

NTABANKULU LOCAL MUNICIPALITY



Ntabankulu Draft Budget

3 Year Plan: 2013 to 2017

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2. MAYORAL SPEECH

The term of this council has started in May 2011. We have since, committed ourselves in creating a municipality that is responsive to the aspirations of our people.

This has been the driving tool behind the Vision and Mission that we have set ourselves in order to carry out the work of our institution successfully. We have crafted a set of organizational values to constantly remind ourselves of the mandate we set to fulfill.

The municipality has set itself a commitment to strengthen the political and administrative arms and relations inter alia, to ensure stability and enable the institution to carry out its obligation in a manner that is coherent and in harmony with the constitutional requirements of a developmental local state.

Subsequently we have structured our administration in a manner that shall prompt a responsive approach to the objectives of the political leadership as enshrined in the IDP as a strategic guiding tool.

In carrying out our legislative obligation in formulating the IDP, as a Municipality we have emphasized our efforts on consultation and participation of the community, thereby capturing the needs and inspirations of the community. This we have done on a conviction that our IDP should be a people based strategic document to carry out successfully our mission of "*Ensuring the optimal use of resources effectively through active community participation*"

The municipality has asserted to develop human capital in pursuit to ensure sustainable communities. This we committed to achieve through a system of Local Government that provides sustainable services and by optimally exploiting all those areas that have a potential to harness our economic growth initiatives. Furthermore we are confident that we shall continue to engage effective strategies to attract direct investment and increase our revenue.

We are confident that we have put in place effective organizational systems that will enable us to continue a clean and transparent institution. We are also confident that our internal controls further enhance our compliance requirements and to ensure our IDP's credibility.

Strategic Focus Areas and Municipal Priority Issues

The following strategic focus areas remain for the 2013/14 financial year:-

- ❑ Institutional Development and Organizational Development
- ❑ Basic service delivery and Infrastructure Development
- ❑ Local Economic Development and Social cohesion
- ❑ Financial Viability and Management and
- ❑ Good Governance and Public Participation

Council has reconfirmed these strategic priorities and they dovetail with the top priority issue for the next three financial years being the restoration of the financial viability of the Municipality.

This draft annual budget is in the approved format outlined in National Treasury Circular No 28 and has the following features:-

- ❑ A balanced operating budget containing expenditure details and realistically anticipated revenue;
- ❑ A balanced budget for capital expenditure that is within realistic funding already secured, together with the projected future financial implications of such capital expenditure;
- ❑ Details of borrowing and other liabilities that will increase the Municipality's debt;
- ❑ Actual results for the previous year; and
- ❑ Projected budget outcomes for the current financial year, the next year's budget and the outer two years.

Within the available resources the draft budget reflects the Council's IDP and details the methods of funding.

An in-depth review of revenue has taken place and the level of spending is limited by the availability of revenue. In addition the ability of consumers to pay the revised tariffs has been taken into consideration.

The draft operating budget is a balanced one and totals R67 984 000 million, which funds the continued provision of services provided by the municipality.

Funding is obtained from various sources and the proportions which are received from services such as refuse removal and disposal as well as from property rates 7% and from grants and subsidies received from the National and Provincial Governments 93%.

The major expenditure items are staff costs 56%, repairs and maintenance 10% and general expenses 34%.

An additional provision of R2 428 000 which is 4% of the operational budget, has been set aside to cover possible bad debts from rates and charges not collected, leaves, depreciation and rehabilitation site.

Because of limited funds a number of issues such as maintenance backlogs, inadequate provisions, staffing requirements, etc are not fully covered. However planning and development of strategies to address these issues are part of the continuing financial management programme.

The draft capital budget is balanced and totals R58.35 million funded through revenue from National Government grants 98% and internally funded 2%.

The following items are long term issues that require additional information before their full effect is known.

- ❑ Maintenance backlogs in respect of Council's assets – a long term strategy is required.
- ❑ Organizational Structure review and the impact on the personnel expenditure target.
- ❑ Finalisation of property valuations and the impact on property rates levied.

The community consultation process will take place during the month of April and when completed only minor adjustments to the budget tabled in will be required. The process will include councilors and officials visiting each of the 18 wards and outlining the planned activities contained in the draft IDP/Budget.

I am confident that if we continue to work together as Government, Business, Communities, NGO's CBO's Political formations and Civil organization, we can do more than just what we have set ourselves to do.

.....
Honorable Mayor
Z. Lwana

3 BUDGET RELATED RESOLUTIONS

Budget for 2013/14

3.1 On the 28th of March 2013, the Council met in the Ntabankulu Hall of Ntabankulu Local Municipality to consider the draft annual budget for financial year 2013/2014. The Council adopted and approved the following resolutions:

3.1.1 **The Council of Ntabankulu Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:**

3.1.1.1 The council on ntabankulu local municipality resolves that the draft multi-year annual budget of capital and operating expenditure for 2013/2014 and the indicated two outer years of 2014/2015 and 2015/2016 which will be tabled for public scrutiny and input be approved for community consultation as set out by the following tables:

- ❑ Table A2 : Budgeted financial performance (revenue and expenditure by standard classification) as contained in page
- ❑ Table A3 : Budgeted financial performance (revenue and expenditure by municipal vote) as contained in page
- ❑ Table A4 : Budget financial performance (revenue and expenditure) as contained in page
- ❑ Table A5 : Budgeted capital expenditure by vote and funding as contained in page

The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

- ❑ Table A6 : Budgeted financial position as contained in page
- ❑ Table A7 : Budgeted cash flows as contained in page
- ❑ Table A8 : Cash backed reserves / accumulate surplus reconciliation as contained in page
- ❑ Table A9 : Asset management as contained in page
- ❑ Table A10 : Basic service delivery measurement

- ❑ Table SA 36 : Budgeted capital expenditure by programme name

Multi Year Capital Budget

3.2 Council resolves that multi-year capital appropriations by vote and associated funding reflected in Table A5 be approved.

Property Rates and other Municipal Tax

3.3. That, in terms of section 24 of the Local Government Municipal Property Rates Act, Act 6 of 2004, rates differentiating among the different categories of properties determined by the actual use, the zoning and/or permitted use of properties, for property tax be levied on market value of all rateable properties within the municipal area for the financial year 1 July 2013 to 30 June 2014, provided that rebates, as indicated, on application be allowed:.

Tariffs and Charges

3.4 Council resolves that the following tariffs and charges be applied.

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Old Tariffs 2012-2013	Proposed Increase/ Decrease	New Tariffs 2013-2014
Property Rates	Domestic	R0.01	-0.02	R0.008
	Business	R0.0125	0	R0.0125
	Government	R0.02	0.01	R0.03
Senior citizens with property valued less than R200.000.00		R600.00 per annum	R1000	R1600.00 per annum
Refuse Removal	Domestic	R60.00	0	R60.00
	Government	R80.01	0	R90.00
	Business	R80.01	0	R90.00
Burial and Cemeteries	Single Grave once off	R100	0	R100.00
	Double grave once off	R190	0	R190.00
	Renewal fee for Double grave & Single grave	NEW		R50.00
Library Membership Fee		R50 per annum	0	R50 per annum
Rental Office	Large Businesses	R71.50 per	10%	R78.65 per

		square meter		square meter
	Small Businesses	R27.50 per square meter	10%	R30.25 per square meter
Rental :Municipal Hall	Independently (Private use)	R50.00 per hour	10%	R55.00 per hour
	Business & Government	NEW	0	R100.00 per hour
Building Plan fees	Commercial, industrial Government	R5.00 per square meter	0	R5.00 per square meter
	Low cost funded by DPT of human settlement	R5.00 per square meter	0	R5.00 per square meter
	Residential by individual owners	R4.00 per square meter	0	R4.00 per square meter
	Administration for alteration in the existing building (extending, fitting of glasses.etc)	NEW		R250.00
	PENALTY-Administration for as built plans	NEW		R300.00
Trading Tariffs	Hawkers <ul style="list-style-type: none"> • Fruit & Vegetables • Clothing 	R50.00 R70.00	0 0	R50.00 per annum Renewal R20.00 per annum R70.00 per annum Renewal R50.00 per annum
	Business Licences , General dealers & Taverns	R500.00	0	R500.00 per annum Renewal R250.00 per annum
	Shebbens, Public Phones, Bookshops & Tuck shops	R450.00	0	R450.00 per annum Renewal R200.00 per annum
Advertising	1.5 m x 3.0m	R120.00 per structure per month	0	R120.00 per structure per month

	3.0m x 6.0m	R209.00 per structure per month	0	R209.00 per structure per month
Clearance certificate		R10	0	R10
Pound Fees	Pound fee-(Livestock small and Large)	R45.00 per head NEW	0	R45.00 per head for impounding and additional R25.00 for 12hrs per head
Waste Removal		R50.00	0	R150.00
Garden Waste Removal Fees		R20.00	0	R120.00
Spot fines for illegal dumping	Households	NEW		R200.00
	General Practitioners (Surgeries & Clinics)	NEW		R500.00
	Business entities	NEW		R300.00
Honey Sucker	Residential	R80.00 per load	0	R80.00 per load
	Religious	R80.00 per load plus R5.80 per kilometer	0	R80.00 per load plus R5.80 per kilometer
	Government & Business	R100.00 per load plus R5.80 per kilometer	0	R100.00 per load plus R5.80 per kilometer

Services rendered by Traffic	Copy of accidents report from OAR/AR	NEW		R50.00 search fee & R8.00 per page
	Furnishing of information to 3 rd party of person involved in an accident or witness	NEW		R70.00 for accident report with all information
	Sketch plan & photographs of a motor vehicle involved in an accident	NEW		R255.00 per sketch plan R405.00 per scale plan

Measurable Performance Objectives

3.5 Council resolves that the measurable performance objectives for revenue from each source and for each vote reflect the draft budget.

Integrated Development Plan

3.6 Council resolves to approve the publication of the 2013/2017 Draft Integrated Development Plan for public scrutiny.

Budget Related Polices

3.7 Council resolves that the following Draft Budget polices be made available for public participation.

- Indigent Policy for 2013/2013
- Investment Policy for 2013/2014
- Property Rates Policy for 2013/2014
- Property Rates By-law for 2013/2014
- Write Off Policy for 2013/2014
- Fraud Prevention policy for 2013/2014
- Asset Management Policy for 2013/2014

Cashflow

- 3.8 Council resolves that the projects identified for electrification and solid waste management are subject to funds available from grants in respect of Integrated National Electrification Programme (Municipal) Grant and Expanded Public Works Programme Incentive Grant for Municipalities.

4 THE BUDGET

This section contains an Executive Summary of the draft annual budget, highlighting the processes and assumptions which lead to the compilation of the draft annual budget.

4.1 Executive Summary

Overview

The budget process is governed by the Municipal Finance Management Act 56 of 2003 and the Municipal Systems Act 32 of 2000. The objective process is to ensure good governance and accountability and enables the municipality to involve residents and other stakeholders in the budgeting process.

The Local Government Municipal Finance Management, Act 56 of 2003.

16 (1) The council of a municipality must each financial year approve an annual budget before the start of that financial year.

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least **90** days before the start of the budget year.

(3) Subsection **(1)** does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

4.1.2 Key assumptions

4.1.2.a National Treasury provided guidance in MFMA Circular No. 58 issued in terms of Municipal Finance Management Act No. 56 of 2003 regarding inflation:-

Fiscal year	2012 Actual	2012/13 Estimate	2013/14	2014/15	2015/16 Forecast
Headline CPI Inflation	5.6%	5.6%	5.6%	5.4%	5.4%

4.1.2. The inflation rate to be used for calculating wage increases

The Municipalities are advised that average CPI for this period is 5.6%. Municipality. We have utilised the current year National Treasury circular 67 to calculate the salary adjustment which is 6.85%.

Note that Municipal Managers and those employees appointed as managers directly accountable to the Municipal Managers in terms of Section 57(6) of the Municipal Systems Act 32 of 2000 are included in the above mentioned calculation in which 6.85% has been utilised.

4.1.2.c For the period 1 July 2013 to 30 June 2014, Eskom will increase the municipal tariff rates for bulk electricity by 8% per cent as per MFMA circular 67.

4.1.3 National Treasury guide lines in terms of allocations

MFMA Circular No.66 and 67 states:

Mayor's discretionary funds and similar discretionary budget allocations

It has been observed that many municipal budgets contain sub-votes or allocations to "Mayoral Discretionary Funds", "Special Projects", "Special Events" or similar discretionary type funds.

- ❑ National Treasury regards these types of allocations as a bad practice because:
- ❑ It is not clear how they are aligned to the constitutional requirement that municipalities structure their budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community (see section 153(a) of the Constitution);

- ❑ They do not provide for the appropriation of funds for the purposes of a department or functional area of the municipality (see the definition of 'vote' in section 1 of the
- ❑ MFMA);
- ❑ They undermine the budget consultation processes since the intended use of the
- ❑ funds is not transparently reflected in the tabled budget; and
- ❑ There is a risk that they may be abused for personal gain or to improperly benefit
- ❑ another person or organisation.

Therefore National Treasury discourages allocations of this nature. Good budget practice requires that a municipal budget should transparently indicate the purposes and areas where municipal funds (i.e. public funds) are to be allocated.

Further key issues to be noted in MFMA Circular No. 67 are set out in **ANNEXURE A**

4.2 BUDGET SCHEDULES

4.2.1 Table A1 : Budget summary

EC444 Ntabankulu - Table A1 Consolidated Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
Financial Performance										
Property rates	2,367	1,038	1,566	1,479	-	1,479	1,479	2,300	2,424	2,555
Service charges	2,614	161	179	98	-	98	98	120	126	133
Investment revenue	900	648	674	-	-	-	-	-	-	-
Transfers recognised - operational	63,948	48,283	57,193	66,509	550	67,059	67,059	67,984	76,390	80,550
Other own revenue	1,578	3,310	2,095	1,718	1,586	3,304	3,304	2,071	2,044	2,154
Total Revenue (excluding capital transfers and contributions)	71,407	53,440	61,708	69,804	2,136	71,940	71,940	72,475	80,984	85,392
Employee costs	22,905	19,714	24,100	29,755	-	29,755	29,755	32,330	34,453	36,346
Remuneration of councillors	5,237	6,697	9,802	8,644	-	8,644	8,644	8,820	9,127	9,728
Depreciation & asset impairment	5,237	4,532	6,149	500	-	500	500	500	527	555
Finance charges	60	210	544	52	-	52	52	50	53	56
Materials and bulk purchases	950	1,826	2,648	2,672	(542)	2,130	2,130	2,650	3,603	3,797
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	17,220	24,384	22,049	28,070	2,788	30,858	30,858	28,188	33,506	35,023
Total Expenditure	51,610	57,363	65,292	69,683	2,246	71,939	71,939	72,539	81,268	85,505
Surplus/(Deficit)	19,797	(3,923)	(3,585)	111	(110)	1	1	(64)	(284)	(113)
Transfers recognised - capital	1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Contributions recognised - capital & contributed a	-	-	-	28,964	(110)	28,854	28,854	59,207	55,748	52,387
Surplus/(Deficit) after capital transfers & contributions	21,302	16,474	25,746	57,927	(220)	57,707	57,707	118,415	111,056	104,437
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	21,302	16,474	25,746	57,927	(220)	57,707	57,707	118,415	111,056	104,437
Capital expenditure & funds sources										
Capital expenditure	84,564	19,085	15,731	28,964	(110)	28,854	28,854	59,207	55,748	52,387
Transfers recognised - capital	1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Financial position										
Total current assets	10,926	16,762	36,682	30,178	(2)	30,175	30,175	22,117	22,117	22,117
Total non current assets	1,921	9,439	9,264	9,264	57	9,321	9,321	9,206	9,206	9,206
Total current liabilities	10,097	16,630	8,946	2,564	-	2,564	2,564	2,428	3,505	3,694
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	-	-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating	19,890	10,538	36,454	28,964	(110)	28,854	28,854	59,207	55,861	52,633
Net cash from (used) investing	(14,515)	(18,094)	(26,717)	(28,964)	110	(28,854)	(28,854)	(59,271)	(55,592)	(52,163)
Net cash from (used) financing	(227)	4	(168)	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	5,148	(2,403)	7,167	0	(0)	0	0	(64)	205	675
Cash backing/surplus reconciliation										
Cash and investments available	7,226	(75)	19,950	9,807	-	9,807	9,807	2,084	2,084	2,084
Application of cash and investments	6,448	15,921	8,504	(3,904)	2	(3,901)	(3,901)	(3,901)	(3,901)	(3,901)
Balance - surplus (shortfall)	779	(15,996)	11,447	13,711	(2)	13,708	13,708	5,985	5,985	5,985
Asset management										
Asset register summary (WDV)	1,921	9,439	9,264	9,264	57	9,321	9,206	9,206	9,206	9,206
Depreciation & asset impairment	5,237	4,532	6,149	500	-	500	500	500	527	555
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	2,264	2,672	(450)	2,222	2,650	2,650	3,603	3,797
Free services										
Cost of Free Basic Services provided	-	-	-	198	-	198	209	209	220	232
Revenue cost of free services provided	-	-	-	337	-	337	356	356	375	396
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	349	-	349	369	369	389	410
Refuse:	-	-	-	-	-	-	-	-	-	-

4.2.2 Table A2 : Budgeted financial performance (revenue and expenditure by standard classification)

EC444 Ntabankulu - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard	1									
Governance and administration		72,912	73,837	91,039	98,657	2,136	100,793	131,746	136,576	137,555
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		72,912	73,837	91,039	98,657	2,136	100,793	131,746	136,576	137,555
Corporate services		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	72,912	73,837	91,039	98,657	2,136	100,793	131,746	136,576	137,555
Expenditure - Standard										
Governance and administration		27,351	32,042	40,335	47,088	1,538	48,626	44,442	49,338	51,978
Executive and council		10,055	8,810	13,612	12,578	1,044	13,622	12,753	12,979	13,806
Budget and treasury office		9,465	13,450	13,711	17,282	(6)	17,276	18,130	20,446	21,310
Corporate services		7,832	9,781	13,012	17,228	500	17,728	13,559	15,913	16,862
Community and public safety		5,516	7,041	10,576	10,425	(85)	10,340	14,037	15,162	16,091
Community and social services		5,516	7,041	10,576	9,225	215	9,440	12,987	14,055	14,924
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	1,200	(300)	900	1,050	1,107	1,166
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		10,476	13,716	14,767	40,388	783	41,171	72,567	71,726	68,991
Planning and development		10,476	13,716	14,767	40,164	583	40,747	72,167	71,226	68,464
Road transport		-	-	-	224	200	424	400	500	527
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	756	(100)	656	700	738	778
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	756	(100)	656	700	738	778
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	43,344	52,799	65,677	98,657	2,136	100,793	131,746	136,963	137,837
Surplus/(Deficit) for the year		29,568	21,038	25,362	0	(0)	(0)	(0)	(387)	(281)

Table A3 : Budgeted financial performance (revenue and expenditure by municipal vote)

EC444 Ntabankulu - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Revenue by Vote	1									
Vote 1 - [COUNCIL]		-	-	-	-	-	-	-	-	-
Vote 2 - [OFFICE OF THE MUNICIPAL MANAGER]		-	-	-	-	-	-	-	-	-
Vote 3 - [BUDGET AND TREASURY]		72,912	73,837	91,039	98,657	2,136	100,793	131,746	136,576	137,555
Vote 4 - [STRATEGIC]		-	-	-	-	-	-	-	-	-
Vote 5 - [HUMAN RESOURCES]		-	-	-	-	-	-	-	-	-
Vote 6 - [INFRASTRUCTURE]		-	-	-	-	-	-	-	-	-
Vote 7 - [PUBLIC SAFETY]		-	-	-	-	-	-	-	-	-
Vote 8 - [TRAFFIC DEPARTMENT]		-	-	-	-	-	-	-	-	-
Vote 9 - [REFUSE DEPARTMENT]		-	-	-	-	-	-	-	-	-
Vote 10 - [COMMUNITY SERVICES]		-	-	-	-	-	-	-	-	-
Vote 11 - [CORPORATE AND ADMINISTRATION]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	72,912	73,837	91,039	98,657	2,136	100,793	131,746	136,576	137,555
Expenditure by Vote to be appropriated	1									
Vote 1 - [COUNCIL]		7,190	7,126	8,605	8,719	76	8,794	8,920	9,232	9,839
Vote 2 - [OFFICE OF THE MUNICIPAL MANAGER]		2,864	1,684	5,006	3,859	968	4,827	3,833	3,746	3,967
Vote 3 - [BUDGET AND TREASURY]		9,465	13,450	13,711	17,282	(6)	17,276	18,130	20,446	21,310
Vote 4 - [STRATEGIC]		6,390	7,810	7,656	6,214	575	6,789	6,344	7,128	7,250
Vote 5 - [HUMAN RESOURCES]		-	-	-	771	-	771	600	1,000	1,054
Vote 6 - [INFRASTRUCTURE]		4,086	5,907	7,111	33,951	8	33,959	65,823	64,098	61,214
Vote 7 - [PUBLIC SAFETY]		-	-	-	1,200	(300)	900	1,050	1,107	1,166
Vote 8 - [TRAFFIC DEPARTMENT]		-	-	-	224	200	424	400	500	527
Vote 9 - [REFUSE DEPARTMENT]		-	-	-	756	(100)	656	700	738	778
Vote 10 - [COMMUNITY SERVICES]		5,516	7,041	10,576	9,225	215	9,440	12,987	14,055	14,924
Vote 11 - [CORPORATE AND ADMINISTRATION]		7,832	9,781	13,012	16,457	500	16,957	12,959	14,913	15,808
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	43,344	52,799	65,677	98,657	2,136	100,793	131,746	136,963	137,837
Surplus/(Deficit) for the year	2	29,568	21,038	25,362	0	(0)	(0)	(0)	(387)	(281)

4.2.4 Table A4 : Budget financial performance (revenue and expenditure)

EC444 Ntabankulu - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Revenue By Source											
Property rates	2	2,367	1,038	1,566	1,479	-	1,479	1,479	2,300	2,424	2,555
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	2,614	161	179	98	-	98	98	120	126	133
Service charges - other											
Rental of facilities and equipment		1,027	874	914	934	-	934	934	986	900	949
Interest earned - external investments		900	648	674							
Interest earned - outstanding debtors		-	0	252							
Dividends received											
Fines		29	117	480	667	-	667	667	900	949	1,000
Licences and permits											
Agency services											
Transfers recognised - operational		63,948	48,283	57,193	66,509	550	67,059	67,059	67,984	76,390	80,550
Other revenue	2	522	2,319	449	117	1,586	1,703	1,703	185	195	205
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		71,407	53,440	61,708	69,804	2,136	71,940	71,940	72,475	80,984	85,392
Expenditure By Type											
Employee related costs	2	22,905	19,714	24,100	29,755	-	29,755	29,755	32,330	34,453	36,346
Remuneration of councillors		5,237	6,697	9,802	8,644	-	8,644	8,644	8,820	9,127	9,728
Debt impairment	3										
Depreciation & asset impairment	2	5,237	4,532	6,149	500	-	500	500	500	527	555
Finance charges		60	210	544	52	-	52	52	50	53	56
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	950	1,826	2,648	2,672	(542)	2,130	2,130	2,650	3,603	3,797
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	17,220	24,384	22,049	28,070	2,788	30,858	30,858	28,188	33,506	35,023
Loss on disposal of PPE											
Total Expenditure		51,610	57,363	65,292	69,693	2,246	71,939	71,939	72,539	81,268	85,505
Surplus/(Deficit)		19,797	(3,923)	(3,585)	111	(110)	1	1	(64)	(284)	(113)
Transfers recognised - capital		1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Contributions recognised - capital	6	-	-	-	28,964	(110)	28,854	28,854	59,207	55,748	52,387
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		21,302	16,474	25,746	57,927	(220)	57,707	57,707	118,415	111,056	104,437
Taxation											
Surplus/(Deficit) after taxation		21,302	16,474	25,746	57,927	(220)	57,707	57,707	118,415	111,056	104,437
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		21,302	16,474	25,746	57,927	(220)	57,707	57,707	118,415	111,056	104,437
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		21,302	16,474	25,746	57,927	(220)	57,707	57,707	118,415	111,056	104,437

4.2.5 Table A5 : Budgeted capital expenditure by vote and funding

EC444 Ntabankulu - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - [COUNCIL]		255	-	-	-	-	-	-	-	-	-
Vote 2 - [OFFICE OF THE MUNICIPAL MANAGER]		487	-	-	-	-	-	-	-	-	-
Vote 3 - [BUDGET AND TREASURY]		5,675	207	-	-	-	-	-	-	-	-
Vote 4 - [STRATEGIC]		313	-	-	-	-	-	-	-	-	-
Vote 5 - [HUMAN RESOURCES]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [INFRASTRUCTURE]		71,337	17,682	14,032	27,914	(60)	27,854	27,854	-	-	-
Vote 7 - [PUBLIC SAFETY]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [TRAFFIC DEPARTMENT]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [REFUSE DEPARTMENT]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [COMMUNITY SERVICES]		2,854	573	-	-	-	-	-	-	-	-
Vote 11 - [CORPORATE AND ADMINISTRATION]		3,643	624	1,698	1,050	(50)	(1,000)	(1,000)	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	84,564	19,085	15,731	28,964	(110)	26,854	26,854	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - [COUNCIL]		255	-	-	-	-	-	-	-	-	-
Vote 2 - [OFFICE OF THE MUNICIPAL MANAGER]		487	-	-	-	-	-	-	-	-	-
Vote 3 - [BUDGET AND TREASURY]		5,675	207	-	-	-	-	-	850	896	944
Vote 4 - [STRATEGIC]		313	-	-	-	-	-	-	-	-	-
Vote 5 - [HUMAN RESOURCES]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [INFRASTRUCTURE]		71,337	17,682	14,032	27,914	(60)	27,854	27,854	58,357	54,852	51,443
Vote 7 - [PUBLIC SAFETY]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [TRAFFIC DEPARTMENT]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [REFUSE DEPARTMENT]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [COMMUNITY SERVICES]		2,854	573	-	-	-	-	-	-	-	-
Vote 11 - [CORPORATE AND ADMINISTRATION]		3,643	624	1,698	1,050	(50)	(1,000)	(1,000)	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		84,564	19,085	15,731	28,964	(110)	26,854	26,854	59,207	55,748	52,387
Total Capital Expenditure - Vote		169,128	38,170	31,462	57,927	(220)	53,707	53,707	59,207	55,748	52,387
Capital Expenditure - Standard											
Governance and administration		10,060	830	1,698	1,050	(50)	(1,000)	(1,000)	850	896	944
Executive and council		742	-	-	-	-	-	-	-	-	-
Budget and treasury office		5,675	207	-	-	-	-	-	850	896	944
Corporate services		3,643	624	1,698	1,050	(50)	(1,000)	(1,000)	-	-	-
Community and public safety		2,854	573	-	-	-	-	-	-	-	-
Community and social services		2,854	573	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		71,649	17,682	14,032	27,914	(60)	27,854	27,854	58,357	54,852	51,443
Planning and development		71,649	17,682	14,032	27,914	(60)	27,854	27,854	58,357	54,852	51,443
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	84,564	19,085	15,731	28,964	(110)	26,854	26,854	59,207	55,748	52,387
Funded by:											
National Government		1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-
Total Capital Funding	7	1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163

4.2.6 Table A6 : Budgeted financial position

EC444 Ntabankulu - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Current assets											
Cash		10,876	378	10,143	10,143	-	10,143	10,143	2,084	2,084	2,084
Call investment deposits	1	-	-	10,143	-	-	-	-	-	-	-
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-
Other debtors		50	253	281	3,904	(2)	3,901	3,901	3,901	3,901	3,901
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	16,131	16,115	16,131	-	16,131	16,131	16,131	16,131	16,131
Total current assets		10,926	16,762	36,682	30,178	(2)	30,175	30,175	22,117	22,117	22,117
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		1,715	9,026	9,026	9,026	-	9,026	9,026	9,026	9,026	9,026
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	-	-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		206	413	238	238	57	295	295	180	180	180
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		1,921	9,439	9,264	9,264	57	9,321	9,321	9,206	9,206	9,206
TOTAL ASSETS		12,847	26,201	45,946	39,442	55	39,497	39,497	31,323	31,323	31,323
LIABILITIES											
Current liabilities											
Bank overdraft	1	3,650	453	336	336	-	336	336	-	-	-
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	6,448	16,177	8,610	-	-	-	-	-	-	-
Provisions		-	-	-	2,228	-	2,228	2,228	2,428	3,505	3,694
Total current liabilities		10,097	16,630	8,946	2,564	-	2,564	2,564	2,428	3,505	3,694
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES		10,097	16,630	8,946	2,564	-	2,564	2,564	2,428	3,505	3,694
NET ASSETS	5	2,750	9,571	37,001	36,878	55	36,933	36,933	28,895	27,818	27,628
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		-	-	-	-	-	-	-	-	-	-
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	-	-	-	-	-	-	-	-

4.2.7 Table A7 : Budgeted cash flows

EC444 Ntabankulu - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other			4,557	1,447	3,295	1,586	4,881	4,881	4,491	4,594	4,842
Government - operating	1	63,680	37,586	64,020	66,509	550	67,059	67,059	67,984	76,390	80,550
Government - capital	1	1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Interest		900	648	925							
Dividends											
Payments											
Suppliers and employees		(46,135)	(52,440)	(58,726)	(69,643)	(2,246)	(71,889)	(71,889)	(72,489)	(80,662)	(84,867)
Finance charges		(60)	(210)	(544)	(50)	-	(50)	(50)	(50)	(53)	(56)
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		19,890	10,538	36,454	28,964	(110)	28,854	28,854	59,207	55,861	52,633
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(14,515)	(18,094)	(26,717)	(28,964)	110	(28,854)	(28,854)	(59,271)	(55,592)	(52,163)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(14,515)	(18,094)	(26,717)	(28,964)	110	(28,854)	(28,854)	(59,271)	(55,592)	(52,163)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(227)	4	(168)	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(227)	4	(168)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		5,148	(7,551)	9,570	0	(0)	0	0	(64)	269	470
Cash/cash equivalents at the year begin:	2		5,148	(2,403)						(64)	205
Cash/cash equivalents at the year end:	2	5,148	(2,403)	7,167	0	(0)	0	0	(64)	205	675

4.2.8 Table A8 : Cash backed reserves / accumulate surplus reconciliation

EC444 Ntabankulu - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	5,148	(2,403)	7,167	0	(0)	0	0	(64)	205	675
Other current investments > 90 days		2,078	2,328	12,784	9,807	0	9,807	9,807	2,148	1,879	1,409
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		7,226	(75)	19,950	9,807	-	9,807	9,807	2,084	2,084	2,084
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	6,448	15,921	8,504	(3,904)	2	(3,901)	(3,901)	(3,901)	(3,901)	(3,901)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		6,448	15,921	8,504	(3,904)	2	(3,901)	(3,901)	(3,901)	(3,901)	(3,901)
Surplus(shortfall)		779	(15,996)	11,447	13,711	(2)	13,708	13,708	5,985	5,985	5,985

4.2.9 Table A9 : Asset management

EC444 Ntabankulu - Table A9 Consolidated Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	-	-	-	21,373	1,145	22,518	24,207	25,748	27,387
Infrastructure - Road transport		-	-	-	17,932	-	17,932	16,990	18,077	19,234
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	717	-	717	1,214	1,291	1,374
Infrastructure		-	-	-	18,649	-	18,649	18,203	19,368	20,608
Community		-	-	-	1,674	1,195	2,869	4,854	5,165	5,495
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	1,050	(50)	1,000	1,150	1,215	1,284
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	17,932	-	17,932	16,990	18,077	19,234
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	717	-	717	1,214	1,291	1,374
Infrastructure		-	-	-	18,649	-	18,649	18,203	19,368	20,608
Community		-	-	-	1,674	1,195	2,869	4,854	5,165	5,495
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	1,050	(50)	1,000	1,150	1,215	1,284
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	-	-	-	21,373	1,145	22,518	24,207	25,748	27,387
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		1,715	9,026	9,026	9,026	-	9,026	9,026	9,026	9,026
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		206	413	238	238	57	295	180	180	180
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,921	9,439	9,264	9,264	57	9,321	9,206	9,206	9,206
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		5,237	4,532	6,149	500	-	500	500	527	555
Repairs and Maintenance by Asset Class	3	-	-	2,284	2,672	(450)	2,222	2,650	3,603	3,797
Infrastructure - Road transport		-	-	957	992	-	992	450	800	843
Infrastructure - Electricity		-	-	-	-	-	-	300	800	843
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	957	992	-	992	750	1,600	1,686
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	889	1,200	(400)	800	1,500	1,581	1,666
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	418	480	(50)	430	400	422	444
TOTAL EXPENDITURE OTHER ITEMS		5,237	4,532	8,414	3,172	(450)	2,722	3,150	4,130	4,353

4.2.10 Table SA36 : Capital Budget

EC444 Ntabankulu - Table A10 Consolidated basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
Water:										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>	3	-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>	5	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>	5	-	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>	5	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>	5	-	-	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min.service level)										
Other energy sources					349,400	-	349,400	368,966	388,891	409,891
<i>Below Minimum Service Level sub-total</i>	5	-	-	-	349,400	-	349,400	368,966	388,891	409,891
Total number of households	5	-	-	-	349,400	-	349,400	368,966	388,891	409,891
Refuse:										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>	5	-	-	-	-	-	-	-	-	-
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>	5	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)					1,530	-	1,530	9,300	9,802	10,331
Refuse (removed at least once a week)										
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)					198	-	198	209	220	232
Refuse (removed once a week)										
Total cost of FBS provided (minimum social packa		-	-	-	198	-	198	209	220	232
Highest level of free service provided										
Property rates (R value threshold)					15,000	-	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)					45	-	45	45	45	45
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)					3	-	3	4	4	4
Property rates (other exemptions, reductions and rebates)										
Water										
Sanitation										
Electricity/other energy					334	-	334	353	372	392
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	-	-	-	337	-	337	356	375	396

5 Budget Process Overview

5.1 Background

Integrated Development Planning is a process through which municipalities prepare a strategic development plan which extends over a five-year period. The Integrated Development Plan (IDP) is a product of the IDP process. The NLM IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in the municipality. Through Integrated Development Planning which necessitates the involvement of all relevant stakeholders, a municipality:

- Identifies its key development priorities;
- Formulates a clear vision, mission and values;
- Formulates appropriate strategies;
- Develops the appropriate organisational structure and systems to realise the vision and mission; and
- Aligns resources with the developmental priorities.

In terms of the Systems Act, all municipalities have to undertake an IDP process to produce IDPs. As the IDP is a legislative requirement it has a legal status and supersedes all other plans that guide development at local government level.

In a nutshell, the IDP process entails an assessment of the existing level of development and the identification of key development priorities. The vision and mission statements for the long-term development flow from the aforesaid, with specific reference to critical developmental and internal transformational needs. The development strategies and objectives will be directed at bridging the gap between the existing level of development and the vision and mission. A very critical phase of the IDP process is to link planning to the municipal budget (i.e. allocation of internal or external funding to the identified projects); because this will ensure that the IDP directs the development and implementation of projects.

During the past nine years we have made definite progress in enabling the people of this region to enjoy the fruits of liberation and democracy. We have seen substantial improvements made in providing healthcare, building houses and providing sanitation and the bucket system has been eradicated. We have laid a solid foundation and are on course to improving the lives of our communities. As we celebrate the change in our communities, we are also aware of the many challenges we still face. Our fight against poverty and underdevelopment will be further intensified. Our responsibility as a sphere of government is to ensure that the quality of life of all who live and work in Ntabankulu is improved. We will continue to engage in both progressive and meaningful discussions with our communities to

shape a clear path from which governance and development will draw guidance and direction. The council will continue to pursue and encourage community participation programmes, to ensure that our plans are in line with community needs.

We have a responsibility to contribute to the process of transforming the lives of our people from the conditions of abject poverty and underdevelopment. In our fight against poverty and underdevelopment, we are committed to ensuring that equitable service delivery becomes the norm in Ntabankulu. For this reason NLM has to focus inter alia, on the following:

- Build sustainable communities by paying special attention to health education, service delivery, human settlements, environment and safety;
- Develop infrastructure to equalise services upgrade and ensure accessibility and unity in Ntabankulu;
- Grow the economy to be linked with the national and provincial economies, empower the people of the region and build required skills; and
- Developing and implementing integrated plans and strategies for economic and social development; service delivery; infrastructure development; provision of basic services; human development; safety and security; participatory governance; youth development; women empowerment; building integrated and sustainable communities and protection of the environment.

DEVELOPMENT OF THE INTEGRATED DEVELOPMENT PLAN

Guiding Principles

The development of the Integrated Development Plan (IDP) in terms of the Municipal Systems Act was guided and informed by the following principles:

- It must support and work towards achieving the Vision, Mission, Values and the Strategic Priorities of the NLM;
- Focus on service delivery in terms of the eradication of backlogs and the maintenance of infrastructure;
- Address community priorities (needs) as identified in the 2013-2017 IDP as well as newly identified priorities; and
- The review of the IDP focused on formulating measurable performance indicator targets for five, three and one year. These targets informed the preparation of the multi-year budgets, as well as the draft SDBIP.
- All departmental plans have been submitted via the IDP Steering Committee Meetings to the Council Strategic Session Steering Committees for formal approval. This must go hand-in-hand with the departmental draft budgets and SDBIP.

The deadlines in the process plan for the Development of the 2013/2017 IDP and preparation of the Multi-Year Budget for the 2013/14 year is reflected below:

NO	PRIORITY AREA	ACTIVITY	PURPOSE	RESPONSIBLE PERSON	TARGET DATE
Phase 0: Preparation: July – Aug 2012					
1.	IDP, Budget, SDBIP and PMS	Submission of Draft Process Plan to ANDM for alignment to District Framework	Alignment of plans with the district municipality	IDP and PMS Coordinator	06 th August 2012
2.	PMS	Executive Management Meeting	July Performance Review	MM/Mangers	10 th August 2012
3.	PMS	Municipal Public Accounts Committee	2011/2012 Annual performance review	Community Services Manager	15 th August 2012
4.	IDP, Budget, SDBIP and PMS	Presentation of IDP, Budget, SDBIP and PMS Process Plan to IDP Technical Steering Committee	To set platform to determine objectives, roles and responsibilities for all role players for 2012/2017 IDP, Budget, SDBIP and PMS process	IDP and PMS Coordinator	27 th August 2012
5.	IDP, Budget, SDBIP and PMS	Advertise Process Plan to solicit inputs from local community before adopting the process	Ensure community participation in line with S28 (3) of MSA 32 of 2000	IDP and PMS Coordinator	27 th August 2012
6.	IDP, Budget, SDBIP and PMS	Present Process Plan including to Executive Committee	Recommend to Council for Approval	MM/Executive Committee	30 th August 2012
7.	IDP, Budget, SDBIP and PMS	Special Council Meeting	Compliance with S28 (1) of MSA 2000. Council Adopts the process Plan	Council/Executive Committee	31 st August 2012
8.	IDP, Budget, SDBIP and PMS	Submission of IDP Process plan and Council Resolution to the	Alignment of plans and uphold	IDP/PMS Co-ordinator &	31 st August 2012

		district, Department of Local Government and Traditional Affairs, Provincial Treasury and National Treasury	cooperative governance	Strategic and Development Planning Manager	
Phase 1 Analysis: September- Oct 2012					
9.	IDP/PMS and Budget	IDP/PMS and Budget PMS Technical Steering Committee	Progress in the Process Plan implementation, Approval of Data Collection Tool and Program of Data Collection	IDP/PMS and Budget Technical Steering Committee	7 th September 2012
10	IDP/PMS and Budget	IDP/PMS and Budget PMS Steering Committee	Solicit inputs in the Data Collection Tool and Approval of Program	IDP/PMS and Budget Steering Committee	08 th September 2012
11	PMS	Executive Management Meeting	August Performance Review & September Plan	MM/Executive Managers	10 th September 2012
12	IDP/PMS	Organize IDP/PMS Clusters to table Progress Reports on the Project Implementation & Ntabankulu LM to table adopted process plan	Review Situational Analysis informed by the status quo on project implementation	IDP/PMS Co-ordinator & Strategic and Development Planning Manager	11 th September 2012
13	IDP, Budget, SDBIP and PMS	Data Collection at Ward Level (Ward 1-Ward 18)	To inform Situational Analysis	IDP and PMS Coordinator	12th- 21st September 2012
14	IDP, Budget, SDBIP and PMS	Sullivan and Fadane Associates present Consolidated Report on Ward Based Planning	To inform Situational Analysis	IDP/PMS and Budget Technical Steering Committee, DLG& TA, Sullivan and Fadane Associates	25 th September 2012
15	IDP	Presentation of Ward Based Plans to IDP/PMS and Budget Steering Committee	Approval of Ward Based Plans by the Executive Committee, Speaker and Whips of	IDP/PMS and Budget Technical Steering Committee, DLG&	28 th September 2012

			the Council	TA, Sullivan and Fadane Associates	
16	PMS	Executive Management Meeting: PMS Progress Reporting 12/13 Quarter 1	Evaluate Achievement of targets of identity service delivery gaps	MM/Managers	03 Oct 12
17	PMS	Standing Committee Meeting: PMS Progress Reporting 12/13 Quarter 1	Evaluate Achievement of targets of identity service delivery gaps	Managers/ Portfolio Heads	15-18 Oct 12
18	PMS	EXCO Meeting: PMS Progress Reporting 12/13 Quarter 1	Evaluate Achievement of targets of identity service delivery gaps	MM/EXCO	11 Oct 12
19	PMS	MM & Section 56 Performance Evaluation Committees	Performance Review Quarter 1	MM/S56 Mangers	09-12 October 2012
20	PMS	Ordinary Council Meeting: PMS Progress Reporting 12/13 Quarter 1	Evaluate Achievement of targets of identity service delivery gaps	MM/COUNCIL	21 st Oct 12
21	IDP and IGR	Coordinate Inter-Governmental Forum	Presentation 1 st and 2 nd Quarter 12/13 Progress Reports Reports by Departments, and 1 st 12/13 Quarterly report by NLM	MM/Inter-governmental Forum	28 Oct 12
Phase 2: Objectives and Strategies: Nov – Dec 2012					
22	IDP	Consolidate reports from departments and NLM	To inform situational analysis	IDP and PMS Coordinator	3 Nov 12
23	IDP	Review situational analysis (sector and spatial planning)	To inform 2012/17 IDP objectives and strategies and projects	IDP and PMS Coordinator and Strategic Manager	7 Nov 12

24	IDP	IDP Representative Forum	Sector department engagement	IDP and PMS Coordinator	15 Nov 12
25	Budget	Coordinate Workshop on review budget policies, tariff by-laws	Budget policy guidelines and tariff policy to and approval by council	MM/CFO/Council	17 Nov 12
26	IDP	2 nd IDP Steering Committee/Intergovernmental forum	Situational Analysis Draft 2012/13 Plan and Budget	MM/IDP/PMS Co-ordinator	9 Dec 12
Jan – Mar 2012					
27	IDP, PMS and Budget	Management Legotla	2011/12 Annual Report, 2012/2013 Half year report and Adjustment Budget, SDBIP Turnaround Presentation and adoption of audit findings and action plan, IDP Objectives and Strategies	IDP Technical Steering Committee	16 - 17 Jan 13
28	IDP/SDBIP/PMS and Budget	Standing committee meeting: PMS Reporting Quarter 1 and 2, and SDBIP Turnaround	Six months progress reports and 2011/12 SDBIP Turnaround, IDP Objectives and Strategies	Managers, Portfolio Heads	16 -19 Jan 12
29	Budget and PMS	First Council Strategic Session	2010/11 Annual Report, 2011/12 Half year report and adjustment budget, SDBIP Turnaround, Draft IDP Objectives and Strategies	MM, CFO, EXCO and Council	22 - 23 Jan 13

30	PMS	Performance Evaluation Committees	Second Quarter Performance Review Section 56 Managers and MM	MM/ PMS Committees and Section 56 Managers	30 January 2013
31	SDBIP and PMS	Ordinary Council Meeting	Tabling of 2011/12 Annual Report, 2012/13 Six months PMS Reporting, SDBIP Turnaround and Adjustment Budget	MM, IDP and PMS Coordinator, Strategic Manager	31 st January 2013
32	IDP/PMS and Budget	IDP, PMS And Budget Technical Steering Committee	Progress Reports on implementation of Process Plan. Plan for Intergovernmental Relations Forum. Approval of Agenda.	IDP, PMS And Budget Technical Steering Committee	5 th February 2013
33	IDP/PMS and Budget	IDP, PMS Steering Committee	Solicit inputs for Intergovernmental Relations Forum and Table Progress on Process Plan implementation	IDP, PMS and Budget Steering Committee	12 th February 2013
34	IDP and Budget	Intergovernmental Relations Forum	Progress Reports by Departments, final plans and budgets from Departments, review objectives and strategies	MM, Intergovernmental forum	21-24 Feb 13
35	IDP and Budget	Executive Committee Meeting	Tabling of 2013/2017 IDP and 2013/2016 Budget and Prioritization	Executive Committee	29 Feb - 2 Mar 13
36	IDP, Budget and PMS	Special Council Meeting	Tabling of 2013/2017 IDP and 2013/2016 Budget	MM, Council	28 Mar 13

37					
Phase 3: Projects: April 2014					
38	PMS	Management Meeting: PMS Progress Reporting 2011/12 Quarter 3	Evaluate achievement of targets and identify service delivery gaps	MM, Managers	2-3 Apr 13
39	Budget	Conduct IDP/Budget Roadshows	Inform Community Members of Budget	MM/Executive Committee	5-20 April 2013
40	IDP and Budget	Advertise Draft IDP and Budget for public comment, and public consultation	Solicit public comments on the draft IDP and Budget	IDP and PMS Coordinator and Strategic Manager	5-20 Apr 13
41	IDP and Budget	Send copies of IDP and Budget to relevant stakeholders	Furnish the MEC for local government with copies of the IDP and Budget for assessment and comments	IDP and PMS Coordinator	5 Apr 13
42	IDP/PMS and Budget	IDP/PMS and Budget Technical Steering Committee Meeting	Progress on the Implementation of Process Plan	IDP/PMS and Budget Technical Steering Committee	09 th April 2013
43	PMS	Standing committee meeting: PMS Progress Reporting 2012/13 Quarter 3	Evaluate achievement of targets and identify service delivery gaps	MM, Portfolio Heads	15-17 Apr 13
44	PMS	EXCO: PMS Progress Reporting 2011/12 Quarter 3	Evaluate achievement of targets and identify service delivery gaps	MM, EXCO	20 Apr 13
45	PMS	Performance Evaluation Committees	Third Quarter Performance Review Section 56 Managers and MM	MM/ PMS Committees and Section 56 Managers	25 th Apr 13
46	IDP	IDP Rep. Forum	Report on revised objectives, strategies and draft budget	IDP and PMS Coordinator, Strategic Manager	26 Apr 13
47	PMS	Ordinary Council Meeting	Third Quarter Performance Reports	MM/Council	30 th April 2013
48	IDP	Consolidate Inputs	To Inform 2013/2017	IDP Coordinator	30 Apr 13

			Priority Projects		
49	Phase 4: Integration: May 2013				
50	IDP/Budget and PMS	IDP/PMS and Budget Steering Committee	Progress Report on Process Plan Implementation	IDP/PMS and Budget Technical Steering Committee	01 st May 2013
51	SDBIP	SDBIP Session	Strategic Planning for 2012/13, Risk register	MM, Managers	01 st -03 rd May 13
52	IDP, Budget, SDBIP and PMS	Council Strategic Session 2	Evaluate achievement of targets and identify service delivery gaps Quarter 1-3, alignment of IDP Objectives, strategies and projects with budget, policies and by-laws	MM, Council	8-11 May 13
53	IDP/PMS and Budget	IDP/PMS and Budget Technical Steering Committee	Preparation for State of the Municipal Address/Special Council Meeting	IDP, PMS and Budget Technical Steering Committee	15 th May 2012
54	IDP/PMS and Budget	IDP/PMS and Budget Steering Committee Meeting	To solicit inputs for the State of the Municipal Address	IDP, PMS and Budget Steering Committee	17 th May 2012
55	IDP, Budget, SDBIP and PMS	Special Council Meeting	2012/17 IDP, Budget, SDBIP, PMS, Policies and By-laws	MM, Council	30 th May 13
	Phase 5: Approval: June-July 2013				
56	PMS	2013/14 Performance Management Contracts and Score cards	Performance Management	Corporate Services Management, IDP and PMS Coordinator	15 th Jun 13
57	PMS	Standing Committees	4 th Quarter Reports	Standing Committees	18 th June-20 th June 2013
58	PMS	Executive Committee	4 th Quarter Reports	Executive Committee	21 st Jun 2013

59	PMS	Ordinary Council Meeting	4 th Quarter Reports tabled to Council		28 th Jun 2012
60	PMS	Performance Evaluation Committees	Fourth Quarter Performance Review Section 56 Managers and MM	MM/ PMS Committees and Section 56 Managers	15 th July 13

Note 1: The IDP/Budget also refers to all other IDP and Budget Related Policies to be reviewed and/or approved

Note 2: SDBIP and Performance Contracts to be included in Budget Approval Process.

Public Consultation and Planning

In pursuing the legislative mandate and its mission, Ntabankulu Local Municipality has vigorously engaged community members outlining the process plan to be followed in developing 2013/2017 Integrated Development Plan and 2013/2016 MTEF Budget.

The municipality embarked on programs that involved stakeholders in pre-planning, planning and implementation of the IDP, Budget, SDBIP and PMS Process Plan. On 05th August 2012 the IDP, Budget, SDBIP, PMS process plan was presented in the IDP Engagement Session, where organs of state, members from religious fraternity, business sector and Ntabankulu Councilors were represented. This was done to solicit inputs and commitment from all stakeholders in the implementation of the Process plan.

Ntabankulu Local Municipality Council adopted the IDP, Budget, SDBIP and PMS process plan on **31st August 2012**, after which it was submitted to the Department of Local Government and Traditional Affairs, Provincial Treasury and Alfred Nzo District Municipality. The process plan was further published on the Daily Dispatch and Kokstad Fever to solicit inputs from all stakeholders.

6 Alignment of Budget with Integrated Development Plan

The IDP, however, contains information on developmental needs submitted by the community that may not be covered in the Budget. There should not be an expectation that everything contained in the IDP is funded. There are numerous needs submitted that are not the responsibility of the NLM, but that of either the National or Provincial governments. However, these inputs will be analysed and discussed stakeholders such as government departments, ward committees, CDW NGO's and private sector to refine what can be implemented. The funding process is based on the priorities identified in the IDP, as shown in the relevant tables in this document.

7 Budget Related Policies Overview and Amendments

Section 18 of the Municipal Finance Management Act (MFMA) states that the Budget can only be funded by realistically anticipated revenue to be collected, and cash-backed accumulated funds from previous years, which was not committed for other purposes. Furthermore, National Treasury Circular 42 stipulates that the Budget be managed in a full accrual manner reflecting a transparent budget and accounting system approach. The MFMA further requires the municipality to adopt and implement a tariff policy. Council has approved for public participation policies for main services provided by the municipality, which are attached as annexures to this document. Council is required to adopt budgetary provisions based on realistic anticipated revenue for the budget year from each revenue source as per the requirements of the MFMA (Chapter 4, 17 (1) (a) and (3) (b)).

The policies to be attached are as follows:

- Indigent Policy for 2013/2014
- Investment Policy for 2013/14
- Property Rates Policy for 2013/14
- Write Off Policy for 2013/2014
- Fraud Prevention policy for 2013/2014
- Asset Management Policy for 2013/2014
- Credit Control and Debt Collection Policy 2013/2014
- Supply Chain Management Policy 2013/2014

8 Budget Assumptions

8.1 National Treasury provided guidance in MFMA Circular No. 58 issued in terms of Municipal Finance Management Act No. 56 of 2003 regarding inflation:-

Fiscal year	2011 Actual	2012 Estimate	2013/14	2014/15 Forecast	2015/16
Headline CPI Inflation	5.6%	5.6%	5.6%	5.4%	5.4%

8.2 The inflation rate to be used for calculating wage increases

The Municipalities are advised that average CPI for this period is 5.6%. Municipality. We have utilised the current year National Treasury circular 67 to calculate the salary adjustment which is 6.85%.

Note that Municipal Managers and those employees appointed as managers directly accountable to the Municipal Managers in terms of Section 57(6) if the Municipal Systems Act 32 of 2000 are included in the above mentioned calculation in which 6.85% has been utilised.

8.3 For the period 1 July 2013 to 30 June 2014, Eskom will increase the municipal tariff rates for bulk electricity by 8% per cent as per MFMA circular 67.

8.4 Collection rates

In accordance with relevant legislation and national directives, revenue recovery rates are based on realistic and sustainable trends. Ntabankulu's collection rate is set at an average of 21% and is based on a combination of actual rates achieved to date and estimated outcomes of the current financial period.

9 Funding the Budget (including fiscal overview and sources of funding)

9.1 FUNDING OF THE CAPITAL BUDGET

The 2013/2014 capital budget amounts to R59.27 million.

Summary of Available Funds (Internal Funds and External Loans)

It is proposed that the multi-year capital budget be funded as follows:

Internal Funds

The following funding sources are available:

- Operating Income – An amount of R 4.5 million for the 2013/2014 financial year and R 4.6 million for the 2015/2016 and R 4.8 million for the 2016/2017 are estimated to be available from surplus cash generated from operations as well as possible savings on the approved capital budgets.

External Grants

As in previous years, the Municipal Infrastructure Grant (MIG), electrification funds the bulk of the externally funded projects.

9.2 FUNDING OF THE OPERATING BUDGET

The Operating Budget is funded from the following main sources:

- Assessment Rates;
- Tariffs levied for Services, i.e. Refuse Collection; and
- Operating Grants and Subsidies.

Assessment Rates. The Municipal Property Rates Act will be implemented on 1 July 2013. The assessment rates will be levied on both land and improvements value. In terms of section 46 of the Act, the market value of a property, if sold on the date of valuation in the open market by a willing seller to a willing buyer, is to be realised in the valuation roll.

Income derived from **services** is mainly used to fund the cost rendering the service (both operating and capital needs).

The income received in the form of the Equitable Share Grant has increased over the past year from R 62 559 000 to R64 244 000.

10 Annual budgets and service delivery and budget implementation plans – Internal departments

In terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act, the Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the mayor of a municipality for implementing its delivery of municipal services and its annual budget, and which must indicate the following –

- (a) Monthly projections 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, and
- (c) Other matters prescribed.

The Honourable Mayor, in accordance with Section 53 of the MFMA, is expected to approve the SDBIP within 28 days after the approval of the Budget. In addition, the Honourable Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval.

The SDBIP gives effect to the Integrated Development Plan and the Budget of the municipality. It is an expression of the objectives of the Council in quantifiable outcomes which will be implemented by the administration for the financial period from 1 July 2013 to 30 June 2014 (the financial year). It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It therefore facilitates oversight of financial and non-financial performance of the municipality, and allows the Municipal Manager to monitor the performance of the Section 57 Managers, the Mayor/Council to monitor the performance of the Municipal Manager, and the community to monitor the performance of the Council.

The SDBIP for the 2013/2014 financial year will be approved by the Executive Mayor in May 2013 following approval of the Budget.

11 Municipal Manager's Quality Certification

I **Mr. S Tantsi**, Municipal Manager of the Ntabankulu Local Municipality hereby certify that the draft budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act 56 of 2003 and the regulations made under the Act, and that the adjustment budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Signature

Mr. S Tantsi
Municipal Manager
Ntabankulu Local Municipality

Date

Annexure

Summary of key issues

National priorities – Creating Decent Employment Opportunities

1. In drafting 2012/2013 budgets and MTREFs municipalities are urged to continue to explore opportunities to main stream labour intensive approaches in delivering services, and more particularly to participate in the Extended Public Works Programme.
2. The municipality ought to focus on maximising its contribution to job creation by
 - ✓ Ensuring that service delivery and capital projects use labour intensive methods whereve appropriate
 - ✓ Ensuring that service providers use labour intensive approaches
 - ✓ Supporting labour intensive LED projects
 - ✓ Participating fully in the Extended Public Works Programme
 - ✓ And implementing interns programme to provide young people with on-the-job-training

Headline inflation forecasts

3. The headline inflation forecast for 2012/13 is 5.4 per cent. Municipalities must take this into consideration when preparing their budgets.

Revising rates, tariffs and other charges

4. Municipalities should continue to explore appropriate ways of structuring the tariifs 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

Funding choices and management issues

5. Municipal revenues and cash flows are expected to remain under pressure in 2011/12 and so municipalities should adopt a conservative approach when projecting their expected revenues and cash receipts
6. Municipalities must pay special attention to controlling unnecessary spending on nice-to-have items and non-essential activities, such as foreign travel, councillor and staff perks, advertising and public relations activities.
7. Municipalities must also ensure that their capital budgets reflect consistent efforts to address the backlogs in basic services.
8. Allocations to “Mayoral Discretionary Funds”, “Special Projects”, “Special Events” or similar discretionary type funds are discouraged.
9. Municipalities are urged to allocate all Ward Allocations in tabled and approved budgets.

Conditional transfers to municipalities

10. To bring legal certainty to the process of managing unspent conditional grant funds, section 20 of the 2012 Division of Revenue Bill regulates the process.
11. Municipalities may not rollover unspent conditional grant spending in terms of section 28(2)(e) of the MFMA. Written permission to spend these rolled over funds will be given by National Treasury.

The Municipal Budget and Reporting Regulations

12. All municipalities must prepare budgets, adjustments budgets and in-year reports for the 2012/13 financial year in accordance with the Municipal Budget and Reporting Regulations. In this regard, municipalities must comply with both:
 - ❑ The formats set out in Schedules A, B and C; and
 - ❑ The relevant attachments to each of the Schedules (the Excel Formats).
13. All municipalities must do a funding compliance assessment of their 2012/13 budgets in accordance with the guidance given in MFMA Circular 42 and the MFMA Funding Compliance Guideline before tabling their budget, and where necessary rework their budget to comply so that they table a properly funded budget.

Budget process and submissions for the 2012/13 MTREF

14. The deadline for the submission of approved budgets is ten working days after the council approves the annual budget.