none"> ▪ Revise Financial Plan 	internal	<ul style="list-style-type: none"> • Part of budget process. 	<ul style="list-style-type: none"> • Include in budget process to be completed May 2010. 	<ul style="list-style-type: none"> • Fin. Services 	<ul style="list-style-type: none"> • 30/06/2012
	<ul style="list-style-type: none"> ▪ Ensure that the Budget (capital and operational) is aligned to the IDP (link to the preparation of Financial Plan, the Service Delivery Budget Implementation Plan (SDBIP) and the Integrated Capital Investment Plan) 	internal	<ul style="list-style-type: none"> • Assist with the alignment. 	<ul style="list-style-type: none"> • Alignment to form part of budget process to be completed May 2010. 	<ul style="list-style-type: none"> • Fin. Services 	<ul style="list-style-type: none"> • 30/06/2012
	<ul style="list-style-type: none"> ▪ Review Integrated Capital Investment Plan (i.t.o. Capital Investment Policy) 	Internal	<ul style="list-style-type: none"> • Part of 5 year draft capital budget process. 	<ul style="list-style-type: none"> • Part of budget process to be completed by May 2010. 	<ul style="list-style-type: none"> • Fin. Services 	<ul style="list-style-type: none"> • 30/06/2012
	<ul style="list-style-type: none"> ▪ Unbundle Municipal Assets 	TBD	<ul style="list-style-type: none"> • Included in asset management system. 	<ul style="list-style-type: none"> • Asset Register should be completed by June 2012 	<ul style="list-style-type: none"> • Fin. Services 	<ul style="list-style-type: none"> • 30/06/2012

Key Performance Area 5: Good Governance and Public Participation

Development Goal

- To ensure that the developmental mandate of the municipality is understood by all the municipality's residents, role players and stakeholders; and
- To ensure that the Municipality, as an organization, operates effectively and efficiently in a transparent manner

Development Strategies	Development Objectives	Budget Estimate	Actions / Projects	Targets	Responsible Department	Target Date
To facilitate community development and involvement in all aspects of local governance	<ul style="list-style-type: none"> ▪ Involve Ward Committees in the IDP processes ▪ Conduct IDP Road Shows 	R150,000 R100,000	<ul style="list-style-type: none"> a) Ensure that the Ward Committee system is fully functional and compliant with minimum legislation b) Ensure that the IDPRF is established and fully functional. c) Conduct road shows on the Budget, PMS and any for projects as when the need arises. d) Conduct IDP Road Shows in line with the 2011/2012 IDP Process Plan. e) Beneficiaries in road shows are consulted at all times via the media and ward visits. 	<ul style="list-style-type: none"> a) Submission of quarterly reports, minutes, and functionality test for forward transmission to EXCO and COGTA. b) Hold 4 IDPRF meetings per annually c) Road shows conducted in line with the 2011/2012 Process Plan and timelines prescribed by MFMA. d) Adverts placed in local newspapers in IsiZulu and English at least 2 times a year. 	<ul style="list-style-type: none"> • Deputy MM • Deputy MM 	<ul style="list-style-type: none"> • 30/06/2012 • 30/06/2012
To promote active participation of all political role players	<ul style="list-style-type: none"> ▪ Strengthen the relationship between political role-players and Amakhosi ▪ Conduct regular trainings and workshops on matters relating to Good Governance and Service Delivery ▪ Strengthen relationships with all spheres of Government 	R50,000	<ul style="list-style-type: none"> ▪ Introduce Joint Bi-annual meetings between Council and the Amakhosi in the Municipal Area to discuss issues of mutual interest a) Conduct an assessment to ascertain critical areas of knowledge that need to be address. b) Conduct in-house training/workshops and source training from sector departments, to address existing gaps in good governance and service delivery issues. c) Conduct quarterly assessments to measure the outcomes of all trainings and workshops conducted. ▪ Hold regular meetings with all spheres of governance to address good governance and service 	<ul style="list-style-type: none"> ▪ Hold bi-annual meeting between Councilors and Amakhosi. ▪ Measurable assessment to be carried out annually. ▪ Conduct In-house training and involve sector departments from time to time. ▪ Quarterly assessments conducted ▪ Hold quarterly meetings with spheres of government. 	<ul style="list-style-type: none"> ▪ Deputy MM ▪ Deputy MM 	<ul style="list-style-type: none"> ▪ 30/06/2012 Ongoing

Key Performance Area 5: Good Governance and Public Participation						
	<p>horizontally and vertically in terms of the IGR principles</p> <ul style="list-style-type: none"> ▪ Assess the Performance of the Municipality on service delivery through scientific measures to identify service delivery gaps 		<p>delivery related matters.</p> <ul style="list-style-type: none"> ▪ Conduct customer services survey. 	<ul style="list-style-type: none"> ▪ Conduct customer services survey annually 	<ul style="list-style-type: none"> ▪ Deputy MM 	<p>30/06/2012</p>
To promote community health and safety	<ul style="list-style-type: none"> ▪ Establish Community Safety Forum ▪ Prepare and implement a Safety Plan for the Municipal Area 	<p>R30,000</p> <p>R100,000</p>	<ul style="list-style-type: none"> • Scholar education at school • Road safety awareness campaign through road safety forums • Road blocks, special duties, crime prevention projects. • By-Law enforcement to ensure safer city. 	<ul style="list-style-type: none"> • To train 6 schools per year. • To have 15 road blocks per year including other special duties. • Regular monitor the compliance of hawkers and vendors in regard to by-laws. 	<ul style="list-style-type: none"> • Protection Services • Protection Services 	<ul style="list-style-type: none"> • 30/11/2012 • 30/06/2012

6.2 Breakdown of Draft Operating Expenditure and Draft Capital Expenditure aligned to the Draft IDP

6.2.1 Draft Operating Expenditure

Details	Budget 2011/2012	Budget 2011/2012	Budget 2011/2012
Rural Community Halls	500 000	500 000	500 000
Youth Development	400 000	500 000	500 000
Rural Education (Crèches)	300 000	300 000	300 000
Local Economic Development (LED)	3 726 330	4 500 000	5 800 000
Poverty Alleviation	1 500 000	3 200 000	4 000 000
Sport Development	400 000	500 000	500 000
HIV Relief	500 000	600 000	600 000
Work Creation Projects	1 292 000	3 500 000	3 822 880
Rural Roads and Causeways	2 900 000	4 650 000	4 800 000
Rehabilitation of Urban Roads	2 550 000	4 650 000	4 800 000
Increase In Eskom Supply	4 000 000	4 000 000	3 453 930

6.2.2 Draft Capital Expenditure

Hereunder follows a breakdown of the draft capital expenditure aligned to the goals and action plans of the draft IDP:

MIG Allocations for 2011/2012 Financial Year

<u>Description of Projects</u>	<u>Amount</u>
<u>NEW PROJECTS</u>	
<u>TESTING STATION</u>	
Eshowe Testing Station Extension (Industrial Area) (Ward 11)	R 300,000-00
<u>CRECHES</u>	
Imbalenhle Creché (Ward 8)	R 720,000-00
Simoyi Creché	R 592,977-00
<u>CAUSEWAYS</u>	
Mbongolweni/mthombe Causeway & Road	R 275,625-00
Nhlanzanyoni Causeway (Ward 7)	R 950,000-00
<u>ROADS</u>	
Matshemhlophe Road (Ward 4)	R 200,000-00
Kangela Road Eshowe (Ward 11)	R 5,000,000-00
Internal Roads Upgrade of KDS Human Settlement (Ward 12)	R 3,500,000-00
Internal Roads Upgrade of Sunnydale Human Settlement (Ward 11)	R 5,071 898-00
Butcher Street Roads (Ward 11)	R 1,990,696-00
Ohhahheni Road (Ward 22)	R 200,000-00
Retentions	R 980,000-00
<u>SPORTFIELDS</u>	
Hhayinyana Sportsfield (Ward 6)	R 928,760-00
Hlohloko Sportsfield (Ward 9)	R 899,232-00
<u>Total New Projects</u>	<u>R21,609,188-00</u>
<u>Total MIG Projects for 2011/2012 Financial Year</u>	<u>R21, 609,188-00</u>

7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

7.1 Hereunder follows the key financial indicators dealing with borrowing management, safety of capital, liquidity, revenue and creditor management

Description of financial indicator	Basis of calculation	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<u>Borrowing Management</u>											
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	0.0%	0.3%	1.3%	1.3%	2.0%	2.0%	0.0%	1.9%	1.7%	1.6%
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.5%	0.3%	0.2%	0.3%	0.6%	0.5%	0.0%	0.7%	0.6%	0.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	104.8%	104.8%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	17.3%	18.2%	21.3%	11.4%	11.5%	11.5%	0.0%	10.4%	9.6%	8.7%
Gearing	Long Term Borrowing/ Funds & Reserves	0.1%	0.9%	4.4%	3.4%	5.9%	5.9%	0.0%	5.9%	5.9%	5.9%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.8	1.5	1.3	1.7	1.6	1.6	-	1.6	1.6	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.8	1.5	1.3	1.7	1.6	1.6	-	1.6	1.6	1.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.6	0.6	0.7	0.7	0.7	-	0.7	0.7	0.7
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		90.5%	76.5%	155.1%	155.1%	155.1%	155.1%	94.2%	137.7%	125.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	22.3%	21.0%	16.9%	11.0%	8.4%	8.3%	0.0%	7.5%	6.8%	6.3%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Funding of Provisions</u>											
Provisions not funded - %	Unfunded Provns./Total Provisions	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	3.6%	4.7%	2.9%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.5%	33.1%	34.8%	33.7%	33.8%	32.2%	0.0%	31.1%	30.0%	29.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	45.3%	42.0%	43.1%	41.1%	40.5%	39.0%		37.6%	36.3%	35.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.5%	5.1%	5.8%	3.4%	4.9%	4.8%	0.0%	5.0%	4.8%	4.8%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	48.3	70.5	77.4	113.4	113.4	113.4	-	155.3	171.6	190.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	41.7%	38.8%	28.8%	18.6%	14.1%	14.1%	0.0%	12.8%	11.6%	10.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.1	(0.4)	(0.8)	9.1	(1.2)	(1.2)	-	0.0	0.0	0.0

7.2 Hereunder follows the financial indicators for revenue by source and expenditure by type

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	
R thousand																	
Revenue By Source																	
Property rates		3,305	3,305	3,305	3,305	3,305	3,305	3,305	3,305	3,305	3,305	3,305	39,661	41,212	42,860	42,860	
Property rates - penalties & collection charges		93	93	93	93	93	93	93	93	93	93	93	1,116	1,049	997	997	
Service charges - electricity revenue		4,014	4,014	4,014	4,014	4,014	4,014	4,014	4,014	4,014	4,014	4,014	48,171	56,896	67,043	67,043	
Service charges - refuse revenue		597	597	597	597	597	597	597	597	597	597	597	7,165	8,399	9,238	9,238	
Rental of facilities and equipment		111	111	111	111	111	111	111	111	111	111	111	1,335	1,412	1,494	1,494	
Interest earned - external investments		29	29	29	29	29	29	29	29	29	29	29	350	350	350	350	
Fines		325	325	325	325	325	325	325	325	325	325	325	3,904	4,100	4,306	4,306	
Licences and permits		255	255	255	255	255	255	255	255	255	255	255	3,060	3,212	3,373	3,373	
Transfers recognised - operational		5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	70,906	78,792	85,658	85,658	
Other revenue		312	312	312	312	312	312	312	312	312	312	312	3,738	3,832	3,955	3,955	
Gains on disposal of PPE		17	17	17	17	17	17	17	17	17	17	17	200	200	200	200	
Total Revenue (excluding capital transfers and contributions)		14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	179,606	199,454	219,475	219,475	
Expenditure By Type																	
Employee related costs		4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	55,792	59,882	64,185	64,185	
Remuneration of councillors		1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	12,435	13,181	13,971	13,971	
Depreciation & asset impairment		667	667	667	667	667	667	667	667	667	667	667	8,004	8,804	9,685	9,685	
Finance charges		74	74	74	74	74	74	74	74	74	74	74	892	854	818	818	
Bulk purchases		2,186	2,186	2,186	2,186	2,186	2,186	2,186	2,186	2,186	2,186	2,186	26,231	33,024	41,280	41,280	
Contracted services		1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	15,204	15,448	16,017	16,017	
Transfers and grants		35	35	35	35	35	35	35	35	35	35	35	417	436	455	455	
Other expenditure		4,974	4,974	4,974	4,974	4,974	4,974	4,974	4,974	4,974	4,974	4,974	59,686	67,787	72,154	72,154	
Total Expenditure		14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	178,661	199,416	218,566	218,566	
Surplus/(Deficit)		79	79	79	79	79	79	79	79	79	79	79	945	38	909	909	
Transfers recognised - capital														-	-	-	
Contributions recognised - capital														-	-	-	
Contributed assets														-	-	-	
Surplus/(Deficit) after capital transfers & contributions		79	79	79	79	79	79	79	79	79	79	79	945	38	909	909	
Surplus/(Deficit)	1	79	79	79	79	79	79	79	79	79	79	79	945	38	909	#REF!	

7.3 Hereunder follows the measurable performance objectives for revenue and operating expenditure by vote

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue by Vote																
Vote1 - EXECUTIVE AND COUNCIL		6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	80,696	86,699	92,099
Vote2 - BUDGET AND TREASURY OFFICE		217	217	217	217	217	217	217	217	217	217	217	217	2,607	2,593	2,793
Vote3 - CORPORATE SERVICES		112	112	112	112	112	112	112	112	112	112	112	112	1,346	1,671	2,096
Vote4 - PLANNING AND DEVELOPMENT		123	123	123	123	123	123	123	123	123	123	123	123	1,481	1,118	1,345
Vote5 - HEALTH		500	500	500	500	500	500	500	500	500	500	500	500	5,996	6,920	7,257
Vote6 - COMMUNITY AND SOCIAL SERVICES		152	152	152	152	152	152	152	152	152	152	152	152	1,825	1,918	3,449
Vote7 - HOUSING		255	255	255	255	255	255	255	255	255	255	255	255	3,060	167	175
Vote8 - PUBLIC SAFETY		461	461	461	461	461	461	461	461	461	461	461	461	5,530	5,979	6,217
Vote9 - SPORTS AND RECREATION		383	383	383	383	383	383	383	383	383	383	383	383	4,599	5,080	5,524
Vote10 - WASTE MANAGEMENT		821	821	821	821	821	821	821	821	821	821	821	821	9,853	10,736	11,365
Vote11 - ROAD TRANSPORT		742	742	742	742	742	742	742	742	742	742	742	742	8,899	14,060	14,961
Vote12 - ELECTRICITY		4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	53,714	62,513	72,193
Vote13 - AIR TRANSPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote14 - WORKSHOP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	179,605	199,454	219,475
Expenditure by Vote to be appropriated																
Vote1 - EXECUTIVE AND COUNCIL		4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	51,869	57,264	61,278
Vote2 - BUDGET AND TREASURY OFFICE		684	684	684	684	684	684	684	684	684	684	684	684	8,211	8,707	9,441
Vote3 - CORPORATE SERVICES		572	572	572	572	572	572	572	572	572	572	572	572	6,860	7,567	8,405
Vote4 - PLANNING AND DEVELOPMENT		252	252	252	252	252	252	252	252	252	252	252	252	3,025	2,756	3,086
Vote5 - HEALTH		671	671	671	671	671	671	671	671	671	671	671	671	8,049	9,126	9,665
Vote6 - COMMUNITY AND SOCIAL SERVICES		196	196	196	196	196	196	196	196	196	196	196	196	2,352	2,534	2,724
Vote7 - HOUSING		254	254	254	254	254	254	254	254	254	254	254	254	3,044	147	150
Vote8 - PUBLIC SAFETY		1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	14,961	16,130	16,848
Vote9 - SPORTS AND RECREATION		870	870	870	870	870	870	870	870	870	870	870	870	10,443	11,352	12,332
Vote10 - WASTE MANAGEMENT		990	990	990	990	990	990	990	990	990	990	990	990	11,881	12,841	13,737
Vote11 - ROAD TRANSPORT		1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	13,183	18,578	19,764
Vote12 - ELECTRICITY		3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	44,244	51,943	60,630
Vote13 - AIR TRANSPORT		1	1	1	1	1	1	1	1	1	1	1	1	11	12	12
Vote14 - WORKSHOP		44	44	44	44	44	44	44	44	44	44	44	44	528	459	494
Total Expenditure by Vote		14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	178,661	199,416	218,566
Surplus/(Deficit) before assoc.		79	79	79	79	79	79	79	79	79	79	79	79	945	38	909
Surplus/(Deficit)	1	79	79	79	79	79	79	79	79	79	79	79	79	945	38	909

7.4 Hereunder follows the measurable performance objectives for capital by vote

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Multi-year expenditure to be appropriated	1															
Vote1 - EXECUTIVE AND COUNCIL		-	-	-	22	-	52	-	-	5	-	-	-	79	74	406
Vote2 - BUDGET AND TREASURY OFFICE		-	70	56	70	67	84	-	70	125	67	-	-	609	373	411
Vote3 - CORPORATE SERVICES		-	-	895	600	695	75	-	-	300	100	-	-	2,665	940	1,880
Vote4 - PLANNING AND DEVELOPMENT		-	-	-	-	75	-	-	-	-	150	-	-	225	80	-
Vote5 - HEALTH		-	-	-	50	12	-	59	-	-	-	-	-	120	50	-
Vote6 - COMMUNITY AND SOCIAL SERVICES		-	50	-	240	240	240	348	358	198	-	-	(0)	1,673	355	370
Vote7 - HOUSING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote8 - PUBLIC SAFETY		17	250	-	20	25	-	-	250	330	-	-	-	892	580	935
Vote9 - SPORTS AND RECREATION		-	70	780	205	380	380	380	380	155	-	-	0	2,728	640	841
Vote10 - WASTE MANAGEMENT		-	200	-	30	50	-	-	-	-	-	-	-	280	80	1,445
Vote11 - ROAD TRANSPORT		476	2,369	4,233	4,283	3,237	2,987	486	3,636	386	406	98	98	22,693	27,360	30,980
Vote12 - ELECTRICITY		660	-	90	50	-	40	-	-	276	138	-	-	1,254	1,860	2,738
Vote13 - AIR TRANSPORT		-	-	0	0	0	0	0	0	0	0	0	(0)	-	-	-
Vote14 - WORKSHOP		-	-	-	45	-	-	-	-	-	-	-	-	45	40	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	1,153	3,009	6,054	5,615	4,780	3,858	1,272	4,693	1,774	860	98	98	33,263	32,432	40,006
Total Capital Expenditure	2	1,153	3,009	6,054	5,615	4,780	3,858	1,272	4,693	1,774	860	98	98	33,263	32,432	40,006

8. OVERVIEW OF BUDGET – RELATED POLICIES

8.1 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	STATUS
Credit Control & Debt Collection Policy	30/05/2001 (Special Exco 252/00/01)	25/05/2010	Amended
Tariff Policy	01/06/2007 (Exco 01/06/07)		Reviewed
Property Rates Policy	05/09/2005 (Exco 95/05/00)	25/05/2010	Amended
Investment Policy	07/11/2005 (Exco 157/05/06)		Reviewed
Risk Management Policy	07/07/2008 (Exco 18/5/09)		Reviewed
Indigent Support Policy	01/03/2004 (Exco 337/05/04)	25/05/2010	Amended
Supply Chain Management Policy	03/12/2008 (Exco 208/08/09)	02/02/2010	Reviewed
Virement Policy	Min.no UMC 41/09/10	25/05/2010	Reviewed

The above mentioned policies can be reviewed on the Council's official website, and can also be obtained on request from the Council's offices.

8.2 The following amendments of the policies are tabled for consideration:

8.2.1 *Credit Control and debt collection policy*

SECTION B: GENERAL RATES DEBTORS

1.4 Interest on arrears

Add the following sentence:

" Interest cease to accrue when the unpaid interest equals the outstanding capital, in terms of Common Law in duplum rule."

SECTION C: CONSUMER DEBTORS (ELECTRICITY AND REFUSE)

4. Arrangements

Accounts handed over to the attorney's the following clause currently reads as follows:

" Consumers whose accounts are currently handed over to an attorney are not allowed to accumulate any news arrears nor ask for any extension or arrangement on his current account. That all normal accounts of which a portion are handed over for the recovery by an attorney, be blocked on the syatem for further extension/arrangements."

To be replaced by:

"Consumers whose accounts are currently handed over to an attorney, are not allowed to accumulate any new arrears, but may ask for extension or arrangement on their current account."

5. Termination of services

Add the following:

- 5.5 For the purposes of this policy, a debtor that appears three times or more on the cut off list in a financial year is classified as a risk debtor.
- 5.6 When a pre paid electricity consumer is blocked for being in arrears on other services (which includes property rates), for three times or more in a financial year, the consumer will be requested to pay a security deposit, which is determined from time to time.

6. Unauthorized Consumption and Theft damages

6.1 Electricity

Add the following:

- (v) Council will reward "whistle blowers" who report the tampering of meters and reconnection of disconnected/restricted meters as follows:
 - A reward of 50% of the fine issued in respect of electricity installations be paid only in instances where the culprit has paid the fine in full or where the culprit has been found guilty.
 - The community must be informed of such rewards by means of notices and at all pay points and other notice boards of Council

8.2.2 Rates Policy

8.2.2.1 CHAPTER 2-LEVYING OF RATES

CLAUSE 8 (IMPOSITION OF RATES)

Add the following:

- (c) For the purposes of levying rates part of the month is deemed the full month.
- (d) The general rates effective levying date is as follows:
 - Any property within the municipal boundaries shall have the date of registrations an effective date, and
 - A newly developed property shall have completion and or occupation date as an effective date whichever is the earlist.

Clause 9 (exemptions and rebates from rates)

The following clause currently reads as follows:

- "9.1.3 (f) **State-owned property**
- State-owned properties: residential 0%
 - State-owned properties: public service infrastructure 30%
 - State-owned properties: other 0%

To be replaced by:

9.1.3 (f) **State-owned property**

- State-owned properties: residential 20%
- State-owned properties: other 20%

The following clause to be added

- 9.14 A property of a beneficiary of any Project Linked Subsidy Scheme of the Department of Human Settlement within the uMlalazi Municipal area shall remain non rateable for the period of eight years, it be noted that once the property has been sold and transferred after the expiration of the eight year period by the beneficiary to another party the property shall become rateable, unless the Council at the time should resolve to the contrary.

The following clause currently reads as follows:

- 9.3 The following categories of owners of residential properties shall additionally receive the following rebates on the rates due in respect of such properties after deducting the rebate applicable to residential properties:

9.3.1 *Property owners who are both the permanent occupants and the sole owners of the property concerned who are registered indigents in terms of the municipality's indigency management policy. 100% of the rates based on the rateable value up to R50 000.00, and 75% of the rates based on the rateable value above R50 000.00

9.3.2 *Property owners who belong to one of the following categories: 100% of the rates based on the rateable value up to R50 000.00 and 40% of the rates based on the rateable value above R50 000.00.

(a) A ratepayer older than 60 years of age;

(b) A bona fide pensioner under 60 years of age;

(c) A ratepayer under 60 years of age, but has been retired from employment by reason of illness or disability; and

d) whose total household income is as follows:

(i) a single person receiving a total income of R4 200,00 or less

(ii) a married couple receiving a joint monthly income of R5 400,00 or less.

To be replaced by:

- 9.3 The following categories of owners of residential properties shall additionally receive the following rebates on the rates due in respect of such properties after deducting the rebate applicable to residential properties:

- 9.3.1 *Property owners who are both the permanent occupants and the sole owners of the property concerned who are registered indigents in terms of the municipality's indigency management policy. 100% of the rates based on the rateable value up to R50 000.00, and 100% of the rates based on the rateable value above R50 000.00
- 9.3.2 *Property owners who are both the permanent occupants and the sole owners of the property concerned and who belong to one of the following categories: 100% of the rates based on the rateable value up to R50 000.00 and 40% of the rates based on the rateable value above R50 000.00.
- (a) A ratepayer older than 60 years of age;
- (b) A bona fide pensioner under 60 years of age;
- (c) A ratepayer under 60 years of age, but has been retired from employment by reason of illness or disability; and
- d) whose total household income is as follows:
- (i) a single person receiving a total income of R4 800,00 per month or less
- (ii) a married couple receiving a joint monthly income of R6 000,00 per month or less.
- 9.3.3 Property owners, excluding state owned property, who are registered annual ratepayers who settle the account on or before the last working day of September of each financial year, will receive an additional 2,5% rebate”

8.2.2.2 CHAPTER 5- LIABILITY FOR RATES

CLAUSE 19 (METHOD AND TIME OF PAYMENT)

The following clause currently reads as follows:

- 19 (b) If a rate is payable in a single amount annually it must be paid on or before a date determined by the Municipality

To be replaced by:

19 (b) Property Owners:

- (i) may apply to settle their accounts in a single amount annually on or before a date determined by the municipality.
- (ii) must apply on the prescribed form on or before May of the previous financial year, to become an annual rate payer.

8.2.2.3 CHAPTER 8 - UPDATING OF VALUATION ROLLS

27. General

Add the following:

- (c) The municipality must, whenever necessary, cause a supplementary valuation to be made in request of any rateable property:
 - o **Incorrectly omitted from the valuation roll**
 - o **Included in a municipality after the last general valuation**
 - o **Subdivided or consolidated after the last general valuation**
 - o **Of which the market value has substantially increased or decreased for any reason after the last general valuation**
 - o **Substantially incorrectly valued during the last general valuation or**
 - o **That must be revalued for any other exceptional reason.**
- (d) any person who wishes his property to be revalued after the objection period has lapsed may do so in a prescribed form, and must pay a fee which is refundable should the Market value had been incorrectly stated.

8.2.3 *Indigent Policy*

The following clause currently reads as follows:

(G) APPLICATION FOR INDIGENT SUPPORT

- (i) All residents complying with the criteria may apply for indigent relief.
- (ii) Application must be made **during March and September of each year** and will apply from the first of the month following the month of application.
- (iii) Except for the date of implementation of the policy **no retrospective applications will be considered.**
- (iv) Indigent relief will, **unless re-application has been made** and approved, cease after six months from implementation.
- (v) All applications must be made on the prescribed form and all additional information must be supplied **(together with documentary proof where required).**
- (vi) **The onus is on the account holders to re-apply** for support on a biannual basis.

To be replaced by:

(G) APPLICATION FOR INDIGENT SUPPORT

- (i) All residents complying with the criteria may apply for indigent relief.
- (ii) Application must be made **during May of each year** and will apply from July of each year.
- (iii) Except for the date of implementation of the policy **no retrospective applications will be considered.**
- (iv) Indigent relief will cease, if not renewed on an annual basis.
- (v) All applications must be made on the prescribed form and all additional information must be supplied **(together with documentary proof where required).**
- (vi) **The onus is on the account holders to re-apply** for support on an annual basis.

9. OVERVIEW OF BUDGET ASSUMPTIONS

9.1 In January 2010, Cabinet adopted 12 outcomes within which to frame public service delivery priorities and targets. Cabinet ministers have signed performance agreements linked to these outcomes. More detailed delivery agreements have since been developed to extend targets and responsibilities to national and provincial departments, agencies and municipalities.

The municipality is expected to take the 12 outcomes into consideration when reviewing the IDP and developing the annual Draft Budget for the 2011/2012 MTREF. Hereunder follows the 12 outcomes, together with examples of areas where the municipality have a role to play in either contributing directly to the realization of the outcomes or facilitating the work of national and provincial departments in realizing them.

12 Outcomes of Government-role of Local Government

No	Description	Role of Local Government
1	Improve the quality of basic education	<ul style="list-style-type: none"> • Facilitate the building of new schools by: <ul style="list-style-type: none"> - Participating in needs assessments - Identifying appropriate land - Facilitating zoning and planning processes • Facilitate the eradication of municipal service backlogs in schools by extending appropriate bulk infrastructure and installing connections
2	Improve health and life expectancy	<ul style="list-style-type: none"> • Many municipalities perform health functions on behalf of provinces • Strengthen effectiveness of health services by specifically enhancing TB treatments and expanding HIV and AIDS prevention and treatments. • Municipalities must continue to improve Community Health Service infrastructure by providing clean water, sanitation and waste removal services.
3	All people in South Africa protected and feel safe	<ul style="list-style-type: none"> • Facilitate the development of safer communities through better planning and enforcement of municipal by laws. • Direct the traffic control function towards policing high risk violations-rather than revenue collection • Metro police services should contribute by: <ul style="list-style-type: none"> - Increasing police personnel - Improving collaboration with SAPS - Ensuring rapid response to reported crimes
4	Decent employment through inclusive economic growth	<ul style="list-style-type: none"> • Create an enabling environment for investment by streamlining planning application processes. • Ensure proper maintenance and rehabilitation of essential services infrastructure. • Ensure proper implementation of the EPWP at municipal level • Design service delivery processes to be labour intensive • Improve procurement systems to eliminate corruption and ensure value for money • Utilize community structures to provide services
5	A skilled and capable workforce to support inclusive growth	<ul style="list-style-type: none"> • Develop and extend intern and work experience programmes in municipalities. • Link municipal procurement to skills development initiatives

6	An efficient, competitive and responsive economic infrastructure network	<ul style="list-style-type: none"> • Ring-fence water, electricity and sanitation functions so as to facilitate cost-reflecting pricing of these services • Ensure urban spatial plans provide for commuter rail corridors, as well as other modes of public transport • Maintain and expand water purification works and waste water treatment works in line with growing demand • Cities to prepare to receive the devolved public transport function • Improve maintenance of municipal road networks.
7	Vibrant, equitable and sustainable rural communities and food security	<ul style="list-style-type: none"> • Facilitate the development of local markets for agricultural produce • Improve transport links with urban centres so as to ensure better economic integration • Promote home production to enhance food security • Ensure effective spending of grants for funding extension of access to basic services.
8	Sustainable human settlements and improved quality of household life	<ul style="list-style-type: none"> • Cities must prepare to be accredited for the housing function. • Develop spatial plans to ensure new housing developments are in line with national policy on integrated human settlements • Participate in the identification of suitable land for social housing. • Ensure capital budgets are appropriately prioritized to maintain existing services and extend services.
9	A response and, accountable, effective and efficient local government system	<ul style="list-style-type: none"> • Adopt IDP planning processes appropriate to the capacity and sophistication of the municipality • Implement the community work programme • Ensure ward committees are representative and fully involved in community consultation processes around the IDP, budget and other strategic service delivery issues. • Improve municipal financial and administrative capacity by implementing competency norms and standards and acting against incompetence and corruption.
10	Protection and enhancement of environmental assets and natural resources	<ul style="list-style-type: none"> • Develop and implement water management plans to reduce water losses. • Ensure effective maintenance and rehabilitation of infrastructure • Run water and electricity saving awareness campaigns • Ensure proper management of municipal commonage and urban open spaces • Ensure development does not take place on wetlands.
11	A better South Africa, a better and safer Africa and world	<ul style="list-style-type: none"> • Role of Local Government is fairly limited in this area. Must concentrate on: <ul style="list-style-type: none"> - Ensuring basic infrastructure is in place and properly maintained. - Creating an enabling environment for investment.

12	A development-orientated public service and inclusive citizenship	<ul style="list-style-type: none"> • Continue to develop performance monitoring and management systems. • Comply with legal financial reporting requirements • Review municipal expenditures to eliminate wastage • Ensure councils behave in ways to restore community trust in Local Government.
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9.2 The following budget assumptions have a major influence on the annual budget:

- It will take some time for the economic upturn to flow through to increased municipal revenues and better cash flows.
- The revenue stream of the Council will stay under pressure for the next three to four quarters in 2011.
- The increased high cost to move waste from the refuse transfer stations, to the regional refuse site.
- The excessive increases in the tariffs of bulk electricity purchases in the next three budget years, are putting pressure on the Council's draft operating expenditure budget.
- The increases in property rates and other tariffs are likely to be counter productive, resulting in higher levels of non payment and increased bad debts.

10. Overview of Budget funding

10.1 Hereunder follows an explanation of how the annual draft budget is funded:

10.1.1 Draft Operating Expenditure

The draft operating expenditure is funded as follows:

• Revenue form tariffs	-	96 113 250
• Rental of facilities	-	1 334 570
• Interest earned	-	350 000
• Fines, licences and permits	-	6 963 540
• Transfers recognized	-	70 905 740
• Other direct revenue	-	3 738 330
• Gains on disposal of assets	-	<u>200 000</u>
Total		R179 605 430

10.1.2 Draft Capital Expenditure

The draft capital expenditure is funded as follows:

Equitable Share Grant	-	10 994 000
Municipal Infrastructure Grant	-	21 609 000
Department of Mineral and Energy	-	<u>660 000</u>
Total		R33 263 000

10.1.3 There are no cash backed reserves at this stage to fund future capital projects

10.1.4 The future fiscal sustainability of the Council is not very positive. The following are contributing factors for this situation:

- The continued inability of consumers to settle outstanding accounts.
- The continued dependency on grant funding from the national government.

10.1.5 The tariff increases under consideration in this draft budget are as follows:

• General rates	-	21.9%(decrease)
• Refuse removal charges	-	10% (increase)
• Sale of electricity	-	16.99%(average increase)

PART 1 - Budgeting for Financial Performance			
Description	Budget Year 2011/2012 R'000	Budget Year 2012/2013 R'000	Budget Year 2013/2014 R'000
<u>OPERATING REVENUE</u>			
Property rates	40,778	42,261	43,857
Service charges	55,335	65,294	76,282
Rental of facilities and equipment	1,335	1,412	1,494
Interest earned - external investments	350	350	350
Fines	3,904	4,100	4,306
Licences and permits	3,060	3,212	3,373
Government Grants and subsidies - Operating	70,906	78,792	85,658
Government Grants and subsidies - Capital	33,283	32,432	40,006
Other revenue	3,737	3,833	3,955
Gains on disposal of PPE	200	200	200
Total operating revenue	212,888	231,886	259,481
<u>OPERATING EXPENDITURE</u>			
Employee related costs	55,792	59,882	64,185
Remuneration of councilors	12,435	13,181	13,971
Bad & doubtful debts	564	592	622
Collection costs	1,105	1,161	1,219
Depreciation	8,004	8,804	9,685
Repairs and maintenance	7,274	6,774	7,473
Finance charges	892	854	818
Bulk purchases	26,231	33,024	41,280
Contracted services	15,204	15,448	16,017
Grants and subsidies	417	436	455
General expenditure	50,742	59,260	62,841
Total operating expenditure	178,660	199,416	218,566
Surplus/(Deficit)	34,228	32,470	40,915

PART 2 - Budgeting for Cash Flow			
Description	Budget Year 2011/12 R'000	Budget Year 2012/13 R'000	Budget Year 2013/14 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Ratepayers and other	148,942	150,417	152,026
Government - operating	75,738	78,792	85,658
Government - capital	22,284	26,115	31,314
Interest Dividends	350	350	350
<u>Payments</u>			
Suppliers and employees	(212,696)	(221,859)	(227,876)
Finance charges	(892)	(854)	(818)
Transfers and Grants	(417)	(436)	(455)
NET CASH FROM/(USED) OPERATING ACTIVITIES	33,309	32,525	40,199
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Proceeds on disposal of PPE	200	200	200
Decrease (Increase) in non-current debtors			
Decrease in inventory	-	-	-
Decrease (increase) other non-current receivables	(10)	(10)	(10)
Decrease (increase) in non-current investments			
<u>Payments</u>			
Increase in inventory	(25)	(25)	(26)
Purchase of property, plant and equipment	(33,263)	(32,432)	(40,006)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(33,098)	(32,267)	(39,842)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Short term loans			
Borrowing long term/refinancing			
Increase (decrease) in consumer deposits	10	10	11
<u>Payments</u>			
Repayment of borrowing	(346)	(350)	(353)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(336)	(340)	(342)
NET INCREASE/ (DECREASE) IN CASH HELD	(125)	(82)	15
Cash/cash equivalents at the year begin:	422	297	215
Cash/cash equivalents at the year end:	297	215	230

PART 3 - Reconciliation of reserves and commitments backed by cash/investments			
Description	Budget Year 2010/2011 R'000	Budget Year 2011/2012 R'000	Budget Year 2012/2013 R'000
Reserves to be backed by cash	0	0	0
Capital budget creditors unpaid at year end	0	0	0
Total commitments:	0	0	0
Total cash and investments available			
Cash/cash equivalents at the year end	297	215	230
Long term investments held	-	-	-
Cash and investments available	297	215	230

10.3 Particulars of rates, refuse, electricity tariffs and other charges:

When the rates, electricity and refuse tariffs and other charges were revised, the following were taken into account:

- The wage agreements with unions.
- Other input costs of services provided by the Council
- The need to ensure financial sustainability
- Local economic conditions
- The affordability of services, taking into consideration the Council's indigent policy
- Relevant policy developments in the different sectors.

10.3.1 Hereunder follows the tariffs for consideration:

PROPERTY RATES

Categories	Ratio in relation to residential property
Residential Property	1 : 1
Commercial and Industrial Property	1 : 1
Agricultural Property	1 : 0.25
Public Service Infrastructure	1 : 0.25

TARIFFS FOR PROPERTY RATES

Category	2010/2011 c/R	2011/2012 c/R
Residential	1.37	1.07
Commercial and Industrial	1.37	1.07
Government	1.37	1.07
Municipal	1.37	1.07
Clubs/Churches	1.37	1.07
Agricultural	0.343	0.268
Public service infrastructure	0.343	0.268

PROPERTY RATES – REBATES AND REVENUE FOREGONE (2011/2012)

	% Rebates	Total
Rebates		
Clubs/Churches	100	1 008 915
Pensioners	40	96 603
Department of Public Works	20	723 416
Municipal Properties	100	2 255 095
Indigents	100	85 117
Land Claim Farms	100	34 542
3 rd Year phasing in	25	1 046 290
Early Settlement	2.5	4 569
Small Holdings with agricultural activities	50	6 468
		5 261 016
Revenue Foregone		
First 30% of the M/V for PSI		1 706 735
1 st R50 000 non-ratable on residential		2 107 419
1 st R15 000 non-ratable on vacant residential		71 583
TOTAL		9 146 752

ELECTRICITY SUPPLY

SECTION A: CHARGES FOR ELECTRICITY

		2010/2011	2011/2012
1.	Eshowe Consumers		
1.1	Domestic consumers, churches and old age homes		
1.1.1	Monthly service charge (which charge excludes any kilowatt hour of electricity consumed)	143.00	172.15
1.1.2	Consumption charge	0.80	
	INCLINING BLOCK TARIFF SYSTEM		
	0 – 50 Kwh		0.85
	51 – 350 Kwh		0.93
	351 – 600 Kwh		0.96
	601 > Kwh		0.96
1.2	Businesses, clubs, boarding houses, hotels, schools and hostels, Government / NPA		
1.2.1	Monthly service charge (which charge excludes any kilowatt hour of electricity consumed)		
	For a single-phase connection per month	182.40	219.57
	For a three-phase connection per month	524.38	631.25
1.2.2	Consumption charge	0.89	1.07
1.3	Large Consumers		
1.3.1	Monthly Service charge (which charge excluded any kilowatt hour of electricity consumed)	231.36	278.51
	Consumption charge for KVA	120.99	145.65
1.3.2	Consumption charges	0.49	0.59
2.	<u>King Dinuzulu Consumers</u>		
2.1	Monthly Service Charge		
	Domestic	143.00	172.15
	Businesses	524.38	631.25
2.2	Consumption Charge		
	Domestic	0.80	
	INCLINING BLOCK TARIFF SYSTEM		
	0 – 50 Kwh		0.85
	51 – 350 Kwh		0.93
	351 – 600 Kwh		0.96
	601 > Kwh		0.96
	Businesses	0.89	1.07
3.	<u>User where Prepaid Meters have been installed</u>		
3.1	Consumption charge –Domestic	0.98	
	INCLINING BLOCK TARIFF SYSTEM		
	0 – 50 Kwh		1.04
	51 – 350 Kwh		1.14
	351 – 600 Kwh		1.18
	601 > Kwh		1.18
3.2	Consumption charge-Commercial (single phase)	1.12	1.34
3.3	Consumption charge-Commercial (three phase)	1.35	

3.4	Low Cost Housing	0.74	
	INCLINING BLOCK TARIFF SYSTEM		
	0 – 50 Kwh		0.78
	51 – 350 Kwh		0.84
	351 – 600 Kwh		0.89
	601 > Kwh		0.89
3.5	Fee for purchasing pre-paid electricity for after hours	10.00	10.00
4.	<u>Connection fees for the supply of Electricity to Building Contractors</u>		
4.1	Connection fees other than 3 phase		
4.1.1	Connection fees (including disconnection)	267.43	321.94
4.1.2	Plus all kilowatt hours consumed at Maximum period of supply 6 months	0.89	1.07
4.2	3 Phase connections		
4.2.1	Connection fee (including disconnection)	524.38	631.25
4.2.2	Plus all kilowatt hours consumed at no maximum period of supply 6 months	0.90	1.10
5.	<u>Availability Charge</u>		
5.1	An availability charge is payable in respect of all properties, which can be yet or not served by the electricity reticulation network.	144.72	172.21

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SECTION B: CONSUMER DEPOSITS

		2010/2011	2011/2012
1.	<u>Domestic Supply</u>		
	Amateur sporting clubs Charitable institutions Churches Government dwellings and institutions Private dwelling houses Retirement and care centres Townhouses Residential Flats	2300.00	2800.00
2.	<u>Low Cost Housing Schemes</u>		
2.1	Where valuation of property is below R50 000,00 (receives free refuse)	Nil	NIL
2.2	Where valuation of property exceeds R50 000,00	300.00	320.00
3.	<u>Households With Pre Paid Electricity</u>	300.00	320.00

4.	<u>Commercial Supply</u>		
4.1	Deposit to be based on three times the average monthly account over a period of three months of a similar business or three times the average account over a period of three months of the previous consumer		
4.2	Should the business to be operated be of the same type or per discretion of the Chief Financial Officer or his assignee with a minimum of R3300,00		
4.3	Where the minimum deposit is more than R5000.00, the applicant be allowed to provide a bank guarantee for the required deposit.		

5.	<u>Commercial Consumers with Pre Paid Electricity</u>		
5.1	Refuse removal service at least one day per week	450.00	490.00
5.2	Refuse removal service for a six day removal per week	850.00	935.00

SECTION C: SUNDRY ELECTRICITY CHARGES

		2010/2011	2011/2012
1.	<u>Testing Fee</u>		
1.1	Special fee for testing installation at consumers request	100.00	120.39
1.2	Meter test <ul style="list-style-type: none"> o Prepayment meter testing fee o Single phase conventional meter o 400V Three phase conventional meter o 11 kv meter 	255.00 341.00 440.00 Cost + 10%	306.97 410.50 529.67 Cost +10%
1.3	Inspection fee, after failure upon first test	87.72	
1.4	Fee for checking meter reading (Which fee will be refunded should the reading be found to be incorrect)	165.01	198.64
2.	<u>Disconnection Charge</u>		
2.1	Final Notice of demand		
2.1.1	Properties within the Municipality	120.00	144.46
2.1.2	Properties outside the Municipality (Plus 32c /km)	120.00	144.46
2.1.3	Where the disconnection is performed by a private contractor at the request of the Manager Financial Services	240.01	288.93
3.	<u>Reconnection Charge</u> (penalties for services that may be disconnected if not paid on due date)		
3.1	For non-payment of account	120.00	144.46
3.2	For other reasons, per each occasion	105.26	144.46
3.4	Connection charge – after office hours	360.00	433.37
4.	<u>SERVICE CONNECTION FEES (NEW TARIFFS)</u>		
4.1	Single phase prepayment connection (60 amp)	1 490.01	1 610.00
4.2	Single phase prepayment connection (Sunnydale 20 amp)	820.01	885.60
4.3	Upgrade single phase prepayment connection (20 amp - 60 amp) (KDS / Sunnydale)	9 440.00	10 190.00
4.4.	Alternative single phase prepayment connection including ready board and cable	3 045.00	3 285.00
4.5	Single phase meter conversion from conventional to prepayment(Domestic and Small Business)	1 015.00	1 100.00
4.6	Three phase meter conversion from conventional to three phase prepayment (Domestic and Small Business)	3 765.00	3 915.00
4.7	Single phase conventional connection (see council resolution)	1 205.01	1 300.00
4.8	Second single phase prepayment connection on the same or subdivided premises	11 780.00	12 720.00
4.9	Single phase meter conversion from conventional to three phase conventional (Domestic and Small Business)	12 395.01	13 390.00
4.10	Single phase meter conversion from conventional to three phase prepayment meter (Domestic and Small Business)	13 620.01	14 710.00

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4.11	Domestic conversion from single to three phase maximum demand on connection (100Amp)	12412.28	15 280.00
4.12	Domestic three phase conventional connection with a maximum demand of 100Amp	13 735.01	14 830.00
4.13	Domestic three phase prepayment connection	3 875.00	4 030.00
4.14	New 80A single phase supply or conversation from 60A to 80A	4 055.46	4 380.00
4.15	Non-domestic three phase connection with a maximum demand of 100Amp	16 920.01	18 270.00
4.16	Conversion from 80A single phase prepayment to 3 phase prepayment connection	10 165.01	10 570.00
4.17	Three phase connection with a max demand greater than 60 Amp (100A Eshowe) All cost plus 10% of all equipment necessary plus the cost of the infrastructure contributions for additional electricity above that being existing or allowed based on the zoning and area of the premises		
5.	Tampering Fee	1 199.89	1 445.57
6.	Pre Paid Electricity Identification Card	50.00	
7.	Moving / Relocation of a prepayment meter	425.01	511.62
8.	Replacement of damaged or burnt-out prepayment meter single phase	480.00	577.82
9.	Replacement of damaged or burnt-out prepayment meter three phase	1 880.00	2 263.15
10.	Certificate of Compliance – revisit fee	320.00	382.22

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WASTE MANAGEMENT

SECTION A: REFUSE REMOVAL FEES

1.	<i>ESHOWE</i>	2010/2011	2011/2012
1.1	Domestic (removal service one day per week) Per refuse receptacle, per month	97.26	106.99
1.2	Removal of refuse from business and other premises		
1.2.1	Per refuse receptacle for a service of at least one day per week, per month	148.36	163.20
1.2.2	Per refuse receptacle for a six days per week clearance, per month	283.52	311.87
1.3	King Dinuzulu Users Residential Business	67.37 132.56	97.69 145.82
1.4	Mass container removal service four days per week,		
1.4.1	per container, per month	3 131.93	3 445.13
1.4.2	Mass container removal service four days per container where the consumer supplies the container for – The first 12 months Thereafter per month	554.74 3 131.93	610.22 3 445.13
1.4.3	2 Mass Containers + 4 Receptacle	7 397.95	8 137.75
1.5	Schools		
1.5.1	Removal Service one day per week,	150.01	165.01
1.5.2	Per refuse receptacle for a six days per week clearance, per month at schools	283.52	311.87
1.6	Hire of garden refuse container "Skip" for 2 day period	320.00	352.00
1.7	Removal of builders' rubble from properties per load of 2,3m or part hereof	530.00	583.00
1.8	Per polythene plastic bags	1.45	1.60
1.9	One bag of polythene black plastic bags (20 bags)	30.01	33.16
1.10	Making use of transfer station		
1.10.1	Businesses (Including garden services)	150.00 per ton	165 per ton
1.10.2	Builders rubble	150.00 per ton	165 per ton

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2.	<i>MTUNZINI</i>	2010/2011	2011/2012
	Removal of household, domestic or business refuse from all properties / for 2 removals per week, per month or part thereof -		
2.1	Domestic including clubs	97.26	106.99
2.2	Hotels and supermarkets	606.64	667.30
2.3	Other food handling businesses	283.52	311.87
2.4	Non-food handling businesses	148.36	163.20
2.5	Schools	150.01	165.01
2.6	Caravan parks for every 10 sites or part thereof	102.20	112.42
2.7	For every additional removal per load or part hereof	148.36	163.20
2.8	General Residential II sites per unit	102.20	112.42
2.9	Prawn farm	314.80	
2.10	Use of refuse dump by instances outside municipal area, per month or part thereof	1 118.40	1 230.24
2.11	Removal of refuse other than household or domestic, per load thereof	150.01	165.01
2.12	Removal of building rubble, per load thereof	530.00	583.00
2.13	Removal of Garden refuse per black bag	20.00	22.00
2.14	Making use of transfer station		
2.14.1	Businesses (Including garden services)	150.00 per ton	165 per ton
2.14.2	Builders rubble	150.00 per ton	165 per ton
3.	<i>GINGINDLOVU</i>		
3.1	Commercial per month	148.36	163.20
3.1.1	Commercial (Bulk) per month	114.33	125.76
3.2	Residential per month	97.26	106.99
3.3	Garden Refuse per black bag or part thereof	20.00	22.00
3.4	Rubble Removal per load or part thereof	530.00	583.00
3.5	Lot Clearing per lot	Cost + 10%	Cost +10%

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*Note : Electricity and refuse tariffs are submitted separately with the budget approval.

*New Tariff is inclusive of VAT

1.	ADVERTISEMENTS	2010/2011	2011/2012
	Display of Advertisements General advertisements of events, meetings. Billboards, directional signage and any other signage determined by the Council may be subject to the services of an Advertising Consultant Company.		
1.1	Posters (<u>per poster per month</u>): - General Welfare Organizations Political	R10.00 R5.00 R5.00	R12.00 R6.00 R6.00
1.2	Per banner per month	R100.00	R110.00
1.5	Billboards – per Bill Board annual charge irrespective if display period is less than one year	R12 000.00	R12 200.00
1.6	Deposit of 50% of quantities displayed - such deposit shall be retained by Council to cover costs incurred <u>if adverts are not removed within 30 days</u>	50% of total	50% of total
2.	HANDBILLS	2010/2011	2011/2012
2.1	For the permission to distribute handbills within the Municipality, Per month	R500.00	R550.00
2.2	For the permission to distribute handbills with the Municipality, Per year	R3 500.00	R3 600.00
3.	COMMUNITY HALLS	2010/2011	2011/2012
3.1	HIRE FEE FOR COMMUNITY HALLS		
3.1.1	General functions including weddings, concerts, contests, dances, exhibitions, tournaments and any other function which derives a financial benefit	R1200.00	R1400.00
3.1.2	Religious Services	R200.00	R200.00
3.1.3	Public meetings	R200.00	R200.00
3.1.4	Hire of Community Halls facilities by non-residents for any purposes	Normal rate +50%	Normal rate +50%
3.1.5	Political Meetings	R250.00	R250.00
3.1.6	For any other purpose approved by the Council per day	R800.00	R1000.00
3.1.7	Hire of Premier Conference Center	R700.00	R800.00
3.2	DEPOSIT FEE FOR COMMUNITY HALLS		
3.2.1	General functions including weddings, concerts, contests, dances, exhibitions, tournaments and any other function which derives a financial benefit	R3500.00	R3500.00
3.2.2	Religious Services	R200.00	R200.00
3.2.3	Public Meetings	R200.00	R200.00
3.2.4	For any other purpose approved by the Council per day	R800.00	R800.00
3.2.5	Political Meetings	R500.00	R500.00
The right to determine the period of hire is reserved by Council and the Municipal Manager is delegated discretionary authority on interpretation of applications and relevant tariffs to be charged. Deposits to be paid in advance in cash or bank guaranteed cheque. Temporary bookings will be accepted subject to 50% of the required deposit being paid in advance and the balance payable 24 hours prior to the event.			
4.	TOWN PLANNING	2010/2011	2011/2012
4.1	Consideration for approval of subdivisions/consolidations		
4.1.1	Basic fee	R900,00	R1000,00
4.1.2	Additional fee, per subdivision (Remainder to be considered a subdivision)	R100,00	R100,00
4.1.3	Amendment of subdivisions in process	R200,00	R200,00
4.1.4	Application for Registration of right of way servitudes/long term leases – Administration Fee (Note – This excludes legal fees)	R200,00	R200,00
4.1.5	Application for phasing/cancellation of approved layout plans – Administration Fee	R1 500,00	R1 500,00

4.2.	Application for relaxation of building line and/or side and rear spaces in terms of Town Planning Clauses (per application)	R650,00	R650,00
4.3.	Rezoning Applications		
4.3.1	Rezoning of unused public open spaces in line with Council's Policy (NOTE – Advertisement, Closure and subdivision/consolidation fees would still apply)	Nil	Nil
4.3.2	Other rezonings:		
	(i) Less than 1 ha	R2 000,00	R2 000,00
	(ii) 1 hectare and over but less than 5 hectares	R2 500,00	R2 500,00
	(iii) 5 hectares and over but less than 10 hectares	R3 500,00	R3 500,00
	(iv) 10 hectares and over	R5 000,00	R5 000,00
4.4.	Zoning certificates	R40,00	R40,00
4.5.	Special Consent		
4.5.1	Consent to operate home industry without additional employment opportunities (Category A)	R500,00	R500,00
4.5.2	All other consent use applications (Category B)	R1 000,00	R1 000,00
4.6.	Removal of Restrictive Conditions of Title	R1 000,00	R1 000,00
4.7.	Closure of Public Streets / Open Spaces – Administration Fee	R250,00	R250,00
4.8.	Administration of DFA Applications:		
	(i) Less than 1 ha	R2 000,00	R2 000,00
	(ii) 1 hectare and over but less than 5 hectares	R2 500,00	R2 500,00
	(iii) 5 hectares and over but less than 10 hectares	R3 500,00	R3 500,00
	(iv) 10 hectares and over	R5 000,00	R5 000,00
4.9.	Development outside of scheme areas		
	(i) Less than 5 hectares	R3 000,00	R3 000,00
	(ii) 5 hectares and over but less than 10 hectares	R4 500,00	R4 500,00
	(iii) 10 hectares and over	R7 000,00	R7 000,00
4.10.	Public Notice		
4.10.1	Notices in the legal section	R1 700,00	R2 000,00
4.10.2	Notices in the body of the paper	R5 000,00	R5 000,00
4.11.	Hearings	Cost plus 10%	Cost plus 10%
4.12.	Fines – as per Section 75 and 89 of the Planning and Development Act		
4.12.1	Fines as per Section 75	As per court order	As per court order
4.12.2	Additional penalties in accordance with Section 76	As per court order	As per court order
4.12.3	Section 89 Civil Penalty	10-100% of value of illegal building/construction, etc.	10-100% of value of illegal building/construction, etc.

In light of the introduction of the new Planning and Development Act in April 2010, the tariffs have had to be revised so as to respond to the new planning processes included therein. In that regard, all proposals now read as per the tariff. In the instance that multiple applications are lodged for consideration of Council, individual tariffs will be applicable to each type of application included on the application form.

Applications previously known as “consent uses” will now be known as Formal Authority throughout the Council's jurisdiction. This is in line with the PDA. Applications previously known as “Special Consent” will now be known as Consent throughout the Council's jurisdiction. This is in line with the PDA.

5.	ENCROACHMENT – SIGNS	2010/2011	2011/2012
	Street Encroachment The charges for street encroachment shall be payable annually in advance per sign as follows:-		
5.1	Verandah posts, each	R250.00	R300.00
5.2	Verandah, ground floor, per m ² or part thereof and including Cantilevers overhanging the pavement or footpaths, Per m ² or part thereof	R15.00	R20.00
5.3	Sign boards on, or overhanging the footpaths or pavement, each	R400.00	R450.00
5.4	Building Rubble, sand and the like left on the pavement per day or part thereof	R50.00	R100.00

5.5	Display of signs for hotels, boarding houses, guest houses and Bed and breakfast accommodation (Maximum 4 signs per establishment), per sign per annum	R350.00	R400.00
6.	<u>MISCELLANEOUS SERVICES</u>	2010/2011	2011/2012
	The following fee shall be paid to the Manager Financial Services in advance for the production of documents, provision of certificates and extract information from records, etc.		
6.1	Search fee per account, document or file produced for inspection or duplicate accounts made out	R40.00	R45.00
6.2	Certified copy of extract from Council's minutes and or hearing per page	R40.00	R45.00
6.3	Rates certificates for each certificate granted	R40.00	R100.00
6.4	Another certificate for each certificate	R50.00	R50.00
6.5	Standard and other bylaws per copy	R70.00	R70.00
	Extract of bylaws per page or part thereof	R15.00	R15.00
6.6	Valuation Roll per town	R700.00	R700.00
6.7	Valuation Roll per folio	R15.00	R15.00
6.8	Voters Roll per folio	R15.00	R15.00
6.9	General Photocopy fees	R5.00	R5.00
6.10	Clearing of vacant lots	R900.00	R900.00
6.11	Tender Documents – Unless specifically prescribed	R350.00	R350.00
6.12	Any occupier or owner of a stand within the uMlalazi Municipality will, subject to non-compliance or default to a statutory notice directing him/her to cut and clear a stand, have the stand cut by the uMlalazi Municipality and the same costs placed on his/her consumer account		R500.00
6.13	Valuation objection fee	0.00	R250.00
7.	<u>LIBRARIES</u>	2010/2011	2011/2012
7.1	Overdue library material excluding videos	R3.00	R4.00
7.2	Overdue video material	R4.00	R5.00
7.3	Overdue library books including talking books	R3.00	R4.00
7.4	Overdue DVD material	R5.00	R6.00
7.5	Overdue Technicon Books	R5.00	R6.00
7.6	Lost book identity card	R35.00	R40.00
7.7	Lost patron card	R35.00	R40.00
7.8	Lost Technicon card	R35.00	R40.00
7.9	2 nd notification letter / post card	R15.00	R20.00
7.10	Photocopies of Library material per page	R0.50	R0.50
8.	<u>PROMOTION OF ACCESS TO INFORMATION</u>	2010/2011	2011/2012
8.1	Application Fee	R40.00	R40.00
8.2	For every A 4 photocopy relating to the promotion of access to Information Act	R3.00	R3.00
8.3	For a copy in a computer readable format: - Compact Disk	R60.00	R60.00
	Copy of an audio record	R60.00	R60.00
8.4	To search for the record for disclosure for each hour excluding the first hour	R35.00	R35.00
8.5	The actual postal fee is payable when a copy of a record must be posted to a requester		
9.	<u>PUBLIC TOILETS</u>	2010/2011	2011/2012
9.1	Usage of public toilet per person	R3.00	R3.00
9.2	Collection of water for cooking; washing cars and other per litre	R1.10	R1.10

10.	<u>SWIMMING POOL - SUNNYDALE</u>	2010/2011	2011/2012
10.1	Day ticket - Children	R5.00	R5.00
10.2	Day ticket - Adults	R7.50	R7.50
	Season ticket - Children	R50.00	R50.00
10.3	Season ticket - Adults	R75.00	R75.00

11.	<u>BUILDING PLAN TARIFFS</u>	2010/2011	2011/2012
11.1	<u>NEW WORKS</u>		
11.1.1	For each new building or additions to existing buildings per square metre		
11.1.2	For the first 20 m ²	R160.00	R180.00
11.1.3	Each additional 10 m ² or part thereof up to 5 000 m ²	R80.00	R100.00
11.1.4	Each additional 10 m ² or part thereof more than 5 000 m ² and up to 15 000 m ²	R30.00	R40.00
11.1.5	Each additional 10 m ² or part thereof more than 15 000 m ²	R20.00	R25.00
11.2	<u>AS BUILT OR AMENDED PLANS</u>		
11.2.1	For as built plans, 25% of existing submission fee, plus full tariff for additional new works	25% of existing fee plus full tariff	25% of existing fee plus full tariff
11.3	<u>INTERNAL ALTERATIONS TO EXISTING BUILDINGS</u>		
11.3.1	Any form of internal alterations to existing buildings of any nature not defined as "as built" or amended plans" (i.e. plans passed and structures which have already passed occupation requirements)		
11.3.2	Fixed tariff : Structures up to 500 m ²	R260.00	R280.00
11.3.3	Structures up to 5 000 m ²	R560.00	R580.00
11.3.4	Structures exceeding 5 000 m ²	R920.00	R940.00
11.3.5	For the renewal of plans which have expired	50% of existing submission fee	50% of existing submission fee
11.3.6	For swimming-pools	R260.00	R280.00
11.3.7	For boundary walls / Fences	R260.00	R280.00
11.3.8	For any other plan submitted other than described above, a fixed tariff of	R350.00	R370.00
11.3.9	For a permit for minor structures in terms of Act 103 of 1977, a fixed tariff of	R160.00	R180.00

12.	<u>PRODUCTION OF MAPS/BUILDING PLAN</u>	2010/2011	2011/2012
12.1	<u>OZALID COPIER</u>		
12.1	A1 paper	R30.00	R35.00
12.2	<u>HP COPIERS BLACK/WHITE PRINTS</u>		
12.2.1	A4	R15.00	R20.00
12.2.2	A3	R20.00	R25.00
12.2.3	A2 & A1	R30.00	R35.00
12.2.4	A0	R50.00	R55.00
12.3	<u>HP COPIERS COLOUR PRINTS</u>		
12.3.1	A4	R25.00	R30.00
12.3.2	A3	R40.00	R45.00
12.3.3	A2 & A1	R125.00	R130.00
12.3.4	A0	R175.00	R180.00
12.4	<u>LAMINATE COPIES</u>		
12.4.1	A2 & A1	R40.00	R45.00
12.4.2	A0	R60.00	R65.00
12.5	<u>A0 SCANNER, COPIER & PRINTER</u>		
12.5.1	A0 paper	R35.00	R40.00
12.5.2	A1 paper	R20.00	R25.00
12.5.3	A0 plastic	R75.00	R80.00
12.5.3	A1 plastic	R40.00	R45.00

13.	<u>ENGINEERING INSPECTIONS AND APPLICATIONS</u>	2010/2011	2011/2012
13.1	P.T.O. Applications	R350.00	R350.00
13.2	Sewer Inspections	R160.00	R180.00
13.3	Encroachments (per side)	R150.00	R160.00
13.4	Site visit for boundary lines (per peg)	R160.00	R170.00

14.	<u>ROAD CROSSING RE-INSTATEMENTS</u>	2010/2011	2011/2012
14.1	Premix surfacing per m ²	R90.00	R100.00
14.2	Base (G2 crusher run) per m ²	R100.00	R110.00

15.	<u>CEMETERY TARIFFS</u>	2010/2011	2011/2012
15.1	<u>TARIFFS FOR RESIDENTS</u>		
15.1.1	Burial for stillborn/infant	R550.00	R600.00
15.1.2	Burial for person under the age of 12 years	R670.00	R700.00
15.1.3	Burial for person over the age of 12 years	R920.00	R950.00
15.1.4	Burial Double deep	R1600.00	R1650.00
15.1.5	Burial Casket	R1600.00	R1650.00
15.1.6	Double grave	R1900.00	R1950.00
15.1.7	Niche – Wall of Remembrance	R250.00	R300.00
15.2	<u>TARIFFS FOR NON-RESIDENTS</u>		
15.2.1	Burial for stillborn/infant	R1400.00	R1500.00
15.2.2	Burial for person under the age of 12 years	R2000.00	R2200.00
15.2.3	Burial for person over the age of 12 years	R4000.00	R4200.00
15.2.4	Double grave	R6000.00	R6200.00
15.2.5	Niche – Wall of Remembrance	R450.00	R500.00
15.3	<u>GENERAL</u>		
15.3.1	Opening a grave for exhumation	R7000.00	R7500.00
15.3.2	Permission to erect memorial stone	R250.00	R260.00
15.3.3	Proof must be handed in that the <u>deceased</u> was resident in the Council's area or jurisdiction for a continuous period exceeding 3 months		
15.3.4	Burial plot sizes: adult – 2,5m x 1,5m x 1,8m deep		
15.3.5	Burial plot sizes: child – 1,5m x 1,0 x 1,8m deep		
15.3.6	Burial aperture sizes: adult – 2,2m x 0,9m x 1,8m deep		
15.3.7	Burial aperture sizes: child – 1,2m x 0,7m x 1,8m		

FIRE AND RESCUE SERVICES TARIFF OF CHARGES: YEAR 2010/11		COST PER HOUR	
1.	FIRE	OLD TARIFF	NEW TARIFF (Incl VAT)
1.1	Attendance at grass, bush, garden refuse or rubbish fire caused by any malicious act or omission, negligence or disregard of any law	NEW	R 1000.00
1.2	Attendance at automatic fire alarm: false alarm condition caused by any omission, negligence or lack of reasonable maintenance or disregard of any law	NEW	R 1000.00
1.3	Attendance at any malicious false call caused by any malicious act or omission, negligence or disregard of any law	NEW	R 2000.00
1.4	Cost of replacement of any extraordinary extinguishing agents, suppliers, material, tools, or equipment used at, or damage during any incident or in connection with any such incident or the hire of any contractors or equipment	NEW	Cost plus 15%

2.	RESCUE		
2.1	Attendance at any malicious false call caused by any malicious act or omission, negligence or disregard of any law	NEW	R 2000.00
2.2	Cost of replacement of any extraordinary extinguishing agents, suppliers, material, tools, or equipment used at, or damage during any incident or in connection with any such incident or the hire of any contractors or equipment	NEW	Cost plus 15%
3.	SPECIAL SERVICES		
3.1	Pumping operations, (hourly rate plus cost of water)	NEW	Refer to charges set out in section B.2.
3.2	Attendance at Hazardous material incidents	NEW	Same as above
3.3	Other special services	NEW	Same as above
3.4	Standby services	NEW	Same as above
3.5	Standby services	NEW	Same as above
3.6	Cost of replacement of any extraordinary extinguishing agents, suppliers, material, tools, or equipment used at, or damage during any incident or in connection with any such incident or the hire of any contractors or equipment	NEW	Cost plus 15%
B.	FIRE BRIGADE SERVICES RENDERED IN RESPECT OF ATTENDANCE AT FIRE, RESCUE, HAZARDOUS MATERIAL INCIDENTS AND SPECIAL SERVICES, OUTSIDE COUNCIL AREAS OF JURISDICTION.		
1.	TURN-OFF FEE AND REPLACEMENT COSTS		
1.1	A Turn-off fee will be levied in addition to the charges specified in B.2. below	NEW	R 1400.00
1.1.1	The turn-out fee will be levied in respect of any shipping incident attended, including rescue, in addition to the charges as specified in B.2. below. This turn-out fee is not applicable in respect of an official Mutual Aid Agreement between Fire Brigade services	NEW	R 1400.00
1.2	Cost of replacement of any extraordinary extinguishing agents, suppliers, material, tools, or equipment used at, or damage during any incident or in connection with any such incident or the hire of any contractors or equipment	NEW	Cost plus 15%
2.	VEHICLE PERSONNEL AND EQUIPMENT		
2.1	Per fire tender or rescue appliance	NEW	R 500.00
2.2	Per fire tender to Airport (no personnel)	NEW	R250.00
2.3	Per equipment trailer	NEW	R 100.00
2.4	Per aquatic rescue craft	NEW	R 400.00
2.5	Per staff car	NEW	R 300.00

2.6	Per item of portable motor driven equipment	NEW	R 200.00
2.7	Per kilometer per fire tender or rescue vehicle	NEW	R 15.00
2.8	Per kilometer per staff car	NEW	R 8.00
2.9	Per fire officer	NEW	R 200.00
2.10	Per firefighter	NEW	R150.00
C	FIRE SAFETY SERVICES		
1	Registration of flammable substance installations and vehicles	NEW	R 200.00
2	Investigation of fire	NEW	As per B.2.
3	Per copy of incident report	NEW	R 100.00
4	Standby services	NEW	As per B.2.
5	Fire surveys as requested	NEW	As per B.2.
D	CONTROL CENTRE SERVICES		
1	Monthly monitoring fee: Alarm system linked to fire control	NEW	R 250.00
2	Copy of alarm or incident report	NEW	R 100.00
E	TRAINING (CHARGE LEVIED PER CANDIDATE)		
1	Fire Extinguisher Course	NEW	R 400.00
2	Basic Fire Technology Course	NEW	R 1000.00
3	Advance Industrial Fire Team Course	NEW	R 2000.00
4	Breathing Apparatus Course	NEW	R 1200.00
5	Hazardous Material Course	NEW	R 2400.00
6	Marine Fire Fighting Course	NEW	R 2400.00
7	Rescue Course	NEW	R 1400.00
8	First Aid Course	NEW	R1000.00
9.	Any Course not specifically provided for	NEW	As per B. 2.
10	Use of fire station lecture room or training ground	NEW	R 500.00 Plus costs

TAXI RANK TARIFFS

1.	Permit Per Annum	NEW	R100.00
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POUND TARIFFS: -

No	Type of fee or cost	Amount of fee or cost due and payable to Pound Master	Amount of fee or cost due and payable to Council
1	Transportation Fee	The kilometer tariff for the vehicle which, in the discretion of the pound keeper, is reasonably necessary to transport the relevant animal to the pound, as determined by the Automobile if South Africa (AA) from time to time.	Nil
2	Pound fee / tariffs	a. R30.00 per day for any pig, sheep or goat b. R70.00 per day for any other animal	a. R15.00 per day for any pig, sheep or goat b. R50.00 per day for any other animal
3	Other costs (All other actual costs including tending, dipping or spraying, wound dressing, medication, veterinarian and any other costs required)	Actual cost	Nil

10.3.2 EFFECT OF TARIFFS OF CUSTOMER ACCOUNTS

SMALL RESIDENTIAL MTUNZINI					SMALL RESIDENTIAL MTUNZINI					
ERF 58/080 MTZ	2010/2011 FINANCIAL YEAR				ERF 58/080 MTZ	2011/2012 FINANCIAL YEAR				
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE
Rates	685,000	724.96		724.96	Rates	856,200	718.86		718.86	-0.84%
Refuse		85.32	11.94	97.26	Refuse		93.85	13.14	106.99	10.00%
				822.22					825.85	0.44%
MEDIUM RESIDENTIAL MTUNZINI					MEDIUM RESIDENTIAL MTUNZINI					
ERF 274 MTZ	2010/2011 FINANCIAL YEAR				ERF 274 MTZ	2011/2012 FINANCIAL YEAR				
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE
Rates	925,500	999.53		999.53	Rates	1,463,000	1,259.93		1,259.93	26.05%
Refuse		85.32	11.94	97.26	Refuse		93.85	13.14	106.99	10.00%
				1,096.79					1,366.91	24.63%
LARGE RESIDENTIAL MTUNZINI					LARGE RESIDENTIAL MTUNZINI					
ERF 273 MTZ	2010/2011 FINANCIAL YEAR				ERF 273 MTZ	2011/2012 FINANCIAL YEAR				
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE
Rates	1,600,000	1,769.58		1,769.58	Rates	3,376,300	2,965.95		2,965.95	67.61%
Refuse		85.32	11.94	97.26	Refuse		93.85	13.14	106.99	10.00%
				1,866.85					3,072.94	64.61%

2011/2010 EFFECT OF TARIFF INCREASES ON CUSTOMERS ACCOUNTS

SMALL RESIDENTIAL GINGINDLOVU					SMALL RESIDENTIAL GINGINDLOVU					
ERF 54 GING	2010/2011 FINANCIAL YEAR				ERF 54 GING	2011/2012 FINANCIAL YEAR				
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE
Rates	152,000	116.45		116.45	Rates	404,400	316.01		316.01	171.37%
Refuse		85.32	11.94	97.26	Refuse		93.85	13.14	106.99	10.00%
				213.71					423.00	97.93%
MEDIUM RESIDENTIAL GINGINDLOVU					MEDIUM RESIDENTIAL GINGINDLOVU					
ERF 51/01 GING	2010/2011 FINANCIAL YEAR				ERF 51/01	2011/2012 FINANCIAL YEAR				
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE
Service Charge					Service Charge					
Rates	285,500	268.86		268.86	Rates	611,100	500.31		500.31	86.09%
Refuse		85.32	11.94	97.26	Refuse		93.85	13.14	106.99	10.00%
				366.13					607.30	65.87%
LARGE RESIDENTIAL GINGINDLOVU					LARGE RESIDENTIAL GINGINDLOVU					
ERF 115 GING	2010/2011 FINANCIAL YEAR				ERF 115 GING	2011/2012 FINANCIAL YEAR				
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE
Rates	334,500	324.80		324.80	Rates	792,100	661.71		661.71	103.72%
Refuse		85.32	11.94	97.26	Refuse		93.85	13.14	106.99	10.00%
				422.07					768.69	82.13%

2011/2010 EFFECT OF TARIFF INCREASES ON CUSTOMERS ACCOUNTS

ERF 381 ESH					SMALL RESIDENTIAL ESHOWE									
2010/2011 FINANCIAL YEAR					2011/2012 FINANCIAL YEAR									
DETAILS	0-50KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KW	351-600KW	600>KWH	TOTAL	VAT	TOTAL	% INCREASE	
Unit Cost Per KWH	0.7				Unit Cost Per KWH	0.75	0.82	0.84	0.84					
Consumption (600 Units)	600				Consumption (600 Units)	50	300	250	0					
	420.00	420.00	58.80	478.80		37.50	246.00	210.00	0.00	493.50	69.09	562.59	17.50%	
Service Charge		125.44	17.56	143.00	Service Charge					151.00	21.14	172.14	20.38%	
Rates	340,000	331.08		331.08	Rates	754,500				628.18		628.18	89.73%	
Refuse		85.32	11.94	97.26	Refuse					93.85	13.14	106.99	10.00%	
				1,050.15								1,469.90	39.97%	
ERF 378 ESH					MEDIUM RESIDENTIAL ESHOWE									
2010/2011 FINANCIAL YEAR					2011/2012 FINANCIAL YEAR									
DETAILS	0-50KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KW	351-600KW	600>KWH	TOTAL	VAT	TOTAL	% INCREASE	
Unit Cost Per KWH	0.7				Unit Cost Per KWH	0.75	0.82	0.84	0.84					
Consumption (669 Units)	669				Consumption (669 Units)	50	300	250	69					
	468.30	468.30	65.56	533.86		37.50	246.00	210.00	57.96	551.46	77.20	628.66	17.76%	
Service Charge		125.44	17.56	143.00	Service Charge					151.00	21.14	172.14	20.38%	
Rates	395,500	394.45		394.45	Rates	827,300				693.09		693.09	75.71%	
Refuse		85.32	11.94	97.26	Refuse					93.85	13.14	106.99	10.00%	
				1,168.57								1,600.89	36.99%	
ERF 389 ESH					LARGE RESIDENTIAL ESHOWE									
2010/2011 FINANCIAL YEAR					2011/2012 FINANCIAL YEAR									
DETAILS	0-50KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KW	351-600KW	600>KWH	TOTAL	VAT	TOTAL	% INCREASE	
Unit Cost Per KWH	0.7				Unit Cost Per KWH	0.75	0.82	0.84	0.84					
Consumption (1631 Units)	1631				Consumption (1631 Units)	50	300	250	1031					
	1,141.70	1,141.70	159.84	1,301.54		37.50	246.00	210.00	866.04	1,359.54	190.34	1,549.88	19.08%	
Service Charge		125.44	17.56	143.00	Service Charge					151.00	21.14	172.14	20.38%	
Rates	644,500	678.72		678.72	Rates	1,470,100				1,266.26		1,266.26	86.57%	
Refuse		85.32	11.94	97.26	Refuse					93.85	13.14	106.99	10.00%	
				2,220.53								3,095.26	39.39%	

2011/2010 EFFECT OF TARIFF INCREASES ON CUSTOMERS ACCOUNTS

SMALL RESIDENTIAL KING DINUZULU					SMALL RESIDENTIAL KING DINUZULU								
2010/2011 FINANCIAL YEAR					2011/2012 FINANCIAL YEAR								
DETAILS	0-50KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KW	351-600KW	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
ERF 568 KDS					ERF 568 KDS								
Unit Cost Per KWH	0.7				Unit Cost Per KWH	0.75	0.82	0.84	0.84				
Consumption (350 Units)	350				Consumption (350 Units)	50	300						
	245.00	245.00	34.30	279.30		37.50	246.00	0.00	0.00	283.50	39.69	323.19	15.71%
Service Charge		125.44	17.56	143.00	Service Charge					151.00	21.14	172.14	20.38%
Rates	104,500	62.22		62.22	Rates	228,900				159.52		159.52	156.38%
Refuse		85.32	11.94	97.26	Refuse					93.85	13.14	106.99	10.00%
				581.79								761.84	30.95%
MEDIUM RESIDENTIAL KING DINUZULU					MEDIUM RESIDENTIAL KING DINUZULU								
2010/2011 FINANCIAL YEAR					2011/2012 FINANCIAL YEAR								
DETAILS	0-50KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KW	351-600KW	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
ERF 888 KDS					ERF 888 KDS								
Unit Cost Per KWH	0.7				Unit Cost Per KWH	0.75	0.82	0.84	0.84				
Consumption (599 Units)	599				Consumption (599 Units)	50	300	249					
	419.30	419.30	58.70	478.00		37.50	246.00	209.16	0.00	492.66	68.97	561.63	17.50%
Service Charge		125.44	17.56	143.00	Service Charge					151.00	21.14	172.14	20.38%
Rates	165,000	131.29		131.29	Rates	413,100				323.76		323.76	146.60%
Refuse		85.32	11.94	97.26	Refuse					93.85	13.14	106.99	10.00%
				849.56								1,164.53	37.07%
LARGE RESIDENTIAL KING DINUZULU					LARGE RESIDENTIAL KING DINUZULU								
2010/2011 FINANCIAL YEAR					2011/2012 FINANCIAL YEAR								
DETAILS	0-50KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KW	351-600KW	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
ERF 904 KDS					ERF 904 KDS								
Unit Cost Per KWH	0.7				Unit Cost Per KWH	0.75	0.82	0.84	0.84				
Consumption (1050 Units)	1050				Consumption (1050 Units)	50	300	250	450				
	735.00	735.00	102.90	837.90		37.50	246.00	210.00	378.00	871.50	122.01	993.51	18.57%
Service Charge		125.44	17.56	143.00	Service Charge					151.00	21.14	172.14	20.38%
Rates	280,000	262.58		262.58	Rates	511,900				411.86		411.86	56.85%
Refuse		85.32	11.94	97.26	Refuse					93.85	13.14	106.99	10.00%
				1,340.75								1,684.50	25.64%

10.4 Debtor's collection levels

The Finance Department endeavors to improve the collection levels of the outstanding debtor accounts by implementing the following:

- To execute termination of electricity supply by looking at the total outstanding account on the premises. This means that the electricity supply will be terminated if property rates is outstanding on the property
- To block the sale of pre paid electricity by looking at the total outstanding account, including property rates on the premises.
- An improved structure for arrangements and extensions of time for payment of outstanding debt.
- Quarterly meetings with the Council's attorneys to discuss problem areas on handed over cases.

10.5 Planned savings and efficiencies over the medium term revenue and expenditure framework

The following savings and efficiencies were discussed at management and Executive Committee level:

- Cut down on nice to have items in the operating expenditure and capital budgets.
- Cut down on unnecessary subsistence and travel to workshops and meetings that do not add value to the Council's operations.
- Managers of departments are instructed to improve the control of the overtime of their staff.
- The implementation plans in terms of the IDP must be developed and implemented in house by the relevant departments. Avoid the appointment of consultants.
- The Manager: Protection Services must ensure the productive utilization of the speeding camera/cameras
- To enhance the revenue on waste management, the Manager: Engineering services must identify which consumers are placing a burden on the waste transfer station. Design a new tariff structure.

10.6 Investments

At present the Council does not have investments to fund the operating or capital expenditure. The investment portfolio for the Council is investments for conditional grants received from National Treasury.

10.7 Planned proceeds from the lease of assets

Rental Facilities	
Description	Budgeted Amount for 2010/20113
Rents – Zululand Show Society	R 200-00
Rent – Sundry	R 56,460-00
Rent – Sugar Cane Lease	R 636,700-00
Leases – Land Ging	R 204,430-00
Rental – Road Reserve	R 190-00
Rent Received	R 88,510-00
Rent Received	R 6,610-00
Hire of Halls & Equipment	R 98,370-00
Hire of Building	R 7,100-00
Mtunzini Sugar Cane Farm	R 236,000-00
Total Budgeted for Rental Facilities	R1 334 570-00

10.8 Planned use of bank overdraft

- The Council's primary bank account is with First National Bank in Eshowe
- The overdraft facility at the bank is R5 000 000.
- It is envisaged that use will be made of the bank overdraft facility during the 2011/2012 budget year, due to payment of large amounts for capital projects while waiting for transfer of government grants

10.9 New borrowing proposed to be raised.
There is no capital project in the 2011/2012 budget year that requires external funding.

10.10 Budget allocations and grants to the municipality

Government grants and subsidies		
<i>Description</i>	<i>Operating</i>	<i>Capital</i>
National Government	63 954 620	33 262 988
Department of Co operative Governance and Traditional Affairs	1 918 000	
Provincial health subsidies	2 400 000	
Provincial Administration	2 050 000	
uThungulu District Municipality	583 120	
TOTAL	70 905 740	33 262 988

11. Expenditure on allocations and grant programmes

11.1 The expenditure on allocation and grant programmes are as follows:

Details	Operating Budget 2011/2012	Capital Budget 2011/2012
NATIONAL GOVERNMENT		
<u>EQUITABLE SHARE</u>		
Rates Fund Admin Contribution	24 364 920	
International Relations	100 000	
Free Refuse Service	1 024 800	
Sports Field - Security	350 000	
Rural Roads/Causeways	2 900 000	
Rural Advancement Projects (Community Halls)	500 000	
Sports Development (Flagship)	400 000	
Cultural Development (Flagship)	100 000	
Work Creation Projects (Flagship)	1 292 020	
Free Electricity i.t.o. National Gov Policy	1 065 000	
Humanitarian Indigent Support (Flagship)	400 000	
HIV Relief Fund (Flagship)	500 000	
Youth Development Programmes (Flagship)	400 000	
Rural Educational Enhancement	300 000	
Disaster Relief	800 000	
Community Support Programme (Flagship)	200 000	
Rehabilitation Urban Roads/Street	2 550 000	
Led Projects	3 726 330	
Ceremonial Events	100 000	
Commemorative Celebrations	150 000	
Community Halls/Rural Asset Management	300 000	
Housing – Top Up	2 900 000	
Solid Waste Projects	1 189 180	
Primary Health Contribution	1 612 770	
Rural Grounds Maintenance	400 000	
Poverty Alleviation (Flagship)	1 500 000	
Councillors Remuneration Grant	3 128 000	
Caretaking – Rural Buildings	300 000	
Depreciation Relief	3 201 600	
Sports fields Maintenance	1 800 000	
Increase in Eskom Supply	4 000 000	
Capital Projects Contribution		5 893 800

Eshowe Bus/Taxi Rank Contribution		3 100 000
New Administration Offices		2 000 000
Total Equitable Share	<u>61 554 620</u>	<u>10 993 800</u>
Municipal Infrastructure Grant		
Eshowe Testing Station Extension (Industrial Area) (Ward 11)		300 000
Imbalenhle Creché (Ward 8)		720 000
Simoyi Creché		592 977
Mbongolweni/mthombe Causeway & Road		275 625
Nhlanzanyoni Causeway (Ward 7)		950 000
Matshemhlophe Road (Ward 4)		200 000
Kangela Road Eshowe (Ward 11)		5 000 000
Internal Roads Upgrade of KDS Human Settlement (Ward 12)		3 500 000
Municipal Infrastructure Grant continued...		
Internal Roads Upgrade of Sunnysdale Human Settlement (Ward 11)		5 071 898
Butcher Street Roads (Ward 11)		1 990 696
Ohhahheni Road (Ward 22)		200 000
Retentions		980 000
Hhayinyana Sportsfield (Ward 6)		928 760
Hlohloko Sportsfield (Ward 9)		899 232
Total MIG Projects		<u>21 609 188</u>
LG Finance Management Grant	1 450 000	
Project Management Unit (MIG Projects)	950 000	
Department of Minerals and Energy		660 000
Total Grants	<u>2 400 000</u>	<u>660 000</u>

<u>COGTA</u>		
Municipal Systems Improvement Grant (MSIG)	790 000	
Establishment of pound grant	1 000 000	
Property Rates	128 000	
Total COGTA	<u>1 918 000</u>	

Provincial Health Department		
Clinic Subsidy	2 400 000	
Total for Provincial Health Department	<u>2 400 000</u>	
Provincial Administration		
Museum Subsidy	220 000	
Community Library Services	193 000	
Provincialisation of Libraries	1 237 000	
Greenest Municipality	400 000	
Total Provincial Administration	<u>2 050 000</u>	
uThungulu District Municipality		
UDM: Salary Claims	583 120	
Total UDM	<u>583 120</u>	
TOTAL GRANT ALLOCATION	<u>70 905 740</u>	<u>33 262 988</u>

11.2 Reconciliation of DORA Gazetted Grants

- **Equitable Share Reconciliation 2010/2011**

1. Operating Budget

As per Municipality's Operation Budget	R70 905 740
Less:	
LG Finance Management Grant	R 1 450 000
Municipal Systems Infrastructure Grant	R 790 000
Establishment of Pound Grant	R 1 000 000
Property Rates	R 128 000
Clinic Subsidy	R 2 400 000
Museum Subsidy	R 220 000
Community Library Services	R 193 000
Provincialisation of Libraries	R 1 237 000
Greenest Municipality	R 400 000
UDM Salary Claims	R 583 120
Project Management Unit (MIG Projects)	<u>R 950 000</u>
Total Operating Budget Equitable Share (1)	<u>R61 554 620</u>

2. Capital Budget

As per Municipality's Capital Budget	R33 262 988
Less:	
Municipal Infrastructure Grant	R21 609 188
Eshowe Bus & Taxi rank contribution	R 3 100 000
Department of Minerals & Energy	<u>R 660 000</u>
	<u>R 7 893 800</u>

Add:	
Additional Provision for Capital Budget	R 66 580
Total Capital Budget – Equitable Share (2)	<u>R 7 960 380</u>
Total Equitable Share as Gazetted (Add Totals 1&2)	<u>R69 515 000</u>
• <u>Municipal Infrastructure Grant Reconciliation 2010/2011</u>	
As per Capital Budget MIG Allocation	R21 609 188
Add: PMU Admin Fees – 5%	R 950 000
Total MIG as Gazetted	<u>R22 559 188</u>
• <u>LG Municipal Finance Management Grant</u>	
LG Finance Management Grant	R 1 450 000
• <u>Municipal Systems Infrastructure Grant</u>	
Municipal Systems Infrastructure Grant	R 790 000

11.3 HEREUNDER FOLLOWS THE PROPOSED EQUITABLE SHARE GRANT ALLOCATIONS, FOR THE NEXT

3 BUDGET YEARS

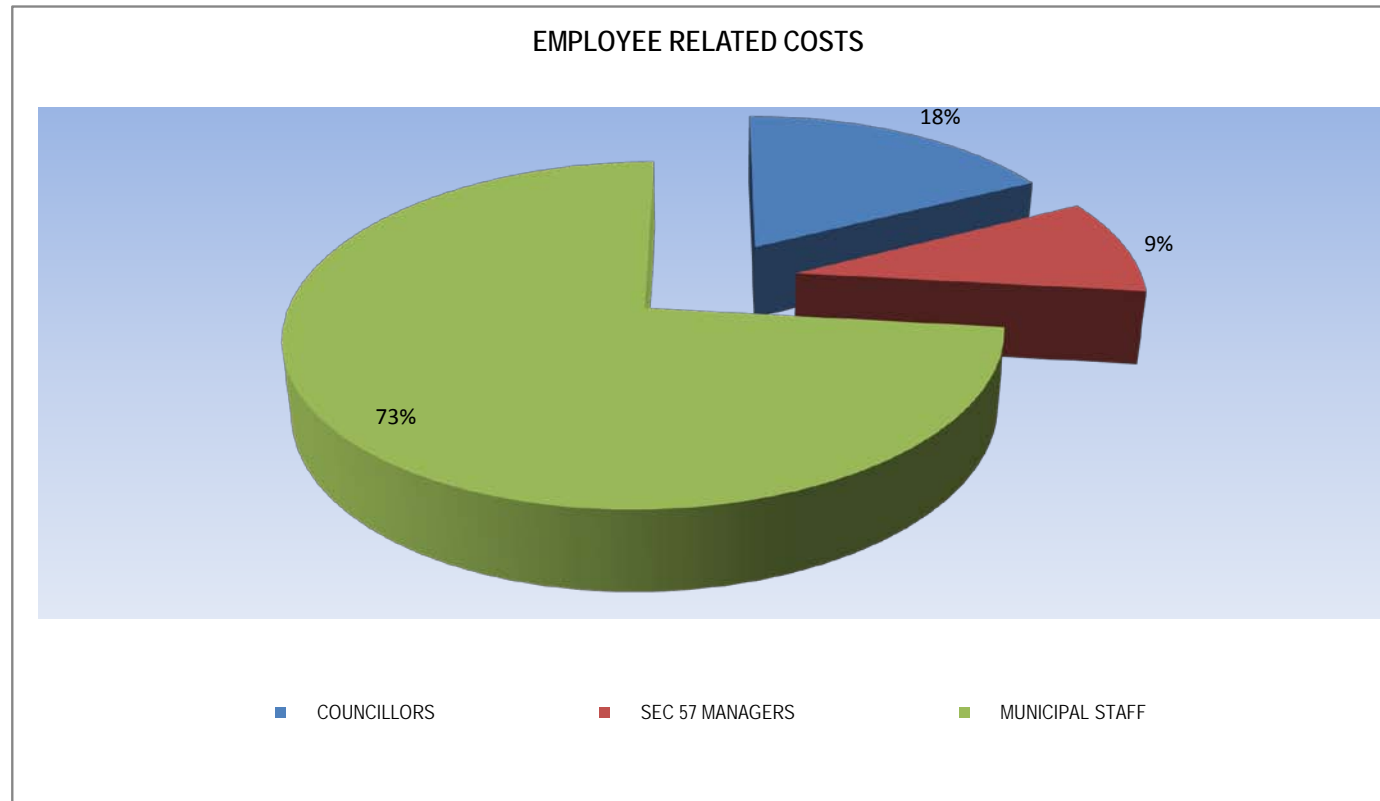
DETAILS	BUDGET 2011/2012	BUDGET 2012/2013	BUDGET 2013/2014
International relations	100,000	100,000	100,000
Community halls maintenance	300,000	500,000	800,000
Rural community halls	500,000	500,000	500,000
Care taking: rural buildings	300,000	400,000	500,000
Youth development	400,000	500,000	500,000
Rural education (Creches)	300,000	300,000	300,000
Community support programme	200,000	200,000	200,000
Local economic development (LED)	3,726,330	4,500,000	5,800,000
Ceremonial events	100,000	100,000	100,000
Commemorative celebrations	150,000	150,000	150,000
Rates relief	24,364,920	23,973,060	24,798,810
Depreciation on assets contribution	3,201,600	5,282,650	5,810,900
Poverty alleviation	1,500,000	3,200,000	4,000,000
Councillor's remuneration	3,128,000	3,303,000	3,495,000
Animal pound facility	-	552,810	585,980
Disaster assistance	800,000	1,500,000	1,500,000
Humanitarian assistance	400,000	800,000	800,000
Sport development	400,000	500,000	500,000
Cultural development	100,000	100,000	100,000
HIV Relief	500,000	600,000	600,000
Clinics subsidy contribution	1,612,770	1,782,260	1,993,200
Work creation projects	1,292,020	3,500,000	3,822,880
Sports fields - security	350,000	360,000	380,000
Sports fields - maintenance	1,800,000		
Rural grounds maintenance	400,000	1,558,730	2,000,000
Rural roads and causeways	2,900,000	4,650,000	4,800,000
Rehabilitation of urban roads	2,550,000	4,650,000	4,800,000
Free refuse	1,024,800	1,257,500	1,383,200
Solid waste relief	1,189,180	571,990	200,000
Naickerville housing top up	2,900,000		
Free electricity	1,065,000	1,117,000	1,174,000
Increase in Eskom supply	4,000,000	4,000,000	3,453,930
New administration offices (Alpha control)	2,000,000		
Capital projects contribution	5,960,380	6,318,000	6,697,100
	69,515,000	76,827,000	81,845,000

12. Councillor Allowances and Employee Benefits

12.1 Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration		Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
			A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)											
Salary		1	5,834	6,218	6,587	7,149	6,934	6,934	7,384	7,828	8,297
Pension Contributions			573	638	695	792	770	770	816	865	917
Medical Aid Contributions			73	111	121	169	121	121	128	136	144
Motor vehicle allowance			2,095	2,335	2,545	2,717	2,621	2,621	2,790	2,957	3,135
Cell phone allowance			479	531	579	622	600	600	639	677	718
Housing allowance			38	38	38	41	38	38	41	43	46
Other benefits or allowances											
In-kind benefits											
Sub Total - Councillors			9,092	9,871	10,565	11,491	11,083	11,083	11,798	12,506	13,256
% increase		4		8.6%	7.0%	8.8%	(3.5%)	-	6.4%	6.0%	6.0%
Senior Managers of the Municipality											
Salary		2	1,865	2,454	2,999	3,588	3,588	3,588	3,954	4,246	4,557
Pension Contributions			381	489	555	613	613	613	677	728	782
Medical Aid Contributions			70	68	-	-	-	-	-	-	-
Motor vehicle allowance			698	694	896	896	896	896	790	790	790
Cell phone allowance			-	-	-	84	84	84	60	60	60
Housing allowance			-	7	-	-	-	-	-	-	-
Performance Bonus			146	346	608	721	721	721	765	814	865
Other benefits or allowances			45	51	48	57	57	57	45	47	50
In-kind benefits											
Sub Total - Senior Managers of Municipality			3,205	4,109	5,106	5,959	5,959	5,959	6,292	6,685	7,104
% increase		4		28.2%	24.3%	16.7%	-	-	5.6%	6.3%	6.3%
Other Municipal Staff											
Basic Salaries and Wages			22,743	23,111	27,852	33,586	34,374	32,539	34,636	37,285	40,053
Pension Contributions			3,591	3,763	4,547	6,025	5,403	5,281	6,157	6,626	7,123
Medical Aid Contributions			1,130	1,207	1,491	1,789	1,814	1,812	2,176	2,389	2,623
Motor vehicle allowance			-	1,584	1,614	1,593	1,761	2,279	1,303	1,303	1,303
Cell phone allowance			-	-	-	156	156	156	187	187	187
Housing allowance			-	195	201	145	145	159	163	163	163
Overtime			1,039	1,661	2,064	1,224	2,064	2,521	2,630	2,844	3,067
Performance Bonus			-	242	-	266	-	-	-	-	-
Other benefits or allowances			625	674	1,409	1,076	1,299	1,038	2,248	2,400	2,562
In-kind benefits											
Sub Total - Other Municipal Staff			29,128	32,437	39,179	45,859	47,014	45,787	49,500	53,197	57,082
% increase		4		11.4%	20.8%	17.1%	2.5%	(2.6%)	8.1%	7.5%	7.3%
Total Parent Municipality			41,425	46,417	54,849	63,309	64,057	62,829	67,590	72,388	77,441
				12.1%	18.2%	15.4%	1.2%	(1.9%)	7.6%	7.1%	7.0%
TOTAL SALARY, ALLOWANCES & BENEFITS			41,425	46,417	54,849	63,309	64,057	62,829	67,590	72,388	77,441
% increase		4		12.1%	18.2%	15.4%	1.2%	(1.9%)	7.6%	7.1%	7.0%
TOTAL MANAGERS AND STAFF		5	32,332	36,546	44,285	51,818	52,973	51,746	55,792	59,882	64,185

BUDGET - EMPLOYEE RELATED COSTS	
2011/2012 Budget	
DESCRIPTION	BUDGET YEAR 2010/2011 R'000
COUNCILLORS	11798
SEC 57 MANAGERS	6292
MUNICIPAL STAFF	49500
TOTAL EXPENDITURE	67590



12.2 Salaries, allowances and benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No. 10	Salary	Contrib.	Allowances	Performance Bonuses	Total Package
Rand per annum				1.			3.
Councillors	4						
Speaker	5	1	322,496	48,136	142,573		513,205
Chief Whip		1	302,354	45,115	134,852		482,321
Executive Mayor		1	387,143	76,150	173,461		636,754
Deputy Executive Mayor		1	177,260	26,589	79,817		283,666
Executive Committee		6	1,006,081	140,563	453,423		1,600,068
Total for all other councillors		42	5,189,160	607,762	2,484,822		8,281,744
Total Councillors	9	52	7,384,494	944,315	3,468,949		11,797,758
Senior Managers of the Municipality	6						
Municipal Manager (MM)		1	855,854	155,872	84,000	153,402	1,249,128
Chief Finance Officer		1	533,179	108,333	142,000	108,012	891,523
Deputy City Manager - Corporate Services		1	448,524	113,631	156,830	98,978	817,963
Deputy City Manager - Protection Services		1	546,673	12,431	159,882	98,978	817,963
Deputy City Manager - Community Services		1	448,524	113,631	156,830	98,978	817,963
Deputy City Manager - Engineering Services		1	480,038	88,084	150,863	98,978	817,963
<i>List of each official with packages >= senior manager</i>							
Deputy Municipal Manager		1	641,478	130,034	-	108,012	879,523
Deputy Chief Financial Officer		1	404,611	82,571	82,012		569,195
Total Senior Managers of the Municipality	9	8	4,358,882	804,586	932,417	765,337	6,861,221
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION		60	11,743,375	1,748,901	4,401,365	765,337	18,658,979

12.3 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2009/10			Current Year 2010/11			Budget Year 2011/12			
		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			52	3	49	52	3	49	52	3	49
Board Members of municipal entities	4										
Municipal employees	5										
Municipal Manager and Senior Managers	3		7		7		7		7		7
Other Managers	7		8	8		8	8		8	8	
Professionals			9	9	-	10	10	-	10	10	-
<i>Finance</i>			5	5		5	5		5	5	
<i>Spatial/town planning</i>			4	4		4	4		4	4	
<i>Information Technology</i>											
<i>Roads</i>											
<i>Electricity</i>											
<i>Water</i>											
<i>Sanitation</i>											
<i>Refuse</i>											
<i>Other</i>					1	1		1	1		
Technicians			273	273	-	273	273	-	283	283	-
<i>Finance</i>			18	18		18	18		18	18	
<i>Spatial/town planning</i>			31	31		31	31		31	31	
<i>Information Technology</i>			4	4		4	4		4	4	
<i>Roads</i>			23	23		23	23		23	23	
<i>Electricity</i>			22	22		22	22		22	22	
<i>Water</i>											
<i>Sanitation</i>											
<i>Refuse</i>			25	25		25	25		25	25	
<i>Other</i>			150	150		150	150		160	160	
Clerks (Clerical and administrative)			12	12		13	13		13	13	
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators											
Elementary Occupations											
TOTAL PERSONNEL NUMBERS			361	305	56	363	307	56	373	317	56
% increase						0.6%	0.7%	-	2.8%	3.3%	-
Total municipal employees headcount	6		309	309		311	311		321	321	
Finance personnel headcount	8		27	27		27	27		27	27	
Human Resources personnel headcount	8		2	2		2	2		2	2	

13. MONTHLY TARGETS FOR REVENUE AND CASHFLOW

13.1 Hereunder follows a consolidated projection for revenue by source and expenditure by type

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue By Source																
Property rates		3,305	3,305	3,305	3,305	3,305	3,305	3,305	3,305	3,305	3,305	3,305	39,661	41,212	42,860	42,860
Property rates - penalties & collection charges		93	93	93	93	93	93	93	93	93	93	93	1,116	1,049	997	997
Service charges - electricity revenue		4,014	4,014	4,014	4,014	4,014	4,014	4,014	4,014	4,014	4,014	4,014	48,171	56,896	67,043	67,043
Service charges - refuse revenue		597	597	597	597	597	597	597	597	597	597	597	7,165	8,399	9,238	9,238
Rental of facilities and equipment		111	111	111	111	111	111	111	111	111	111	111	1,335	1,412	1,494	1,494
Interest earned - external investments		29	29	29	29	29	29	29	29	29	29	29	350	350	350	350
Fines		325	325	325	325	325	325	325	325	325	325	325	3,904	4,100	4,306	4,306
Licences and permits		255	255	255	255	255	255	255	255	255	255	255	3,060	3,212	3,373	3,373
Transfers recognised - operational		5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	70,906	78,792	85,658	85,658
Other revenue		312	312	312	312	312	312	312	312	312	312	312	3,738	3,832	3,955	3,955
Gains on disposal of PPE		17	17	17	17	17	17	17	17	17	17	17	200	200	200	200
Total Revenue (excluding capital transfers and contributions)		14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	179,606	199,454	219,475	219,475
Expenditure By Type																
Employee related costs		4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	55,792	59,882	64,185	64,185
Remuneration of councillors		1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	12,435	13,181	13,971	13,971
Depreciation & asset impairment		667	667	667	667	667	667	667	667	667	667	667	8,004	8,804	9,685	9,685
Finance charges		74	74	74	74	74	74	74	74	74	74	74	892	854	818	818
Bulk purchases		2,186	2,186	2,186	2,186	2,186	2,186	2,186	2,186	2,186	2,186	2,186	26,231	33,024	41,280	41,280
Contracted services		1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	15,204	15,448	16,017	16,017
Transfers and grants		35	35	35	35	35	35	35	35	35	35	35	417	436	455	455
Other expenditure		4,974	4,974	4,974	4,974	4,974	4,974	4,974	4,974	4,974	4,974	4,974	59,686	67,787	72,154	72,154
Total Expenditure		14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	178,661	199,416	218,566	218,566
Surplus(Deficit)		79	79	79	79	79	79	79	79	79	79	79	945	38	909	909
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus(Deficit) after capital transfers & contributions		79	79	79	79	79	79	79	79	79	79	79	945	38	909	909
Surplus(Deficit)	1	79	79	79	79	79	79	79	79	79	79	79	945	38	909	#REF!

13.2 Hereunder follows a consolidated projection for revenue and operating expenditure by vote

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue by Vote																
Vote1 - EXECUTIVE AND COUNCIL		6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	80,696	86,699	92,099
Vote2 - BUDGET AND TREASURY OFFICE		217	217	217	217	217	217	217	217	217	217	217	217	2,607	2,593	2,793
Vote3 - CORPORATE SERVICES		112	112	112	112	112	112	112	112	112	112	112	112	1,346	1,671	2,096
Vote4 - PLANNING AND DEVELOPMENT		123	123	123	123	123	123	123	123	123	123	123	123	1,481	1,118	1,345
Vote5 - HEALTH		500	500	500	500	500	500	500	500	500	500	500	500	5,996	6,920	7,257
Vote6 - COMMUNITY AND SOCIAL SERVICES		152	152	152	152	152	152	152	152	152	152	152	152	1,825	1,918	3,449
Vote7 - HOUSING		255	255	255	255	255	255	255	255	255	255	255	255	3,060	167	175
Vote8 - PUBLIC SAFETY		461	461	461	461	461	461	461	461	461	461	461	461	5,530	5,979	6,217
Vote9 - SPORTS AND RECREATION		383	383	383	383	383	383	383	383	383	383	383	383	4,599	5,080	5,524
Vote10 - WASTE MANAGEMENT		821	821	821	821	821	821	821	821	821	821	821	821	9,853	10,736	11,365
Vote11 - ROAD TRANSPORT		742	742	742	742	742	742	742	742	742	742	742	742	8,899	14,060	14,961
Vote12 - ELECTRICITY		4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	53,714	62,513	72,193
Vote13 - AIR TRANSPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote14 - WORKSHOP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	14,967	179,605	199,454	219,475
Expenditure by Vote to be appropriated																
Vote1 - EXECUTIVE AND COUNCIL		4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	51,869	57,264	61,278
Vote2 - BUDGET AND TREASURY OFFICE		684	684	684	684	684	684	684	684	684	684	684	684	8,211	8,707	9,441
Vote3 - CORPORATE SERVICES		572	572	572	572	572	572	572	572	572	572	572	572	6,860	7,567	8,405
Vote4 - PLANNING AND DEVELOPMENT		252	252	252	252	252	252	252	252	252	252	252	252	3,025	2,756	3,086
Vote5 - HEALTH		671	671	671	671	671	671	671	671	671	671	671	671	8,049	9,126	9,665
Vote6 - COMMUNITY AND SOCIAL SERVICES		196	196	196	196	196	196	196	196	196	196	196	196	2,352	2,534	2,724
Vote7 - HOUSING		254	254	254	254	254	254	254	254	254	254	254	254	3,044	147	150
Vote8 - PUBLIC SAFETY		1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	14,961	16,130	16,848
Vote9 - SPORTS AND RECREATION		870	870	870	870	870	870	870	870	870	870	870	870	10,443	11,352	12,332
Vote10 - WASTE MANAGEMENT		990	990	990	990	990	990	990	990	990	990	990	990	11,881	12,841	13,737
Vote11 - ROAD TRANSPORT		1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	13,183	18,578	19,764
Vote12 - ELECTRICITY		3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	44,244	51,943	60,630
Vote13 - AIR TRANSPORT		1	1	1	1	1	1	1	1	1	1	1	1	11	12	12
Vote14 - WORKSHOP		44	44	44	44	44	44	44	44	44	44	44	44	528	459	494
Total Expenditure by Vote		14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	14,888	178,661	199,416	218,566
Surplus/(Deficit) before assoc.		79	79	79	79	79	79	79	79	79	79	79	79	945	38	909
Surplus/(Deficit)	1	79	79	79	79	79	79	79	79	79	79	79	79	945	38	909

13.3 Hereunder follows a consolidated projection of capital expenditure by vote

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Multi-year expenditure to be appropriated	1															
Vote1 - EXECUTIVE AND COUNCIL		-	-	-	22	-	52	-	-	5	-	-	-	79	74	406
Vote2 - BUDGET AND TREASURY OFFICE		-	70	56	70	67	84	-	70	125	67	-	-	609	373	411
Vote3 - CORPORATE SERVICES		-	-	895	600	695	75	-	-	300	100	-	-	2,665	940	1,880
Vote4 - PLANNING AND DEVELOPMENT		-	-	-	-	75	-	-	-	-	150	-	-	225	80	-
Vote5 - HEALTH		-	-	-	50	12	-	59	-	-	-	-	-	120	50	-
Vote6 - COMMUNITY AND SOCIAL SERVICES		-	50	-	240	240	240	348	358	198	-	-	(0)	1,673	355	370
Vote7 - HOUSING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote8 - PUBLIC SAFETY		17	250	-	20	25	-	-	250	330	-	-	-	892	580	935
Vote9 - SPORTS AND RECREATION		-	70	780	205	380	380	380	380	155	-	-	0	2,728	640	841
Vote10 - WASTE MANAGEMENT		-	200	-	30	50	-	-	-	-	-	-	-	280	80	1,445
Vote11 - ROAD TRANSPORT		476	2,369	4,233	4,283	3,237	2,987	486	3,636	386	406	98	98	22,693	27,360	30,980
Vote12 - ELECTRICITY		660	-	90	50	-	40	-	-	276	138	-	-	1,254	1,860	2,738
Vote13 - AIR TRANSPORT		-	-	0	0	0	0	0	0	0	0	0	(0)	-	-	-
Vote14 - WORKSHOP		-	-	-	45	-	-	-	-	-	-	-	-	45	40	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	1,153	3,009	6,054	5,615	4,780	3,858	1,272	4,693	1,774	860	98	98	33,263	32,432	40,006
Total Capital Expenditure	2	1,153	3,009	6,054	5,615	4,780	3,858	1,272	4,693	1,774	860	98	98	33,263	32,432	40,006



14. Annual budgets and service delivery and budget implementation plans-internal departments

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2011/2012

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department – Municipal Managers Office												
Vote: Executive and Council												
1. <u>Mayoral Office</u>												
<u>Financial viability</u>												
Report on implementation of budget	Submit quarterly to Council	4		1		1		1		1		
Performance indicators in S D B I P	Made public in July 2011	1		1								
Performance agreements in S D B I P	Made public in July 2011	1		1								
Time schedule of key deadlines for budget and IDP process	Tabled in August 2011	1		1								
Mid year performance assessment report	Tabled in January 2012	1						1				
Adjustments budget	Tabled in January 2012	1						1				
Annual report	Tabled in January 2012	1						1				
Draft budget, revisions to IDP, resolutions and other related documents	Tabled in March 2012	1						1				
Issues raised in Auditors-General report	Addressed in March 2012	1						1				
Consultation on draft budget	No. of meetings in April 2012	7								7		
Responds to submissions of community	Amends budget in May 2012	1								1		
Service Delivery and Budget Implementation Plan	Approve in May 2012	1								1		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2011/2012

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
2. Municipal Manager Financial viability Monthly budget statement to Mayor and PT Monthly budget statements and mid year budget and performance assessment Consolidated report of withdrawals report to Council on the expenditure incurred on staff salaries, wages, allowances & benefits Time schedule of key deadlines for budget and IDP process Annual financial statements to Auditor General Internal Strategic Consultation processes Engages with national and provincial sector Depts. on sector specific programmes for alignment with IDP Impact of different service delivery levels on rates and tariffs National policies, budget plans and potential price increases of bulk resources Changes to the IDP for incorporation into IDP review Mid year performance assessment report to Mayor, N T & P T Annual report Annual report to AG, PT and D T & LG National and Provincial allocations	No of statements	11		3		2		3		3		
	Consolidate in July 2011	1		1								
	Submit quarterly to Council	4		1		1		1		1		
	Made public in August 2011	1		1								
	Submit end of August 2011	1		1								
	Internal Strategic Consultation processes Start in October 2011	2				2						
	Begins in September 2011	2		1		1						
	Inform community in October 2011	1				1						
	Review with dept heads in Oct 2011	1				1						
	Review in November 2011	1				1						
	Submit in January 2012	1							1			
	Make public in March 2012	1							1			
	Submit in March 2012	1							1			
	Review in February 2012	1							1			

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2011/2012

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Act	Projected	Actual	Projected	Actual	Projected	Actual	
Municipal Manager (continues)												
Draft budget and plans for next 3 years to Mayor	Submit in March 2012	1						1				
Oversight report of annual report	Made public in March 2012	1						1				
Draft budget, plans and proposed revisions to IDP	Publish in March 2012	1						1				
Approved budget and budget related policies	Publish in June 2012	1								1		
SDBIP and annual performance agreements to Mayor	Submit in June 2012	1								1		
Approved SDBIP to National Treasury	Submit in June 2012	1								1		
Organizational Development												
Communication Plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
Amend and align PMS and budget for municipality to align with IDP	Complete by 30 June 2012	100%	R100 000				50%		75%		100%	
Public/Private partnerships strategy	Complete by 30 June 2012	100%					50%		75%		100%	
Local economic development												
Review LED plan	Complete on 30 June 2012	100%	R250 000				50%		75%		100%	
LED business forums	No of meetings	4	R100 000	1		1		1		1		
Local economic development projects	No of projects	2	R3 726 330			1		1				
Establish sustainable SMME's	No of SMME's, funded and functional	12		3		3		3		3		
Prepare Municipal marketing strategy	Complete by June 2012	1	R50 000				50%				100%	
Good Governance												
Introduce bi-annual meetings between Council & Amakhosi	Bi-annual meetings	2	R50 000				1			1		
Good governance and service delivery	No of training workshops	4		1		1		1		1		
Involve ward committees and CDW's in IDP process	Start in September 2011	3	R150 000	1		1		1				
Conduct customer service survey	Complete by June 2012	1					50%				100%	
IDP consultation processes: Oct to Nov 2011	No of consultations	4	R100 000	1		3						
Basic Service Delivery												
Furniture (Municipal Manager)	Deliver in February 2012	1	R5 000					1				
Furniture (Deputy Municipal Manager)	Deliver in November 2012	1	R5 200				1					



QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2011/2012

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Act	Projected	Actual	Projected	Actual	Projected	Actual	
Department – Corporate Services												
1. Vote: Finance & Administration												
1.1 Administration												
<u>Financial viability</u>												
Draft 2012/2013 budget	Submit in November 2011	1				1						
Draft SDBIP	Submit in February 2012	1						1				
Approved 2011/2012 budget	Published in June 2011	1		1								
<u>Organizational Development</u>												
Communication plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
Training needs of staff & Councillors	No of staff & Cllrs trainees	80	R600000	20		20		20		20		
Workplace skills plan	Completion and adoption by 30 June 2012	1				25%		75%		100%		
Implement employee readiness and wellness programme	Complete by 30 June 2012	1	R 60 000			25%		75%		100%		
Implement HR strategy	Workshop by January 2012	1						100%				
Amend and align municipal organizational structure with IDP	Complete by 30 September 2011	1	R250 000	100%								
<u>Local Economic Development</u>												
Employment equity plan	Reports to EXCO	4		1		1		1		1		
Complete LUMS for rural areas	Complete by 30 June 2012	1	R250 000			25%		75%		100%		
Mbongolwane Wetland declared as protected area	Complete by June 2012	1				25%		75%		100%		
Investigate feasibility of establishing light industry at Ging	Complete by 30 June 2012	1	R 75 000			25%		75%		100%		
Implement tourism plan	Complete by 30 June 2012	1	R150 000			25%		75%		100%		
Implement urban design project in Eshowe	Complete by 30 June 2012	1	R 50 000			25%		75%		100%		
Prepare feasibility study for cross boarder Tourism	Complete by 30 June 2012	1	R100 000			25%		75%		100%		
Initiate drive to promote uMlalazi as Tourism distention	Complete by 30 June 2012	1	R 50 000			25%		75%		100%		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2011/2012

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Act	Projected	Actual	Projected	Actual	Projected	Actual	
Department – Corporate Services (continues)												
<u>Good Governance</u>												
Compilation agenda & minutes	No of agendas and minutes	100		25		25		25		25		
Enquiries and complaints	No of replies	120		30		30		30		30		
Municipal website	No of uploads	12		3		3		3		3		
Publish draft 2012/2013 budget	Publish in April 2012 & website	1								1		
Performance agreement and SDBIP	Made public in July 2012	1		1								
<u>Basic Service Delivery</u>												
Purchase furniture and fittings	Deliver in October 2011	1	R 20 000			100%						
Purchase Spooonet property in Eshowe	Complete by 31 December 2011	1	R200 000	25%		100%						
1.2 Office of the Mayor												
<u>Basic Service Delivery</u>												
Purchase Furniture	Deliver in September 2011	1	R 22 000	1								
1.3 Town Hall & Offices												
<u>Basic Service Delivery</u>												
Purchase of furniture and fittings	Deliver in August 2011	1	R 95 000	1								
Upgrade community Halls	Complete by March 2012	100%	R200 000					100%				
New admin offices	Complete by October 2011	1	R2000000			100%						
Furniture & fittings (museum)	Deliver in January 2012	1	R 10 000					100%				
Community halls main (Equitable share)	No of halls	6	R300 000			2		2		2		
Caretaking rural buildings (Equitable share)	No of caretakers	20	R300 000	5		10		15		20		
1.4 Libraries												
<u>Basic Service Delivery</u>												
Purchase equipment, furniture and fittings	Deliver in July 2011	1	R 50 000	100%								
2. Vote: Housing												
<u>Basic Service Delivery</u>												
Housing sector plan	Complete by 30 June 2012	1				25%		75%		100%		
Housing scheme-Gingindlovu	Project complete by June 2012	100%	R2900000			25%		75%		100%		



QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2011/2012

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Act	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Protection Services (Manager: Protection Services)												
1. Vote: Finance & Admin (Protection Services)												
<u>Financial viability</u>												
Draft budget 2012/2013	Submit in November 2011	1				1		1				
Draft SDBIP for 2012/2013	Submit in February 2012	1										
<u>Organizational Development</u>												
Communication plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
<u>Good Governance</u>												
Compilation Agenda & Minutes	No of agendas and minutes	24		6		6		6		6		
Enquiries and complaints	No of replies	100		25		25		25		25		
2. Vote: Public Safety												
2.1. Traffic												
<u>Good Governance</u>												
Road safety projects at schools	No of projects	6	R30 000	2		2		2				
Prepare and implement a safety plan	Complete by 30 June 2012	100%				25%		50%		100%		
<u>Basic Service Delivery</u>												
Road signs	No of signs	60	R27 700	15		15		15		15		
Road markings	No of kilometers	60	R68 440	15		15		15		15		
Crime consultative meetings	No of meetings	12		3		3		3		3		
Road blocks	No of roadblocks	15	R100 000	4		5		3		3		
Monitor Hawkers	No of visits	80		20		20		20		20		
Trailer	Deliver in February 2012	1	R 80 000					1				
Breathalyzers	Deliver in September 2011	100%	R 20 000	100%								
Fire Arms	Deliver in October 2011	100%	R 25 000					100%				
Animal Pound Facility	Operational by December 2011	100%	R1000000					100%				
2.2 Fire Fighting												
<u>Local Economic Development</u>												
Municipal disaster management plan	No of awareness campaigns	4		1		1		1		1		
<u>Basic Service Delivery</u>												
Fire inspections-businesses	No of inspections	100		25		25		25				
Rural fire prevention training	No of training sessions	3	R 17 000	1		1		1				
Equipment for fire stations	Deliver in July 2011	100%	R250 000	100%								
Firefighting equipment	Deliver in January 2012	100%	R250 000					100%				
Double Cab Vehicle	Deliver in March 2012	1								1		

3. Vote: Road Transport												
3.1 Testing Grounds												
Basic Service Delivery												
Examination of vehicles	No of vehicles	800		200		200		200		200		
Motor registration & licensing:	Units of one hundred	120		30		30		30		30		
Driver's Licenses: Bookings	No of bookings	1200		300		300		300		300		
Passed	No of passes	560		140		140		140		140		
Learners licenses: Bookings	No of bookings	1800		450		450		450		450		
Passed	No of passes	480		120		120		120		120		
Planning for testing station	Complete by September 2011	100%	R300 000	100%								



QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Financial Services												
Chief Financial Officer												
1. Vote: Finance & Admin												
Organizational development												
Communication Plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2						1		1		
	No of dept strategic meetings	12		3		3		3		3		
Basic Service delivery												
Upgrade of IT equipment	Completed in April 2012	100%	R100 000							100%		
Upgrade of office Furniture	Completed in February 2012	100%	R 40 000					100%				
Equipment	Deliver in August 2011	100%	R 21 000	100%								
Computers (other department's)	Deliver in October 2011	100%	R 25 000			100%						
	Complete in April 2012	100%	R247 000							100%		
1.1 Budget & Management Accounts												
Financial viability												
Compilation of financial statements in terms of MFMA	Submit by 31 August 2011	1		1								
Time schedule of key deadlines for 2012/2013 budget	Submit in August 2011	1		1								
Budget Statement	No of statements	11		3		2		3		3		
Implementation of the budget	No of reports	4		1		1		1		1		
Consolidate and prepare proposed 2012/2013 budget	Start in December 2011	1						1				
6 monthly budget statements	Tabled in January 2012	1						1				
Adjustments budget for 2011/2012	Tabled in January 2012	1						1				
Change in budget related policies	Finalized in March 2012	1						1				
Align municipal budget with IDP	Alignment in March 2012	1						1				
Draft 2012/2013 budget	Tabled in March 2012	1						1				
Draft SDBIP for 2012/2013	Tabled in March 2012	1						1				
Primary banking detail to Provincial Treasury and Auditor General	Forwarded in March 2012	1						1				
Draft 2012/2013 budget to National Treasury (3 copies)	Forwarded in April 2012	1								1		
Draft 2012/2013 budget to Provincial Treasury (1 copy)	Completed and mailed in April 2012	1								1		
Final 2012/2013 budget	Tabled in May 2012	1								1		
Final 2012/2013 budget to National Treasury	Forwarded in June 2012	1								1		
Final SDBIP for 2012/2013	Approved in June 2012	1								1		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
1.2 Revenue												
Financial viability												
Report on credit control, debt collection & indigent management to Finance Committee.	No of reports	11		3		2		3		3		
Meetings with Council's attorneys to discuss progress on handed over debtors.	No of meetings	4		1		1		1		1		
Steering committee meetings with council's Valuators.	No of meetings	4		1		1		1		1		
Debtor reconciliations	Completed by the 15 th of the month	12		3		3		3		3		
Indigent Support-quarterly report to council	No of reports	4		1		1		1		1		
Indigent support –reports displayed at cashier offices	No of reports	4		1		1		1		1		
1.3 Expenditure												
Financial viability												
SCM Policy-revise	Completed by December 2011	100%				100%						
DoRA reports on all grants received	Submitted monthly	12		3		3		3		3		
SCM reports in accordance with regulations, policy & procedures.	Submitted monthly	12		3		3		3		3		
Payroll is completed timorously & accurately	Completed within 7 working days of the end of the month	100%		100%		100%		100%		100%		
Payment of creditors on time in terms of Section 65 of MFMA	No of creditors paid on time	100%		100%		100%		100%		100%		
Local Economic development												
Ensure procurement policy is gender & disabled sensitive	Bi annual reports to EXCO	2%				1%				2%		
1.4 SCM Unit												
Basic Service Delivery												
Lightning protection	Install in August 2011	100%	R35000	100%								
Furniture	Deliver in November 2011	100%	R14000			100%						
Equipment	Deliver in October 2011	100%	R42000			100%						
Building upgrade	Complete in February 2012	100%	R85000					100%				

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2011/2012

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Community Services (Manager: Community Services)												
1. Vote: Finance & Admin												
Financial viability												
Draft 2012/2013 budget	Submit in November 2011	1				1						
Draft SDBIP	Submit in February 2012	1						1				
Organizational Development												
Communication plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
Local Economic development												
Liaison with UDM and Coastal Management working group	No of meetings	4		1		1		1		1		
Expand & implement weed eradication programme in rural area	No of wards	8	R200 000	2		2		2		2		
Good Governance												
Compilation agendas & minutes	No of agenda & minutes	40		10		10		10		10		
Enquiries & complaints	No of replies	100		25		25		25		25		
Basic Service Delivery												
Liaison with Dept of health to ensure an acceptable level of health care	No of consultations	4		1		1		1		1		
2. Vote: Community & Social Services												
Basic Service Delivery												
Cemeteries graves	No of graves dug	960		240		240		240		240		
Cemetery pathways	No of square meters cleaned	1000		250		250		250		250		
Prepare cemetery sector plan	Complete by June 2012	1	R150 000			25%		75%		100%		
Playground fencing	Complete September 2011	100%	R 50 000	100%								
Sports development: Equit Share	No of events	2	R400 000									
Cultural development: Equit Share	No of events	1	R100 000			1						
HIV relief: Equit share	No of assistance rendered	10	R500 000			2		2		4		
Youth Development Programmes :equit share	No of programmes	2	R400 000			1						
Palisade fencing at Eshowe cemetery: Equit share	Complete in January 2012	100%	R300 000					100%				
Furniture: Clinis	Deliver in October 2011	100%	R 11 500			100%						
Equipment : Clinis	Deliver in December 2011	100%	R 58 800			100%						
3. Vote: Sport & Recreation												
Basic Service Delivery												
Weed eradication programme	Programme completed (hectares)	100		25		25		25		25		
Grass cutting programme	No of hectares cut	900		225		225		225		225		
Work creation	No of temp jobs created	100		25		50		75		100		
Brushcutters	Delivered in September 2011	100%	R 50 000	100%								
Mowers	Deliver in July 2011	100%	R 70 000	100%								
Chainsaws	Deliver in August 2011	100%	R 40 000	100%								
Repair Sunnydale Pool	Complete in August 2011	100%	R740 000	100%								

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2011/2012

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Technical Services (Manager Engineer Services)												
Vote: Finance & Administration												
Financial Viability												
Draft 2012/2013 budget	Submit in November 2011	1				1						
Draft SDBIP	Submit in February 2012	1						1				
Organizational Development												
Communication plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
Good Governance												
Compilation agendas & minutes	No of agenda	60		15		15		15		15		
Enquiries & complaints	No of replies	100		25		25		25		25		
Basic Service Delivery												
Security:												
Reception Offices	Complete in March 2012	100%	R150 000					100%				
Mtunzini & Gingindlovu offices	Complete in October 2011	100%	R 75 000			100%						
Vote: Planning & Development												
Basic Service Delivery												
Building inspections conducted	No of building inspections	100		25		25		25		25		
Property inspections conducted	No of property inspections	200		50		50		50		50		
Vote: Community & Social Services												
Basic Service Delivery												
Study to determine backlog of services	Report submitted 30 June 2012	100%	R300 000			50%		75%		100%		
Consult with UDM that water & sanitation needs are catered for in the UDM (WSDP).	No of reports to portfolio committee	4		1		1		1		1		
Consult with Eskom and UDM so that uMlalazi residents receive free basic electricity.	No of reports to portfolio committee	4	R750 000	1		1		1		1		
Work Creation (Equit share)	No of jobs created	200	R3192020	50		100		150		200		
Sportsfield maintenance (Equit Share)	No of sportsfields	6	R1800000			2		2		2		
Rain harvesting programme	No of water tanks	200		50		50		50		50		
Imbalenhle crèche (ward 8)	Complete in November 2011	100%	R720 000			100%						
Simoyi crèche	Complete in February 2012	100%	R592 980					100%				
Rural community halls (Equit share)	No of halls	5	R500 000			2		3				
Creches (equit share)	No of creches	3	R300 000			1		2				
Vote: Sports & Recreation												
Basic Service Delivery												
Hlayinyana sportsfield ward 6	Complete in February 2012	100%	R928 760					100%				
Hlohloko sportsfield ward 9	Complete in January 2012	100%	R899 230					100%				
Vote: Refuse Removal												
Basic Service Delivery												
Recycling Programme	No of reports to Portfolio committee	11		3		2		3		3		
Refuse skips and mass containers	Delivered in October 2011	100%	R 50 000			100%						
Refuse bins	Delivered in September 2011	100%	R 30 000	100%								
Waste management plan- report tonnages												
To regional refuse site	No of reports	11		3		2		3		3		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Vote: Road Transport												
Basic Service Delivery												
Municipal services infrastructure maintenance plan-buildings.	No of reports to Portfolio committee	4		1		1		1		1		
Municipal roads programme	No of reports to Portfolio committee	4	R686 300	1		1		1		1		
Storm Water Management	Complete by August 2011	100%	R250 000	100%								
Pavement management	Complete by October 2011	100%	R250 000			100%						
Survey instrument	Deliver in July 2011	1	R 95 000	1								
Sidewalks	Complete in January 2012	100%	R300 000					100%				
Bomag	Deliver by July 2011	1	R 60 000	1								
Public transport facilities	Complete in February 2012	100%	R100 000					100%				
Speed humps	Complete in March 2012	100%	R 70 000					100%				
Rural roads/causeways (Equit share)	Complete by 30 April 2012	100%	R2900000			25%		50%		100%		
Rehabilitation of urban roads(equit share)	Complete by 30 April 2012	100%	R2550000			25%		50%		100%		
Eshowe Bus & Taxi rank-informal trading proj	Complete by January 2012	100%	R3100000					100%				
Matshemhlophe road –ward 4	Complete by July 2011	100%	R200 000	100%								
Kangela Road – ward 11	Complete by November 2011	100%	R5000000			100%						
KDS internal roads –ward 12	Complete by November 2011	100%	R3500000			100%						
Sunnydale ext internal roads-ward 12	Complete by November 2011	100%	R5071900			100%						
Butcher street- ward11	Complete by September 2011	100%	R1990700	100%								
Ohhahheni road- ward22	Complete by July 2011	100%	R200 000	100%								
Nhlanzanyoni road-ward 7	Complete by March 2012	100%	R950 000					100%				
Mthembu causeway -ward 19	Complete by July 2011	100%	R275 630	100%								
Vote: Electricity												
Basic Service Delivery												
Renewable energy strategy	Complete by December 2011	100%	R 60 000			100%						
2x complete 3 way ring main units	Deliver in February 2012	2	R180 000					2				
1x complete 4 way ring main unit	Deliver in February 2012	1	R 96 000					1				
Upgrade robot control system	Complete in September 2011	100%	R 50 000	100%								
Upgrade street lights	Complete in August 2011	100%	R 90 000	100%								
Transformers (pole mounted)	Deliver in March 2012	100%	R137 500					100%				
Single phase pre paid electricity meters	Deliver in November 2011	100%	R 40 000			100%						
Increase in Eskom supply Equit share	Complete in December 2011	100%	R11453930			100%						
Purchase 3 vehicles	Deliver in August 2011	3	R450 000	3								
Double cab-fire fighting	Deliver in March 2012	1	R250 000					1				
Vote: Other												
Basic Service Delivery												
Municipal services infrastructure maintenance plan-vehicles	No of reports to Portfolio committee	4		1		1		1		1		
Staff clock	Install in September 2011	1	R 45 000	1								
Handyman's workshop	Complete in November 2011	100%	R150 000					100%				

15. **Contract having future budgets implications**

Hereunder follows the details of a contract which will impose financial obligations on the municipality beyond the three years covered in the annual budget:

Name	Description of Contract	Planned expenditure for duration of contract			
		2011/2012	2012/2013	2013/2014	2014/2015
<i>HCB Property Valuations</i>	<i>Second round of property valuations</i>	R300 000	R300 000	R300 000	R300 000

16. Capital Expenditure Details

16.1 Budgeted Monthly Capital Expenditure by (Class)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Multi-year expenditure to be appropriated	1															
Vote1 - EXECUTIVE AND COUNCIL		-	-	-	22	-	52	-	-	5	-	-	-	79	74	406
Vote2 - BUDGET AND TREASURY OFFICE		-	70	56	70	67	84	-	70	125	67	-	-	609	373	411
Vote3 - CORPORATE SERVICES		-	-	895	600	695	75	-	-	300	100	-	-	2,665	940	1,880
Vote4 - PLANNING AND DEVELOPMENT		-	-	-	-	75	-	-	-	-	150	-	-	225	80	-
Vote5 - HEALTH		-	-	-	50	12	-	59	-	-	-	-	-	120	50	-
Vote6 - COMMUNITY AND SOCIAL SERVICES		-	50	-	240	240	240	348	358	198	-	-	(0)	1,673	355	370
Vote7 - HOUSING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote8 - PUBLIC SAFETY		17	250	-	20	25	-	-	250	330	-	-	-	892	580	935
Vote9 - SPORTS AND RECREATION		-	70	780	205	380	380	380	380	155	-	-	0	2,728	640	841
Vote10 - WASTE MANAGEMENT		-	200	-	30	50	-	-	-	-	-	-	-	280	80	1,445
Vote11 - ROAD TRANSPORT		476	2,369	4,233	4,283	3,237	2,987	486	3,636	386	406	98	98	22,693	27,360	30,980
Vote12 - ELECTRICITY		660	-	90	50	-	40	-	-	276	138	-	-	1,254	1,860	2,738
Vote13 - AIR TRANSPORT		-	-	0	0	0	0	0	0	0	0	0	(0)	-	-	-
Vote14 - WORKSHOP		-	-	-	45	-	-	-	-	-	-	-	-	45	40	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	1,153	3,009	6,054	5,615	4,780	3,858	1,272	4,693	1,774	860	98	98	33,263	32,432	40,006
Total Capital Expenditure	2	1,153	3,009	6,054	5,615	4,780	3,858	1,272	4,693	1,774	860	98	98	33,263	32,432	40,006

16.2 Budgeted Monthly Capital Expenditure (By Sub-class)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		-	70	951	692	762	211	-	70	430	167	-	-	3,353	1,387	2,697
Executive and council					22		52			5			-	79	74	406
Budget and treasury office			70	56	70	67	84		70	125	67		-	609	373	411
Corporate services				895	600	695	75			300	100		-	2,665	940	1,880
<i>Community and public safety</i>		17	370	780	515	656	620	786	987	682	-	-	(0)	5,413	1,625	2,146
Community and social services			50		240	240	240	348	358	198			(0)	1,673	355	370
Sport and recreation			70	780	205	380	380	380	380	155			0	2,728	640	841
Public safety		17	250		20	25			250	330			-	892	580	935
Housing													-	-	-	-
Health					50	12		59					-	120	50	-
<i>Economic and environmental services</i>		476	2,369	4,233	4,283	3,312	2,987	486	3,636	386	556	98	98	22,918	27,440	30,980
Planning and development						75					150		-	225	80	-
Road transport		476	2,369	4,233	4,283	3,237	2,987	486	3,636	386	406	98	98	22,693	27,360	30,980
Environmental protection													-	-	-	-
<i>Trading services</i>		660	200	90	80	50	40	-	-	276	138	-	-	1,534	1,940	4,183
Electricity		660		90	50		40			276	138		-	1,254	1,860	2,738
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management			200		30	50							-	280	80	1,445
<i>Other</i>					45								-	45	40	-
Total Capital Expenditure - Standard	2	1,153	3,009	6,054	5,615	4,780	3,858	1,272	4,693	1,774	860	98	98	33,263	32,432	40,006

16.3 Future Financial Implications of Capital Budget

Vote Description	Ref	2011/12 Medium Term Revenue & Expenditure			Forecasts			Present value
		Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	
R thousand								
Capital expenditure	1							
Vote1 - EXECUTIVE AND COUNCIL		79	74	406	38	45		
Vote2 - BUDGET AND TREASURY OFFICE		609	373	411	381	539		
Vote3 - CORPORATE SERVICES		2,665	940	1,880	480	14,475		
Vote4 - PLANNING AND DEVELOPMENT		225	80	-	-	-		
Vote5 - HEALTH		120	50	-	40	100		
Vote6 - COMMUNITY AND SOCIAL SERVICES		1,673	355	370	365	7,100		
Vote7 - HOUSING		-	-	-				
Vote8 - PUBLIC SAFETY		892	580	935	1,655	1,887		
Vote9 - SPORTS AND RECREATION		2,728	640	841	6,457	2,270		
Vote10 - WASTE MANAGEMENT		280	80	1,445	1,400	400		
Vote11 - ROAD TRANSPORT		22,693	27,360	30,980	28,355	16,850		
Vote12 - ELECTRICITY		1,254	1,860	2,738	818	2,283		
Vote13 - AIR TRANSPORT		-	-	-	-	-		
Vote14 - WORKSHOP		45	40	-	-	-		
Total Capital Expenditure		33,263	32,432	40,006	39,989	45,949	-	-
Future operational costs by vote	2							
Vote1 - EXECUTIVE AND COUNCIL		2,557	2,611	2,749				
Vote2 - BUDGET AND TREASURY OFFICE		724	767	812				
Vote3 - CORPORATE SERVICES		876	925	977				
Vote4 - PLANNING AND DEVELOPMENT		146	154	162				
Vote5 - HEALTH		166	150	159				
Vote6 - COMMUNITY AND SOCIAL SERVICES		206	219	154				
Vote7 - HOUSING		97	100	103				
Vote8 - PUBLIC SAFETY		5,300	5,052	5,026				
Vote9 - SPORTS AND RECREATION		3,864	2,163	2,283				
Vote10 - WASTE MANAGEMENT		5,129	5,454	5,797				
Vote11 - ROAD TRANSPORT		1,602	2,786	3,285				
Vote12 - ELECTRICITY		1,667	1,797	1,938				
Vote13 - AIR TRANSPORT		11	12	12				
Vote14 - WORKSHOP		132	32	33				
Total future operational costs		22,478	22,222	23,491	-	-	-	-
Future revenue by source	3							
Property rates		39,661	41,212	42,860				
Property rates - penalties & collection charges		1,116	1,049	997				
Service charges - electricity revenue		48,171	56,896	67,043				
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue		7,165	8,399	9,238				
Service charges - other								
Rental of facilities and equipment		1,335	1,412	1,494				
Total future revenue		97,448	108,968	121,633	-	-	-	-
Net Financial Implications		(41,707)	(54,314)	(58,136)	39,989	45,949	-	-

17. LEGISLATION COMPLIANCE STATUS

The Local Government: 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.

The LG: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 LG: MFMA aim to modernize 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 LG: 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 manager. 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 LG: MFMA, that uMlalazi 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 LG: MFMA implementation is monitored through regular reporting including:

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

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was prepared taking cognizance of the contents of the Municipal budget and reporting regulations, Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 51 and the LG:MFMA Budget Formats Guide received from 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 Bill 2010 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 Bill 2010

This Bill issued in February 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 LG: 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 LG: 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 (Chapter 8).

18. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I Joachim Christoffel Gerber, Municipal Manager of the uMlalazi 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.....

CONTACT DETAILS

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