

UTHUKELA DISTRICT MUNICIPALITY

DRAFT ANNUAL BUDGET

2014/15

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Part 1 – Annual Budget

1.1 Mayor's Report

The Minister of Finance in his 2013 Budget Speech to Parliament said " As Benedict Mongalo, a young man from Johannesburg, writes in his tip: "We all acknowledge that unemployment, poverty and inequality are the greatest challenge facing our country... We will not eradicate this problem overnight. This is like manually moving a mountain and the only way to do it, is to move one rock aside and the next generation, or next government, will do the same until this mountain is moved."

He also mentioned in his first 2010 budget speech that "We cannot expect to do the same old things and expect different results". We as the district we need to change for the better in order to move from disclaimer and be able to achieve a clean audit. Among the impacts that are challenging the Municipality, is the cash flow challenge currently being experienced by the municipality due to among other things declining collection rates; historic expenditure patterns, high water losses and high rate of indigents within the municipal boundaries.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the Uthukela District Municipality .Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery

1.2 Council Resolutions

On 28 March 2014 the Council of Uthukela District Municipality will meet in the Municipality Boardroom of Uthukela District Municipality to consider the draft annual budget of the municipality for the financial year 2014/15 with the following resolutions:

1. The Council of Uthukela District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves :
 - 1.1. The draft annual budget of the municipality for the financial year 2014/15 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table
 - 1.2.2. Budgeted Cash Flows as contained in Table
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table
 - 1.2.4. Asset management as contained in Table
 - 1.2.5. Basic service delivery measurement as contained in Table
2. The Council of Uthukela District Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) to consider :
 - 2.1. the tariffs for the supply of water
 - 2.2. the tariffs for sanitation services
 - 2.3. The tariffs for other municipal services

1.3 Executive Summary

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

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

National Treasury's MFMA Circular No. 70,71, 72 and 55 were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water infrastructure;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies and the new organogram that needed to be also be effected in the budget.
- Cash flow problems

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2013/14 MTREF

Description	Adjustments Budget 2013/2014 '000	Budget Year 2014/15 '000	Budget Year +1 2015/16 '000	Budget Year +2 2016/17 '000
Total Operating Revenue	445 619	506 369	530 688	564 805
Total Operating Expenditure	449 362	451 528	448 490	481 326
Surplus/(Deficit) Budgeted Operating Statement	(3 743)	54 841	82 198	83 479

Total Capital Funding	246 246	266 865	293 032	263 442
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Operating revenue

Operating revenue has increased by 13% in the 2014/2015 financial year due to the 9% increase in the tariff structure for service charges, 6,2% in other revenue and a further 2,09% from the operational grants. Operating revenue will increase by 5% and 6% in the outer years respectively.

Service charges, Water and Sanitation have been increased by 9% in the 2014/2015 which is above the 6,2 approved inflation rate to cater for the cash flow deficit as it was noted by National Treasury that the tariff rate of the municipality is low and does not cater for the operating and critical expenditure of the municipality.

Other revenue has been raised by 6,2 %, aligned to the CPI in Circular 72 , 5,9% and 5,5 % for the two outer years respectively

Operating expenditure for the 2014/15 financial year has been appropriated at R452 million and translates into a budgeted surplus of R56 Million, the surplus in the outer years will increase by 19% and 4% respectively.

Capital Expenditure For the 2014/15 financial year, 80% of capital expenditure is funded by grants and Own Revenue funds 20%. Own revenue collection is currently low thus not sufficient enough to finance Capital Expenditure. For the 2014/15 financial year the municipality will be embarking on a data cleansing exercise for debtors book with an aim to boost revenue collection and alternatively have own revenue to fast track service delivery.

1.4 Operating Revenue Framework

For Uthukela District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue, this will be done by a strict credit control to customers on arrear debts. This will also be maximised as the Municipality is undergoing data cleansing to ensure accurate billing information. This is a council strategy aimed at maximising debt collections and to build a credible debtors book. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
 - Growth in the City and continued economic development;
 - Efficient revenue management,
 - Increase ability to recover costs;
 - The municipality's Indigent Policy and rendering of free basic services; and
 - Tariff policies
-

1.5 Operating Expenditure Framework

The District expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Operational gains and efficiencies will be directed to funding the capital budget and other core service

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

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

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source											
Property rates	2	447	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	96,247	81,195	104,240	123,813	123,813	123,813	123,813	134,908	145,701	154,443
Service charges - sanitation revenue	2	11,887	12,356	13,047	15,075	15,227	15,227	15,227	16,598	17,926	19,360
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments		513	2,070	9,789	9,109	8,689	8,689	8,689	9,490	10,059	10,663
Interest earned - outstanding debtors		20,748	16,978	29,447	17,790	35,715	35,715	35,715	42,776	45,343	48,063
Dividends received						-	-	-			
Fines						-	-	-			
Licences and permits						-	-	-			
Agency services						-	-	-			
Transfers recognised - operational		199,141	226,476	279,412	277,744	277,402	277,402	277,402	301,228	310,208	330,738
Other revenue	2	31,244	3,020	5,076	275	1,330	1,330	1,330	1,369	1,452	1,539
Gains on disposal of PPE				32,687							
Total Revenue (excluding capital transfers and contributions)		360,227	342,095	473,698	443,806	462,175	462,175	462,175	506,369	530,688	564,805
Expenditure By Type											
Employee related costs	2	97,328	98,786	119,882	158,358	131,693	131,693	131,693	141,613	140,367	148,789
Remuneration of councillors		3,719	5,502	4,792	5,612	5,612	5,612	5,612	4,654	4,933	5,229
Debt impairment	3	0	16,391	244,001	20,180	70,892	70,892	70,892	30,452	33,192	36,180
Depreciation & asset impairment	2	26,361	26,998	32,001	35,936	35,928	35,928	35,928	63,914	67,749	71,814
Finance charges		6,573	2,856	2,432	3,339	1,816	1,816	1,816	1,311	1,390	1,473
Bulk purchases	2	32,447	38,691	42,251	45,563	67,170	67,170	67,170	47,674	50,535	53,567
Other materials	8	23,025	14,268	16,088	18,898	18,623	18,623	18,623	43,359	40,996	45,688
Contracted services		46,645	29,905	45,289	40,103	50,744	50,744	50,744	44,653	35,440	38,983
Transfers and grants		51,514	80,207	6,500	6,000	6,000	6,000	6,000	6,300	6,678	7,079
Other expenditure	4, 5	44,412	51,959	136,139	45,053	60,884	60,884	60,884	67,598	66,833	71,746
Loss on disposal of PPE		184	65	2,168							
Total Expenditure		332,208	365,628	651,545	379,042	449,362	449,362	449,362	451,528	448,112	480,548
Surplus/(Deficit)											
Transfers recognised - capital		28,019	(23,533)	(177,847)	64,764	12,813	12,813	12,813	54,841	82,576	84,257
Contributions recognised - capital	6	115,156	115,010	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		143,175	91,477	38,727	258,611	345,037	345,037	345,037	269,666	328,822	327,053
Taxation											
Surplus/(Deficit) after taxation		143,175	91,477	38,727	258,611	345,037	345,037	345,037	269,666	328,822	327,053
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		143,175	91,477	38,727	258,611	345,037	345,037	345,037	269,666	328,822	327,053
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		143,175	91,477	38,727	258,611	345,037	345,037	345,037	269,666	328,822	327,053

The Municipality major income is from water and sewage service charges which was increased by 9% ,There is no guideline that was received from Department of water affairs on the tariffs and the Municipality increase its tariffs to 9% , bearing in mind the infrastructure maintenance and any other operating expenses to ensure that the municipality is a going concern. The Municipality also receives its income from grants which is R 301 695 000 mil for operating expenses and R 214 358 000 mil for capital expenses.

Our Salaries for employees will increase by 11% which will be the 6,8% for all current employees and 4.2% for the new vacant posts that were created on the our new organogram

Finance charges consist primarily of the repayment of interest on long-term borrowings (cost of capital) & finance charges relating rental of office machinery and other equipment. Finance charges make up R1 816 000 million of the total expenditure budget.

Bulk purchases are directly informed by the purchase of electricity from Eskom and local municipalities and water from Department of Water Affairs. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Other materials as disclosed in the statement of financial performance comprises of the District's repairs and maintenance expenditure. The Municipality budgeted R43 299 164 to repairs and maintenance which is 10 % of total expenditure.

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

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The Municipality has budgeted 32% of it operating expenditure to Employees related costs and councilors remuneration, as per the circular 71 of National Treasury the municipality is still within the 35% norm in the 2014/2015 financial year, however from the two outer years the municipality will be slightly above the norm due to the high vacancy position rate that will be filled within the municipality as per the approved organogram.

Budget Assumptions

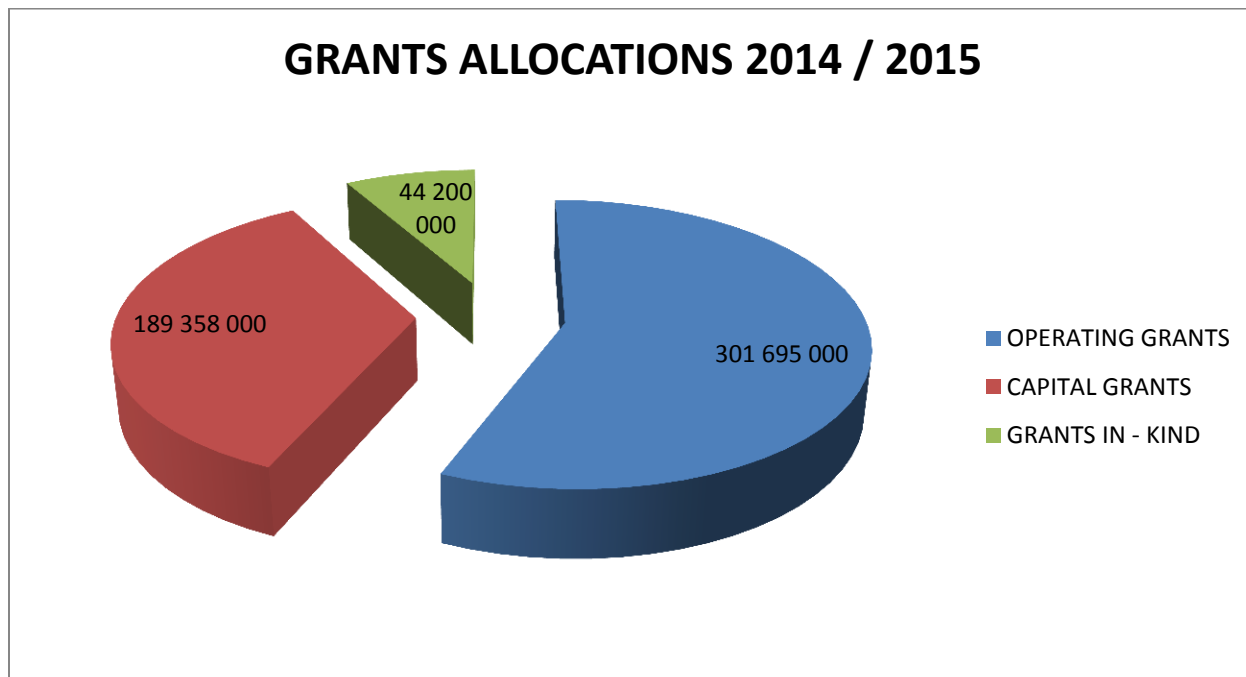
Presented budget assumes the following;

- i. That the inflation forecast (CPI) will be 6,2 % as been estimated in circular 72, 5,6% and 5,5% for the two outer years respectively
- ii. Electricity expenditure relating to bulk purchases increase is 8.06% as per circular 72
- iii. Employee related costs (administration) have been increased by 1% above inflation rate of 6,2% as per circular 72
- iv. Employee related costs for council have been increased by 8% based on the past trend

Table 3 Operating and Capital Transfers and Grant Receipts

UTHUKELA DISTRICT MUNICIPALITY				
ADJUSTMENT GRANTS BUDGET INCOME FOR 2013/2014 - 2015/2016				
GRANTS	FUNDING	2014/2015	2015/2016	2016/2017
OPERATING GRANTS				
DEVELOPMENT PLANNING AND SHARED SERVICES	PT	250 000	250 000	1 200 000
EPWP	NT	3 299 000	0	0
EQUITABLE SHARE ALLOCATION	NT	245 822 000	260 893 000	276 283 000
RSC LEVIES REPLACEMENT (EQUITABLE SHARE)	NT	41 140 000	44 198 000	47 937 000
WATER SERVICES OPERATING SUBSIDY GRANT	NT	9 000 000	2 650 000	3 000 000
		299 511 000	307 991 000	328 420 000
CAPITAL GRANTS				
MASSIFICATION PROGRAMME	PT	0	9 000 000	9 786 000
SMALL TOWN REHABILITATION PROGRAMME	PT	5 600 000	12 500 000	7 500 000
CORRIDOR DEVELOPMENT	PT		3 000 000	3 000 000
LG :FINANCIAL MANAGEMENT GRANT	NT	1 250 000	1 250 000	1 300 000
MUNICIPAL SYSTEMS IMPROVEMENTS GRANTS	NT	934 000	967 000	1 018 000
MUNICIPAL INFRASTRUCTURE GRANT	NT	177 319 000	184 391 000	193 044 000
RURAL HOUSEHOLD INFRASTRUCTURE GRANT	NT	4 124 000	5 000 000	0
RURAL ROAD ASSETS MANAGEMENT	NT	2 315 000	2 355 000	2 446 000
		191 542 000	218 463 000	218 094 000
GRANTS IN - KIND				
REGIONAL BULK INFRASTRUCTURE GRANT	NT	25 000 000	30 000 000	5 000 000
WATER SERVICES OPERATING SUBSIDY	NT	300 000	400 000	500 000
MUNICIPAL WATER INFRASTRUCTURE GRANT	NT	20 000 000	50 000 000	98 307 000
		45 300 000	80 400 000	103 807 000
TOTAL ALLOCATION TO THE MUNICIPALITY INCL OF GRANTS IN KIND		536 353 000	606 854 000	650 321 000
TOTAL ALLOCATION TO THE MUNICIPALITY EXCL GRANTS IN - KIND		491 053 000	526 454 000	546 514 000

Graph 1:



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

The percentage distribution is as follows:

Operating grants 56%
Capital Grants 36%
Grants in kind 8%

Grants in kind relate to the grants by the National treasury that are directly distributed to the sector departments within the district and therefore have not been included as part of the district's revenue except the rural infrastructure grant valued at R44 Million for the 2014/2015 financial year.

1.5.1 Sale of Water and Impact of Tariff Increases

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

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

A summary of the proposed tariffs are as follows:

Water Tariffs - 2013/2014

Integrated Step Tariff (Domestic Use)	
Water tariff for water usage up to 6kl	Free/ Indigent
Water tariff for water usage 1 to 30kl	R7.94kl
Water tariff for water usage 31kl to 100kl	R9.19kl
Water tariff for water usage 101kl to 999kl	R10.58kl
Integrated Step Tariff (Industrial Use)	
Water tariff for water usage up to 1000kl	R7.94kl
Water tariff for water usage 1001kl and above	R4.16kl

Table 3 Proposed Water Tariffs - 2014/2015

DRAFT SERVICES TARIFF 2014/2015 FINANCIAL YEAR

Proposed water services tariff for the financial year 2014/2015.

DRAFT SERVICES TARIFF 2014/2015 FINANCIAL YEAR

Proposed water services tariff for the financial year 2014/2015.

	Description	Tariff
1.	Tariff for accessibility to water (basic charge occupied and unoccupied)	R59.59/ month
2.	Tariff for accessibility to sewerage system (basic charge occupied and unoccupied)	R75.93/ month
3.	Sewer tariff for restricted usage (un-metered)	R75.93/ month
4.	Servicing sewer conservancy tanks/pits (small)	R134.17/ service
	Servicing sewer conservancy tanks/pits (large)	R287.53/ 5000l/ load
	Discharge of sewage to waste water works by private sewer tankers	R0,11/litre
	Integrated Step Tariff (Domestic Use)	
5.	Water tariff for water usage up to 6kl	Free/ Indigent
	Water tariff for water usage 1 to 30kl	R8.65kl
	Water tariff for water usage 31kl to 100kl	R10.02kl
	Water tariff for water usage 101kl to 999kl	R11.53kl
	Integrated Step Tariff (Industrial Use)	
6.	Water tariff for water usage up to 1000kl	R8.65kl
	Water tariff for water usage 1001kl and above	R4.53kl
7.	Bulk potable water supply to IDC Estate	R4.53kl
	Bulk Raw water supply	R2.76kl
8.	Emergency Services Connection (excluding emergency services)	R20.38kl
9.	All connections, repairs and work required from Council Domestic	Cost + 10%
10.	All connections, repairs and work required from Council other services actual cost + 10 %	Cost + 10%
11.	Trade Effluent	Charge(c/kl)= 60c+([COD/1000] x 1.18c) (COD-Chemical Oxygen Demand)
012.	Account Deposits (Subject to credit worthiness)	Every default adjustment of R137.30 to maximum as per following: Residential Max R2 061.00 Business Max R 6 866.61 New consumers:- Residential = R 1191.33 Business = R2 842.91

		Connection Fees =R 137.73
13.	Scrutiny of building plans	R376.91/ plan
14.	Clearing of grass overgrowth	Actual cost + 21 %
15.	Requested Water Tankering (funerals – if not indigent)	5000l = R409.73/ load
16.	Requested Water Tankering (other events)	5000l = R655.53/ load
17.	Developer's Capital Contribution - Water	R7449.32
18.	Developer's Capital Contribution - Sanitation	R8194.31
19.	Disconnection Fee	R 98.32
	Reconnection fee - Working hours	R 102.98
	-After hours, Saturdays/Sundays/Public Holidays	R245.78
20.	Clearance certificates	R372.79
21.	Flat rate services (where applicable)	R240.45 per household

Water and Waste Water Analysis		
Determinant	2 Units	Cost per sample
Alkalinity	mg/l CaCO ₃	R47.43
Appearance	Descriptive	
Aluminium - soluble	mg/l Al	R41.07
Ammonia	mg/l N	R39.55
Chloride	mg/l Cl	R31.66
Chlorine – Free	mg/l Cl ₂	R15.77
Colour	Pt-Co	R23.65
Conductivity	mS/m	R15.77
Fluoride	mg/l F	R39.55
Iron	mg/l Fe	R23.65
Manganese	mg/l Mn	R39.55
Nitrate	mg/l N	R23.65
Nitrite	mg/l N	R23.65
Odour	Descriptive	
pH	pH Units	R15.77
Phosphate - soluble	mg/l P	R23.65
Solids - Settleable	ml/l	R23.65
Sulphate	mg/l SO ₄	R34.72
Sulphide	mg/l H ₂ S	R39.55
Suspended Solids	mg/l	R34.93
Temperature	°C	
Total Dissolved Solids	mg/l	R23.65
Turbidity	NTU	R15.77

Oxygen Absorbed	mg/l O ₂	R47.43
Chemical Oxygen Demand	mg/l O ₂	R55.31
Magnesium/Calcium	mg/l Mg/Ca	R55.20

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

Microbiological Analysis		
Faecal coliforms	colonies per 100ml	R47.43
Total coliforms	colonies per 100ml	R47.43
Standard plate count	colonies per ml	R39.55

- Sterile bottles provided by the Laboratory should be used.
- Samples must be delivered to the Laboratory within 6 hours of collection and should be kept cold.
- A volume of 500ml is sufficient for analysis.

1. Prices listed are for single samples.
2. Sterile bottles can be supplied free of charge. Bottles broken or not returned will be charged for at a rate of R15.77 per bottle.

• THE ABOVE TARIFFS EXCLUDE VAT

- Other municipal services increase by 6,2% as per circular 72.
 - Tender documents
 - Maps GIS
 - Clearance certificates

The tariff structure of the 2014/15 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption at a higher rate.

2.1.1 Free Basic Services: Basic Social Services Package

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

2.2 Capital expenditure

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

DC23 Uthukela - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL AND INFRASTRUCTURAL DEV SER		-	-	-	-	-	-	-	-	-	-
Vote 6 - PLANNING AND SOCIAL ECONOMIC DEVELOPM		-	-	-	-	-	-	-	-	-	-
Vote 7 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - WATER AND SANITATION SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 10 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 11 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 12 - SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 13 - WATER AND SANITATION SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL AND INFRASTRUCTURAL DEV SER		101,318	69,483	-	-	-	-	-	-	-	-
Vote 6 - PLANNING AND SOCIAL ECONOMIC DEVELOPM		3,719	11,005	-	-	-	-	-	-	-	-
Vote 7 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - WATER AND SANITATION SERVICES		10,355	32,396	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANAGER		-	-	-	800	621	621	621	1,310	20	30
Vote 10 - CORPORATE SERVICES		-	-	114	160	170	170	170	1,750	-	-
Vote 11 - BUDGET AND TREASURY		-	-	28	160	67	67	67	600	160	200
Vote 12 - SOCIAL SERVICES		-	-	564	3,133	3,578	3,578	3,578	22,567	15,750	10,700
Vote 13 - WATER AND SANITATION SERVICES		-	-	100,760	191,784	340,523	340,523	340,523	240,458	277,401	252,439
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		115,392	112,884	101,466	196,037	344,960	344,960	344,960	266,685	293,331	263,369
Total Capital Expenditure - Vote		115,392	112,884	101,466	196,037	344,960	344,960	344,960	266,685	293,331	263,369
Capital Expenditure - Standard											
Governance and administration		-	-	142	1,120	859	859	859	3,540	180	230
Executive and council		-	-	-	800	621	621	621	1,030	-	-
Budget and treasury office		-	-	28	160	67	67	67	600	160	200
Corporate services		-	-	114	160	170	170	170	1,910	20	30
Community and public safety		-	-	564	2,678	2,678	2,678	2,678	16,267	2,950	200
Community and social services		-	-	397	2,468	2,468	2,468	2,468	16,267	2,950	200
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	167	210	210	210	210	-	-	-
Economic and environmental services		3,719	11,005	2,948	2,454	2,899	2,899	2,899	7,915	15,155	34,966
Planning and development		3,719	11,005	-	455	900	900	900	5,600	12,800	10,500
Road transport		-	-	2,948	1,999	1,999	1,999	1,999	2,315	2,355	24,466
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		111,673	101,879	97,812	189,785	338,524	338,524	338,524	239,143	274,747	228,046
Electricity		-	-	-	-	-	-	-	-	-	-
Water		67,004	61,128	97,812	189,785	338,524	338,524	338,524	239,143	274,747	228,046
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		44,669	40,751	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	115,392	112,884	101,466	196,037	344,960	344,960	344,960	266,865	293,032	263,442
Funded by:											
National Government		111,673	101,879	96,913	191,379	329,756	329,756	329,756	209,225	221,746	222,510
Provincial Government		3,719	11,005	-	2,468	2,468	2,468	2,468	5,600	24,500	20,286
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	115,392	112,884	96,913	193,847	332,224	332,224	332,224	214,825	246,246	242,796
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	750	-	-	-	-	-	-
Internally generated funds		-	-	4,553	1,440	12,735	12,735	12,735	52,040	46,786	20,646
Total Capital Funding	7	115,392	112,884	101,466	196,037	344,960	344,960	344,960	266,865	293,032	263,442

For 2014/15 financial year the Municipality has budgeted an amount of R209 225 000 mil which will be finance from government grants (R 5 600 000mil) and municipality internally generated funds (R52 040 000 mil)

2.3 Annual Budget Tables

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 budget and MTREF as approved by the Council.

Table 3 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

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

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard										
Governance and administration		229,525	232,895	323,008	281,618	282,765	282,765	299,339	317,640	359,517
Executive and council		229,078	232,895	285,910	40,211	40,211	40,211	41,140	44,198	47,937
Budget and treasury office		-	-	4,411	241,407	242,554	242,554	258,199	273,442	311,580
Corporate services		448	-	32,687	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		4,611	11,801	1,007	890	890	-	6,317	13,717	9,718
Planning and development		4,611	11,801	1,007	890	890	-	6,317	13,717	9,718
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		241,247	212,409	366,255	355,145	510,745	510,745	415,539	445,577	438,366
Electricity		-	-	-	-	-	-	-	-	-
Water		188,833	159,300	353,208	332,935	495,518	495,518	391,806	420,088	410,989
Waste water management		52,414	53,109	13,047	22,210	15,227	15,227	23,733	25,489	27,377
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	475,383	457,105	690,271	637,653	794,400	793,510	721,194	776,934	807,601
Expenditure - Standard										
Governance and administration		46,065	51,914	100,203	79,058	77,929	77,929	182,522	192,232	205,238
Executive and council		13,082	16,875	39,883	31,437	29,925	29,925	34,864	35,371	37,621
Budget and treasury office		15,037	16,177	27,645	25,646	23,776	23,776	113,830	121,004	129,235
Corporate services		17,946	18,862	32,675	21,975	24,228	24,228	33,827	35,857	38,382
Community and public safety		6,397	6,071	17,343	17,722	10,237	10,237	8,971	9,361	9,940
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		6,397	6,071	17,343	17,722	10,237	10,237	8,971	9,361	9,940
Economic and environmental services		25,082	23,485	40,584	20,514	15,845	15,845	30,072	23,236	25,558
Planning and development		25,082	23,485	40,584	20,514	15,845	15,845	30,072	23,236	25,558
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		254,646	284,158	493,414	261,748	345,351	345,351	229,963	223,283	239,811
Electricity		-	-	-	-	-	-	-	-	-
Water		152,766	170,495	482,772	233,772	324,859	324,859	227,004	222,054	238,509
Waste water management		101,880	113,663	10,642	27,976	20,492	20,492	2,959	1,229	1,302
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	332,190	365,628	651,544	379,042	449,362	449,362	451,528	448,112	480,548
Surplus/(Deficit) for the year		143,193	91,477	38,727	258,611	345,039	344,149	269,666	328,822	327,053

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.

Table 4 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

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

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
Revenue by Vote	1									
Vote 1 - COUNCIL		131,038	230,769	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL AND INFRASTRUCTURAL DEV SER		101,318	71,609	-	-	-	-	-	-	-
Vote 6 - PLANNING AND SOCIAL ECONOMIC DEVELOPM		4,611	11,801	-	-	-	-	-	-	-
Vote 7 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-
Vote 8 - WATER AND SANITATION SERVICES		238,416	142,926	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANAGER		-	-	285,910	40,211	40,211	40,211	41,140	44,198	47,937
Vote 10 - CORPORATE SERVICES		-	-	32,687	-	-	-	-	-	-
Vote 11 - BUDGET AND TREASURY		-	-	4,411	241,407	242,554	242,554	258,199	273,442	311,580
Vote 12 - SOCIAL SERVICES		-	-	1,007	890	890	890	6,317	13,717	9,718
Vote 13 - WATER AND SANITATION SERVICES		-	-	366,255	355,145	510,745	510,745	415,539	445,577	438,366
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	475,383	457,105	690,271	637,653	794,400	794,400	721,194	776,934	807,601
Expenditure by Vote to be appropriated	1									
Vote 1 - COUNCIL		10,337	12,254	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		2,745	4,621	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		17,946	18,862	-	-	-	-	-	-	-
Vote 4 - BUDGET AND TREASURY		15,037	16,177	-	-	-	-	-	-	-
Vote 5 - TECHNICAL AND INFRASTRUCTURAL DEV SER		7,776	13,485	-	-	-	-	-	-	-
Vote 6 - PLANNING AND SOCIAL ECONOMIC DEVELOPM		24,868	23,485	-	-	-	-	-	-	-
Vote 7 - HEALTH SERVICES		6,397	6,071	-	-	-	-	-	-	-
Vote 8 - WATER AND SANITATION SERVICES		247,102	270,673	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANAGER		-	-	39,883	31,437	29,925	29,925	34,864	35,371	37,621
Vote 10 - CORPORATE SERVICES		-	-	32,675	21,975	24,228	24,228	33,827	35,857	38,382
Vote 11 - BUDGET AND TREASURY		-	-	27,645	25,646	23,776	23,776	113,830	121,004	129,235
Vote 12 - SOCIAL SERVICES		-	-	57,928	38,236	26,082	26,082	39,043	32,597	35,499
Vote 13 - WATER AND SANITATION SERVICES		-	-	493,414	261,748	345,351	345,351	229,963	223,283	239,811
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	332,208	365,628	651,544	379,042	449,362	449,362	451,528	448,112	480,547
Surplus/(Deficit) for the year	2	143,175	91,477	38,727	258,611	345,038	345,038	269,666	328,822	327,054

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the District.

Table 5 MBRR Table A10 - Basic Service Delivery Measurement

DC23 Uthukela - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets	1									
Water:										
Piped water inside dwelling		73 880	73 880		73 880	73 880	73 880	73 880	73 880	73 880
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2	43 621	43 621		43 621	43 621	43 621	43 621	43 621	43 621
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		117 501	117 501	-	117 501	117 501	117 501	117 501	117 501	117 501
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply		44 300	29 785		29 785	29 785	29 785	29 785	29 785	29 785
<i>Below Minimum Service Level sub-total</i>		44 300	29 785	-	29 785	29 785	29 785	29 785	29 785	29 785
Total number of households	5	161 801	147 286	-	147 286	147 286	147 286	147 286	147 286	147 286
Sanitation/sewerage:										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)		57 225	57 225		57 225	57 225	57 225	57 225	57 225	57 225
Chemical toilet										
Pit toilet (ventilated)		70 509	70 509		70 509	70 509	70 509	70 509	70 509	70 509
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		127 734	127 734	-	127 734	127 734	127 734	127 734	127 734	127 734
Bucket toilet		1 551	1 551		1 551	1 551	1 551	1 551	1 551	1 551
Other toilet provisions (< min.service level)										
No toilet provisions		24 874	12 398		12 398	12 398	12 398	12 398	12 398	12 398
<i>Below Minimum Service Level sub-total</i>		26 425	13 949	-	13 949	13 949	13 949	13 949	13 949	13 949
Total number of households	5	154 159	141 683	-	141 683	141 683	141 683	141 683	141 683	141 683
Energy:										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
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>		-	-	-	-	-	-	-	-	-
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)										
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)										
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		-	-	-	-	-	-	-	-	-
Highest level of free service provided										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)										
Water					6 000	6 000	6 000	6 300	6 678	7 079
Sanitation										
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	-	-	-	6 000	6 000	6 000	6 300	6 678	7 079

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Part 2 – Supporting Documentation

2.4 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The primary aims of the Budget / Finance Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the District's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.4.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule that sets out the process to revise the IDP and prepare the budget.

2.5 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the District, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the City strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the District's response to these requirements.

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

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

The 2014/15 MTREF has therefore been directly informed by the IDP revision process

2.6 Legislation compliance status

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

1. In year reporting

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

Internship programme

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

2. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

3. Audit Committee

An Audit Committee has been established and is fully functional.

4. Annual Report

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

7. MFMA Training

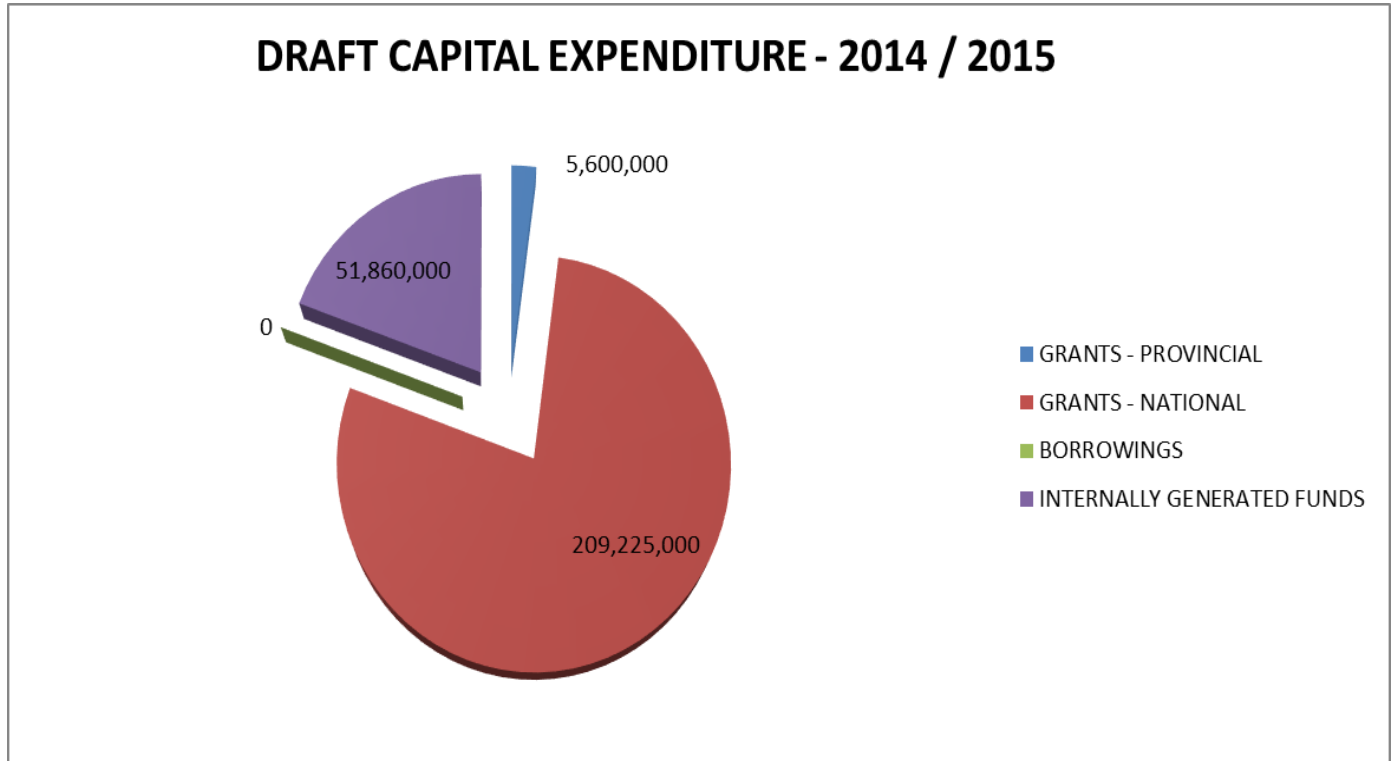
The MFMP competency training has been conducted by municipal officials and other finance municipal official are still undergoing the training.

2.7 Other supporting documents

1.1 DRAFT CAPITAL BUDGET BY DEPARTMENTS

UTHUKELA DISTRICT MUNICIPALITY					
DRAFT CAPITAL BUDGET 2014/2015 - 2016/2017					
DEPARTMENT	DESCRIPTION	FUNDING	2014/15	2015/16	2016/17
TECHNICAL					
	Implementation of water and sanitation projects as per WSDP	MIG /NT	177 319 000.00	184 391 000.00	193 044 000.00
	RURAL HOUSEHOLD INFRASTRUCTURE GRANT	NT	4 124 000.00	5 000 000.00	-
	MASSIFICATION PROGRAMME	PT		9 000 000.00	9 786 000.00
	RBIG	NT	25 000 000.00	30 000 000.00	5 000 000.00
	RURAL ROAD ASSET MANAGEMENT	RRAM/NT	2 315 000.00	2 355 000.00	24 466 000.00
	CORRIDOR DEVELOPMENT	PT	0	3 000 000	3 000 000
			208 758 000.00	233 746 000.00	235 296 000.00
WATER					
	8 VACUUM TANKERS	UTDM	5 000 000	5 300 000	5 618 000
	TIPPER TRUCKS X 5	UTDM	2 250 000		
	SEWER JET	UTDM	2 000 000	2 120 000	2 247 200
	VAN	UTDM	250 000	265 000	280 900
	OFFICE FURNITURE	UTDM	100 000	150 000	100 000
	OFFICE EQUIPMENT	UTDM	100 000	200 000	150 000
	PIPELINES - PORTABLE WATER - REPLACEMENT	UTDM	20 000 000	30 000 000	3 000 000
	WATER TANKERS	UTDM	2 000 000	2 120 000	2 247 200
			31 700 000	40 155 000	13 643 300
SOCIAL SERVICES					
	LAND AND BUILDING	UTDM	10 000 000	0	0
	FIRE FIGHTING EQUIPMENT	UTDM	300 000	50 000	50 000
	MSIG PROJECTS - OFFICE EQUIPMENTS	NT	467 000	0	0
	OFFICE FURNITURE	UTDM	500 000	200 000	150 000
	5 X BAKKIES	UTDM	500 000	0	0
	2 X SEDAN	UTDM	200 000	0	0
	DISASTER BUILDING	UTDM	5 000 000	0	0
	SMALL TOWN REHABILITATION PROGRAMME	PT	5 600 000	12 500 000	7 500 000
			22 567 000	12 750 000	7 700 000
CORPORATE SERVICES					
	2 BAKKIES	UTDM	400 000	0	0
	CAR (SEDAN)	UTDM	300 000	0	0
	FURNITURE - BOARDROOM	UTDM	300 000	0	0
	OFFICE FURNITURE & EQUIPMENT	UTDM	250 000	0	0
	IT - EQUIPMENT	UTDM	500 000		
			1 750 000	0	0
FINANCE					
	CAR (SEDAN)	UTDM	300 000	0	0
	BAKKIE	UTDM	200 000	0	0
	OFFICE FURNITURE	UTDM	50 000	80 000	100 000
	OFFICE EQUIPMENT	UTDM	50 000	80 000	100 000
			600 000	160 000	200 000
MUNICIPAL MANAGER					
	OFFICE FURNITURE - LAB	UTDM	10 000	20 000	30 000
	OFFICE EQUIPMENT	UTDM	100 000	0	0
	REPLACE IT EQUIPMENT	UTDM	50 000	0	0
	REPLACE LAB EQUIPMENT	UTDM	200 000	0	0
			360 000	20 000	30 000
COUNCIL					
	MAYORAL CAR - REPLACEMENT	UTDM	800 000	0	0
	OFFICE FURNITURE	UTDM	150 000	0	0
			950 000	0	0
	TOTAL CAPITAL EXPENDITURE 2014/15		266 685 000	286 831 000	256 869 300

Table1:



Capital Grants For the 2014/15 financial year, 80% of capital expenditure is funded by grants and 20% by own revenue.

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

1.2 Transfers and Grant Receipts

DC23 Uthukela - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		2 296	2 040	-	46 288	44 743	44 743	301 445	309 958	329 538
Local Government Equitable Share								245 822	260 893	276 283
RSC Levy Replacement					37 743	37 743	37 743	41 140	44 198	47 937
Finance Management		1 000	1 250		1 100			1 250	1 250	1 300
Municipal Systems Improvement		504	790		445	-	-	934	967	1 018
EPWP Incentive		792			1 000	1 000	1 000	3 299	-	-
Water Services Operating Subsidy					6 000	6 000	6 000	9 000	2 650	3 000
DWA										
Provincial Government:		226	-	-	-	-	-	250	250	1 200
Sport and Recreation shared services		226						250	250	1 200
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	2 522	2 040	-	46 288	44 743	44 743	301 695	310 208	330 738
Capital Transfers and Grants										
National Government:		111 188	69 483	-	226 379	191 728	191 728	208 578	221 746	200 490
Municipal Infrastructure Grant (MIG)		101 318	69 483		174 260	174 260	174 260	177 319	184 391	193 044
Rural Transport Services and Infrastructure					1 999	1 999	1 999	2 135	2 355	2 446
Rural Households Infrastructure					-	-	-	4 124	5 000	-
Regional Bulk Infrastructure		9 870			35 000			25 000	30 000	5 000
FMG					150	54	54			
MSIG					445	890	890			
MWIG					14 525	14 525	14 525			
Provincial Government:		-	-	-	-	-	-	-	9 000	9 786
massification programme								-	9 000	9 786
small town rehabilitation programme								5 600	12 500	7 500
corridor development								-	3 000	3 000
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	111 188	69 483	-	226 379	191 728	191 728	208 578	230 746	210 276
TOTAL RECEIPTS OF TRANSFERS & GRANTS		113 710	71 523	-	272 667	236 471	236 471	510 273	540 954	541 014

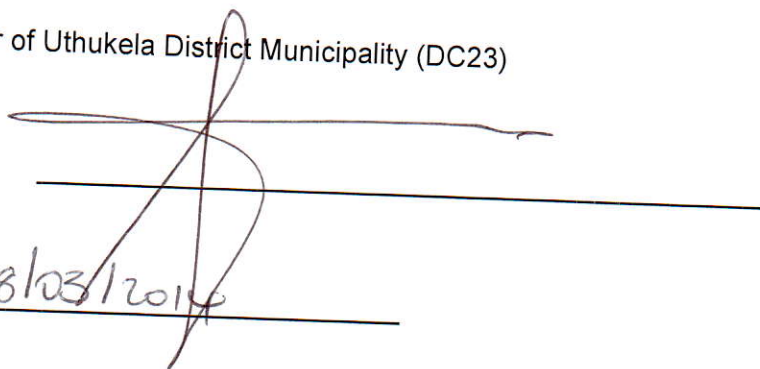
2.8 Municipal manager's quality certificate

I **SIFISO NICHOLAS KUNENE**, Municipal Manager of Uthukela District Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name SIFISO NICHOLAS KUNENE

Municipal Manager of Uthukela District Municipality (DC23)

Signature

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal stroke, written over a horizontal line.

Date

28/03/2014