



UTHUNGULU



ANNUAL BUDGET OF

**uThungulu District
Municipality
2015/16 TO 2017/18
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

MAY 2015

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Abbreviations and Acronyms

AMR	Automated Meter Reading	Programme	
ASGISA	Accelerated and Shared Growth Initiative	MIG	Municipal Infrastructure Grant
BPC	Budget Planning Committee	MM	Municipal Manager
CBD	Central Business District	MMC	Member of Mayoral Committee
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
CPI	Consumer Price Index	MSA	Municipal Systems Act
CRRF	Capital Replacement Reserve Fund	MTEF	Medium-term Expenditure Framework
DBSA	Development Bank of South Africa	MTREF	Medium-term Revenue and Expenditure Framework
DoRA	Division of Revenue Act	MWIG	Municipal Water Infrastructure Grant
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GFS	Government Financial Statistics	PMS	Performance Management System
GRAP	General Recognised Accounting Practice	PPE	Property Plant and Equipment
HR	Human Resources	PPP	Public Private Partnership
HSRC	Human Science Research Council	PTIS	Public Transport Infrastructure System
IDP	Integrated Development Strategy	RBIG	Regional Bulk Infrastructure Grant
IT	Information Technology	RG	Restructuring Grant
kℓ	kilolitre	RSC	Regional Services Council
km	kilometre	SALGA	South African Local Government Association
KPA	Key Performance Area	SAPS	South African Police Service
KPI	Key Performance Indicator	SDBIP	Service Delivery Budget Implementation Plan
kWh	kilowatt	SMME	Small Micro and Medium Enterprises
ℓ	litre		
LED	Local Economic Development		
MEC	Member of the Executive Committee		
MFMA	Municipal Financial Management Act		

Part 1 – Annual Budget

1.1 Mayor's Report

The Mayors report will be included once the Honourable Mayor has presented her 2015/2016 final budget Speech before Council on Friday, 22 May 2015.

1.2 Council Resolutions

On 22 May 2015 the Council of UThungulu District Municipality met in the Council Chambers of UThungulu House to consider the final consolidated annual budget of the municipality for the financial year 2015/16. The Council approved and adopted the following resolutions:

1.2.1 The Council of UThungulu District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

1.2.1.1 The final consolidated annual budget of the municipality and its entity for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables:

1.2.1.1 (a) Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2 on page 111;

1.2.1.1 (b) Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3 on page 112;

1.2.1.1 (c) Consolidated Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4 on page 113; and

1.2.1.1 (d) Consolidated Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5 on page 114.

1.2.1.2 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:

1.2.1.2 (a) Consolidated Budgeted Financial Position as contained in Table A6 on page 115;

1.2.1.2 (b) Consolidated Budgeted Cash Flows as contained in Table A7 on page 116;

1.2.1.2 (c) Consolidated Cash backed reserves and accumulated surplus reconciliation as contained in Table A8 on page 117;

1.2.1.2 (d) Consolidated Asset management as contained in Table A9 on page 118; and

1.2.1.2 (e) Basic service delivery measurement as contained in Table A10 on page 119.

1.2.2 The Council of UThungulu District Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015:

1.2.2.1 the tariffs for the supply of water, sanitation, solid waste, cemetery and other miscellaneous fees— as set out on page 68 of the Annexure.

1.3 Executive Summary – uThungulu District Municipality

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. This has resulted in estimated expenditure of nearly R25.8 million for the 2015/16 financial year being reduced. Key areas where savings were realized was on staff costs due to reprioritisation of vacancies and limiting of overtime budget to 2% of remuneration, which is within the National Treasury's recommended benchmark of 4.5%, as well as a reduction in the budget for the following expenditure types being printing and stationery, subsistence and travel, accommodation and catering. Furthermore, it be noted that that budget for overtime has been aligned to the Council's overtime policy where only employees earning below the threshold as determined by the Minister of labour as well as employees deemed to be performing essential and emergency work are catered for.

The Municipality has over the years embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people led government. Added to this is the rollout of smart prepaid meters in some of our local municipalities where uThungulu is a water services provider.

Various National Treasury's MFMA Circulars were used to guide the compilation of the 2015/16 MTREF, with special emphasis on Circulars 74 and 75.

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water and waste water infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of water treatment and reticulation which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable; it be noted that the Municipality will be embarking on an exercise to ensure that tariffs are cost reflective, although we are not there yet we are moving towards that direction.

- The backlogs, unavailability of water sources and severe drought that has affected the District in recent months and have necessitated the provision of water through water tankers which is a very expensive way of providing water.
- It be noted that uThungulu's internally funded capital in terms of the draft budget accounts for 4% of the total capital budget, most of the capital budget is grant funded mainly through MIG, RBIG and MWIG which is for backlog eradication and bulk pipeline infrastructure layout. Furthermore, it must be noted that the depreciation is now being partially cashbacked which will assist in increasing own Capital spend going forward.
- The district is predominantly rural and households are sparsely located thereby making billing and credit control an expensive exercise.
- The cost to operate and maintain newly rolled out projects when collection does not break even when compared to associated costs like chemicals and electricity and in some instances tariffs of water boards and other neighbouring WSA's.

The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:

- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs; the uThungulu District municipality has not attained that yet, but we intend to put together a strategy to move towards cost reflective tariffs with minimal impact on the consumer.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- An in-depth analysis was done for the following items and allocations to these items had to be supported by a motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
 - New positions, except those that are of critical importance;
 - Overtime limited to 2% of remuneration only for employees qualifying for such;
 - Furniture and office equipment;
 - Ad-hoc travelling; and
 - Delegations.

In view of the aforementioned, the following table is an overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

Table 1 Overview of the 2015/16 MTREF

2015/2016 Multi Year Budget Summary - Final							
	2015/2016 Draft Budget	2015/2016 Final Budget	Change Amount	Change %	2016/2017 Budget	2017/2018 Budget	Total for MTREF
Revenue by Source							
- Grants & subsidies	564 509 300	569 848 000	5 338 700	0.81%	534 307 743	517 279 322	1 616 096 365
- Equitable Share	198 501 000	198 501 000	-	0.00%	193 891 257	210 390 678	602 782 935
- Levy Replacement Grant	211 775 000	211 775 000	-	0.00%	229 691 000	247 769 000	689 235 000
Total Government Grant & Subsidies	974 785 300	980 124 000	5 338 700	0.50%	957 890 000	975 439 000	2 908 114 300
- Sundry Income	10 153 703	10 153 703	-	0.00%	11 664 159	824 231	22 642 093
- Interest Income	30 650 356	30 650 356	-	0.00%	35 489 376	38 143 623	104 283 355
Total Other Income	40 804 059	40 804 059	-	0.00%	47 153 536	38 967 853	126 925 447
Trading Services	65 747 554	65 747 554	-	0.00%	73 754 990	82 849 706	222 352 250
Prior Year Grant Funding	-	-	-	0.00%	-	-	-
Surplus Brought Forward (2014/2015)	-	5 000 000	5 000 000	-	-	-	-
Surplus Brought Forward (2014/2015) - VAT on Grants	17 000 000	17 000 000	-	0.00%	-	-	17 000 000
Total Revenue	1 098 336 913	1 108 675 613	10 338 700	0.86%	1 078 798 526	1 097 256 559	3 274 391 997
Expenditure							
Non-trading services	184 211 531	191 314 021	7 102 490	4.35%	201 575 653	199 900 182	585 687 367
Trading Services	334 755 723	330 395 038	-4 360 684	-1.31%	357 871 226	385 181 969	1 077 808 917
Operational IDP	120 252 815	122 349 708	2 096 893	1.74%	84 072 478	102 640 375	306 965 668
Capital IDP & Internal Fixed Assets	506 744 979	512 244 980	5 500 001	0.88%	484 752 023	460 853 148	1 452 350 150
Total Expenditure	1 145 965 048	1 156 303 747	10 338 700	0.83%	1 128 271 380	1 148 575 675	3 422 812 103
LESS : DEPRECIATION NOT CASH BACKED	47 628 135	47 628 135	-	0.00%	49 472 854	51 319 116	148 420 105
TOTAL EXPENDITURE EXCL. DEPN	1 098 336 913	1 108 675 612	10 338 700	0.86%	1 078 798 526	1 097 256 559	3 274 391 997

It can be noted from the above table that the total revenue budget for the District for 2015/16 financial year is R1.109b, whereas the total expenditure is expected to be R1.156b. The amount of R48m relates to a depreciation provision which is currently not cash backed, to be noted that the total depreciation for the ensuing financial year is estimated at R53m.

Total operational expenditure, trading and non – trading services including operational IDP projects amounts to R644m for 2015/16 increasing slightly to R644m in 2016/17 and R688m in 2017/18 financial years.

The total capital budget for the 2015/16 financial year is R512m, decreasing slightly to R485m and R461m in two outer years of the MTREF.

The detailed grant allocations from National Treasury, per the Division of Revenue Bill, 2015 was made available from the 25th February 2015 on National Treasury's website. Provincial allocations have also been published and have been included in the budget. The following table depicts the grant allocations as contained in the 2015 Division of Revenue Bill in comparison to the projections of the 2014 Division of Revenue Act grant allocation;

Table 2 Overview of the 2015/16 grants allocation for the MTREF

TOTAL ALLOCATIONS PER DORB 2015		DORB 2014	DORB 2015			DORB 2015 MEDIUM TERM FORECAST	
Name of Grant	Responsible Dept	Budget 15/16 Forecast	Budget 15/16 Gazetted	Variance	% Change	Budget 16/17	Budget 17/18
Equitable Share	Finance	197 511 000	198 501 000	990 000	1%	214 436 000	232 579 000
Levy Replacement Grant	Finance	211 775 000	211 775 000	-	0%	229 691 000	247 769 000
Municipal Systems Improvement Grant	Finance	967 000	940 000	-27 000	-3%	960 000	1 033 000
Water services operating & transfer subsidy	Technical	2 650 000	12 000 000	9 350 000	353%	4 000 000	12 500 000
Local Finance Management Grant	Finance	1 250 000	1 250 000	-	0%	1 250 000	1 250 000
Municipal Infrastructure Grant	Technical	178 136 000	175 330 000	-2 806 000	-2%	182 681 000	193 698 000
Municipal Water Infrastructure Grant	Technical	109 483 000	88 118 000	-21 365 000	0%	51 069 000	96 078 000
Rural Transport Services & Infrastructure	Technical	2 365 000	2 321 000	-44 000	-2%	2 379 000	2 532 000
EPWP Incentive Grant	Technical	-	6 639 000	6 639 000	0%	-	-
Regional Bulk Infrastructure Grant	Technical	360 000 000	275 000 000	-85 000 000	-24%	262 224 000	183 500 000
Water Services Operating Subsidy (Grant-in-kind)	Technical	400 000	-	-400 000	0%	-	-
Rural Households Infrastructure Grant	Technical	-	-	-	-	4 300 000	4 500 000
Total Gazetted Grants		1 064 537 000	971 874 000	-92 663 000	-9%	952 990 000	975 439 000

To be noted that the new Equitable Share (EQS) allocation had a slight increase of R990,000 compared to the amount that was included in the 2014 Division of Revenue Act. The Equitable Share is then expected to grow by 8 percent in each of the outer years of the MTREF, amounting to R15.9m for 2016/17 and R18.1m for 2017/18.

The Levy Replacement Grant remained unchanged from the 2014 projections with an estimated growth of R17.9m, (7.8%) and R18.1m, (7.3%) over the two outer years of the MTREF respectively. To be noted that National Treasury has not pronounced itself on the way forward regarding this grant, discussions are still underway and various proposals are being investigated.

The allocation for Water Services Operating Subsidy grant has increased by R9.3m compared to the amount that was included in the 2014 Division of Revenue Act. It is then expected to decrease by R8m for 2016/17 and again increase to R12.5m for 2017/18.

The Municipal Infrastructure Grant has been allocated at R175m, there is a minimal decrease of R2.8m when compared with the 2014 projections, it is expected that this grant will increase to R183m in the 2016/17 financial year and thereafter increase to R194m in 2017/18.

The Municipal Water Infrastructure Grant (MWIG) is aimed at facilitating the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a basic water supply service. The MWIG allocation for the ensuing financial year is R88m in 2015/16, decrease to R51m in 2016/17 and thereafter increasing to R96m in the 2017/18 financial year.

The Regional Bulk Infrastructure Grant (RBIG) has been allocated R275m for the 2015/16 financial year, decreasing from R360m that was projected in the 2014/15 MTREF. This grant will further decrease to R262m in the 2016/17 financial year and thereafter decrease to R184m in the 2017/18 financial year.

Other grants that have been allocated to the district are;

- Finance Management Grant
- Municipal Systems Improvement Grant
- Rural Transport Services and Infrastructure grant
- EPWP Incentive Grant
- Planning Shared Services Grant (Provincial)
- Rural Households Infrastructure Grant

The total operating expenditure (excluding operating IDP projects) for the 2015/16 financial year has been appropriated at R519m. When compared to the 2014/15 Adjustments Budget, operational expenditure has grown by an average of 3 per cent in the 2015/16 budget and by 8% and 5% for each of the respective outer years of the MTREF.

The operational IDP projects budget for 2015/16 have decreased by a minimal amount of R0.5m compared to the 2014/15 MTREF projections, this budget further decreases by 70% in 2016/17 and then increase by 22% in the 2017/18 financial year. This declining trend is due to the impact on operational budget that is caused mainly by the increase in bulk water and electricity tariffs as well as a rise in the Operations and maintenance costs of the water schemes due to aging infrastructure. This then results in less funds being available to carry out operational IDP projects and well as grants from Provincial and National government to fund these types of projects having decreased.

The capital budget of R507m for 2015/16 is 19% less when compared to the 2014/15 projections. The reduction is due to various projects being finalised in the previous financial year as well as affordability constraints in the light of current economic circumstances. The capital programme decreases to R485m in the 2016/17 financial year and then further decrease to R461m in the 2017/2018 financial year, which translates to a total capital budget of R1.452b over the medium term.

To be noted that a substantial portion of the capital budget will be funded from the MIG and the Regional Bulk Infrastructure Grant over MTREF as well as the Municipal Water Infrastructure (MWIG) grant which was introduced during the 2013/14 financial year. The grant is aimed at accelerating the delivery of clean water to communities that do not have access to basic water services. The grant provides funding for municipalities to plan and implement various projects; including the construction of new infrastructure and the refurbishment and extension of existing water schemes. To be noted that the Regional Bulk Infrastructure grant is an in-kind grant from DWA and uThungulu has entered into an agreement with the funder to act as an implementing agent for this project. Capital grants will contribute 96% of capital expenditure for the 2015/16 financial year, and 97% for each of the respective MTREF years.

The figure below graphically depicts the split of the final budget for 2015/16 between Operational and Capital vs the 2014/15 Adjusted budget and the 2015/16 budget approved as part of the multi year budget in May 2014.

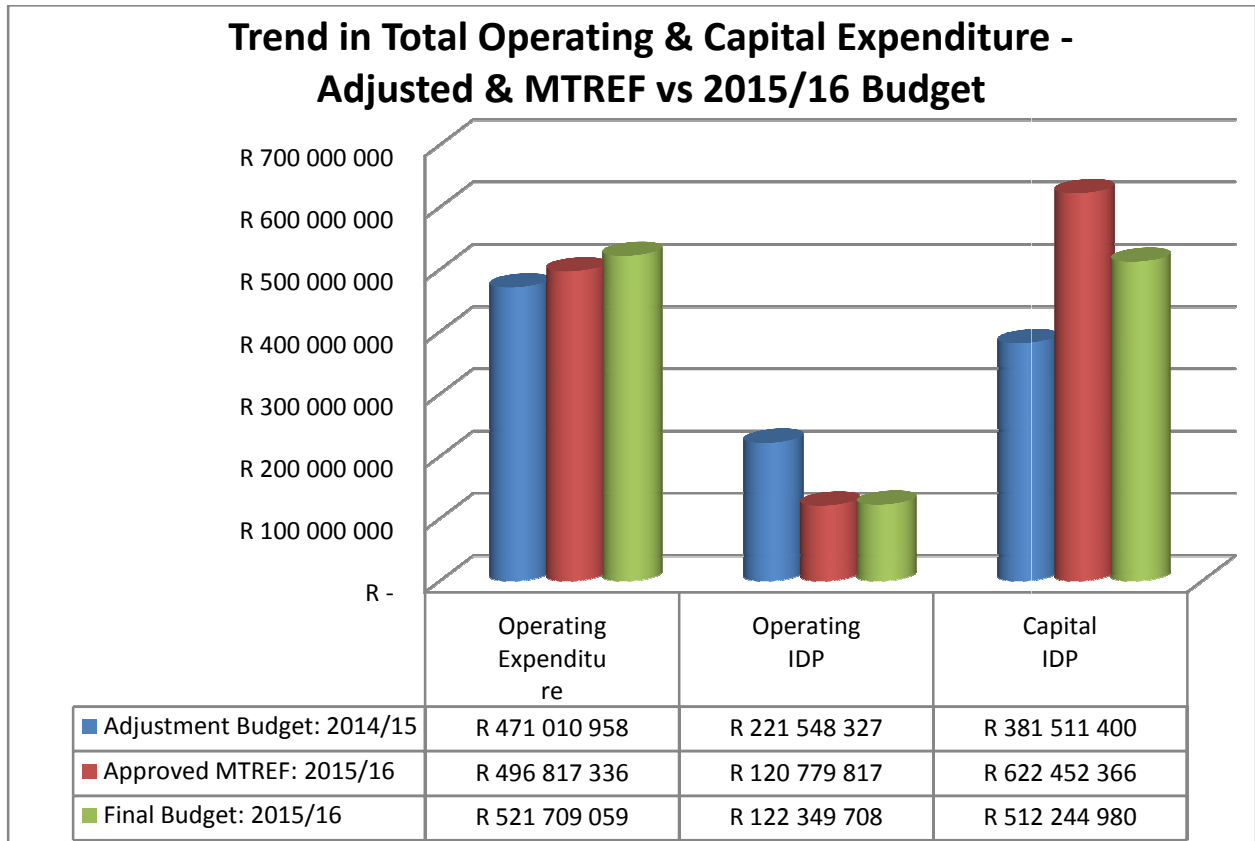


Figure 1 Operating & Capital Budget for the 2015/16 financial year

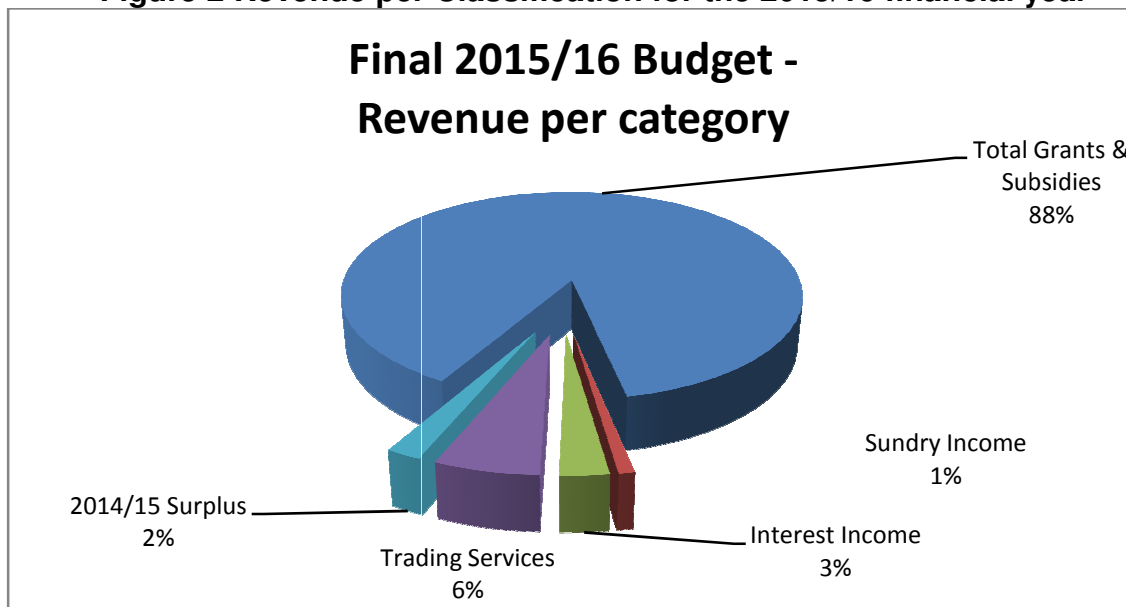
1.4 Operating Revenue Framework

In order for uThungulu District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and expected economic development;
- Efficient revenue management, which aims to ensure a 92 per cent annual collection rate for Water, Sanitation and Solid Waste service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- The rollout of prepaid water meters (smart meters) to all indigent consumers and new water projects;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service, while taking into account the affordability levels of the consumers;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and Incentive policies and rendering of free basic services; and
- Tariff policies of the Municipality.

Figure 2 Revenue per Classification for the 2015/16 financial year



The figure above indicates the 2015/16 municipal revenue per service.

The above graph depicts the municipality's reliance on grants and subsidies making up 88% of the revenue source. Trading Services is the second at only 6%, interest income 3%, sundry income 1% and anticipated surpluses from 2014/15 amounting to 1%.

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):

Table 3 Summary of revenue classified by main revenue source

DC28 uThungulu - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source										
Service charges - water revenue	35 616	33 305	37 659	34 942	36 442	36 442	-	45 709	50 280	55 308
Service charges - sanitation revenue	3 740	4 605	4 529	5 363	4 863	4 863	-	5 421	5 963	6 559
Service charges - refuse revenue	8 445	11 722	11 381	16 440	15 440	15 440	-	14 327	17 192	20 631
Service charges - other	217	270	232	213	213	213	-	291	320	352
Rental of facilities and equipment	34	34	37	-	-	-	-	-	-	-
Interest earned - external investments	26 998	27 113	32 866	25 113	35 155	35 155	-	30 374	35 197	37 834
Interest earned - outstanding debtors	40	34	28	3 803	260	260	-	276	293	310
Transfers recognised - operational	349 642	396 314	424 059	457 075	474 014	474 014	-	490 849	490 838	531 106
Other revenue	8 703	10 162	15 295	38 918	189 058	189 058	-	32 154	11 664	824
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	433 433	483 560	526 085	581 865	755 444	755 444	-	619 400	611 747	652 923

Table 4 Percentage of revenue by main revenue source

DC28 uThungulu - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Revenue By Source								
Service charges - water revenue	36 442	5%	45 709	7%	50 280	8%	55 308	8%
Service charges - sanitation revenue	4 863	1%	5 421	1%	5 963	1%	6 559	1%
Service charges - refuse revenue	15 440	2%	14 327	2%	17 192	3%	20 631	3%
Service charges - other	213	0%	291	0%	320	0%	352	0%
Rental of facilities and equipment	-	0%	-	0%	-	0%	-	0%
Interest earned - external investments	35 155	5%	30 374	5%	35 197	6%	37 834	6%
Interest earned - outstanding debtors	260	0%	276	0%	293	0%	310	0%
Transfers recognised - operational	474 014	63%	490 849	79%	490 838	80%	531 106	81%
Other revenue	189 058	25%	32 154	5%	11 664	2%	824	0%
Total Revenue (excluding capital transfers and contributions)	755 444	100%	619 400	100%	611 747	100%	652 923	100%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, Gazette 32141, issued 17 April 2009, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from service charges forms a minimal percentage of the internally generated funds of the Municipality, that being the interest on investments and service

charges. The Interest on external investments has decreased when comparing with the 2014/15 Adjustments Budget. A notable trend is the increase in the total percentage revenue generated from water services charges which increases from R46m in 2015/16 to R55m in 2017/18. The water sales contribution to the total service charges revenue is 70%, 68% and 67% for the MTREF. The above table excludes revenue foregone arising from rebates associated with the tariff policies of the Municipality.

Solid Waste is the second largest revenue source totalling 22 per cent or R14million rand and increases to R20.6 million by 2017/18. Another source of revenue is 'other revenue' which consists of various items such as income received from issuing of tender documents, map production and miscellaneous fees. The municipality will review the tariffs of these items on an annual basis to ensure we steadily move to a point where these are cost reflective and market related.

Operating grants and transfers totals R491 million in the 2015/16 and 2016/17 financial year and increasing back to R531 million in 2017/18. Note that the year-on-year growth for the 2015/16 financial year is 6% and increasing by 8% by 2017/18 financial year.

Tariff-setting is a very important and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality. The proposed tariffs were discussed at length in the Budget Steering Committee meeting and a consensus was reached to increase the tariffs in such a way that it will have a minimal impact on the District citizens.

National Treasury, in its MFMA Circulars 74 and 75 issued in December 2014 and March 2015 respectively, continues to encourage municipalities to keep increases in tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 5.8 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment which will in turn result in a huge debtors book.

The percentage increases of both Eskom and bulk water tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, they impact on the municipality's cost of service provision. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability. As per MFMA Circular 74, municipalities are advised to provide for a 12.69 per cent increase in the cost of bulk purchases for the 2015/16 budgets and MTREF.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of

electricity and water, petrol, diesel, chemicals, etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Sale of Water and Impact of Tariff Increases

The water Tariffs have been increased on average by 10% as a result of increases in the cost of chemicals and maintenance of the ageing infrastructure in some areas, as well as the bulk cost from Eskom and other major suppliers. It must be noted that consideration has been given to National Treasury's objective of tariffs being cost reflective, however Council has considered the plight of poor residents in the tariff determination process and have thus agreed on an increase which though higher than National Treasury's guideline also attempts to attain cost reflective tariffs over the long term. The free basic water of 6kl is still applicable in the coming financial year only to domestic consumers, however registered indigent consumers shall benefit from 10kl of free water per month.

The roll out of prepaid meters commenced in the 13/14 financial year and the impact thereof is expected to materialise in 2015/2016, wherein we would envisage the gradual reduction in arrear debts. However cognisance must be drawn to the possibility that consumers who have prepaid systems may start exercising water conservation mechanisms and thus reduce their demand for potable water which may affect the revenue generated. The cost of providing the water function in the 15/16 budget year amounts to R347m and revenue generated is a mere R46m therefore R301m is funded from both the equitable share and the levy replacement grant. The proposed tariffs for households (residential) and non-residential consumers are detailed on Annexure C of the medium term budget report.

In taking cognisance of the country wide shortage of fresh water supplies we have for the first time, introduced an additional tariff step, aimed at discouraging excessive water consumption through a high tariff. Furthermore it was noted that despite continuous communiqué during period of drought, many residents fail to heed Councils call for water reduction, therefore it was considered prudent to introduce as from 2015/2016 a tariff applicable during drought conditions, which is considerably higher than the normal rates.

1.4.2 Sanitation and Impact of Tariff Increases

As a result of all local municipalities having to comply with the Municipal Property Rates Act, Act 6 of 2004, it is now possible to calculate the sanitation tariffs for the district based on the new valuation rolls from these municipalities. The valuation rolls per KZ has been completed and the district has utilised these in the calculation of the sanitation tariffs, hence the implementation of the new sanitation tariffs commenced in the 2010/11 financial year. Subsequent to the adoption of valuation rolls in the 2010/2011 financial year, a further valuation roll was published by the Local

Municipalities effective from 01 July 2012. The tariff increase for 2015/2016 has been determined at 10%.

Domestic Sewer tariffs have been revised to R0,00559 per rand value of the property. The minimum and maximum charge will be R 51.01 and R 198.95 per month respectively.

Business sewer has also been revised to R0.00559c per rand value of the business property. The minimum and maximum charge is R 132.63 and R 1,326.35 month respectively.

A detailed listing of applicable sanitation tariffs is contained on Annexure C of the medium term budget report.

1.4.3 Regional Solid Waste – Landfill Site

The average increase in the tariff for the 2015/2016 year is 20%. Following the feasibility studies performed, Council needs to increase its solid waste tariffs above inflationary levels for several years, for the site to become financially viable. It must be further noted that cost reduction initiatives must be implemented as the current high cost of maintaining the site cannot be continuously be passed on to our consumers. The municipality is also investigating the possibility of generating additional revenue from the landfill site through recycling activities and methane gas extraction; these will in turn extend the useful life of the landfill site, however these initiatives are in the infant discussion stage.

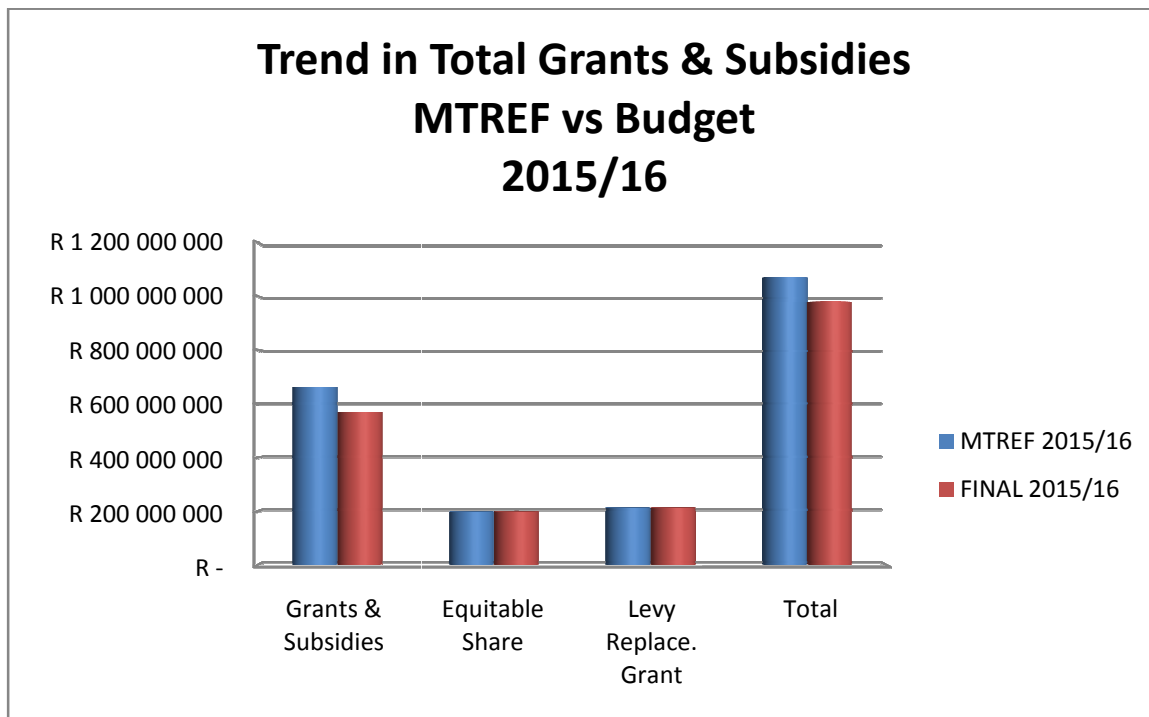


Figure 3 Grant Revenue for the Draft Budget 2015/16 vs MTREF Budget 2015/16

The above graph pictorially depicts the municipality's dependency on grants equating to a total of R980m for the 2015/16 financial year compared to R1.07bn for the 2015/16MTREF budget.

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- The Operations and Maintenance costs of the District's 284 water schemes.
- Balanced budget constraints (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the Water Services Development Plan and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

Table5 Summary of operating expenditure by standard classification item

DC28 uThungulu - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Expenditure By Type									
Employee related costs	88 085	99 493	110 824	157 400	145 354	145 354	175 275	186 768	191 203
Remuneration of councillors	7 870	8 523	8 814	10 584	10 584	10 584	11 411	11 942	12 527
Debt impairment	8 024	4 190	4 330	3 793	3 793	3 793	3 637	3 834	4 034
Depreciation & asset impairment	36 543	50 917	48 971	48 872	48 872	48 872	52 920	54 970	57 021
Finance charges	11 901	19 376	13 637	7 988	15 242	15 242	16 656	19 207	10 155
Bulk purchases	29 204	29 466	32 471	26 462	33 631	33 631	40 533	42 762	45 028
Other materials				367	396	396	503	532	560
Contracted services	63 005	65 270	82 515	95 957	96 968	96 968	109 793	119 708	137 212
Transfers and grants	10 330	11 127	12 233	13 277	12 587	12 587	12 563	13 066	13 131
Other expenditure	155 117	182 879	203 369	221 594	325 131	325 131	220 768	190 731	216 852
Loss on disposal of PPE	419	265	193	-					
Total Expenditure	410 497	471 506	517 356	586 295	692 558	692 558	644 059	643 519	687 723

The budgeted allocation for employee related costs for the 2015/16 financial year totals R175m, with a further R2m which has been put aside to provide for the alignment of positions between the Task and Patterson grading systems. The total employee related costs budget, including Councillors remuneration equals 28.99 per cent of the total operating expenditure. The collective wage agreement has come to the end and for the 2015/16 financial year, an increase of 5.8% on employee related costs has been budgeted for as per Circular 74. As part of the Municipality's cost reprioritization new and vacant positions were thoroughly analyzed and only critical vacancies within the Municipality were accommodated. In addition expenditure against overtime has been significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions and limited to only 2% of the remuneration. Overtime for Senior managers and employees exceeding a remuneration threshold as determined by the Minister of Labour from time to time has not been budgeted for. Furthermore, medical aid budget was not provided for

employees who are currently not on medical aid, this will be revised during the mid year review. Should any employees join during the first six months, a provision will then be made in the January 2016 adjustment budget. This will assist to free up funds which end up being tied up in the medical aid budget and not being used most of the time.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. The total budget for Councillors' allowances for the 2015/16 financial year is R11.4m. An estimated increase of 5.8% has been applied for the Councillors remuneration.

The provision for debt impairment was determined based on an annual collection rate of 92 per cent and the Credit and Debt Collection Policy of the Municipality. For the 2015/16 financial year this amount equates to R3.6 million and escalates to R4million by 2017/18. While this expenditure is considered to be a non-cash flow item, it informs the total cost associated with rendering the services of the municipality, the municipality's realistically anticipated revenues and the depreciation also has to be cash backed.

Provision for depreciation and asset impairment has been informed by the Municipality's Property, Plant & Equipment Policy. Depreciation is considered to be a rate at which the asset is being consumed. Budget provisions in this regard total R52.9 million for the 2015/16 financial and equates to 8per cent of the total operating expenditure. To be noted that the implementation of GRAP 17 accounting standard has meant bringing a number of assets previously not included in the assets register onto the register. This exercise was done for the 2010/2011 financial year and has resulted in a significant increase in depreciation in relation to prior years. To be noted that the accumulated depreciation for the municipality amounts to R284m as per 2013/14 Annual Financial Statements. However, R5.3m of the 2015/16 financial year's depreciation is cash backed to provide for the Capital Reserve and this will continue over the medium term provided the municipality's revenues do not change.

Finance charges consist primarily of the repayment of interest on long-term loans as well as the uThungulu finance Partnership. These charges make up 2.6 per cent (R16.7 million) of the total operating expenditure for 2015/16. This expenditure item is expected to decrease by 2017/18 and the uThungulu Finance Partnership is expected to come to an end in June 2017. To be noted that the municipality annually appoints a reputable credit rating agency to determine the creditworthiness and the financial health of the municipality.

Bulk purchases are directly informed by the purchase of bulk water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The budget for bulk purchases in 2015/16 amounts to R44m and is expected to increase to R46m and R49m in the two outer years of the MTREF.

Contracted services consists mainly of the SSA contract, which amounts to R68.5m(62%), and is currently outsourced to WSSA. To be noted that as part of the tender specifications, WSSA also undertakes repairs and maintenance of the water schemes in the uThungulu District, the total budget for this tender is budgeted for at R113m for the 2015/16 financial year.

This function was outsourced after a thorough investigation as required by section 78 of the Municipal Systems Act. The current tender was awarded during the 2013/14 financial year and is coming to an end in June 2015. To be noted that a section 78 assessment on this contract has been concluded, and recommendations has been tabled before Council on the 22 May 2015. This will then pave a way forward with regards to the manner in which the specification of the new tender should be drawn.

Other major items included in Contract Services are as follows;

• Auditor General's Fees	R4.3m
• IT Services	R2.5m
• Water Use Efficiency, Asset and Contract Management	R2.3m
• Internal Audit & Audit Committees	R2.2m
• Meter reading, Debt recovery & Cash Management	R2,0m
• Environmental Health	R1.0m

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. Growth has been limited to 5.8 per cent for 2015/16 – 2017/2018 MTREF. To be noted that included in other expenditure is Operational IDP projects amounting to R122m, which makes 55.4% of the Other expenditure category.

The following table gives a breakdown of the main expenditure categories for the 2015/16 financial year.

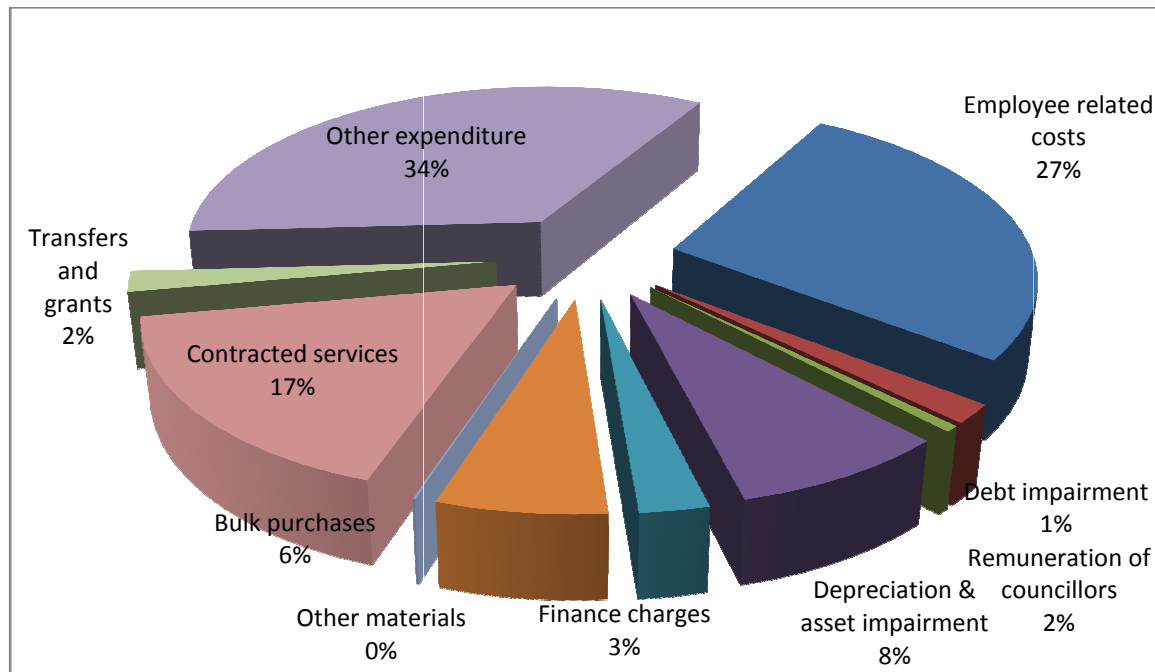


Figure 4 Main Operational Expenditure Categories for the 2015/16 financial year

1.5.1 Priority given to repairs and maintenance

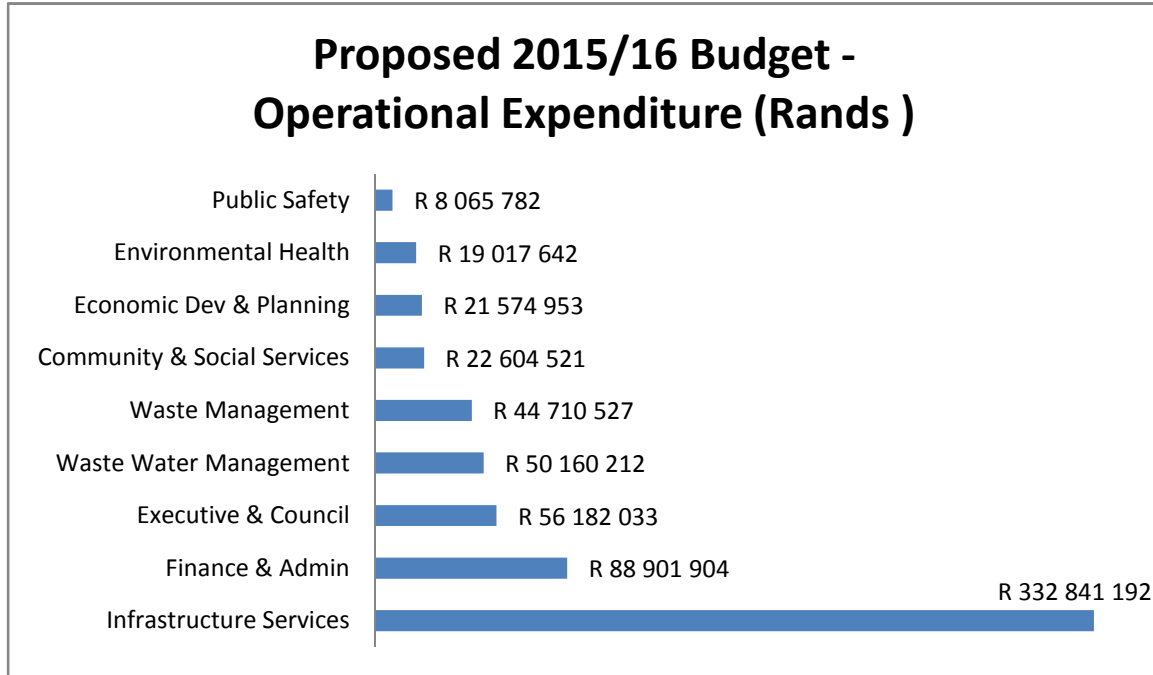
Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2015/16 budget and MTREF provide for extensive growth in the area of asset maintenance.

During the compilation of the 2015/16 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. Repairs and maintenance has been budgeted for at R48million for the 2015/16 financial year. In relation to the total operating expenditure, repairs and maintenance contributes 9% of the total operating expenditure (excluding IDP Projects) for the 2015/16 financial year.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement) on page 66.

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.

Figure 5 Operational Expenditure by Vote (Incl. IDP Projects) for the 2015/16 financial year.**Table 6: -- Detailed listing of the Operational IDP Projects for the medium Term**

Operational Projects	Funding	2015/16	2016/17	2017/18
Energy Master Plan Review	Surplus	250 000	250 000	250 000
Rural Transport Services & Infrastructure	RAMS	2 321 000	2 379 000	2 532 000
Auxillary Infrastructure Total		2 571 000	2 629 000	2 782 000
Community Participation Programme	Surplus	100 000	100 000	100 000
Matric Achievers	Surplus	100 000	-	-
Community Upliftment Programmes	Surplus	300 000	350 000	500 000
Board & General Total		500 000	450 000	600 000
Automation of Budget Processes	Surplus	150 000	100 000	50 000
Implementation of SCOA	MSIG	300 000	306 383	329 681
Budget & Insurance Total		450 000	406 383	379 681
Creditors Systems & Process Enhancements	Surplus	200 000	150 000	100 000
Expenditure Total		200 000	150 000	100 000
Review of SCM Processes & Data Cleansing	Surplus	200 000	150 000	100 000
SCM Total		200 000	150 000	100 000
Insurance Claims (Operational)	Surplus	200 000	200 000	200 000
Asset Care Centre	MSIG	350 000	357 447	384 628
Asset Management		550 000	557 447	584 628
Develop/Implement Air Quality Management Plan	Surplus	250 000	3 500 000	300 000
Intergrated District Education Programme	Surplus	150 000	150 000	220 000
Intergrated District Skills Development Programme	Surplus	120 000	150 000	150 000

Crime Prevention Programmes	Surplus	100 000	150 000	150 000
Gender Equality Programme	Surplus	100 000	150 000	250 000
Women's Programmes	Surplus	100 000	150 000	250 000
Children's Rights Programmes	Surplus	280 000	350 000	400 000
Senior Citizens' Programme	Surplus	200 000	250 000	300 000
Disability Programme	Surplus	350 000	400 000	500 000
Culture, Arts and Heritage (Inclusive of SATMA)	Surplus	1 250 000	1 250 000	1 250 000
Youth Programmes	Surplus	500 000	600 000	800 000
Operation Sukuma Sakhe	Surplus	700 000	800 000	800 000
Sport Development	Surplus	600 000	600 000	600 000
District Elimination Games	Surplus	550 000	550 000	550 000
District HIVAIDS Programme	Surplus	725 000	800 000	800 000
District Golden Games	Surplus	150 000	157 500	165 375
Mayoral Cup	Surplus	200 000	400 000	600 000
uThungulu District Marathon	Surplus	500 000	600 000	1 000 000
SALGA KZN Games	Surplus	2 700 000	3 000 000	3 500 000
Community Serv Total		9 525 000	14 007 500	12 585 375
Water Meter Audit	Surplus	-	200 000	300 000
Consumer Billing Total		-	200 000	300 000
Disaster Management Plan Review	Surplus	100 000	350 000	350 000
International Day for Disaster Risk reduction	Surplus	100 000	150 000	250 000
Disaster Risk Reduction Programme	Surplus	100 000	150 000	250 000
Establishment of Disaster Management Volunteers Programme	Surplus	100 000	150 000	250 000
Disaster Stock Items	Surplus	210 000	250 000	350 000
Temporary Shelter	Surplus	300 000	400 000	500 000
Disaster Management Total		910 000	1 450 000	1 950 000
Health Awareness	Surplus	250 000	200 000	250 000
Clean Up Campaign	Surplus	350 000	200 000	350 000
Environmental Health Services		600 000	400 000	600 000
Risk Management Strategy - King III	Surplus	100 000	150 000	200 000
Enterprise Risk Management	Surplus	220 000	220 000	300 000
Finance Executive Total		320 000	370 000	500 000
IT Security Management	Surplus	667 815	-	-
IT Section Total		667 815	-	-
Actuarial Valuations	Surplus	55 000	59 000	65 000
Credit Rating	Surplus	100 000	110 000	120 000
Clean Audit 2014 & Beyond - Systems Support	MSIG	136 800	139 711	150 334
Clean Audit 2014 & Beyond - AFS & Consolidations	MSIG	153 200	156 460	168 357
Management Accounts Total		445 000	465 170	503 691
Implementation of Occupational Health & Safety Act	Surplus	100 000	100 000	200 000
Employee Assistance Programme	Surplus	300 000	400 000	500 000
TASK Job Evaluation Implementation (Est. of paycales)	Surplus	1 000 000	500 000	500 000
Organisational Workstudy & Implementation of PMS	Surplus	1 000 000	-	-
Management Services HR Total		2 400 000	1 000 000	1 200 000
Uthungulu Web-site Development	Surplus	-	100 000	-
Fraud & Corruption Prevention	Surplus	100 000	100 000	150 000

Events	Surplus	400 000	200 000	250 000
Marketing	Surplus	300 000	200 000	250 000
IDP Roadshows	Surplus	1 500 000	1 400 000	1 500 000
Business Continuity Plan	Surplus	500 000	-	-
Implementation of PMS	Surplus	-	-	-
Implementation of BCP	Surplus	100 000	100 000	100 000
MM's Department Total		2 900 000	2 100 000	2 250 000
Craft Marketing	Surplus	150 000	150 000	200 000
Cruise Ship Tourism	Surplus	50 000	50 000	50 000
Film Office	Surplus	300 000	300 000	350 000
Tourism Shows	Surplus	250 000	250 000	300 000
Tourism Community Media Marketing	Surplus	500 000	500 000	600 000
LED Support and Implementation	Surplus	650 000	650 000	700 000
SMME Support and Development	Surplus	550 000	350 000	400 000
Agriculture Support Implementation & Abattoir	Surplus	650 000	650 000	750 000
Back to School Campaign (Last Dance)	Surplus	300 000	-	-
Liberation Heritage Route	Surplus	350 000	400 000	500 000
Economic Development Total		3 750 000	3 300 000	3 850 000
Annual Summits	Surplus	400 000	450 000	600 000
GIS Capacity Building	Surplus	65 000	40 000	50 000
Annual IDP Review	Surplus	150 000	150 000	200 000
Spluma - SPT	Surplus	500 000	600 000	650 000
Implementation of Coastal management Programmes	Surplus	200 000	100 000	150 000
Sector Plans Development and Implementation	Surplus	300 000	350 000	500 000
Planning & Development Total		1 615 000	1 690 000	2 150 000
281-5 VIP Sanitation Project	MIG	8 000 000	9 393 000	-
286-7 - VIP Sanitation Project	MIG	10 000 000	1 000 000	-
284-8 - VIP Sanitation Project	MIG	8 000 000	-	-
National Sanitation Week	Surplus	55 000	55 000	60 000
283-4 Sanitation Project	MIG	-	-	-
284-6 - VIP Sanitation Project	MIG	1 000 000	-	-
284-9 - VIP Sanitation Project	MIG	15 000 000	10 000 000	
284-10 - VIP Sanitation Project	MIG	-	-	20 000 000
281-4 VIP Sanitation Project	MIG	2 000 000		-
286-6 - VIP Sanitation Project	MIG	2 000 000	-	-
284-7 - VIP Sanitation Project	MIG	520 000	-	-
Waste Water Total		46 575 000	20 448 000	20 060 000
GIS Operational Budget	Surplus	50 000	50 000	75 000
GIS Development & Training	Surplus	50 000	50 000	60 000
Water / Sanitation Awareness Campaigns	Surplus	100 000	100 000	120 000
National Arbor Week	Surplus	100 000	100 000	120 000
National Water Week	Surplus	100 000	100 000	120 000
Blue/Green Drop compliance	Surplus	200 000	250 000	350 000
Water Events	Surplus	200 000	250 000	400 000
Water loss management strategy - Implementation	Surplus	1 000 000	500 000	500 000
DWAF Water Resource Compliance	Surplus	400 000	600 000	750 000
Annual Update of WSDP	Surplus	1 000 000	1 200 000	1 500 000

BPP & Risk Management Plan	Surplus	1 350 000	150 000	2 000 000
Water Quality Improvement Interventions	Surplus	1 000 000	750 000	1 000 000
Water Treatment Works & Waste Water TW Registration	Surplus	1 000 000	1 000 000	1 500 000
Implementation of Section 78 Assessment	Surplus	1 850 000	-	-
Rudimental Projects	DWS	2 500 000	-	-
Raw Water Abstraction Fee	Surplus	1 000 000	1 000 000	1 000 000
Water Services Authority Total		11 900 000	6 100 000	9 495 000
EPWP Projects	EPWPG	4 639 000	-	-
Biogas Project	EPWPG	581 893	-	-
Municipal Infrastructure Implementation		5 220 893	-	-
Mig Projects Advertments	MIG	100 000	100 000	100 000
PMU		100 000	100 000	100 000
Melmoth Water Services Network Upgrade	Surplus	100 000	150 000	200 000
Mtunzini Water Services Network Upgrade	Surplus	100 000	150 000	200 000
Gingindlovu Water Services Network Upgrade	Surplus	100 000	150 000	200 000
Eshowe Water Services Network Upgrade	Surplus	100 000	150 000	200 000
Kwambo Water Services Network Upgrade	Surplus	100 000	150 000	200 000
Nkandla Water Services Network Upgrade	Surplus	100 000	150 000	200 000
DWAF Water Resource Compliance	Surplus	-	200 000	200 000
Blue/Green Drop compliance	Surplus	-	300 000	300 000
Water Treatment Works & Waste Water TW Registration	Surplus	-	300 000	450 000
Water Quality Improvement Interventions	Surplus	350 000	350 000	400 000
Water Services Operating & Transfer Subsidy	WSOG	12 000 000	4 000 000	12 500 000
Drought Relief	Surplus	18 000 000	22 048 979	27 500 000
Water Services Provider Total		30 950 000	28 098 979	42 550 000
Grand Total		122 349 708	84 072 479	102 640 375

1.6 Capital expenditure

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

Description R thousand	2015/16 Medium Term Revenue & Expenditure Framework					
	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Capital Expenditure per Vote						
Executive & Council	950	0%	2 000	0%	1 250	0%
Finance & Administration	2 510	0%	1 750	0%	1 370	0%
Environmental Health	400	0%	50	0%	50	0%
Community & Social	1 865	0%	2 100	0%	–	0%
Public Safety	1 700	0%	200	0%	–	0%
Planning & Economic Development	170	0%	–	0%	–	0%
Waste Management	850	0%	–	0%	–	0%
Waste Water Management	4 050	1%	4 350	1%	4 550	1%
Water Distribution	499 750	98%	474 302	98%	453 633	98%
Total Capital Budget	512 245	100%	484 752	100%	460 853	100%

Table 7 2015/16 Medium-term capital budget per vote

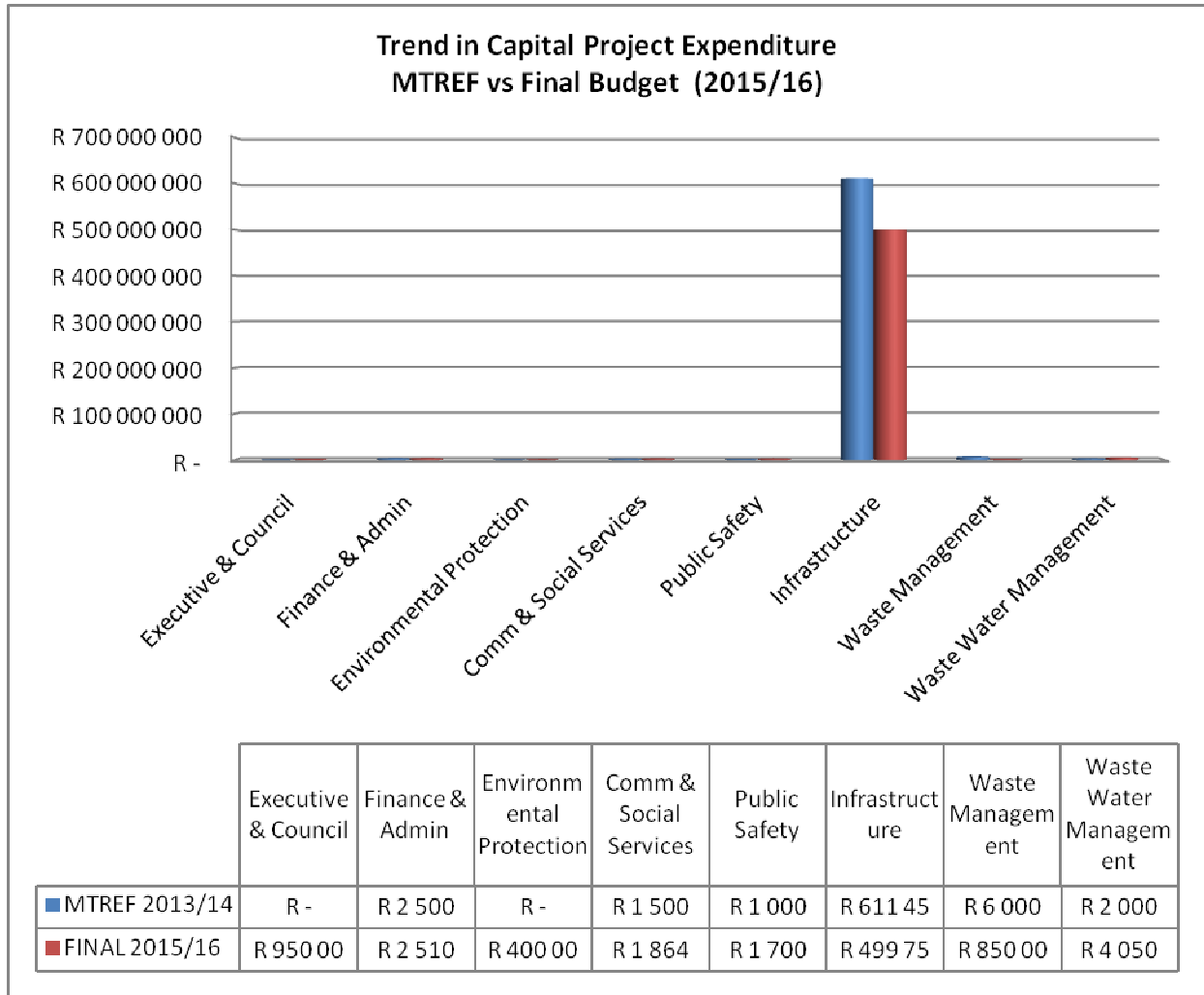


Figure 6 Capital Expenditure by Vote for the 2015/16 financial year.

For 2015/16 an amount of R500million has been appropriated for the development of water infrastructure which represents 98 per cent of the total capital budget respectively for each of the financial years of the MTREF. Infrastructure gets the biggest share of the capital budget followed by Waste Water Management at R4.05m for the 2015/16 financial year. An amount of R3.5m has been budgeted for the expansion of the Gingindlovu Waste Water Treatment Works.

Table 8: - Detailed listing of the Capital Projects for the medium Term

Capital Projects	Funding Source	2015/2016	2016/2017	2017/2018
Internal Movable Assets (Black & White Printers)	Surplus	100 000	-	-
Administrative Services		100 000		
Insurance Claims (Capital)	Surplus	200 000	200 000	200 000
Asset Management		200 000	200 000	200 000
Internal Movable Assets	Surplus	60 000	-	-
Budget & Insurance Total		60 000	-	-
Sit on Lawnmower	Surplus	85 000	100 000	-
Internal Movable Assets	Surplus	54 500	-	-
New fence & gate	Surplus	1 000 000	750 000	-
Mandawe Cemetery	Surplus	-	750 000	-
Regional Cemetery Phase 2	Surplus	-	-	-
Cemetery Total		1 139 500	1 600 000	-
Internal Movable Assets	Surplus	200 000	-	-
GIS Software	Surplus	25 000	-	-
Establishment of Air Quality Monitoring Network	Surplus	500 000	500 000	-
Community Services Total		725 000	500 000	-
Internal Movable Assets	Surplus	400 000	-	-
Consumer Billing Total		400 000	-	-
Internal Movable Assets	Surplus	200 000	-	-
Disaster Management Center	Surplus	-	200 000	-
Disaster Multi Purpose truck	Surplus	1 500 000	-	-
Disaster Management Total		1 700 000	200 000	-
Internal Movable Assets	Surplus	100 000	-	-
Sampling Equipment	Surplus	300 000	50 000	50 000
Environmental Health		400 000	50 000	50 000
Implementation of SCOA	Surplus	1 000 000	500 000	250 000
Finance Executive Total		1 000 000	500 000	250 000
DRP System	Surplus	50 000	50 000	75 000
Document Management System	Surplus	50 000	50 000	75 000
New PABX System	Surplus	150 000	50 000	75 000
Collaboration System Software	Surplus	150 000	50 000	75 000
Network refresh	Surplus	250 000	100 000	120 000
ERM System	Surplus	500 000	750 000	500 000
IT Section Total		1 150 000	1 050 000	920 000
Internal Movable Assets	Surplus	100 000	-	-
Management Services HR		100 000	-	-
Internal Movable Assets	Surplus	100 000	-	-
Implementation of BCP	Surplus	750 000	2 000 000	1 250 000
MM's Department Total		850 000	2 000 000	1 250 000
Mdlelanga Water	MWIG	1 300 000	-	-
Mpaphala Water	MWIG	1 300 000	-	-
Eyetheni Water	MWIG	1 300 000	-	-

Kwa Sabe 2	MWIG	1 300 000	-	-
Dolwane	MWIG	1 300 000	-	-
Kwahloko SSA 1	MIG	1 000 000	10 000 000	15 000 000
Eshowe SSA 1	MIG	1 000 000	1 000 000	15 000 000
Greater Mthonjaneni SSA 2	MIG	1 000 000	13 451 111	15 000 000
Greater Mthonjaneni SSA 4	MIG	15 451 111	14 548 889	-
Middledrift Phase 2	MIG	18 713 700	3 000 000	-
Melmoth AC Pipe Replacement	MWIG	10 000 000	-	-
Melmoth Bulk Water Supply	MWIG	-	-	61 078 000
Nsezi Bulk	MWIG	100 000	21 500 000	20 000 000
Middledrift SSA3	MIG	250 000	250 000	9 748 000
Tanker Reduction Strategy (MWIG)	MWIG	3 700 000	5 000 000	-
Vutshini Phase 1	MIG	317 302	500 000	-
Gingindlovu Water Supply Intake Relocation	MWIG	5 000 000	-	-
Nkandla WTW Upgrade	MWIG	-	-	-
WC/WDM Strategy Implementation	MWIG	5 000 000	7 000 000	15 000 000
Mbonambi Water Phase 2	MIG	6 500 000	7 000 000	20 000 000
Greater Mthonjaneni SSA 5	MIG	21 375 087	20 888 000	-
Mpungose Phase 1D-Reticulation	MIG	15 000 000	24 071 023	-
Nkandla Vutshini S/A SSA5	MIG	10 000 000	15 000 000	20 000 000
Greater Mthonjaneni SSA 2	RBIG	9 500 000	11 724 000	137 000 000
KwaHloko SSA 5	MIG	10 000 000	10 000 000	33 957 148
Mhlana Somopho Phase 3C	MIG	10 000 000	18 000 000	10 000 000
Eshowe SSA 1	RBIG	125 000 000	80 000 000	-
Middledrift SSA5	RBIG	45 000 000	80 000 000	30 000 000
Middledrift SSA 5	MIG	10 000 000	15 000 000	25 000 000
KDS and Eshowe Water Supply	MWIG	57 818 000	17 569 000	-
Kwahloko SSA 1	RBIG	95 000 000	90 000 000	5 000 000
Mbonambi Water SSA 2	MIG	-	1 000 000	1 000 000
Health & Safety Improvement Programme	Surplus	815 279	500 000	850 000
EPWP Incentive Grant	EPWP	1 000 000	-	-
Nsezi Bulk	RBIG	500 000	500 000	500 000
Greater Mthonjaneni SSA5	RBIG	-	-	-
Greater Mthonjaneni WTW (Phase 2)	RBIG	-	-	10 700 000
Greater Mthonjaneni SSA6	RBIG	-	-	100 000
Greater Mthonjaneni SSA8	RBIG	-	-	100 000
Vutshini Phase 1	RBIG	-	-	-
Eshowe SSA3	RBIG	-	-	100 000
Internal Movable Assets	Surplus	100 000	-	-
Municipal Infrastructure Implementation Total		485 640 479	467 502 023	445 133 148
Internal Movable Assets	Surplus	120 000	-	-
Economic Development		120 000	-	-
Internal Movable Assets	Surplus	50 000	-	-
Environment Planning & Development		50 000	-	-
Construction of Solid Waste Site - Cell 3	Surplus	500 000	-	-
Internal Movable Assets	Surplus	-	-	-
Provision of new fence, access & shelter	Surplus	350 000	-	-
Waste Management Total		850 000	-	-

Mtunzini Sewer Plant	Surplus	1 000 000	-	-
Mtunzini Waste Water Treatment Works	Surplus	-	-	-
Umlalazi Sanitation Phase 9 & 10	RHIG	-	4 300 000	4 500 000
Gingindlovu Waste Water Treatment Works	Surplus	3 000 000	-	-
Gingindlovu Waste Water Treatment Works	MIG	50 000	50 000	50 000
Waste Water Total		4 050 000	4 350 000	4 550 000
Survival Water Programme (Boreholes)	Surplus	3 000 000	2 000 000	2 000 000
Prepaid Smart Meter Installation	MWIG	-	-	-
Rudimental Projects	DWS	5 500 000	-	-
Internal Moveable Assets	Surplus	60 000	-	-
Water Services Authority Total		8 560 000	2 000 000	2 000 000
Indigent Water Meter Installation	Surplus	-	-	-
Existing Projects Extensions	Surplus	1 650 000	1 200 000	1 500 000
Water metre installation	Surplus	2 000 000	1 500 000	2 000 000
Eshowe Water & Waste Schemes Upgrade	Surplus	250 000	350 000	500 000
Melmoth Water & Waste Schemes Upgrade	Surplus	250 000	350 000	500 000
Gingindlovu Water & Waste Schemes Upgrade	Surplus	250 000	350 000	500 000
Nkandla Water & Waste Schemes Upgrade	Surplus	250 000	350 000	500 000
Mbonambi Water & Waste Schemes Upgrade	Surplus	250 000	350 000	500 000
Mthunzini Water & Waste Schemes Upgrade	Surplus	250 000	350 000	500 000
Water Services Provider Total		5 150 000	4 800 000	6 500 000
Grand Total		512 244 979	484 752 023	460 853 148

The figure below indicates the municipality's 2015/16 Capital Budget by Funding Source.

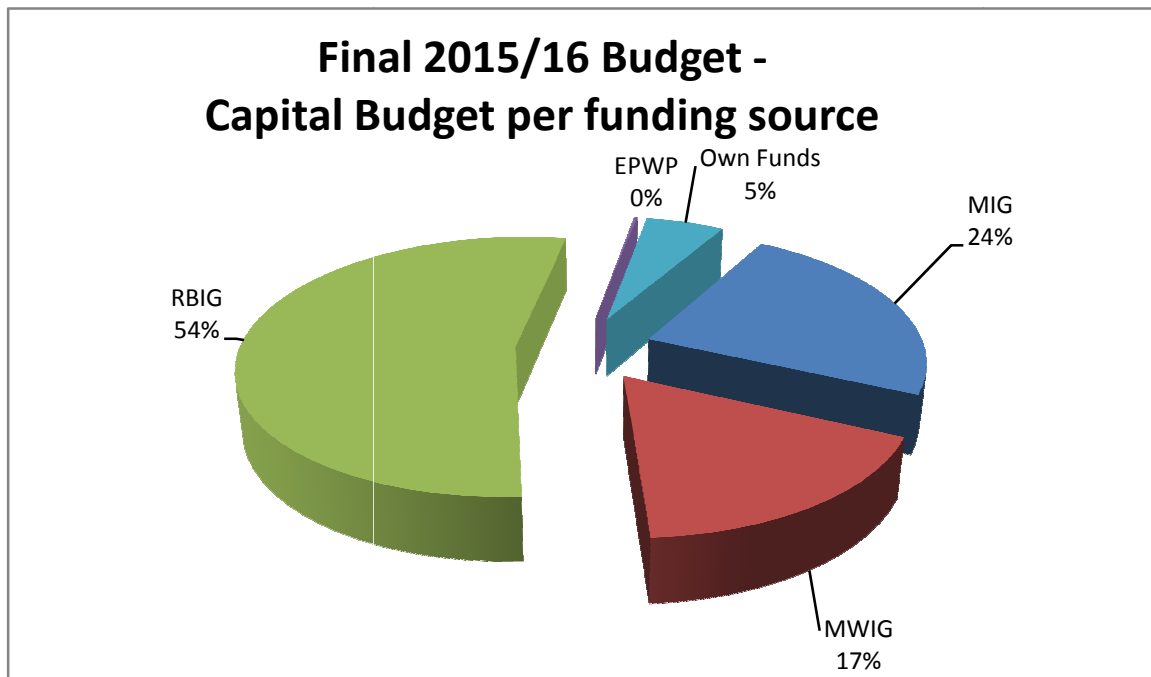


Figure 7 Capital Budget by Funding Source for the 2015/16 financial year

1.7 Service Delivery and Budget Implementation Plan

The Draft uThungulu District Municipality's Service Delivery and Budget Implementation Plan has been compiled and will be finalised in terms of Section 53(1) of the MFMA.

OFFICE OF THE MUNICIPAL MANAGER

COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

	IDP	PERFORMANCE TARGET	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE		
					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	
1		MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
1.1		Implement effective HR management in preparation of Clean Audit 2016 through the implementation of the Employment Equity Strategy by ensuring that 80% of appointments are made in line with the EEP. Report quarterly statistics to the Corporate Services Portfolio Committee.	Percentage of appointments made in line with EEP	100%	100%		100%		100%		100%		
			Number of staff from targeted employment equity groups employed in three highest levels of management	10	10		10		10		10		
1.2	1.1.1.1	Enhance staff and Councillors by conducting an organisational workstudy on workflow. Report results thereof to Council by 30 June 2016.	Date of Organisational Workstudy report to Council	30-Jun-16							30-Jun-16		
1.3	1.1.2.1 1.1.3.1 1.1.3.2	Ensure the implementation of the 2015/2016 WSP by reporting quarterly on the percentage of budgeted amount spent on training programmes for staff and Councillors.	Percentage of budgeted amount spent on WSP	100%	10%		30%		60%		100%		
			Date of completion of Skills Audit for staff and Councillors	30-Apr-16							30-Apr-16		
			Date of approval of 2016/2016 WSP by Council	30-Jun-16								30-Jun-16	
			Number of staff trained	200	50		50		50		50		
			Number of Councillors trained	40	10		10		10		10		

	IDP	PERFORMANCE TARGET	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE		
					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	
1.4	1.1.4.1	Ensure implementation and completion of job evaluations for all approved positions by 30 June 2016.	Percentage of job evaluations completed on approved positions	100%			30%		60%		100%		
1.5	1.1.5.1	Ensure implementation of the Employee Assistance Programme by conducting at least one awareness campaign per quarter to market the	Number of awareness campaigns	4	1		1		1		1		
			Number of reports to portfolio	4	1		1		1		1		
1.11	1.2.1.1 1.2.2.1 1.2.2.3 1.2.2.4 1.2.2.5	Ensure the reliability and efficiency of the IT systems and the availability, accuracy and protection of information in preparation of Clean Audit 2016.	Percentage implementation of Admin Vibe enhancements	100%	10%		30%		60%		100%		
			Percentage of identified servers replaced	100%	10%		30%		60%		100%		
			Date of appointment of service provider for IT Security Management	31-Dec-15			31-Dec-15						
			Percentage of current PABX system upgraded	100%	10%		30%		60%		100%		
2		BASIC SERVICE DELIVERY											
2.1	2.1.1.1	Maintain the Regional Solid Waste Site as well as the transfer station in order to ensure effective operation of the sites by ensuring that 100% of waste received is processed within 7 days of receipt	Percentage waste received processed within 7 days	100%	100%		100%		100%		100%		
2.2	2.2.1.1	Ensure 100% completion of Phase II of the Regional Cemetery by 30 June 2016.	Percentage completion of Phase II	100%	40%		60%		80%		100%		
2.3	2.3.1.1 2.3.1.2	Facilitate the Renewable Energy - Biogas Programme through the construction of 4 brick digesters and 2 bio bag digesters by 30 June 2016.	Number of brick digesters constructed	4							4		
			Number of bio bag digesters constructed	2							2		

	IDP	PERFORMANCE TARGET	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
2.4	2.3.2.1	Implement the Rural Transport Services and Infrastructure objectives for 2015/2016 by 30 June 2016.	Kilometres of class 1-5 roads assessed	3000km	750km		750km		750km		750km	
			Percentage completion of reclassification of class 6 roads	5%	1%		2%		3%		5%	
			Percentage completion of bridge condition survey	50%	10%		20%		30%		50%	
			Percentage completion of data logging	80%	20%		40%		60%		80%	
2.5	3.1.1.1	Ensure the eradication of 0,6% of backlogs in the district by providing free basic water services.	Percentage of households with access to free basic water	63.95%	63.50%		63.65%		63.80%		63.95%	
			Number of new water connections	700	175		175		175		175	
2.6	3.2.1.1	Ensure the eradication of 2,4% of backlogs in the district by providing free basic sanitation services.	Number of households with access to free basic sanitation	74.12%	73.94%		74%		74.06%		74.12%	
			Number of new sanitation connections	2 800	700		700		700		700	
3		LOCAL ECONOMIC DEVELOPMENT										
3.1	4.1.1.1	Ensure SMME Development Training and the establishment of the SMME Database by ensuring that 100 SMME's are registered by 30 June 2016.	Number of SMME's registered on database	100							100	
3.2	4.1.1.2	Ensure the implementation of the SMME Support Programme by facilitating the SMME Fair by 30 June 2016. Ensure participation of at least 100 SMME's.	Date of SMME Fair	30-Jun-16							30-Jun-16	
			Number of participating SMME's	100							100	
3.3	4.2.1.1	Ensure the promotion of the creation of 40 new jobs for the 2015/2016 financial year through LED projects and the LED Development Fund.	Number of jobs created	40	10		10		10		10	
	IDP	PERFORMANCE TARGET	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	

					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
3.4	4.2.1.2	Ensure the functioning of EPWP Incentive projects within the uThungulu District by creating 400 new jobs under projects being implemented for the 2015/2016 financial year.	Number of jobs created	400	100		100		100		100	
3.5	4.3.1.1	Ensure the development and approval of the Tourism Development Plan by Council by 30 June 2016.	Date of approval by Council	30-Jun-16							30-Jun-16	
3.6	4.3.2.1	Facilitate the drafting of an uThungulu Film Office Project Plan by 28 February 2016 and ensure the approval thereof by Council by 30 June 2016.	Date of completion of uThungulu Film Office	28-Feb-16				28-Feb-16				
			Date of approval by Council	30-Jun-16							30-Jun-16	
4		FINANCIAL VIABILITY AND MANAGEMENT										
4.1	5.1.1.1	Ensure 100% compliance with MFMA in accordance with the MFMA Checklist	Percentage MFMA compliance according to MFMA Checklist	100%							100%	
4.2	5.1.2.1	Facilitate the review of financial policies as per the National Treasury Guidelines by 29 May 2016.	Number of financial policies reviewed	11							11	
4.3	5.1.3.1	Maintain an Unqualified Audit opinion for the 2014/2015 financial year.	Audit opinion	Unqualified					Unqualified			
4.4	5.2.1.1 5.2.1.2 5.2.1.3	Ensure financial sustainability and viability of the organisation by maintaining the cost coverage and the outstanding service debtors to revenue quarterly and the debt coverage ratio bi-annually.	Outstanding debtors to revenue ratio	0.80							0.80	
			Cost coverage ratio	3.00	3.00		3.00		3.00		3.00	
			Debt coverage ratio	17.00			17.00				17.00	
4.5	5.3.1.1	Ensure that 80% of payments are processed in line with the approved payment process.	Percentage debt collection	80%	80%		80%		80%		80%	
	IDP	PERFORMANCE TARGET	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	

					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
4.6	5.4.1.1	Ensure that 80% of payments are processed in line with the approved payment process.	Percentage of invoices paid within 30 days from receipt of invoice, documentation and statements	80%	80%		80%		80%		80%	
4.7	5.5.1.1	Ensure the preparation of monthly financial reports to the Mayor in terms of section 71 of the MFMA and monthly Grant reports to the relevant Provincial Departments on all DORA grants received within 10 working days after each month end.	Percentage of grants and subsidies spent	100%	25%		50%		75%		100%	
			Number of monthly grant reports	12	3		3		3		3	
5		GOOD GOVERNANCE										
5.1		Conduct weekly, bi-weekly and monthly meetings, in preparation of Clean Audit 2016, with staff and political leadership to improve information sharing and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities.	Number of weekly MANCO meetings held	52	13		13		13		13	
			Percentage of MANCO meetings chaired	80%	80%		80%		80%		80%	
			Number of weekly Mayoral meetings held	52	13		13		13		13	
			Number of monthly EXCO meetings	22	6		4		6		6	
			Number of quarterly portfolio committee meetings per portfolio	60	15		15		15		15	
			Number of Council meetings	6	2		1		2		1	
5.2	6.1.1.1	Ensure participation of Traditional Leaders in Council as per Section 81.	Number of Traditional Leaders participating	8	8		8		8		8	
5.3	6.1.1.26.1.1.3	Improve Intergovernmental Relations with all local municipalities in the District by attending Intergovernmental Forums quarterly.	Number of Quarterly Municipal Manager's Forums	4	1		1		1		1	
			Number of Quarterly Mayor's Forums	4	1		1		1		1	
5.4		Ensure the hosting of the Annual State of the District Address by 30 June 2016.	Date of SODA	30-Jun-16							30-Jun-16	

	IDP	PERFORMANCE TARGET	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE			
					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL		
5.5	6.1.2.1	Conduct 2 rounds of IDP Roadshows per local municipality as part of the public participation and consultation process of the IDP by 30 June 2016.	Number of IDP Roadshows	14			7				7			
5.6	6.2.1.1	Ensure the implementation of the Performance Management Framework for 2015/2016 through the measurement and reporting of performance of the municipality as an institution. Ensure oversight functionality by conducting quarterly internal audits on performance management in preparation for Clean Audit 2016.	Number of Performance Agreements signed by 31 July 2015	5	5									
			Date of completion of Annual 2014/2015 Performance Assessment	30-Sep-15	30-Sep-15									
			Date of submission of 2014/2015 Assessment Results to PAC	30-Nov-15		30-Nov-15								
			Number of consolidated SDBIP reports to EXCO	4	1	1		1				1		
			Date of completion of Quarter 1 Performance Assessment	31-Dec-15		31-Dec-15								
			Date of completion of Quarter 2 Performance Assessment	31-Mar-16					31-Mar-16					
			Date of completion of Quarter 3 Performance Assessment	30-Jun-16								30-Jun-16		
			Number of Quarterly Internal Audit Reviews	4	1	1		1			1		1	
			Date of submission of 2014/2015 Annual Performance Report to AG	31-Aug-15	31-Aug-15									
			Date of submission of Mid-Year Performance Report to Council	31-Mar-16							31-Mar-16			

			Date approval of 2015/2016 OPMS Scorecard by Council	28-Jun-16							28-Jun-16	
IDP	PERFORMANCE TARGET	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE		
				TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	
5.7		Ensure the cascading of performance to all management staff in uThungulu by 30 June 2016.	Date of approval of PMS Policy	30-Sep-15	30-Sep-15							
			Date of scorecards signed	31-Dec-15			31-Dec-15					
5.8	6.3.1.1	Ensure the implement of the Risk Management Strategy and Risk Management Policy in preparation of Clean Audit 2016 by convening one Strategic Enterprise Risk (ERM) Management Committee meeting with HOD's per quarter to give inputs into and evaluate the process and conduct one Annual Risk Assessment by 30 September 2015	Number of Quarterly Strategic ERM Management Committee meetings	4	1		1		1		1	
			Date of completion of Annual Risk Assessment	30-Sep-15	30-Sep-15							
5.9	6.3.2.1	Ensure the implementation and maintenance of the Anti-Corruption and Fraud Prevention Strategy in preparation of Clean Audit 2016, by convening one Strategic Anti-Corruption and Fraud Prevention Management Committee meeting with HOD's per quarter to give inputs into and evaluate the process and conduct one Annual Fraud Risk Assessment by 30 September 2015.	Number of Quarterly Strategic Anti-Corruption and Fraud Prevention Management Committee meetings	4	1		1		1		1	
			Date of completion of Annual Fraud Risk Assessment	30-Sep-15	30-Sep-15							
5.10	6.3.3.1	Ensure 50% implementation of annual LGTAS recommendations and report quarterly to KZN CoGTA on LGTAS achievements	Percentage of recommendations implemented	50%	10%		20%		30%		50%	
			Number of reports to KZN CoGTA	4	1		1		1		1	

	IDP	PERFORMANCE TARGET	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
5.11		Conduct monthly Municipal Public Accounts Committee (MPAC) meetings to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality in preparation of Clean Audit 2016.	Number of monthly MPAC meetings	12	3		3		3		3	
5.12	6.3.4.1	Implement the Audit Charter and Plan for the 2015/2016 financial year, in preparation of Clean Audit 2016, by ensuring response to all written internal and general enquiries within 14 days and ensuring that quarterly Audit Committee meetings are held.	Average number of days to respond	14	14		14		14		14	
			Number of Audit Committee meetings	4	1		1		1		1	
6		CROSS CUTTING INTERVENTIONS										
6.1	6.4.1.1	Prepare and submit for the final 2016/2016 IDP to Council for approval by 27 June 2016.	Date of Draft IDP Process Plan to CoGTA	31-Jul-15	31-Jul-15							
			Date of submission of Final IDP Process Plan to Council	30-Sep-15	30-Sep-15							
			Number of IDP Representative Forums	3			1				2	
			Date of submission of Draft IDP to Council	31-Mar-16					31-Mar-16			
			Date of approval of Final IDP by Council	27-Jun-16							27-Jun-16	
6.2	7.1.1.1; 7.1.1.2; 7.1.1.3	Ensure the drafting of the uThungulu Sector Plans by 30 June 2016. Report quarterly progress to the Planning and Development Portfolio committee.	Date of draft Human Settlements Strategy	30-Jun-16							30-Jun-16	
			Date of draft Strategic Environmental Assessment	30-Jun-16							30-Jun-16	
			Date of draft Spatial Development Framework	30-Jun-16							30-Jun-16	

	IDP	PERFORMANCE TARGET	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
6.3	8.1.1.1	Ensure the implementation of the Integrated District Education Programme through the hosting of the Annual Matric Achievers Awards by 31 January 2016.	Date of Annual Matric Achievers Awards	31-Jan-16					31-Jan-16			
6.4	8.1.2.1	Ensure the implementation of the Integrated Skills Development Programme by assisting 10 youths with registration grants by 31 March 2016.	Number of youths assisted	10					10		30-Jun-16	
6.5	10.1.1.1	Ensure the approval of the Air Quality Management Plan by 30 June 2016.	Date of approval	30-Jun-16							30-Jun-16	
6.6	10.2.1.1 10.2.1.2 10.2.2.1	Ensure the participation and contribution towards to the District Elimination Games by 31 October 2015 and SALGA Games by 31 December 2015.	Percentage of budgeted amount spent	100%	25%		75%		100%			
			Date of District Elimination Games	31-Oct-15			31-Oct-15					
			Date of SALGA Games	31-Dec-15			31-Dec-15					
			Number of codes assisted	12			12					
6.7	10.3.1.1	Ensure the implementation of the Disaster Risk Reduction Programme through the facilitation of 12 awareness campaigns by 30 June 2016.	Percentage of budgeted amount spent	100%	25%		50%		75%		100%	
			Number of Disaster Awareness Campaigns	12	3		3		3		3	
6.8	10.4.1.1	Ensure the implementation of the District HIV/AIDS Programme through the facilitation of 3 HIV/AIDS Awareness Interventions by 30 June 2016.	Number of HIV/AIDS Awareness Interventions	3	1		1		1			
			Number of District AIDS Council meetings attended	1							1	
6.9	10.6.1.1	Ensure the implementation of Operation Sukuma Sakhe by ensuring that 100% of identified needs are met within available budget.	Percentage of identified needs assisted	100%	100%		100%		100%		100%	
6.10	10.5.1.1	Implement 5 programmes by 30 June 2016 for marginalised groups such as Women, Children, Youth, Senior Citizens and the Disabled.	Number of programmes implemented	5							5	

	IDP	PERFORMANCE TARGET	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
6.11	11.1.1.1	Render support to at least 1 Coastal Management and Integrated Environmental Plan programme.	Number of programmes supported	1							1	

DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: FINANCIAL SERVICES

COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

	IDP	PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
1		BUDGETING AND REPORTING										
1.1		Prepare and submit final 2016/2017 budget to Council for approval by 29 May 2016 in terms of section 24 (1) of the MFMA and Provincial and National Treasury by 12 Jun 2016 as per budget regulation section 35 (a) of Government Gazette No 32141.	Date of submission of Budget time schedules to Council	29-Aug-15	29-Aug-15							
	Date of submission of Draft Budget to Council		31-Mar-16					31-Mar-16				
	Date of approval of Final Budget by Council		29-May-16								29-May-16	
	Date of submission to NT and PT		12-Jun-16								12-Jun-16	
1.2		Prepare and submit the Mid-Year Financial Review of the 2015/2016 budget to the mayor by 23 January 2016 in terms of section 72 (1) of the MFMA and Provincial and National Treasury within 10 working days after the submission to the Mayor as per budget regulation section 24 (3) of	Date of submission of S72 report to Mayor	23-Jan-16					23-Jan-16			
	Date of submission of S72 report to NT and PT		08-Feb-16					08-Feb-16				

		Government Gazette No 32141.										
1.3		Prepare and submit the adjustments budget, if required, to Council by 27 February 2016 as per section 24 (3) of the MFMA and Provincial and National Treasury within 10 working days after the submission to the Mayor as per budget regulation section 24 (3) of Government Gazette No 32141	Date of submission of adjustments budget to Mayor	27-Feb-16					27-Feb-16			
			Date of submission of adjustments budget to NT and PT	13-Mar-16					13-Mar-16			
1.4		Prepare and submit monthly financial reports to the Mayor, Provincial and National Treasury in terms of section 71 (1) of the MFMA within 10 working days after month end and the portfolio committee within 2 months.	Number of S71 reports submitted to the Mayor within 10 days after month end	12	3			3			3	
			Number of S71 reports submitted to portfolio committee	12	3			3		3		3
1.5		Ensure the review of the Budget, Borrowing, Virement, Funds and Reserves and Long Term Investments policies and submit to Council for approval by 29 May 2016	Number of policies reviewed	5							5	
			Date of approval by Council	29-May-16							29-May-16	
2		REVENUE ENHANCEMENT										
2.1		Ensure that 83% of defaulters on non-payment in urban areas (Gingingdlovu, Mtunzini, Eshowe, Kwambonambi, Melmoth and Nkandla) receive notifications and submit quarterly reports to the Financial Services Portfolio Committee.	Percentage of defaulters receiving notifications	83%	83%			83%			83%	
			Number of reports to portfolio committee	4	1			1		1		1
2.2		Implement the Revenue Enhancement Plan by conducting 3 revenue workshops per quarter with the community to promote	Number of revenue workshops	12	3			3			3	
			Number of reports to portfolio committee	4	1			1		1		1

		revenue policies which benefit the poor and to further enhance revenue collection.										
2.3	5.3.1.1	Prepare and submit quarterly report to Financial Services Portfolio Committee on the Financial Viability of uThungulu DM and the achievement of 80% debtors collection target.	Percentage debt collection	80%	80%		80%		80%		80%	
			Number of reports to portfolio committee	4	1		1		1		1	
2.4		Submit monthly Grant reports to the relevant Provincial Departments on all DORA grants received due within 10 working days after month end in terms of section 71 (5) of the MFMA.	Number of grant reports submitted	12	3		3		3		3	
2.5		Draft the MSIG project business plan for approval by 29 August 2015 and submit quarterly reports to the Finance Portfolio Committee on the implementation of the business plan objectives.	Date of approval of MSIG Business Plan by Council	29-Aug-15	29-Aug-15							
			Number of reports to portfolio committee	4	1		1		1		1	
2.6		Ensure the review of the Credit and Debt Control, Tariff, Incentive and Indigent policies and submit to Council for approval by 29 May 2016	Number of policies reviewed	4							4	
			Date of approval	29-May-16							29-May-16	
3	SUPPLY CHAIN MANAGEMENT											
3.1		Submit the annual review report on the Supply Chain Management policy to Financial Services Portfolio Committee by 29 May 2016	Date of approval of the Supply Chain Policy review	29-May-16							29-May-16	
3.2		Prepare and submit annual report on the implementation of the Supply Chain Management policy for the 2014/2015 financial year to the Finance Portfolio Committee.	Date of submission of Annual 13/14 SCM report to portfolio	31-Aug-15	31-Aug-15							

3.3		Control and monitor stores with quarterly stock counts and report on the results / variances annually within 2 months after the financial year end to the Financial Services Portfolio Committee	Date of submission of Annual Variance report to portfolio	31-Aug-15	31-Aug-15							
			Number of stock counts	4	1			1		1		1
4		EXPENDITURE CONTROL										
4.1		Ensure that 100% of payroll payments are completed within 7 days after month end as per the 2015/2016 Municipal Turnaround Strategy tabled for uThungulu DM. Submit quarterly progress reports to the Finance Portfolio Committee.	Percentage payments made within 7 days after month end	100%	100%			100%		100%		100%
4.2	5.4.1.1	Ensure that 80% of payments are processed in line with the approved payment process and submit quarterly age analysis reports to the Finance Portfolio Committee.	Percentage of invoices paid within 30 days from receipt of invoice, documentation and statements	80%	80%			80%		80%		80%
5		ASSET MANAGEMENT										
5.1		Ensure the review of the Asset policy by 29 May 2016	Date of approval of Asset Policy by Council	29-May-16								29-May-16
5.2		Compile and submit quarterly Insurance Reports to the Finance Portfolio Committee.	Number of reports to portfolio committee	4	1			1		1		1
6		MANAGEMENT ACCOUNTS										
6.1		Complete and formally submit the 2014/2015 financial statements to the Auditor General by 31 August 2015 in terms of section 126 (2) of the MFMA.	Date of submission of AFS to AG	31-Aug-15	31-Aug-15							
6.2		Submit the Financial Audit Report of 2014/2015 financial year to Council by 31 January 2016 in terms of section 121 (1) of the MFMA.	Date of submission to Council	31-Jan-16						31-Jan-16		

6.3	Prepare the District's credit rating report on an annual basis based on the previous year's Financial Statements and submit to the Finance Portfolio Committee by 30 June 2016.	Date of submission to portfolio	30-Jun-16							30-Jun-16	
6.4	Ensure the implementation of an automated budget process by 30 June 2016.	Date of appointment of service provider	30-Sep-15	30-Sep-15							
		Date of system launch	30-Jun-16							30-Jun-16	
6.5	Ensure the implementation of SCOA by ensuring that 100% of financial staff are trained on SCOA principles by 30 June 2016.	Percentage of staff trained	100%							100%	
6.6	Submit quarterly reports details of all loans as part of the quarterly financial report to the Finance Portfolio Committee.	Number of reports to portfolio committee	4	1		1			1		
6.7	Submit quarterly reports of the investment register with details of investment, period, interest rate and term as part of the quarterly financial report to the Financial Services Portfolio Committee.	Number of reports to portfolio committee	4	1		1			1		
7	DEPARTMENTAL MANAGEMENT										
7.1	Prepare and submit the quarterly finance SDBIP (Component 3) for 2015/2016 to the Municipal Manager within 1 month after quarter end.	Number of SDBIP reports to MM	4	1		1			1		
7.2	Ensure the appointment of at least 5 MFMA Interns in the Finance Department by 30 June 2016 and report quarterly on the status of interns to the Finance Portfolio Committee.	Number of reports to portfolio committee	4	1		1			1		
		Number of MFMA Interns appointed	5							5	
7.3	Respond to all written finance internal audit enquiries and general enquiries within 14 days of report date.	Average number of days to respond	14	14		14			14		

7.4		Draft reports and submit quarterly to the Financial Services Portfolio Committee on the Performance of Contractors under the control of the CFO Department. To be reported within 2 months after quarter end. The report should highlight actions taken to address under performance.	Number of reports to portfolio committee	4	1	1	1	1	1	
7.5		Ensure at least 1 quarterly visit to the Financial Services assigned Warroom and submit status reports to the Deputy Municipal Manager: Community Services after each visit.	Number of warroom visits	4	1	1	1	1	1	
			Number of reports to DMM:CO	4	1	1	1	1	1	
7.6		Schedule at least 1 Financial Services Intergovernmental Relations meeting with all LM's per quarter.	Number of IGR meetings	4	1	1	1	1	1	
7.7		Hold monthly meetings, except for December and January, with Finance Managers and keep record of minutes of meetings to ensure that staff is utilised	Number of monthly meetings	10	3	2	2	2	3	

DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: TECHNICAL SERVICES

COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

1	IDP	PERFORMANCE TARGET	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
1		TECHNICAL EXECUTIVE										
1.1		Ensure 100% commitment on CAPEX, OPEX, MWIG, RBIG and MIG annual expenditure programmes with no over-expenditure by 30 June 2016 and report quarterly progress to the Technical Services Portfolio Committee	Percentage of budgeted amount committed on OPEX	100%	10%		30%		60%		100%	
			Percentage of budgeted amount committed on CAPEX	100%	10%		30%		60%		100%	
			Percentage of budgeted amount committed on MWIG	100%	10%		30%		60%		100%	
			Percentage of budgeted amount committed on RBIG	100%	10%		30%		60%		100%	
			Percentage of budgeted amount committed on MIG	100%	10%		30%		60%		100%	
			Number of reports to portfolio	4	1		1		1		1	
1.2		Prepare and submit the quarterly technical SDBIP (Component 3) for 2015/2016 to the Municipal Manager within 1 month after quarter end.	Number of SDBIP reports to MM	4	1		1		1		1	
1.3		Draft reports and submit quarterly to the Technical Services Portfolio Committee on the Performance of Contractors under the control of the Technical	Number of reports to portfolio committee	4	1		1		1		1	

		Department. To be reported within 2 months after quarter end. The report should highlight actions taken to address under performance.										
1.4		Ensure quarterly visits to at Technical Services assigned Warroom and submit quarterly status reports to the Deputy Municipal Manager: Community Services.	Number of Warroom visits	4	1		1		1		1	
			Number of reports to DMM: CO	4	1		1		1		1	
1.5		Schedule at least 1 Technical Services Intergovernmental Relations meeting with all local municipalities per quarter to align activities within the district.	Number of IGR meetings	4	1		1		1		1	
1.6		Respond to all written technical internal audit enquiries and general enquiries within 14 days of report date.	Average number of days to respond	14	14		14		14		14	
1.7		Ensure the updating of the Fixed Asset Register for the Technical Department by submitting details of new assets to the Asset Department within 60 days after the completion of the project.	Percentage of assets updated within 60 days of completion	100%	100%		100%		100%		100%	
1.8		Ensure the drafting and approval of the Infrastructure Investment and Water Usage Policies by Council by 29 May 2016.	Number of policies approved	2							2	
			Date of approval by Council	29-May-16							29-May-16	
2		WATER SERVICES										
2.1		Ensure the review of the Water Services Delivery Plan and submit to Council for approval by 30	Date of approval by Council	30-Jun-16								30-Jun-16

		June 2016.										
2.2		Conduct Section 78 studies to consider the absorption of the Water Services Delivery function and submit results to Council by 30 June 2016.	Date of submission to Council	30-Jun-16								30-Jun-16
2.3		Ensure the establishment of a consultant database for planning of water services by 30 June 2016	Date of completion of database	30-Jun-16								30-Jun-16
2.4		Ensure the appointment of implementing agents for sanitation projects by 30 June 2016	Date of appointment	30-Jun-16								30-Jun-16
2.5		Commence with the development of an Asset Management Strategy by appointing a service provider by 31 December 2015.	Date of appointment of service provider	31-Dec-15			31-Dec-15					
			Date of draft Strategy received from SP	30-Jun-16								30-Jun-16
2.6		Ensure community participation and stakeholder engagement by participating in Water Week, Arbor Week and Sanitation Week and conducting at least 12 community awareness campaigns and technical services roadshows by 30 June 2016	Number of Awareness Campaigns	12	4		4			4		4
			Number of Technical Roadshows	16				8				
2.7		Implement the Tanker Reduction Strategy by implementing 4 projects for drought intervention and tanker reduction by 30 June 2016. Report quarterly progress to the Technical Services Portfolio Committee	Number of projects implemented	4	4							4

2.8		Ensure the commencement of the upgrades of water and waste water treatment works for Mtunzini and Gingindlovu by 30 June 2016	Percentage completion of Mtunzini Phase I	50%					30%		50%	
			Date of appointment of service provider for Gingindlovu	31-Dec-15				31-Dec-15				
3		MUNICIPAL INFRASTRUCTURE IMPLEMENTATION										
3.1	3.1.1.1	Ensure the eradication of backlogs in the district by providing free basic water services. Report quarterly to the Technical Portfolio Committee on the number of households with access to water as well as the new water connections.	Percentage of households with access to free basic water	63.95%	63.50%		63.65%		63.80%		63.95%	
			Number of new water connections	700	175		175		175		175	
			Percentage water loss in towns	5%	5%		5%		5%		5%	
			Number of progress reports	4	1		1		1		1	
3.2	3.2.1.1	Ensure the eradication of backlogs in the district by providing free basic sanitation services. Report quarterly to the Technical Portfolio Committee on the number of households with access to sanitation as well as the new sanitation connections.	Number of households with access to free basic sanitation	74.12%	73.94%		74%		74.06%		74.12%	
			Number of new sanitation connections	2 800	700		700		700		700	
			Number of progress reports	4	1		1		1		1	
3.3	2.2.1.1	Ensure 100% completion of Phase II of the Regional Cemetery by 30 June 2016. Report quarterly progress to the Technical Services Portfolio Committee.	Percentage completion of Phase II	100%	40%		60%		80%		100%	
			Number of reports to portfolio	4	1		1		1		1	
3.4		Conduct feasibility study for Mandawe Cemetery (near Eshowe) by 30 June 2016. Submit quarterly progress report to the Technical Services Portfolio Committee at the first sitting of the committee after the end of	Date of submission to Council	30-Jun-16							30-Jun-15	
			Number of reports to portfolio	4	1		1		1		1	

		each quarter									
3.5	2.3.1.1 2.3.1.2	Facilitate the Renewable Energy - Biogas Programme through the construction of 4 brick digesters and 2 bio bag digesters by 30 June 2016. Report quarterly progress to the portfolio committee	Number of brick digesters constructed	4						4	
			Number of bio bag digesters constructed	2						2	
			Number of reports to portfolio	4	1		1		1		1
3.6	2.3.2.1	Implement the Rural Transport Services and Infrastructure objectives for 2015/2016 by 30 June 2016. Report quarterly progress to the portfolio committee.	Kilometres of class 1-5 roads assessed	3000km	750km		750km		750km		750km
			Percentage completion of reclassification of class 6 roads	5%	1%		2%		3%		5%
			Percentage completion of bridge condition survey	50%	10%		20%		30%		50%
			Percentage completion of data logging	80%	20%		40%		60%		80%
			Number of reports to portfolio	4	1		1		1		1
3.7		Commence with the upgrade the water services network in Nkandla, Eshowe and Gingindlovu and report quarterly progress to the Portfolio Committee.	Percentage completion of Eshowe network	50%	10%		20%		30%		50%
			Percentage completion of Gingindlovu network	100%	10%		30%		60%		100%
			Date of appointment of service provider for Nkandla Bulk Weir Repair	30-Jun-16							30-Jun-16
3.8		Upgrade the uThungulu Building by constructing a sky bridge by 30 June 2016	Date of completion	30-Jun-16						30-Jun-16	
3.9	4.2.1.2	Ensure the functioning of EPWP Incentive projects within the uThungulu District by creating 400 new jobs under projects being implemented for the 2015/2016 financial year.	Number of jobs created	400	100		100		100		100
			Number of progress reports to portfolio	4	1		1		1		1

		Report quarterly statistics to the portfolio committee.										
4.		OPERATIONS AND MAINTENANCE										
4.2	2.1.1.1	Maintain the Regional Solid Waste Site as well as the transfer station in order to ensure effective operation of the sites by ensuring that 100% of waste received is processed within 7 days of receipt	Number of compliance monitoring committee meetings held	4	1		1		1		1	
			Percentage waste received processed within 7 days	100%	100%		100%		100%		100%	
			Number of progress reports	4	1		1		1		1	
4.3		Manage Water Tankering Services by reducing volume of water supplied by 5% year on year. Report quarterly progress to the Technical Services Portfolio Committee.	Percentage reduction in volume supplied	5%							5%	
			Number of reports to portfolio	4	1		1		1		1	
4.4		Ensure improved health and safety conditions by considering recommendations made by the Occupational Health and Safety Committee and implementing recommendations within budget.	Number of plants with OHS problems addressed	5							5	
4.5		Reduce the cost of water production from R15/kl to R12/kl by 30 June 2016 and report quarterly progress to the Technical Services Portfolio Committee.	Rand value of production	R12							R12	
5		WATER USE EFFICIENCY										
5.1		Ensure the implementation of the UDM Water Conservation Demand Management Strategy by installing 1000 replacement meters by 30	Number of replacement meters installed	1000	250		250		250		0	

		June 2016.										
5.2		Repair leaks for at least 75% of identified households by 30 June 2016. Report quarterly progress to the Technical Services Portfolio Committee	Percentage of identified leaks repaired	75%	10%		30%		60%		85%	

DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: PLANNING AND ECONOMIC DEVELOPMENT

COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

	IDP	PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
1		PLANNING EXECUTIVE										
1.1		Keep the Planning Executive expenditure on OPEX within the approved budget for the 2015/2016 financial year and report quarterly to the Performance Evaluation Panel on actual expenditure.	Percentage of budgeted amount spent	100%	25%		50%		75%		100%	
1.2		Prepare and submit the quarterly Planning and Economic Development SDBIP (Component 3) for 2015/2016 to the Municipal Manager within 1 month after quarter end.	Number of SDBIP reports to MM	4	1		1		1		1	
1.3		Ensure at least 1 quarterly visit to the	Number of warroom visits	4	1		1		1		1	

		Planning and Economic Development Services assigned Warroom and submit status reports to the Deputy Municipal Manager: Community Services after each visit.	Number of reports to DMM:CO	4	1	1	1	1	1		
1.4		Schedule at least 1 Planning Services Intergovernmental Relations meeting with all LM's per quarter.	Number of IGR meetings	4	1	1	1	1	1		
1.5		Respond to all written P&ED internal audit enquiries and general enquiries within 14 days of report date.	Average number of days to respond	14	14	14	14	14	14		
1.6		Draft reports and submit quarterly to the Planning and Economic Development Services Portfolio Committee on the Performance of Contractors under the control of the Planning and Economic Development Department. To be reported within 2 months after quarter end. The report should highlight actions taken to address under performance.	Number of reports to portfolio committee	4	1	1	1	1	1		
1.7		Report quarterly on individual and organisational performance indicators for the Planning and Economic Development Department and submit	Number of IPMS reports submitted within 30 days	4	1	1	1	1	1		
			Number of OPMS reports submitted within 30 days	4	1	1	1	1	1		

		report on achievements to the Office of the Municipal Manager within 30 days after quarter end.										
1.8		Facilitate the District Growth and Development Summit by 31 December 2015 and submit report on event at the first sitting of the Planning and Economic Development Portfolio Committee after the event.	Date of Summit	31-Dec-15			31-Dec-15					
			Number of reports of events	1				1				
2		ECONOMIC DEVELOPMENT										
2.1		Keep the Development Planning and Environment expenditure on OPEX within the approved budget for the 2015/2016 financial year and report quarterly to the Performance Evaluation Panel on actual expenditure.	Percentage of budgeted amount spent	100%	25%		50%		75%		100%	
2.2		Implement the LED Framework Plan for a Green Economy by facilitating quarterly LED Forum meetings and submit quarterly progress reports to the Planning and Economic Development Portfolio Committee.	Number of Quarterly LED Forum meetings	4	1		1		1		1	
			Number of progress reports to portfolio	4	1		1		1		1	
2.3	4.1.1.1	Ensure SMME Development Training and the establishment	Number of SMME's registered on database	100					Target in future		100	

		of the SMME Database by ensuring that 100 SMME's are registered by 30 June 2016. Submit quarterly progress reports to the Planning and Economic Development Portfolio Committee.	Number of progress reports to portfolio	4	1		1		1		1	
2.4	4.1.1.2	Implement the SMME Support Programme by facilitating the SMME Fair by 30 June 2016. Ensure participation of at least 100 SMME's. Submit quarterly progress reports to the Planning and Economic Development Portfolio Committee.	Date of SMME Fair	30-Jun-16					Target in future		30-Jun-16	
			Number of participating SMME's	100					Target in future		100	
			Number of progress reports to portfolio	4	1		1		1		1	
2.5	4.2.1.1	Ensure the promotion of the creation of 40 new jobs for the 2015/2016 financial year through LED projects and the LED Development Fund. Report quarterly progress to the Planning and Economic Development Portfolio Committee.	Number of jobs created	40	10		10		10		10	
			Number of progress reports to portfolio	4	1		1		1		1	
2.6		Ensure uThungulu's continued participation in the Provincial Corridor Development Initiative by implementing and reporting quarterly progress on the following projects to the Planning and	Number of progress reports to portfolio	4	1		1		1		1	
			Number of Monthly progress reports to KZN CoGTA	12	3		3		3		3	

		Economic Development Portfolio Committee: 1. KwaBulawayo Tourism 2. Route 66 Heritage Route												
2.7	4.3.1.1	Ensure the development and approval of the Tourism Development Plan by Council by 30 June 2016.	Date of approval by Council	30-Jun-16								30-Jun-16		
2.8		Market the District as a Tourism Destination by participating in Tourism shows, conducting media marketing and via the use of marketing tools for the 2015/2016 financial year. Report quarterly on the following marketing initiatives to the Planning and Economic Development Portfolio Committee: 1. Design and build-up of Tourism Indaba stand 2. Cruise Ship Tourism	Date of approval of expenditure for Tourism Indaba	28-Feb-16					28-Feb-16					
			Participation in Tourism Indaba	31-May-16								31-May-16		
			Percentage of cruise ships assisted	100%									100%	
			Number of progress reports to portfolio	4	1			1		1			1	
2.9	4.3.2.1	Draft an uThungulu Film Office Project Plan by 28 February 2016 and ensure the approval thereof by Council by 30 June 2016.	Date of completion of uThungulu Film Office Project Plan	28-Feb-16					28-Feb-16					
			Date of approval by Council	30-Jun-16									30-Jun-16	
3		STATUTORY AND DEVELOPMENT PLANING												

3.1		Keep the Statutory and Development Planning expenditure on OPEX within the approved budget for the 2015/2016 financial year and report quarterly to the Performance Evaluation Panel on actual expenditure.	Percentage of budgeted amount spent	100%	25%		50%		75%		100%		
3.2	6.4.1.1	Prepare and submit for the final 2016/2017 IDP to Council for approval by 30 June 2016.	Date of Draft IDP Process Plan to CoGTA	31-Jul-15	31-Jul-15								
			Date of submission of Final IDP Process Plan to Council	30-Sep-15	30-Sep-15								
			Number of IDP Representative Forums	3			1					2	
			Date of submission of Draft IDP to Council	31-Mar-16					31-Mar-16				
			Date of approval of Final IDP by Council	30-Jun-16								30-Jun-16	
3.3	7.1.1.1; 7.1.1.2; 7.1.1.3	Ensure the drafting of the uThungulu Sector Plans by 30 June 2016. Report quarterly progress to the Planning and Economic Development Portfolio committee.	Date of draft Human Settlements Strategy	30-Jun-16							30-Jun-16		
			Date of draft Strategic Environmental Assessment	30-Jun-16								30-Jun-16	
			Date of draft Spatial Development Framework	30-Jun-16								30-Jun-16	
			Number of progress reports to portfolio	12	3		3		3		3		
3.4	11.1.1.1	Render support to at least 2 Coastal Management and Integrated Environmental Plan programmes and report quarterly	Number of programmes supported	1							1		
			Number of reports to portfolio committee	1	1		1		1		1		

		progress to the Planning and Economic Development Portfolio committee.											
4		PLANNING SHARED SERVICES											
4.1		Keep the Planning Shared Services expenditure on OPEX within the approved budget for the 2015/2016 financial year and report quarterly to the Performance Evaluation Panel on actual expenditure.	Percentage of budgeted amount spent	100%	25%		50%		75%		100%		
4.2		Provide a Development Planning Shared Service to the uThungulu family of municipalities for year 4 of the 5 year agreement and submit quarterly progress reports to the Planning and Development Portfolio Committee.	Number of progress reports to portfolio	4	1		1		1		1		
4.3		Ensure functioning GIS unit for the Planning and Economic Development Section with support to the DPSS participating local municipalities. Report quarterly progress to the Planning and Development Portfolio Committee.	Number of GIS licenses obtained	2							2		
			Date of LM's training	31-Dec-15			31-Dec-15						
			Number of progress reports to portfolio	4	1		1		1		1		
4.4		Ensure the implementation of the Spatial Planning and Land Use	Number of workshops with municipal managers and officials	1					1				

	Management Act (SPLUMA) and the role-out thereof to local municipalities by 30 June 2016.	Number of workshops with Councillors and Amakhosi	1						1	
		Number of local municipalities assisted with items	6						6	
		Date of approval of MPT-Model by Council	30-Jun-16						30-Jun-16	
		Number of progress reports to portfolio	4	1		1		1		1

DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES

COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

1	IDP	PERFORMANCE TARGET	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
1		ADMINISTRATIVE SERVICES										
1.1		Distribute and submit agendas and minutes in accordance with council's Standing Rules of Order for at least 60 portfolio committee, 24 EXCO and 7 Council meetings by 30 June 2016.	Number of Portfolio meetings	60	15		15		15		15	
			Number of EXCO meetings	24	6		6		6		6	
			Number of Council meetings	6	2		1		2		2	
1.2		Coordinate the implementation of EXCO resolutions by user departments through the submission of a quarterly Consolidated Report on resolutions to MPAC.	Number of EXCO and Council Action Timelines submitted to user departments	8	2		2		2		2	
			Number of consolidated progress reports on resolutions to MPAC	4	1		1		1		1	
1.3		Ensure compliance with the Fleet Management Policy by ensuring that fleet vehicles do not exceed 3000km per month. Report monthly Fleet Management Statistics to MANCO.	Percentage of vehicles traveling 3000km or less per month	100%	100%		100%		100%		100%	
			Number of reports to MANCO	12	3		3		3		3	
1.4		Ensure the prevention of abuse of Fleet	Number of reports to portfolio committee	4	1		1		1		1	

		Vehicles by reporting excess fuel costs and mileages to user departments. Submit consolidated exception reports to Corporate Services Portfolio Committee and MPAC quarterly.	Number of reports to MPAC	4	1		1		1		1	
2		INFORMATION TECHNOLOGY										
2.1		Ensure the reliability and efficiency of the IT systems by ensuring 90% uptime.	Percentage uptime	90%	90%		90%		90%		90%	
			Percentage reduction in annual software propriety licensing	20%							20%	
			Number of reports on data recovery	4	1		1		1		1	
			Number of IT Strategy and MSP workshops	1							1	
2.2		Improve the IT system in preparation for Clean Audit 2016 by ensuring that 100% of recommendations as per the IT Action Plan are implemented by 30 June 2016.	Date of approval of IT Action Plan	30-Sep-15	30-Sep-15							
			Percentage of recommendations implemented	80%			30%		60%		80%	
			Number of reports to portfolio	4	1		1		1		1	
2.3		Ensure the delivery of friendly and efficient help desk services and report quarterly to the portfolio committee on the number of calls resolved against the number of calls logged.	Percentage of calls resolved within 30 days of receipt	95%	95%		95%		95%		95%	
			Number of reports to portfolio	4	1		1		1		1	
2.4		Implement quarterly IT Steering Committee resolutions by creating action plans for 90% of resolutions made within 30 days	Percentage action plans created for IT Steering Committee meeting resolutions within 30 days	90%	90%		90%		90%		90%	
			Number of IT Steering Committee meetings	4	1		1		1		1	

2.5	1.2.1.1	Enhance the Document Management System (Vibe) by implementing the Admin Workflow programme by 30 June 2016.	Percentage implementation of Admin Vibe enhancements	100%	10%	30%	60%	100%			
2.6	1.2.2.2	Implement network refresh by replacing 100% redundant servers as per the IT Policy by 30 June 2016.	Percentage of redundant servers replaced	100%	10%	30%	60%	100%			
2.7	1.2.2.4	Ensure the implementation of an effective IT Security and Governance Management System through the appointment of an IT Security Management service provider by 31 December 2015. Report quarterly service provider performance to the IT Steering Committee.	Date of appointment of service provider	31-Dec-15		31-Dec-15					
			Number of performance reports	2			1		1		
2.8	1.2.2.5	Ensure the upgrading of the PABX system by 30 June 2016.	Date of completion of upgrade	30-Jun-16				30-Jun-16			
3		MANAGEMENT SERVICES									
3.1		Implement effective HR management in preparation of Clean Audit 2016 through the implementation of the Employment Equity Strategy by ensuring that 100% of appointments are made in line with the EEP. Report quarterly statistics to the Corporate Services	Percentage of appointments made in line with EEP	100%	100%	100%	100%	100%			

		Portfolio Committee.										
3.2	1.1.1.1	Enhance staff and Councillors by conducting an organisational workstudy to determine the alignment of the organigram to the IDP objectives by 30 June 2016.	Date of approval of reviewed organigram	30-Jun-16							30-Jun-16	
3.3	1.1.2.1; 1.1.3.1	Implement the 2015/2016 WSP by ensuring that 200 staff members receive training by 30 June 2016. Report quarterly on the percentage of budgeted amount spent.	Number of staff trained	200	50		50		50		50	
			Percentage of budgeted amount spent on WSP	100%	10%		10%		60%		100%	
			Date of completion of Skills Audit for staff and Councillors	30-Apr-16							30-Apr-16	
			Date of approval of 2016/2016 WSP by Council	30-Jun-16							30-Jun-16	
3.4	1.1.3.2	Ensure Councillor development by facilitating at least one NQF accredited Councillor training session per quarter with a credible institution.	Number of Councillor workshops	4	1		1		1		1	
			Number of Councillors trained	40	10		10		10		10	
3.5	1.1.4.1	Implement and complete job evaluations for all approved positions by 30 June 2016.	Percentage of job evaluations completed on approved positions	100%			10%		50%		100%	
3.6	1.1.5.1	Implement the Employee Assistance Programme by conducting at least one awareness campaign	Number of awareness campaigns	4	1		1		1		1	
			Number of reports to District AIDS Council	1								1

		per quarter to market the	Number of District AIDS Council attended	1								1
			Number of reports to portfolio	4	1		1		1		1	
3.7		Implement an effective Labour Relations Framework by monitoring grievances and conducting workshops on policies that affect staff. Report quarterly progress to the Corporate Services Portfolio Committee.	Percentages of grievances/ old cases resolved within 90 days	100%	100%		100%		100%		100%	
			Number of HR Workshops with staff	4	1		1		1		1	
3.8		Organize medical examinations for staff in water and sewerage plants as per legislation as well as exit medicals for technical staff leaving the organisation and submit report on examination results to the user department within 30 days after they become available from the medical practitioner.	Date of medical examinations for sewerage staff	31-Jul-14 & 30-Nov-14	31-Jul-15		30-Nov-15					
			Date of medical examinations for water and cemetery staff	30-Nov-15			30-Nov-15					
			Average number of days to submit results to user departments	30 days	30 days		30 days					
			Number of progress reports to portfolio	4	1		1		1		1	
3.9	1.1.6.1	Ensure the functionality of the Central Health and Safety Committee by ensuring that 100% of recommendations passed by the committee are audited within 90 days. Submit quarterly progress to the Central Health and Safety Committee.	Number of Central Health and Safety Committee meetings held	4	1		1		1		1	
			Number of audits on protective wear	4	1		1		1		1	
			Percentage of recommendations audited within 90 days	100%	100%		100%		100%		100%	
3.10	6.2.1.1	Ensure the implementation of the Performance	Number of Performance Agreements signed	5	5							

		Management Framework for 2015/2016 through the measurement and reporting of performance of the municipality as an institution. Ensure oversight functionality by conducting quarterly internal audits on performance management in preparation for Clean Audit 2016.	by 31 July 2015								
			Date of completion of Annual 2014/2015 Performance Assessment	30-Sep-15	30-Sep-15						
			Date of submission of 2014/2015 Assessment Results to PAC	30-Nov-15			30-Nov-15				
			Number of consolidated SDBIP reports to EXCO	4	1		1		1		1
			Date of completion of Quarter 1 Performance Assessment	31-Dec-15			31-Dec-15				
			Date of completion of Quarter 2 Performance Assessment	31-Mar-16					31-Mar-16		
			Date of completion of Quarter 3 Performance Assessment	30-Jun-16							30-Jun-16
			Number of Quarterly Internal Audit Reviews	4	1		1		1		1
			Date of submission of 2014/2015 Annual Performance Report to AG	31-Aug-15	31-Aug-15						
			Date of submission of Mid-Year Performance Report to Council	31-Mar-16					31-Mar-16		
			Date approval of 2015/2016 OPMS Scorecard by Council	28-Jun-16							28-Jun-16
3.11		Ensure the cascading of performance to all management staff in uThungulu by 30 June 2016.	Date of approval of PMS Policy	30-Sep-15	30-Sep-15						
			Date of scorecards signed	31-Dec-15			31-Dec-15				

4		CORPORATE EXECUTIVE										
4.1		Respond to all written corporate internal audit enquiries and general enquiries within 14 days of report date.	Average number of days to respond	14	14		14		14		14	
4.2		Draft reports and submit quarterly to the Corporate Services Portfolio Committee on the Performance of Contractors under the control of the Corporate Department. To be reported within 2 months after quarter end. The report should highlight actions taken to address under performance.	Number of reports to portfolio committee	4	1		1		1		1	
4.3		Prepare and submit the quarterly corporate SDBIP (Component 3) for 2015/2016 to the Municipal Manager within 1 month after quarter end.	Number of SDBIP reports to MM	4	1		1		1		1	
4.4		Schedule at least 1 Corporate Services Intergovernmental Relations meeting with all LM's per quarter.	Number of IGR meetings	4	1		1		1		1	
4.5		Ensure at least 1 quarterly visit to the Corporate Services assigned Warroom and submit status reports to the Deputy Municipal Manager: Community Services after each visit.	Number of warroom visits	4	1		1		1		1	
			Number of reports to DMM:CO	4	1		1		1		1	
4.6		Report quarterly on individual and organisational	Number of IPMS reports submitted within 30 days	4	1		1		1		1	

	performance indicators for the Corporate Service Department and submit report on achievements to the Office of the Municipal Manager within 30 days after quarter end.	Number of OPMS reports submitted within 30 days	4	1	1	1	1	1
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DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES

COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

	IDP	PERFORMANCE TARGET	UNIT OF MEASUREMENT	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
					TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
1		COMMUNITY AND SOCIAL SERVICES										
1.1	8.1.1.1	Ensure the implementation of the Integrated District Education Programme through the hosting of the Annual Matric Achievers Awards by 31 January 2016.	Date of Annual Matric Achievers Awards	31-Jan-16						31-Jan-16		
1.2	8.1.2.1	Ensure the implementation of the Integrated Skills Development Programme by assisting 10 youths with registration grants by 31 March 2016.	Number of youths assisted	10						10		30-Jun-16
1.3	10.1.1.1	Ensure the approval of the Air Quality	Date of approval	30-Jun-16								30-Jun-16

		Management Plan by 30 June 2016.										
1.4		Contribute towards the Crime Prevention Programme through the facilitation of 2 safety and security awareness campaigns by 30 June 2015	Number of Safety and Security Awareness Campaigns	2			1				1	
1.5	10.2.1.1 10.2.1.2 10.2.2.1	Ensure the participation and contribution towards to the District Elimination Games by 31 October 2015 and SALGA Games by 31 December 2015 and report quarterly progress to the Community Services Portfolio Committee.	Percentage of budgeted amount spent	100%	25%		75%		100%			
			Date of District Elimination Games	31-Oct-15			31-Oct-15					
			Date of SALGA Games	31-Dec-15			31-Dec-15					
			Number of codes participating	12			12					
			Number of reports to portfolio	3	1		1		1			
1.6	10.3.1.1	Ensure the implementation of the Disaster Risk Reduction Programme through the facilitation of 12 awareness campaigns by 30 June 2016.	Percentage of budgeted amount spent	100%	25%		50%		75%		100%	
			Number of Disaster Awareness Campaigns	12	3		3		3		3	
1.7	10.4.1.1	Ensure the implementation of the District HIV/AIDS Programme through the facilitation of 3 HIV/AIDS Awareness Interventions by 30 June 2016.	Number of HIV/AIDS Awareness Interventions	3	1		1		1			
			Number of progress reports to portfolio	4	1		1		1		1	
1.8		Ensure the implementation of the District HIV/AIDS Programme through the facilitation of quarterly District HIV/AIDS Council meetings by 30 June 2016. Report quarterly progress to the Community Services Portfolio Committee.	Number of District AIDS Council meetings	4	1		1		1		1	

1.9	10.6.1.1	Ensure the implementation of Operation Sukuma Sakhe by ensuring that 100% of identified needs are met within available budget. Report quarterly to portfolio committee on progress.	Percentage of identified needs assisted	100%	100%		100%		100%		100%	
			Number of progress reports to portfolio	4	1		1		1		1	
1.10	10.5.1.1	Implement 5 programmes by 30 June 2016 for marginalised groups such as Women, Children, Youth, Senior Citizens and the Disabled. Report quarterly progress to portfolio committee.	Number of programmes implemented	5			5				5	
			Number of progress reports to portfolio	4	1		1		1		1	
1.11		Ensure bylaw governance through the drafting of the uThungulu District Bylaws by 30 June 2016.	Date of draft bylaw	30-Jun-16							30-Jun-16	
1.12		Ensure vector control by drafting the Balhazia Control plan by 30 June 2016.	Date of draft plan	30-Jun-16							30-Jun-16	
2		COMMUNITY EXECUTIVE										
2.1		Respond to all written internal audit enquiries and general enquiries within 14 days of report date	Average number of days to respond	14	14		14		14		14	
2.2		Draft reports and submit quarterly to the Community Services Portfolio Committee on the Performance of Contractors under the control of the Community Services Department. To be reported within 2 months after quarter end. The report should highlight actions taken to address under performance.	Number of reports to portfolio committee	4	1		1		1		1	

2.3	Schedule at least 1 Community Services Intergovernmental Relations meeting with all LM's per quarter.	Number of IGR meetings	4	1	1	1	1	1	1	
2.4	Report quarterly on individual and organisational performance indicators for the Community Services Department and submit report on achievements to the Office of the Municipal Manager within 30 days after quarter end.	Number of IPMS reports submitted within 30 days	4	1	1	1	1	1	1	
		Number of OPMS reports submitted within 30 days	4	1	1	1	1	1	1	
2.5	Prepare and submit the quarterly Community Services SDBIP (Component 3) for 2015/2016 to the Municipal Manager within 1 month after quarter end.	Number of SDBIP reports to MM	4	1	1	1	1	1	1	
2.6	Ensure at least 1 quarterly visit to the Community Services assigned Warroom and submit status reports after each visit.	Number of warroom visits	4	1	1	1	1	1	1	
2.7	Consolidate quarterly Warroom reports received from user departments and submit recommendations made to the portfolio committee.	Number of reports to portfolio	4	1	1	1	1	1	1	
2.8	Ensure the drafting and approval of the Grants and Donations Policy by 30 June 2016.	Date of approval	31-Dec-15		31-Dec-15				30-Jun-16	

uThungulu Fresh Produce Market

The municipality has formally registered an entity to function as a Fresh Produce Market. The uThungulu District Municipality holds a 51 percent shareholding in this entity, while the remaining 49 percent is held by other external stakeholders namely; Masibambisane Rural Development Initiative (26%) and uThungulu Farmers' Trust (23%). It is envisaged that the entity will be operating on its own April 2015. A separate budget for the 2015/16 financial year has been compiled for the entity and is included in this Budget report.

1.8 Annual Budget Tables – Parent Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR Table A1 - Budget Summary

DC28 uThungulu - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	48 017	49 902	53 801	56 957	56 957	56 957	-	65 748	73 755	82 850
Investment revenue	26 998	27 113	32 866	25 113	35 155	35 155	-	30 374	35 197	37 834
Transfers recognised - operational	349 642	396 314	424 059	457 075	474 014	474 014	-	490 849	490 838	531 106
Other own revenue	8 776	10 230	15 360	42 721	189 318	189 318	-	32 430	11 957	1 134
Total Revenue (excluding capital transfers and contributions)	433 433	483 560	526 085	581 865	755 444	755 444	-	619 400	611 747	652 923
Employee costs	88 085	99 493	110 824	157 400	145 354	145 354	-	175 275	186 768	191 203
Remuneration of councillors	7 870	8 523	8 814	10 584	10 584	10 584	-	11 411	11 942	12 527
Depreciation & asset impairment	36 543	50 917	48 971	48 872	48 872	48 872	-	52 920	54 970	57 021
Finance charges	11 901	19 376	13 637	7 988	15 242	15 242	-	16 656	19 207	10 155
Materials and bulk purchases	29 204	29 466	32 471	26 828	34 028	34 028	-	41 035	43 293	45 588
Transfers and grants	10 330	11 127	12 233	13 277	12 587	12 587	-	12 563	13 066	13 131
Other own expenditure	226 564	252 604	290 407	321 344	425 892	425 892	-	334 198	314 273	358 098
Total Expenditure	410 497	471 506	517 356	586 295	692 558	692 558	-	644 059	643 519	687 723
Surplus/(Deficit)	22 936	12 054	8 729	(4 430)	62 886	62 886	-	(24 658)	(31 773)	(34 800)
Transfers recognised - capital	204 284	173 857	209 559	342 255	287 755	287 755	-	489 275	467 052	444 333
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	227 220	185 911	218 288	337 826	350 641	350 641	-	464 617	435 279	409 534
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	227 220	185 911	218 288	337 826	350 641	350 641	-	464 617	435 279	409 534
Capital expenditure & funds sources										
Capital expenditure	201 929	174 201	218 317	368 696	381 511	381 511	-	512 245	484 752	460 853
Transfers recognised - capital	186 187	160 743	182 163	343 086	291 556	291 556	-	490 275	471 352	448 833
Public contributions & donations	-	-	-	-	1 500	1 500	-	-	-	-
Borrowing	956	3 088	60	-	11 541	11 541	-	-	-	-
Internally generated funds	14 786	10 370	36 094	25 610	76 914	76 914	-	21 970	13 400	12 020
Total sources of capital funds	201 929	174 201	218 317	368 696	381 511	381 511	-	512 245	484 752	460 853
Financial position										
Total current assets	420 899	505 448	589 964	410 430	410 430	410 430	-	375 944	399 178	420 472
Total non current assets	1 098 587	1 199 526	1 366 963	2 019 048	2 031 864	2 031 864	-	2 485 766	2 907 207	3 304 909
Total current liabilities	172 523	205 505	241 014	119 991	119 991	119 991	-	147 365	141 185	139 235
Total non current liabilities	187 422	154 508	152 662	160 447	160 447	160 447	-	154 639	151 822	152 396
Community wealth/Equity	1 159 541	1 344 961	1 563 250	2 149 042	2 161 856	2 161 856	-	2 559 706	3 013 378	3 433 751
Cash flows										
Net cash from (used) operating	212 887	248 519	278 630	436 882	336 335	336 335	-	492 599	486 707	462 305
Net cash from (used) investing	(209 249)	(145 830)	(200 776)	(364 271)	(377 086)	(377 086)	-	(506 821)	(476 412)	(454 723)
Net cash from (used) financing	(2 279)	(23 558)	(4 946)	(6 151)	(6 151)	(6 151)	-	(8 663)	(12 037)	(9 559)
Cash/cash equivalents at the year end	366 717	445 849	518 756	378 490	471 854	471 854	-	413 553	411 811	409 833
Cash backing/surplus reconciliation										
Cash and investments available	412 924	470 521	541 761	398 245	398 245	398 245	-	359 154	372 224	385 412
Application of cash and investments	399 953	458 173	528 340	345 216	345 216	345 216	-	326 359	341 671	364 100
Balance - surplus (shortfall)	12 970	12 349	13 421	53 029	53 029	53 029	-	32 796	30 553	21 312
Asset management										
Asset register summary (WDV)	1 051 885	1 174 413	1 343 566	1 934 878	1 947 653	1 947 653	2 406 978	2 406 978	2 831 260	3 235 092
Depreciation & asset impairment	36 543	50 917	48 971	48 872	48 872	48 872	52 920	52 920	54 970	57 021
Renewal of Existing Assets	-	-	-	145 864	143 819	143 819	143 819	489 510	474 702	452 833
Repairs and Maintenance	33 189	43 985	52 108	35 952	49 666	49 666	47 626	47 626	54 139	58 368

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a brief overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Capital transfers and contributions) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not providing for cash backed provisions due to budget limitations. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections and increase in indigent customers. The municipality is in the process of developing the Funding and Reserves Policy as required by section 7 of the Municipal Budget and Reporting Regulations in order to deal with the cash backing of the reserves. It is anticipated that the policy will prescribe the percentage of cash backing that will progressively increase over the years which will eventually result in all the reserves being fully cash backed in the long run.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this must not be done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs. According to the recently compiled Water Services Delivery Plan, it is anticipated that the municipality will only be able to eliminate water backlogs by the year 2030, unless urgent interventions are implemented. To this end, the Technical Services department is in a process of compiling a business plan that seeks to address the eradication of backlogs by 2014, in line with the National Millennium targets.

Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC28 uThungulu - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Revenue - Standard										
Governance and administration		441 331	385 894	459 262	638 956	751 478	751 478	797 907	770 215	761 828
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		441 331	384 727	459 262	638 956	751 478	751 478	797 907	770 215	761 828
Corporate services		-	1 168	-	-	-	-	-	-	-
Community and public safety		217	270	232	213	213	213	291	320	352
Community and social services		217	270	232	213	213	213	291	320	352
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		14 389	15 930	17 050	18 158	18 158	18 158	19 023	20 545	22 188
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		14 389	15 930	17 050	18 158	18 158	18 158	19 023	20 545	22 188
Trading services		181 781	255 322	259 101	266 794	273 351	273 351	291 455	287 719	312 888
Electricity		-	-	-	-	-	-	-	-	-
Water		169 596	181 625	200 034	201 791	209 848	209 848	225 187	244 171	265 699
Waste water management		3 740	61 975	47 686	48 563	48 063	48 063	51 941	26 356	26 559
Waste management		8 445	11 722	11 381	16 440	15 440	15 440	14 327	17 192	20 631
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	637 717	657 417	735 645	924 120	1 043 200	1 043 200	1 108 676	1 078 799	1 097 257
Expenditure - Standard										
Governance and administration		80 303	99 452	94 672	120 420	128 981	128 981	145 084	149 636	146 417
Executive and council		35 242	29 408	20 626	25 894	28 973	28 973	33 914	33 460	35 312
Budget and treasury office		18 457	34 271	30 172	42 610	41 957	41 957	48 442	51 276	42 331
Corporate services		26 605	35 773	43 873	51 916	58 051	58 051	62 728	64 900	68 773
Community and public safety		22 525	28 032	30 265	41 270	40 583	40 583	49 688	56 800	58 122
Community and social services		8 952	15 612	14 202	15 340	18 978	18 978	22 605	28 128	27 402
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 803	5 279	5 653	7 660	6 007	6 007	8 066	8 975	9 865
Housing		-	-	-	-	-	-	-	-	-
Health		6 770	7 141	10 410	18 269	15 598	15 598	19 018	19 697	20 855
Economic and environmental services		8 890	12 178	15 231	28 570	26 295	26 295	21 575	21 637	22 715
Planning and development		8 890	12 178	15 231	28 570	26 295	26 295	21 575	21 637	22 715
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		298 778	331 844	377 188	396 035	496 699	496 699	427 712	415 448	460 469
Electricity		-	-	-	-	-	-	-	-	-
Water		226 220	245 703	296 180	324 827	371 559	371 559	332 841	343 926	385 142
Waste water management		42 816	59 426	46 383	45 580	81 208	81 208	50 160	24 130	23 914
Waste management		29 741	26 715	34 624	25 627	43 932	43 932	44 711	47 392	51 412
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	410 497	471 506	517 356	586 295	692 559	692 559	644 059	643 520	687 723
Surplus/(Deficit) for the year		227 221	185 911	218 289	337 825	350 641	350 641	464 617	435 279	409 534

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into separate functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for uThungulu District Municipality, Water & Waste water functions, except for the Waste management function. As highlighted previously, the municipality still has a long way to go in achieving cost reflective tariffs as this needs to be done whilst ensuring minimal impact on the consumers, especially the poorest of the poor.

Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

DC28 uThungulu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - Executive & Council		--	--	--	--	--	--	--	--	--
Vote 2 - Economic Development, Planning & Environment		--	--	--	--	--	--	--	--	--
Vote 3 - Community & Social Services		217	270	232	213	213	213	291	320	352
Vote 4 - Public Safety		--	--	--	--	--	--	--	--	--
Vote 5 - Environmental Health		14 389	15 930	17 050	18 158	18 158	18 158	19 023	20 545	22 188
Vote 6 - Finance & Administration		441 331	385 894	459 262	638 956	751 478	751 478	797 907	770 215	761 828
Vote 7 - Infrastructure Services		169 596	181 625	200 034	201 791	209 848	209 848	225 187	244 171	265 699
Vote 8 - Waste Management		8 445	11 722	11 381	16 440	15 440	15 440	14 327	17 192	20 631
Vote 9 - Waste Water Management		3 740	61 975	47 686	48 563	48 063	48 063	51 941	26 356	26 559
Vote 10 - [NAME OF VOTE 10]		--	--	--	--	--	--	--	--	--
Vote 11 - [NAME OF VOTE 11]		--	--	--	--	--	--	--	--	--
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	637 717	657 417	735 645	924 120	1 043 200	1 043 200	1 108 676	1 078 799	1 097 257
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		35 242	44 261	38 891	45 209	50 073	50 073	56 182	57 012	60 328
Vote 2 - Economic Development, Planning & Environment		8 890	12 178	15 231	28 570	26 295	26 295	21 575	21 637	22 715
Vote 3 - Community & Social Services		8 952	15 612	14 202	15 340	18 978	18 978	22 605	28 128	27 402
Vote 4 - Public Safety		6 803	5 279	5 653	7 660	6 007	6 007	8 066	8 975	9 865
Vote 5 - Environmental Health		6 770	7 141	10 410	18 269	15 598	15 598	19 018	19 697	20 855
Vote 6 - Finance & Administration		45 061	55 192	55 781	75 212	78 908	78 908	88 902	92 624	86 088
Vote 7 - Infrastructure Services		226 220	245 702	296 180	324 827	371 559	371 559	332 841	343 926	385 142
Vote 8 - Waste Management		29 741	26 714	34 624	25 627	43 932	43 932	44 711	47 392	51 412
Vote 9 - Waste Water Management		42 816	59 426	46 383	45 580	81 208	81 208	50 160	24 130	23 914
Vote 10 - [NAME OF VOTE 10]		--	--	--	--	--	--	--	--	--
Vote 11 - [NAME OF VOTE 11]		--	--	--	--	--	--	--	--	--
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	410 496	471 506	517 356	586 295	692 559	692 559	644 059	643 520	687 723
Surplus/(Deficit) for the year	2	227 221	185 912	218 289	337 825	350 641	350 641	464 617	435 279	409 534

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

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 12 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

DC28 uThungulu - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	35 616	33 305	37 659	34 942	36 442	36 442	–	45 709	50 280	55 308
Service charges - sanitation revenue	2	3 740	4 605	4 529	5 363	4 863	4 863	–	5 421	5 963	6 559
Service charges - refuse revenue	2	8 445	11 722	11 381	16 440	15 440	15 440	–	14 327	17 192	20 631
Service charges - other		217	270	232	213	213	213	–	291	320	352
Rental of facilities and equipment		34	34	37	–	–	–	–	–	–	–
Interest earned - external investments		26 998	27 113	32 866	25 113	35 155	35 155	–	30 374	35 197	37 834
Interest earned - outstanding debtors		40	34	28	3 803	260	260	–	276	293	310
Dividends received					–	–	–	–	–	–	–
Fines					–	–	–	–	–	–	–
Licences and permits					–	–	–	–	–	–	–
Agency services					–	–	–	–	–	–	–
Transfers recognised - operational		349 642	396 314	424 059	457 075	474 014	474 014	–	490 849	490 838	531 106
Other revenue	2	8 703	10 162	15 295	38 918	189 058	189 058	–	32 154	11 664	824
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		433 433	483 560	526 085	581 865	755 444	755 444	–	619 400	611 747	652 923
Expenditure By Type											
Employee related costs	2	88 085	99 493	110 824	157 400	145 354	145 354	–	175 275	186 768	191 203
Remuneration of councillors		7 870	8 523	8 814	10 584	10 584	10 584	–	11 411	11 942	12 527
Debt impairment	3	8 024	4 190	4 330	3 793	3 793	3 793	–	3 637	3 834	4 034
Depreciation & asset impairment	2	36 543	50 917	48 971	48 872	48 872	48 872	–	52 920	54 970	57 021
Finance charges		11 901	19 376	13 637	7 988	15 242	15 242	–	16 656	19 207	10 155
Bulk purchases	2	29 204	29 466	32 471	26 462	33 631	33 631	–	40 533	42 762	45 028
Other materials	8				367	396	396	–	503	532	560
Contracted services		63 005	65 270	82 515	95 957	96 968	96 968	–	109 793	119 708	137 212
Transfers and grants		10 330	11 127	12 233	13 277	12 587	12 587	–	12 563	13 066	13 131
Other expenditure	4, 5	155 117	182 879	203 369	221 594	325 131	325 131	–	220 768	190 731	216 852
Loss on disposal of PPE		419	265	193							
Total Expenditure		410 497	471 506	517 356	586 295	692 558	692 558	–	644 059	643 519	687 723
Surplus/(Deficit)		22 936	12 054	8 729	(4 430)	62 886	62 886	–	(24 658)	(31 773)	(34 800)
Transfers recognised - capital		204 284	173 857	209 559	342 255	287 755	287 755	–	489 275	467 052	444 333
Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		227 220	185 911	218 288	337 826	350 641	350 641	–	464 617	435 279	409 534
Taxation											
Surplus/(Deficit) after taxation		227 220	185 911	218 288	337 826	350 641	350 641	–	464 617	435 279	409 534
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		227 220	185 911	218 288	337 826	350 641	350 641	–	464 617	435 279	409 534
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		227 220	185 911	218 288	337 826	350 641	350 641	–	464 617	435 279	409 534

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

1. Total revenue is R619.4million in 2015/16 and escalates to R653million by 2017/18. This represents an increase of 5%over the medium term.
2. Service charges relating to water, sanitation and refuse constitutes the biggest component of the revenue basket of the Municipality totalling R65.7 million for the 2015/16 financial year and increasing to R82.9million by 2017/18. For the 2015/16 financial year services charges amount to 14% of the total revenue base and grows by 11% per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of water.
3. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. To be noted that in there is a minimal increase on operational transfers over the medium term, with an increase of less than 1 percent in 2015/16 and then a decrease of less than a percent in 2016/17. The Equitable Share allocation is up from the 2014/15 allocation. It is also R18.1 million more than the forecasted amount which was contained in the 2014 DORA as an indication for the outer years.
4. Employee related costs have increased by 17% from the 2014/15 full year forecast, this is due to the inflationary increase of 5.8% on salaries in line with Circular 74, as well as newly funded positions that have been included in the 2015/16 financial year. Also to be noted that the salaries budget for 2014/15 was adjusted downwards due to savings on vacant positions and some unutilised staff benefits.

Furthermore, the Motor Vehicle Advisory Committee where it was resolved that the value of the subsidized motor vehicle on the Non Management Scheme be increased from R250,000 to R350,000. This is due to the fact that this amount has not been reviewed since the introduction of the scheme in 2006, while the prices of purchasing motor vehicles have increased over the years. Furthermore, due to the vastness of our district, the employees have to travel distances in excess of five thousand kilometers every month.

5. Depreciation has been budgeted for at R52.9m for the 2015/16 financial year and increasing to R57m over the MTREF, this is as a result of the infrastructure assets that are being added onto the fixed asset register as a result of new schemes being commissioned.
6. Finances Charges comprise of the repayments of the current loans that were acquired by Council in order to fast track the backlog eradication process and Finance Partnership, this expenditure item amounts to a total of R46 million over the MTREF. To be noted that no additional loans have been budgeted for in the medium term.

7. Bulk purchases have significantly increased over the MTREF, starting with a budget of R41million in 2015/16 to R45 million in the 2017/18 financial year. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from the Bulk Water suppliers as well as the anticipated completion of schemes under the Greater Mthonjaneni and Middledrift water projects.
8. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 13MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

DC28 uThungulu - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Economic Development, Planning & Environment		-	-	-	-	17 860	17 860	-	-	-	-
Vote 3 - Community & Social Services		-	364	-	7 300	11 688	11 688	-	1 085	1 600	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 5 - Environmental Health		-	-	-	-	-	-	-	-	-	-
Vote 6 - Finance & Administration		2 423	-	-	700	10 300	10 300	-	-	-	-
Vote 7 - Infrastructure Services		76 862	156 579	211 132	336 819	304 008	304 008	-	491 190	472 202	450 633
Vote 8 - Waste Management		121 267	-	341	-	3 010	-	-	-	-	-
Vote 9 - Waste Water Management		194	-	1 080	-	5 180	5 180	-	4 550	4 350	4 550
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
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	200 746	156 943	212 553	344 819	352 046	352 046	-	496 825	478 152	455 183
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	1 625	1 580	50	783	783	-	950	2 000	1 250
Vote 2 - Economic Development, Planning & Environment		-	-	142	40	90	90	-	170	-	-
Vote 3 - Community & Social Services		-	56	471	180	480	480	-	780	500	-
Vote 4 - Public Safety		-	16	-	1 200	1 450	1 450	-	1 700	200	-
Vote 5 - Environmental Health		-	-	-	-	-	-	-	400	50	50
Vote 6 - Finance & Administration		1 183	4 414	3 571	1 400	1 708	1 708	-	2 510	1 750	1 370
Vote 7 - Infrastructure Services		-	3 602	-	15 957	11 599	11 599	-	8 560	2 100	3 000
Vote 8 - Waste Management		-	-	-	50	755	755	-	350	-	-
Vote 9 - Waste Water Management		-	7 545	-	5 000	12 600	12 600	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
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		1 183	17 258	5 764	23 877	29 466	29 466	-	15 420	6 600	5 670
Total Capital Expenditure - Vote		201 929	174 201	218 317	368 696	381 511	381 511	-	512 245	484 752	460 853
Capital Expenditure - Standard											
Governance and administration		3 235	6 038	5 151	2 150	12 742	12 742	-	3 860	3 750	2 620
Executive and council		963	195	1 554	50	683	683	-	850	2 000	1 250
Budget and treasury office		2 272	354	530	900	805	805	-	1 660	700	450
Corporate services		-	5 489	3 067	1 200	11 253	11 253	-	1 350	1 050	920
Community and public safety		1 162	436	471	8 680	11 586	11 586	-	3 965	2 350	50
Community and social services		1 162	420	471	7 480	10 136	10 136	-	2 265	2 150	50
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	16	-	1 200	1 450	1 450	-	1 700	200	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		33	-	142	40	17 950	17 950	-	170	-	-
Planning and development		33	-	142	40	17 950	17 950	-	170	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		197 499	167 727	212 553	357 826	339 234	339 234	-	504 250	478 652	458 183
Electricity		-	-	-	-	-	-	-	-	-	-
Water		197 324	160 182	211 132	352 776	315 607	315 607	-	499 350	474 302	453 633
Waste water management		94	7 545	1 080	5 000	17 780	17 780	-	4 550	4 350	4 550
Waste management		81	-	341	50	5 847	5 847	-	350	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	201 929	174 201	218 317	368 696	381 511	381 511	-	512 245	484 752	460 853
Funded by:											
National Government		186 187	160 724	182 163	343 086	271 697	271 697	-	490 275	471 352	448 833
Provincial Government		-	19	-	-	19 860	19 860	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	186 187	160 743	182 163	343 086	291 556	291 556	-	490 275	471 352	448 833
Public contributions & donations	5	-	-	-	-	1 500	1 500	-	-	-	-
Borrowing	6	956	3 088	60	-	11 541	11 541	-	-	-	-
Internally generated funds	6	14 786	10 370	36 094	25 610	76 914	76 914	-	21 970	13 400	12 020
Total Capital Funding	7	201 929	174 201	218 317	368 696	381 511	381 511	-	512 245	484 752	460 853

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2015/16, R497 million has been allocated for the capital budget. This allocation decreases to R478 million in 2016/17 and then goes down to R455 million in 2017/18.
3. Single-year capital expenditure has been appropriated at R15 million for the 2015/16 financial year and totals R28m over the Medium term.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of office machinery and specialized tools and equipment and ad hoc projects with a life cycle of not more than a year. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality.
5. The capital programme is funded from national grants and transfers, and internally generated funds. For 2015/16, capital transfers total R490.2 million, decrease to R471 million in 2016/17 and go down to R449 million in 2017/18. Internally generated funding has been provided for at R22 million for 2015/16 and decrease to R12m in 2017/18.

Table 14 MBRR Table A6 - Budgeted Financial Position

DC28 uThungulu - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		86 717	75 848	38 756	23 490	23 490	23 490		24 782	26 145	25 412
Call investment deposits	1	280 000	370 000	480 000	355 000	355 000	355 000	-	320 000	340 000	360 000
Consumer debtors	1	22 970	37 791	44 203	13 775	13 775	13 775	-	11 702	12 444	13 277
Other debtors		25 056	14 502	20 413	9 632	9 632	9 632		10 433	11 038	11 678
Current portion of long-term receivables		35	38	39	40	40	40		42	45	48
Inventory	2	6 122	7 269	6 552	8 493	8 493	8 493		8 986	9 507	10 058
Total current assets		420 899	505 448	589 964	410 430	410 430	410 430	-	375 944	399 178	420 472
Non current assets											
Long-term receivables		496	440	393	354	354	354		313	266	215
Investments		46 207	24 673	23 004	19 755	19 755	19 755		14 372	6 079	-
Investment property											
Investment in Associate											
Property, plant and equipment	3	1 050 408	1 173 336	1 342 634	1 997 111	2 009 927	2 009 927	-	2 469 678	2 899 811	3 303 860
Agricultural											
Biological											
Intangible		1 477	1 077	932	1 828	1 828	1 828		1 402	1 051	834
Other non-current assets											
Total non current assets		1 098 587	1 199 526	1 366 963	2 019 048	2 031 864	2 031 864	-	2 485 766	2 907 207	3 304 909
TOTAL ASSETS		1 519 487	1 704 974	1 956 927	2 429 478	2 442 294	2 442 294	-	2 861 710	3 306 385	3 725 382
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	9 327	10 595	12 036	13 654	13 654	13 654	-	15 531	11 047	5 928
Consumer deposits		8 229	9 114	9 661	8 655	8 655	8 655		9 521	10 473	11 519
Trade and other payables	4	153 457	168 870	214 756	95 209	95 209	95 209	-	115 559	112 827	114 858
Provisions		1 510	16 926	4 561	2 473	2 473	2 473		6 754	6 838	6 930
Total current liabilities		172 523	205 505	241 014	119 991	119 991	119 991	-	147 365	141 185	139 235
Non current liabilities											
Borrowing		104 584	78 874	72 487	63 931	63 931	63 931	-	52 525	44 020	38 533
Provisions		82 838	75 634	80 175	96 516	96 516	96 516	-	102 114	107 802	113 863
Total non current liabilities		187 422	154 508	152 662	160 447	160 447	160 447	-	154 639	151 822	152 396
TOTAL LIABILITIES		359 945	360 013	393 676	280 438	280 438	280 438	-	302 004	293 007	291 631
NET ASSETS	5	1 159 541	1 344 961	1 563 250	2 149 040	2 161 856	2 161 856	-	2 559 706	3 013 378	3 433 751
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		894 549	1 079 969	1 298 258	1 884 050	1 896 864	1 896 864		2 294 714	2 748 386	3 168 759
Reserves	4	264 992	264 992	264 992	264 992	264 992	264 992	-	264 992	264 992	264 992
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	1 159 541	1 344 961	1 563 250	2 149 042	2 161 856	2 161 856	-	2 559 706	3 013 378	3 433 751

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
3. The budgeted Community wealth or equity for the MTREF is R2,6 billion, R3 billion and R3.4 billion for the 15/16,16/17 and 17/18 financial years respectively.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 15MBRR Table A7 - Budgeted Cash Flow Statement

DC28 uThungulu - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges											
Service charges		48 017	49 902	53 801	51 284	61 774	61 774		59 173	66 379	74 565
Other revenue		(7 687)	5 933	4 615	9 127	474 014	474 014		10 154	11 664	824
Government - operating	1	306 150	337 874	371 631	457 075	287 755	287 755		490 849	490 838	531 106
Government - capital	1	205 088	244 168	277 214	342 255	35 416	35 416		489 275	467 052	444 333
Interest		27 038	27 147	32 894	28 916	35 416	35 416		30 650	35 489	38 144
Dividends									-	-	-
Payments											
Suppliers and employees		(344 574)	(386 003)	(441 303)	(430 510)	(530 212)	(530 212)		(558 283)	(552 443)	(603 381)
Finance charges		(11 901)	(19 375)	(7 988)	(7 988)	(15 241)	(15 241)		(16 656)	(19 207)	(10 155)
Transfers and Grants	1	(9 244)	(11 127)	(12 233)	(13 277)	(12 587)	(12 587)		(12 563)	(13 066)	(13 131)
NET CASH FROM/(USED) OPERATING ACTIVITIES		212 887	248 519	278 630	436 882	336 335	336 335	-	492 599	486 707	462 305
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		175							-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables		44	53	46	57	57	57		41	47	51
Decrease (increase) in non-current investments		(20 487)	21 534	1 668	4 368	4 368	4 368		5 383	8 293	6 079
Payments											
Capital assets		(188 981)	(167 417)	(202 490)	(368 696)	(381 511)	(381 511)		(512 245)	(484 752)	(460 853)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(209 249)	(145 830)	(200 776)	(364 271)	(377 086)	(377 086)	-	(506 821)	(476 412)	(454 723)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits			885		787	787	787		866	952	1 046
Payments											
Repayment of borrowing		(2 279)	(24 442)	(4 946)	(6 938)	(6 938)	(6 938)		(9 529)	(12 989)	(10 605)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2 279)	(23 558)	(4 946)	(6 151)	(6 151)	(6 151)	-	(8 663)	(12 037)	(9 559)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	365 358	366 717	445 848	312 031	518 756	518 756		436 438	413 553	411 811
Cash/cash equivalents at the year end:	2	366 717	445 849	518 756	378 490	471 854	471 854		413 553	411 811	409 833

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The budgeted cash/cash equivalents are R436m, R414m and R412m for the 2015/2016, 2016/2017 and 2017/2018 financial years respectively.

Table 16 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

DC28 uThungulu - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	366 717	445 849	518 756	378 490	471 854	471 854	-	413 553	411 811	409 833
Other current investments > 90 days		(0)	(0)	(0)	(0)	(93 364)	(93 364)	-	(68 771)	(45 666)	(24 421)
Non current assets - Investments	1	46 207	24 673	23 004	19 755	19 755	19 755	-	14 372	6 079	-
Cash and investments available:		412 924	470 521	541 761	398 245	398 245	398 245	-	359 154	372 224	385 412
Application of cash and investments											
Unspent conditional transfers		26 500	32 460	51 186	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	92 501	87 445	108 661	80 808	43 515	43 515	-	99 707	91 204	92 264
Other provisions		92 577	101 674	84 736	98 989	98 989	98 989	-	108 868	114 640	120 793
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	188 375	236 594	283 757	165 419	202 712	202 712	-	117 784	135 827	151 043
Total Application of cash and investments:		399 953	458 173	528 340	345 216	345 216	345 216	-	326 359	341 671	364 100
Surplus(shortfall)		12 970	12 349	13 421	53 029	53 029	53 029	-	32 796	30 553	21 312

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. A focal point in this table is that the municipality has budgeted to fully spend all grant allocations received in the outer years.

Table 17 MBRR Table A9 - Asset Management

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. It be noted that uThungulu's internally funded capital for 2015/16 accounts for 4% of the total capital budget, most of the capital budget is grant funded mainly through MIG, RBIG and MWIG, which is for backlog eradication.

DC28 uThungulu - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE										
Total New Assets	1	201 929	174 201	218 317	222 832	237 692	237 692	22 735	10 050	8 020
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		76 862	74 033	186 003	212 412	221 612	221 612	14 165	500	850
Infrastructure - Sanitation		194	67	50	5 000	8 600	8 600	-	4 300	4 500
Infrastructure - Other		121 280	96 487	24 426	-	705	705	1 500	750	-
Infrastructure		198 336	170 587	210 479	217 412	230 917	230 917	15 665	5 550	5 350
Community		-	-	-	280	280	280	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	3 434	3 522	7 459	4 490	5 845	5 845	6 795	4 325	2 470
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		160	93	379	650	650	650	275	175	200
Total Renewal of Existing Assets	2	-	-	-	145 864	143 819	143 819	489 510	474 702	452 833
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	140 364	93 531	93 531	485 375	473 802	452 783
Infrastructure - Sanitation		-	-	-	-	9 180	9 180	4 050	50	50
Infrastructure - Other		-	-	-	-	3 010	3 010	-	750	-
Infrastructure		-	-	-	140 364	105 721	105 721	489 425	474 602	452 833
Community		-	-	-	5 500	10 138	10 138	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	27 960	27 960	85	100	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		76 862	74 033	186 003	352 776	315 144	315 144	499 540	474 302	453 633
Infrastructure - Sanitation		194	67	50	5 000	17 780	17 780	4 050	4 350	4 550
Infrastructure - Other		121 280	96 487	24 426	-	3 715	3 715	1 500	1 500	-
Infrastructure		198 336	170 587	210 479	357 776	336 639	336 639	505 090	480 152	458 183
Community		-	-	-	5 780	10 418	10 418	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	3 434	3 522	7 459	4 490	33 805	33 805	6 880	4 425	2 470
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		160	93	379	650	650	650	275	175	200
TOTAL CAPITAL EXPENDITURE - Asset class	2	201 929	174 201	218 317	368 696	381 511	381 511	512 245	484 752	460 853
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5									
Infrastructure - Electricity										
Infrastructure - Water		481 208	490 239	644 234	1 191 048	1 153 415	1 153 415	1 633 257	2 076 782	2 499 839
Infrastructure - Sanitation		26 815	22 742	22 226	40 856	53 636	53 636	56 990	61 097	64 854
Infrastructure - Other		467 435	585 640	600 456	589 303	597 656	597 656	591 998	585 867	578 788
Infrastructure		975 458	1 098 622	1 266 916	1 821 208	1 804 707	1 804 707	2 282 245	2 723 745	3 143 480
Community										
Heritage assets										
Investment properties										
Other assets		74 950	74 714	75 718	111 843	141 118	141 118	123 331	106 463	90 778
Agricultural Assets										
Biological assets										
Intangibles		1 477	1 077	932	1 828	1 828	1 828	1 402	1 051	834
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 051 885	1 174 413	1 343 566	1 934 878	1 947 653	1 947 653	2 406 978	2 831 260	3 235 092
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		36 543	50 917	48 971	48 872	48 872	48 872	52 920	54 970	57 021
Repairs and Maintenance by Asset Class	3	33 189	43 985	52 108	35 952	49 666	49 666	47 626	54 139	58 368
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		28 940	-	42 694	33 658	47 675	47 675	44 733	51 091	54 676
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		4 249	43 985	8 381	868	32	32	243	256	269
Infrastructure		33 189	43 985	51 076	34 526	47 707	47 707	44 976	51 347	54 946
Community		-	-	133	202	258	258	59	62	65
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6,7	-	-	900	1 224	1 701	1 701	2 591	2 730	3 357
TOTAL EXPENDITURE OTHER ITEMS		69 732	94 903	101 080	84 824	98 538	98 538	100 546	109 109	115 389

Table 18 MBRR Table A10 Basic service delivery measurement

DC28 uThungulu - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		20 982	30 306	33 337	30 306	30 306	30 306	36 670	40 337	44 371
Piped water inside yard (but not in dwelling)		21 800	43 625	47 988	47 000	47 000	47 000	52 786	58 065	63 871
Using public tap (at least min.service level)	2	22 000	22 000	24 200	22 500	22 500	22 500	26 620	29 282	32 210
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		64 782	95 931	105 524	99 806	99 806	99 806	116 077	127 684	140 453
Using public tap (< min.service level)	3	6 325	7 590	8 349	9 930	9 930	9 930	9 184	10 102	11 113
Other water supply (< min.service level)	4									
No water supply		43 939	41 831	46 014	35 616	35 616	35 616	50 616	55 677	61 245
<i>Below Minimum Service Level sub-total</i>		50 264	49 421	54 363	45 546	45 546	45 546	59 799	65 779	72 357
Total number of households	5	115 046	145 352	159 887	145 352	145 352	145 352	175 876	193 464	212 810
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		16 980	30 306	33 337	30 306	30 306	30 306	36 670	40 337	44 371
Flush toilet (with septic tank)		4 250	4 250	4 675	4 250	4 250	4 250	5 143	5 657	6 222
Chemical toilet										
Pit toilet (ventilated)		36 126	73 274	80 601	83 274	83 274	83 274	88 662	97 528	107 280
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		57 356	107 830	118 613	117 830	117 830	117 830	130 474	143 522	157 874
Bucket toilet										
Other toilet provisions (< min.service level)		57 950	37 522	41 274	27 522	27 522	27 522	45 402	49 942	54 936
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		57 950	37 522	41 274	27 522	27 522	27 522	45 402	49 942	54 936
Total number of households	5	115 306	145 352	159 887	145 352	145 352	145 352	175 876	193 464	212 810

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

2.1 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 Budget Steering Committee consists of the Honourable Mayor, Municipal Manager and senior officials of the municipality. The Deputy Mayor, Speaker and the Chief Whip are also co-opted members of the Budget Steering Committee, with the Municipal Manager being the Chairperson as per guidance from the 2011 Local Government Budget & Expenditure Review.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of 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.

2.2 Schedule of Key Deadlines

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

The IDP and budget time schedule were tabled in the Budget Steering Committee in August 2014 and was then subsequently submitted to the Financial Services Portfolio Committee, Exco, and Council in August 2014. Key dates applicable to the process were:

- **August 2014** – The Mayor tables the Schedule of Key deadlines to the relevant Council Committees;
- **November 2014** – Detail departmental budget proposals (capital and operating) submitted to the Budget Office for consolidation and assessment against the financial planning guidelines;
- **January 2015** - Council considers the 2014/15 Mid-year Review in terms of section 72 of the MFMA;

- **February 2015**- Council considers the 2014/15 Adjustments Budget;
- February 2015 – Manco discussion on draft budget proposals.
- **March 2015**– Multi-year budget proposals are submitted to the Budget Steering Committee for consideration and further deliberation;
- **26 March 2015**- Tabling in the Financial Services Portfolio Committee of the draft 2015/16 IDP and 2015/16 MTREF for consideration;
- **27 March 2015**- Tabling in the EXCO and Council of the draft 2015/16 IDP and 2015/16 MTREF for public consideration;
- **April/May 2015** – Public consultation, IDP Roadshows;
- **May 2015**– finalisation of the 2015/16 IDP review and 2015/16 MTREF, taking into consideration comments received from the public, comments from National and Provincial Treasuries, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **22 May 2015**- Tabling of the final 2015/16 MTREF before Council for consideration and approval.

There were minor deviations from the key dates set out in the Budget Time Schedule tabled in Council, however, the dates were still within the legislated timelines.

2.3 Process For Integration Of The IDP & Preparation Of The Budget

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

The Deputy Municipal Manager: Planning and Economic Development arranged alignment forums, of which key outcomes were considered in the review of the IDP and for inclusion in the 2014/2015 Multi-Year Budget Consultation for the preparation of the uThungulu IDP.

The following is a summary of the consultation which has taken place to date in 2014, in line with the IDP process:

19 October 2014	uMhlathuze	Gobandlovu Hall
23 October 2014	Ntambanana	Obuka
28 October 2014	Umlalazi	Ward 7
30 October 2014	Mthonjaneni	Ward 3, Mfanefile Sportsfield
07 November 2014	Amakhosi	Council chambers
11 November 2014	Mfolozi	Sokhulu
13 November 2014	Nkandla	Ward 7
18 November 2014	Corporates/Businesses	Council chambers
03 December 2014	Government Sector	Council chambers

2.4 Process to Record and Integrate Input from the Community

The Acting Deputy Municipal Manager: Planning & Economic Development recorded inputs from the alignment forums and with Road shows have been held in April & May 2015 in each Local Municipality Area to provide feedback on the tabled Budget / IDP as follows:

- uMfolozi Municipality – 14 April 2015
- uMlalazi Municipality – 21 April 2015
- Mthonjaneni Municipality – 28 April 2015
- Nkandla Municipality – 30 April 2015
- Amakhosi Roadshow – 07 May 2015
- Corporate Roadshow – 14 May 2015
- Government Roadshow – 15 May 2015
- uMhlathuze Municipality – 17 May 2015
- Ntambanana Municipality – 19 May 2015



Community Members listening attentively during the October 2014 IDP/Budget Roadshows

2.5 Process And Media Used To Provide Information On The Budget And IDP To The Community

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

- Road shows in uMhlathuze, Mfolozi, Ntambanana, Nkandla, Mthonjaneni & uMlalazi Municipalities annually in April during the Budget/IDP comment phase and in October after Council approval of the IDP/Budget
- Monthly external newsletter *IzindabaEzimtoti*
- Monthly internal newsletter *Ezisematheni*
- Budget Supplement in the local newspapers
- uThungulu website www.uthungulu.org.za
- Annual Service Commitment Charter booklet published as and when needed
- Annual Report – publication planned for January each year.
- Print media press releases as and when required to local and provincial newspapers
- Adverts in local and provincial newspapers as required
- IDP Representative Forum meetings
- District LED Forum meetings
- District Mayors' Forum meetings



Her Worship, The Honorable Mayor TVB Mchunuduring a handover of bicycles at the Mthonjaneni Roadshow.

2.6 Alignment Of Budget With IDP

The budget was prepared using the following IDP inputs:

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

The information from the above processes was included in the budget according to the IDP prioritisation model. A preparation of the municipal Integrated Development Plan (IDP) has been prepared for the 2012/2013 to 2016/17 as required by the Municipal Systems Act and the MFMA. The document contains information on the following:

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

The Budget Steering Committee has been operational since the inception of the IDP preparation process. The committee acts as a support to the IDP preparation process.

It is important to note that the committee has been in existence for some time in the District that performs the functions of the Budget IDP alignment matters. With the 2015/2016 IDP Review this committee has been formalized in terms of the Regulations of the MFMA.

2.7 IDP FOCUS AREAS

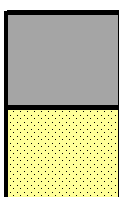
The integrated development approach of the uThungulu District Municipality focuses on the combination of basic needs approach and economic development. As such, the district has been investing in physical, social and economic development aspects. Its investment has been founded on the approach of responding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

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

POWERS AND FUNCTIONS

In terms of Circular 8/2008: 2008/09 Capacity Assessments and Recommendations: Adjustment of Powers and Functions between District and Local Municipalities in terms of Section 85 of the Local Government: Municipal Structures Act 1998, the uThungulu Distri

			281	282	283	284	285	286
1	S 84(1)(a)	Integrated development planning for the district municipality including Development Plan for the local municipalities within the area of the District Municipality						
2	S 84(1)(b)	Potable water supply that effects a significant proportion of the municipalities in the district						
3	S 84(1)(C)	Bulk supply of electricity						
4	S 84(1)(d)	Domestic waste-water and sewage disposal system						
5	S 84(1)(e)	Solid waste disposal sites serving the area of the District Municipality as a whole						
6	S 84 (1)(f)	Municipal roads which form an integrated part of a road transport system for the area of the district municipality as a whole						
7	S 84 (1)(g)	Regulation of passenger transport services						
8	S 84 (1)(h)	Municipal airport serving the area of the district municipality as a whole						
9	S 84 (1)(i)	Municipal health serving the area of the district municipality as a whole						
10	S 84 (1)(j)	Fire fighting services for district municipality as a whole						
11	S 84 (1)(k)	Fresh produce markets and (abattoirs) serving the area of the district municipality as a whole						
12	S 84 (1)(l)	Cemeteries and crematoria						
13	S 84 (1)(m)	Promotion of local tourism for the district municipality						
14	S 84 (1)(n)	Municipal public works relating to any of the above function or and other functions assigned to the district municipality						
	S 84 (1)(o)	The receipt, allocation and if applicable distribution of grants made to the district municipality						
16	S 84 (1)(p)	The imposition and collection of taxes, levies and duties as related to the above functions or may be assigned to the District Municipality in terms of national						
18	Sched 4 B	Building regulations						
22	Sched 4 B	Local Tourism						
40	Sched 5 B	Licencing and control of undertakings that sell food to the public						
50	Sched 5 B	Refuse removal, refuse dumps, solid waste disposal and cleansing services						



Allocated functions to the District

Functions omitted from existing enactment in terms of Extraordinary Provincial Gazette of KZN Vol3 No 299 dated 30 June 2009

2.8 IDP Strategic Objectives

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

STRATEGIC PRIORITIES	PROGRAMMES
Municipal Transformation and Organisational Development.	
	Human Resource Development
	Information & Communication Technology Services
	Administrative Services
	Individual Performance Management
	Organisational Performance Management
	Institutional Development
	Integrated Development Planning
Municipal Financial Viability and Management.	
	Financial management
	Budgeting and reporting
	Revenue Enhancement
	Expenditure control
	Improved Audit Opinion
Good Governance and Public Participation.	
	Public Relations & Communications
	Intergovernmental Relations
	Public Participation
	Batho Pele Principles
	Community Participation
	Nation-building and good governance.
	Improved Ward Information
Infrastructure Development and Service Delivery.	
	Electricity & Alternative Energy
	Regional Solid Waste
	Regional Cemeteries and Crematoria
	Municipal Roads and Public Transport Services
	Municipal Airports
	Municipal Public Works
	Regional Fresh Produce Market
	Abattoir
	ICT Infrastructure
	Rail Networks
	Harbour

STRATEGIC PRIORITIES	PROGRAMMES
Basic Services Provision	
	Access to Water (Potable Water and Waste Water)
	Access to Sanitation
	Potable Water, Waste Water and Sanitation
	Drought relief
	Upgrading of Water Services Networks
	Water Services Authority and Planning
	Access to Electricity (Energy)
	Access to Solid Waste (Regional Solid Waste)
	Regional Cemeteries and Crematoria
	Free Basic Services
	Improved access to basic services
	Improved access to Free Basic Services
Local Economic Development	
	Local Economic Development
	Local Economic Development of prioritised groups
	Local Tourism Development
	Agricultural Development
	Business and Industrial Development
	Community Work programme implemented and cooperatives supported
Sustainable Human Settlement & Land Management	
	Internal Fixed Assets
	Spatial Planning & Development
	Nodal Planning & Development
	Land Use Management
	Land Reform
	Housing
Human Resource Development	
	Education
	Skills Development
Rural Development & food security	
	Sustainable Livelihoods
	Rural development
	Agrarian Reform

STRATEGIC PRIORITIES	PROGRAMMES
Community Development & Social Services	
	Municipal Health
	Air Quality Management
	Safety & Security
	Crime Prevention
	Community, Service, Facilities and Actions
	Sport & Recreation Programme
	Disaster Management
	Marginalised Groups
	HIV/AIDS
	Culture, Arts & Heritage
Environmental & Resource Management	
	Integrated Environmental Management
	Coastal Management
	Responses to Climate Change

The 2015/2016 MTREF has therefore been directly informed by the above strategic objectives and the IDP.

2.9 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

2.9.1 PROVISION OF CLEAN WATER AND MANAGING WASTE WATER

uThungulu District Municipality is a Water Services Authority (WSA) in terms of the Minister's determination of the municipal powers and function in terms of section 84 (b) and (d) of the Municipal Structures Act, Act 117 of 1998. The WSA functions are clearly defined in chapter 3 of the Water Services Act, Act 108 of 1997.

The WSA function status is only applicable to the five local municipalities namely;

Mfolozi Municipality	KZ 281
Ntambanana Municipality	KZ 283
uMlalazi Municipality	KZ 284
Mthonjaneni Municipality	KZ 285
Nkandla Municipality	KZ 286

Based on the aforementioned functions, a detailed Water Services Development Plan (WSDP) was prepared indicating the challenges facing the municipality. UThungulu is predominantly rural with only 20% being urban incorporating surrounding townships. The backlogs are reflected below;

Water Supply Backlog based on the 2011 census data

Basic Service	Number of Households (HH) with access	Number of HH without access	Backlog in Percentage based on 2011 Stats of 116 367 HH in the District
Access to Water	73213	43154	37
Access to Sanitation	79523	36844	32

Based on the table above, it is clear that the municipality is faced with the challenge of ensuring that the 37% (43154) households that have now been provided with water or have access to piped water and enjoys uninterrupted service.

To successfully achieve this mammoth task, the WSA undertook a Section 78 capacity assessment as prescribed in the Municipal Systems Act, Act 32 of 2000. This was done to assess the capacity of all local municipalities to ascertain if they would be able to undertake the Water Services Provider (WSP) function.

The outcome of this service indicated that all five municipalities would not be able to manage water services provision function within the extended areas. It be noted that the previous town councils only had capacity and resources to provide water services within their old boundaries. The newly established wall to wall municipalities resulted in massive extensions of the municipal boundaries with the inclusion of vast rural areas with limited infrastructure.

The 73213 households receive water from over 250 water schemes. These water projects receive water from the following sources: boreholes, springs, rivers through weirs, dams and from bulk pipeline from other neighbouring municipalities.

Access to sanitation stands at 79523 of household served by rural sanitation (VIP) as well as water borne sewerage systems in urban areas except for Mbonambi Town which is entirely on septic tanks. That means our sanitation backlog is about 36844 households representing 32%.

2.9.2 WATER SERVICES PROVIDER STATUS

In view of the fact that all local municipalities did not have capacity to undertake the WSP function, uThungulu entered into a service level agreement with the local municipalities, excluding KZ 282 to provide the WSP function for their entire respective servicing areas. This required that the municipality provide all resources and capacity to ensure that all systems were operational.

To achieve this successfully, uThungulu opted for the services of a service support agent (SSA) for rural schemes. Currently in the year ahead, uThungulu has budgeted R93m for the WSP function. The town supply schemes are operated and managed by UDM. uThungulu appointed the service of a service support agent WSSA.

In addition to the maintenance of rural schemes, the municipality is also responsible for the maintenance of rudimentary water supply facilities such as boreholes, standard developments schemes and protected localized springs which do not have piped network due to low yields.

In areas where boreholes and springs have dried up and where there is no prospect of groundwater, the municipality provide water with water tankers. As alluded earlier in the book, this cost has been increasing annually and no funding has been forthcoming from National and Provincial Government.

2.9.3 WATER QUALITY ISSUES

The municipality is taking the water quality issue very seriously. From last year, the municipality started to make budget provision to address water quality issues. Currently water quality is managed based on the Department of Water Affairs guidelines. These guidelines were reviewed in April 2009 to conform to the SANS 241 standard (blue and green drop). With the introduction of the blue drop performance rating, this standard was improved to only consider water conforming to the class 1 classification.

uThungulu is doing internal monitoring by sampling all its water schemes on a monthly basis and submit those results to DWA through an electronic reporting system. In addition to this, all water plants are equipped with chlorine test meters. The samples are taken on a daily basis for chlorine level monitoring. This also includes the turbidity testing. Most of uThungulu water quality has always been above the 80% compliance. The bulk failures are received from boreholes and spring sources mostly in areas without electricity.

❑ EFFLUENT QUALITY

The effluent samples are taken on a monthly basis and the results are submitted to DWA. Last year, the whole District attained 68% Green Drop compliance. However, in relation to effluent quality most of our schemes are within the 80% compliance rating. There are only two systems with serious problems due to the ageing infrastructure.

These systems are in Eshowe Town and at Melmoth. Most of the failure are on the oxidation ponds where excessive growth of vegetation has occurred.

❑ WATER SAFETY PLAN

Previously the municipality did not have a water safety plan as this was not compulsory. A budget provision was made available in the 2012/13 financial year with similar provisions made in the outer years. In March 2012, a draft water safety plan was sent to the Department of Water Affairs for approval.

It is important to state that all designs of bulk schemes had been based on 36 to 48hr storages. Since 2006, the municipality has embarked on a strategy to move away from unreliable local sources such as boreholes and springs as they are susceptible to groundwater fluctuations and are the first points of failure during drought.

❑ PROBLEMS EXPERIENCED BY THE MUNICIPALITY

- Huge number of backlogs still to be addressed by the municipality
- Ageing infrastructure in the towns
- Vast areas without water requiring carting of water by tankers
- Diminishing groundwater causing boreholes to dry or affecting water quality
- Negative impact on water supply due to high demand arising from excessive garden watering due to the "One House One Garden" which is a National Government campaign.
- Lack of metering in rural areas

- Vandalism of infrastructure by some community members
- Serious illegal water abstraction and abuse
- Insufficient funds for proper asset management
- Lack of capacity
- Serious challenges with the management of the Support Service Agent contract.

❑ *STEPS TO ADDRESS THE ABOVE PROBLEMS*

All the problems reflected above are covered in detail in the WSDP. The main intervention required to fast track the eradication of these problems is the topping up at least 30% of MIG funding to cover the increasing operational cost.

It should also be noted that as the new infrastructure is implemented, more funding is required for the operation and maintenance of these assets. Uthungulu has written a letter to the National Planning Commission requesting a policy review on MIG funding to address the operation and maintenance issues.

2.9.4 WATER CONSERVATION AND WATER DEMAND MANAGEMENT (WC/WDM)

uThungulu District Municipality has taken the issue of WC/WDM seriously. Council has approved the Water Conservation and Water Demand Management Strategy for uThungulu and its implementation is underway. In pursuance of this, a new section known as Water Use Efficiency (WUE) has been created and tasked with the responsibility of implementing the strategy. The first priority is to determine the level of non-revenue water and set targets to reduce based on the WC/WDM plan.

A service provider has been appointed for a period of 3 year to carryout analysis of various systems and do zoning and installation of bulk meters for the purpose of water balances. Another service provider has been appointed to replace conventional meters with smart meters and to carryout leak repairs in the customers' properties. These repairs will be a once off activity. Thereafter, our customers will be expected to manage their leaking appliances. In areas where we are experiences high rate of defaulters, the smart meters will be put of pre-paid mode.

2.9.5 PERFORMANCE INDICATORS AND BENCHMARKS

2.9.5.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. In this regard the Municipality has been independently rated by Global credit rating co. for the past three years and has received an A- rating for its long term credit worthiness. This is indicative of high certainty of timely payment and liquidity factors that are strong and supported by good fundamental protection factors. As with all other municipalities, uThungulu District Municipality's borrowing strategy is primarily informed by the

affordability of debt repayments. As alluded to in table A6 above, the municipality has settled an INCA bullet loan early, amounting to R21 m thereby reducing overall borrowings and lowering gearing..

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be monitored to ensure we maintain a healthy gearing ratio.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. Cognisance must be taken of the impact borrowings will have on future tariffs for service charges.

2.9.5.2 Safety of Capital

The *gearing ratio* is a measure of the total long term borrowings over funds and reserves. Between 2010/2011 and 2012/13 the gearing ratio steadily decreased from 41%% to 29.8%. In the MTREF the ratio is budgeted to decrease from 24.1%(14/15) to 15%(16/17) and is primarily a result of the early settlement of the INCA bullet loan and no further borrowings.

- *Liquidity*
- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a 2:1, hence at no point in time should this ratio be less than 2. For the 2015/16 financial year the current ratio is 3.42:1. The forecasted current ratio's indicates the Municipalities long term sustainable favourable position.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1:1. Anything below 1 indicates a shortage in cash to meet creditor obligations. An analysis for the municipality's financial health indicates that the municipality has sufficient disposable funds to meet creditor's expenses, the ratios being 3.2:1, 2.5:1 and 3.1:1 for the three years of the MTREF.

2.9.5.3 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to target the high numbers of indigent consumers and create mechanisms so as to prevent any further arrear debts. Furthermore, regular interaction with Consumers and Ward Councillors, through the facilitation of workshops are aimed at building relationships with those that we serve and create an environment which is mutually beneficial for both the municipality and the consumer.

2.9.5.4 Creditors Management

The Municipality is aiming to ensure that creditors are settled within the legislated 30 days of invoice. This is expected to have a favourable impact on suppliers' perceptions of risk of doing business with the Municipality which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business. However, it must be noted that some payment delays are due to various factors such as, delay in the submission of invoices by suppliers and invoice queries not being resolved promptly.

2.9.5.5 Employee costs as a percentage of operating revenue remains fairly stable over the MTREF, with 30.88%, 29.62% for the outer two years of the MTREF. This is primarily owing to the increases in services charges being aligned to inflationary targets which determine the increase in expenses inclusive of employee costs.

2.9.6 Other Financial Ratios and Norms

The following ratios and norms have been populated in order to assist with the Financial standing of the municipality after taking into consideration the municipality's budget for the MTREF. These ratios are calculated in terms of MFMA circular 74 & 75 issued by the National Treasury in December 2014 and March 2015.

2.9.6.1 Cash/ Cost Coverage Ratio (Excluding Unspent Conditional Grants)

The ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.

The norm for this ratio is between 1 month to 3 months. On analysis of the 15/16 budget the municipality forecasts 8.5 months which is indicative that the municipality has sufficient cash on hand to be able to fund its budgeted monthly fixed operating expenditure and continue rendering services.

2.9.6.2 Current Ratio

The ratio is used to assess the municipality's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables).

The norm for this ratio is between 1.5: 1 to 2:1. On analysis of the 15/16 budget the municipality forecasts 3.42:1. This indicates that the municipality has sufficient cash on hand to settle its current or short term obligations and be able to continue operations at desired levels.

2.9.6.3 Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure

The ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as a percentage of Total Operating Expenditure.

The norm for this ratio is between 6% and 8%. On analysis of the 15/16 budget the municipality forecasts 3% which is indicative that the municipality has a low gearing with no anticipation to take on additional loans. Furthermore, the municipality was awarded an (A1 short term credit rating) and an (A long term credit rating), and received a positive rating outlook.

2.9.6.4 Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)

The ratio measures the extent to which the Other Reserves, which are required to be cash backed are actually backed by Cash Reserves.

The norm for this ratio is a 100%. On analysis of the 15/16 budget the municipality forecasts 143%. The higher than norm outcome will positively impact the municipality's ability to fund current and future operations.

2.9.6 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Council. With the exception of water, only registered indigents qualify for the free and subsidised services.

For the 2015/16 financial year approximately 2400 registered indigents have been provided for in the budget with this figure increasing to 2600 by 2016/17. In terms of the Municipality's indigent policy registered households are entitled to 10kℓ free water, and subsidised sanitation costs.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the statistics for free water supplied.

2.10 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The Budget related policies of the municipality have been reviewed and will served in the Rules Committee on the 22nd May 2015. These policies will be taken to Council for final approval together with the final 2015/2016 multi year budget on the 22nd May 2015. These policies are as follows;

- Incentive Policy
- Indigent Policy
- Investment and Banking Policy
- Property, Plant and Equipment
- Tariff Policy
- Credit Control and Debt collection Policy (Bylaws)
- Virement Policy
- Budget policy
- Borrowing Policy
- Supply Chain Management
- Succession and Retention Policy
- Recruitment and Selection Policy
- Employment Equity Policy

2.11 Legislation compliance status

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

2.11.1 In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved.

2.11.2 Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed a total of fourteen interns since the inception of this programme. Seven of these interns have completed their internships and others have left to seek other employment opportunities elsewhere, two have been offered permanent positions within the municipality, while five are currently undergoing training in various sections within the Finance department. These interns have been enrolled for the Certificate in Municipal Development Programme through Wits Business School and the training has commenced in May 2014.

2.11.3 Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA. This Office is headed by a permanently employed Chief Financial Officer.

2.11.4 Audit Committee and Municipal Public Accounts Committee

An Audit Committee and the Municipal Public Accounts Committee has been established and is fully functional.

2.11.5 Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval directly aligned and informed by the 2015/16 MTREF. The draft SDBIP included in this budget book and will be finalised in terms of Section 53(1) of the MFMA.

2.11.6 Annual Report

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

2.12 Annual Budget Tables – uThungulu Fresh Produce Market (Municipal Entity)

uThungulu Fresh Produce Market - Table D1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	27 804	29 445	31 094
Investment revenue	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	-	-	-	-	-	5 000	5 000	4 500
Other own revenue	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	-	-	32 804	34 445	35 594
Employee costs	-	-	-	-	-	-	4 507	4 778	5 064
Remuneration of Board Members	-	-	-	-	-	-	844	886	930
Depreciation and debt impairment	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	-	-	-	-	-	18 316	19 397	20 483
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	8 232	8 285	8 689
Total Expenditure	-	-	-	-	-	-	31 899	33 345	35 167
Surplus/(Deficit)	-	-	-	-	-	-	905	1 100	427
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	-	-	905	1 100	427
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	-	-	-	-	-	905	1 100	427
Capital expenditure & funds sources									
Capital expenditure	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-
Financial position									
Total current assets	-	-	-	-	-	-	2 309	4 469	5 956
Total non current assets	-	-	-	-	-	-	16 012	14 520	13 240
Total current liabilities	-	-	-	-	-	-	-	-	-
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	-	-	-	-	-	-	18 321	18 989	19 196
Cash flows									
Net cash from (used) operating	-	-	-	-	-	-	1 965	2 160	1 487
Net cash from (used) investing	-	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	-	-	-	-	1 965	4 125	5 612

uThungulu Fresh Produce Market - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Revenue by Source	1									
Property rates								-	-	-
Property rates - penalties & collection charges								-	-	-
Service charges - electricity revenue								-	-	-
Service charges - water revenue								-	-	-
Service charges - sanitation revenue								-	-	-
Service charges - refuse revenue								-	-	-
Service charges - other								27 804	29 445	31 094
Rental of facilities and equipment								-	-	-
Interest earned - external investments								-	-	-
Interest earned - outstanding debtors								-	-	-
Dividends received								-	-	-
Fines								-	-	-
Licences and permits								-	-	-
Agency services								-	-	-
Transfers recognised - operational					-	-	-	5 000	5 000	4 500
Other revenue					-	-	-	-	-	-
Gains on disposal of PPE								-	-	-
Total Revenue (excluding capital transfers and contributions)					-	-	-	32 804	34 445	35 594
Expenditure By Type										
Employee related costs					-	-	-	4 507	4 778	5 064
Remuneration of Directors					-	-	-	844	886	930
Debt impairment	4				-	-	-	-	-	-
Collection costs					-	-	-	-	-	-
Depreciation & asset impairment					-	-	-	1 060	1 060	1 060
Finance charges					-	-	-	-	-	-
Bulk purchases	2				-	-	-	17 764	18 812	19 866
Other materials	5				-	-	-	552	584	617
Contracted services					-	-	-	2 555	2 706	2 857
Transfers and grants					-	-	-	-	-	-
Other expenditure	3				-	-	-	4 617	4 519	4 772
Loss on disposal of PPE								-	-	-
Total Expenditure					-	-	-	31 899	33 345	35 167
Surplus/(Deficit)					-	-	-	905	1 100	427
Transfers recognised - capital										
Contributions recognised - capital										
Contributions of PPE										
					-	-	-	905	1 100	427
Surplus/(Deficit) after capital transfers & contributions										
Taxation										
Surplus/ (Deficit) for the year					-	-	-	905	1 100	427

uThungulu Fresh Produce Market - Table D4 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
ASSETS										
Current assets										
Cash					-	-	-	2 309	4 469	5 956
Call investment deposits					-	-	-	-	-	-
Consumer debtors					-	-	-	-	-	-
Other debtors					-	-	-	-	-	-
Current portion of long-term receivables					-	-	-	-	-	-
Inventory					-	-	-	-	-	-
Total current assets		-	-	-	-	-	-	2 309	4 469	5 956
Non current assets										
Long-term receivables	3				-	-	-	-	-	-
Investments					-	-	-	-	-	-
Investment property					-	-	-	-	-	-
Property, plant and equipment	1				-	-	-	15 640	14 222	13 002
Agricultural assets					-	-	-	-	-	-
Biological assets					-	-	-	-	-	-
Intangible assets					-	-	-	372	298	238
Total non current assets		-	-	-	-	-	-	16 012	14 520	13 240
TOTAL ASSETS		-	-	-	-	-	-	18 321	18 989	19 196
LIABILITIES										
Current liabilities										
Bank overdraft					-	-	-	-	-	-
Borrowing					-	-	-	-	-	-
Consumer deposits					-	-	-	-	-	-
Trade and other payables					-	-	-	-	-	-
Provisions	3				-	-	-	-	-	-
Total current liabilities		-	-	-	-	-	-	-	-	-
Non current liabilities										
Borrowing					-	-	-	-	-	-
Provisions	3				-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES		-	-	-	-	-	-	-	-	-
NET ASSETS	2	-	-	-	-	-	-	18 321	18 989	19 196
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)					-	-	-	18 321	18 989	19 196
Reserves					-	-	-	-	-	-
Share capital					-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	-	-	-	-	-	-	18 321	18 989	19 196

uThungulu Fresh Produce Market - Table D5 Budgeted Cash Flow

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other					-	-	-	32 804	34 445	35 594
Government - operating					-	-	-	-	-	-
Government - capital					-	-	-	-	-	-
Interest					-	-	-	-	-	-
Dividends					-	-	-	-	-	-
Payments	2									
Suppliers and employees					-	-	-	(30 839)	(32 285)	(34 107)
Finance charges					-	-	-	-	-	-
Dividends paid					-	-	-	-	-	-
Transfers and Grants					-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	-	-	-	1 965	2 160	1 487
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					-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits										
Payments										
Repayment of borrowing										
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	1	-	-	-	-	-	-	1 965	2 160	1 487
Cash/cash equivalents at the year begin:	2							-	1 965	4 125
Cash/cash equivalents at the year end:	2							1 965	4 125	5 612

Consolidated A Schedule for the 2015/16 MTREF.

DC28 uThungulu - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	48 017	49 902	53 801	56 957	56 957	56 957	-	93 552	103 200	113 943
Investment revenue	26 998	27 113	32 866	25 113	35 155	35 155	-	30 374	35 197	37 834
Transfers recognised - operational	349 642	396 314	424 059	457 075	474 014	474 014	-	490 849	490 838	531 106
Other own revenue	8 776	10 230	15 360	42 721	189 318	189 318	-	32 430	11 957	1 134
Total Revenue (excluding capital transfers and contributions)	433 433	483 560	526 085	581 865	755 444	755 444	-	647 205	641 191	684 017
Employee costs	88 085	99 493	110 824	157 400	145 354	145 354	-	179 782	191 546	196 267
Remuneration of councillors	7 870	8 523	8 814	10 584	10 584	10 584	-	12 255	12 828	13 458
Depreciation & asset impairment	36 543	50 917	48 971	48 872	48 872	48 872	-	53 980	56 030	58 081
Finance charges	11 901	19 376	13 637	7 988	15 242	15 242	-	16 656	19 207	10 155
Materials and bulk purchases	29 204	29 466	32 471	26 828	34 028	34 028	-	59 351	62 690	66 071
Transfers and grants	10 330	11 127	12 233	13 277	12 587	12 587	-	7 563	8 066	8 631
Other expenditure	226 564	252 604	290 407	321 344	425 892	425 892	-	341 370	321 498	365 727
Total Expenditure	410 497	471 506	517 356	586 295	692 558	692 558	-	670 958	671 864	718 390
Surplus/(Deficit)	22 936	12 054	8 729	(4 430)	62 886	62 886	-	(23 753)	(30 673)	(34 372)
Transfers recognised - capital	204 284	173 857	209 559	342 255	287 755	287 755	-	489 275	467 052	444 333
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	227 220	185 911	218 288	337 826	350 641	350 641	-	465 522	436 379	409 961
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	227 220	185 911	218 288	337 826	350 641	350 641	-	465 522	436 379	409 961
Capital expenditure & funds sources										
Capital expenditure	201 929	174 201	218 317	368 696	381 511	381 511	-	512 245	484 752	460 853
Transfers recognised - capital	186 187	160 743	182 163	343 086	291 556	291 556	-	490 275	471 352	448 833
Public contributions & donations	-	-	-	-	1 500	1 500	-	-	-	-
Borrowing	956	3 088	60	-	11 541	11 541	-	-	-	-
Internally generated funds	14 786	10 370	36 094	25 610	76 914	76 914	-	21 970	13 400	12 020
Total sources of capital funds	201 929	174 201	218 317	368 696	381 511	381 511	-	512 245	484 752	460 853
Financial position										
Total current assets	420 899	505 448	589 964	410 430	410 430	410 430	-	378 253	403 647	426 429
Total non current assets	1 098 587	1 199 526	1 366 963	2 019 048	2 031 864	2 031 864	-	2 501 778	2 921 131	3 317 673
Total current liabilities	172 523	205 505	241 014	119 991	119 991	119 991	-	147 365	141 185	139 235
Total non current liabilities	187 422	154 508	152 662	160 447	160 447	160 447	-	154 639	151 822	152 396
Community wealth/Equity	1 159 541	1 344 961	1 563 250	2 149 042	2 161 856	2 161 856	-	2 559 706	3 013 378	3 433 751
Cash flows										
Net cash from (used) operating	212 887	248 519	278 630	436 882	336 335	336 335	-	494 564	488 867	463 791
Net cash from (used) investing	(209 249)	(145 830)	(200 776)	(364 271)	(377 086)	(377 086)	-	(506 821)	(476 412)	(454 723)
Net cash from (used) financing	(2 279)	(23 558)	(4 946)	(6 151)	(6 151)	(6 151)	-	(8 663)	(12 037)	(9 559)
Cash/cash equivalents at the year end	366 717	445 849	518 756	378 490	471 854	471 854	-	415 518	415 936	415 445
Cash backing/surplus reconciliation										
Cash and investments available	412 924	470 521	541 761	398 245	398 245	398 245	-	361 463	376 693	391 368
Application of cash and investments	399 953	458 173	528 340	345 216	345 216	345 216	-	324 013	340 097	362 420
Balance - surplus (shortfall)	12 970	12 349	13 421	53 029	53 029	53 029	-	37 451	36 596	28 948
Asset management										
Asset register summary (WDV)	1 051 885	1 174 413	1 343 566	1 934 878	1 947 653	1 947 653	2 406 978	2 406 978	2 831 260	3 235 092
Depreciation & asset impairment	36 543	50 917	48 971	48 872	48 872	48 872	53 980	53 980	56 030	58 081
Renewal of Existing Assets	-	-	-	145 864	143 819	143 819	143 819	489 510	474 702	452 833
Repairs and Maintenance	33 189	43 985	52 108	35 952	49 666	49 666	47 626	47 626	54 139	58 368

DC28 uThungulu - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
Governance and administration		441 331	385 894	459 262	638 956	751 478	751 478	797 907	770 215	761 828
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		441 331	384 727	459 262	638 956	751 478	751 478	797 907	770 215	761 828
Corporate services		-	1 168	-	-	-	-	-	-	-
Community and public safety		217	270	232	213	213	213	291	320	352
Community and social services		217	270	232	213	213	213	291	320	352
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		14 389	15 930	17 050	18 158	18 158	18 158	19 023	20 545	22 188
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		14 389	15 930	17 050	18 158	18 158	18 158	19 023	20 545	22 188
Trading services		181 781	255 322	259 101	266 794	273 351	273 351	291 455	287 719	312 888
Electricity		-	-	-	-	-	-	-	-	-
Water		169 596	181 625	200 034	201 791	209 848	209 848	225 187	244 171	265 699
Waste water management		3 740	61 975	47 686	48 563	48 063	48 063	51 941	26 356	26 559
Waste management		8 445	11 722	11 381	16 440	15 440	15 440	14 327	17 192	20 631
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	637 717	657 417	735 645	924 120	1 043 200	1 043 200	1 108 676	1 078 799	1 097 257
Expenditure - Standard										
Governance and administration		80 303	99 452	94 672	120 420	128 981	128 981	145 084	149 636	146 417
Executive and council		35 242	29 408	20 626	25 894	28 973	28 973	33 914	33 460	35 312
Budget and treasury office		18 457	34 271	30 172	42 610	41 957	41 957	48 442	51 276	42 331
Corporate services		26 605	35 773	43 873	51 916	58 051	58 051	62 728	64 900	68 773
Community and public safety		22 525	28 032	30 265	41 270	40 583	40 583	49 688	56 800	58 122
Community and social services		8 952	15 612	14 202	15 340	18 978	18 978	22 605	28 128	27 402
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 803	5 279	5 653	7 660	6 007	6 007	8 066	8 975	9 865
Housing		-	-	-	-	-	-	-	-	-
Health		6 770	7 141	10 410	18 269	15 598	15 598	19 018	19 697	20 855
Economic and environmental services		8 890	12 178	15 231	28 570	26 295	26 295	21 575	21 637	22 715
Planning and development		8 890	12 178	15 231	28 570	26 295	26 295	21 575	21 637	22 715
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		298 778	331 844	377 188	396 035	496 699	496 699	427 712	415 448	460 469
Electricity		-	-	-	-	-	-	-	-	-
Water		226 220	245 703	296 180	324 827	371 559	371 559	332 841	343 926	385 142
Waste water management		42 816	59 426	46 383	45 580	81 208	81 208	50 160	24 130	23 914
Waste management		29 741	26 715	34 624	25 627	43 932	43 932	44 711	47 392	51 412
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	410 497	471 506	517 356	586 295	692 559	692 559	644 059	643 520	687 723
Surplus/(Deficit) for the year		227 221	185 911	218 289	337 825	350 641	350 641	464 617	435 279	409 534

DC28 uThungulu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote										
Vote 1 - Executive & Council	1	--	--	--	--	--	--	--	--	--
Vote 2 - Economic Development, Planning & Environment		--	--	--	--	--	--	--	--	--
Vote 3 - Community & Social Services		217	270	232	213	213	213	291	320	352
Vote 4 - Public Safety		--	--	--	--	--	--	--	--	--
Vote 5 - Environmental Health		14 389	15 930	17 050	18 158	18 158	18 158	19 023	20 545	22 188
Vote 6 - Finance & Administration		441 331	385 894	459 262	638 956	751 478	751 478	797 907	770 215	761 828
Vote 7 - Infrastructure Services		169 596	181 625	200 034	201 791	209 848	209 848	225 187	244 171	265 699
Vote 8 - Waste Management		8 445	11 722	11 381	16 440	15 440	15 440	14 327	17 192	20 631
Vote 9 - Waste Water Management		3 740	61 975	47 686	48 563	48 063	48 063	51 941	26 356	26 559
Vote 10 - [NAME OF VOTE 10]		--	--	--	--	--	--	--	--	--
Vote 11 - [NAME OF VOTE 11]		--	--	--	--	--	--	--	--	--
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	637 717	657 417	735 645	924 120	1 043 200	1 043 200	1 108 676	1 078 799	1 097 257
Expenditure by Vote to be appropriated										
Vote 1 - Executive & Council	1	35 242	44 261	38 891	45 209	50 073	50 073	56 182	57 012	60 328
Vote 2 - Economic Development, Planning & Environment		8 890	12 178	15 231	28 570	26 295	26 295	21 575	21 637	22 715
Vote 3 - Community & Social Services		8 952	15 612	14 202	15 340	18 978	18 978	22 605	28 128	27 402
Vote 4 - Public Safety		6 803	5 279	5 653	7 660	6 007	6 007	8 066	8 975	9 865
Vote 5 - Environmental Health		6 770	7 141	10 410	18 269	15 598	15 598	19 018	19 697	20 855
Vote 6 - Finance & Administration		45 061	55 192	55 781	75 212	78 908	78 908	88 902	92 624	86 088
Vote 7 - Infrastructure Services		226 220	245 702	296 180	324 827	371 559	371 559	332 841	343 926	385 142
Vote 8 - Waste Management		29 741	26 714	34 624	25 627	43 932	43 932	44 711	47 392	51 412
Vote 9 - Waste Water Management		42 816	59 426	46 383	45 580	81 208	81 208	50 160	24 130	23 914
Vote 10 - [NAME OF VOTE 10]		--	--	--	--	--	--	--	--	--
Vote 11 - [NAME OF VOTE 11]		--	--	--	--	--	--	--	--	--
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	410 496	471 506	517 356	586 295	692 559	692 559	644 059	643 520	687 723
Surplus/(Deficit) for the year	2	227 221	185 912	218 289	337 825	350 641	350 641	464 617	435 279	409 534

DC28 uThungulu - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	35 616	33 305	37 659	34 942	36 442	36 442	-	45 709	50 280	55 308
Service charges - sanitation revenue	2	3 740	4 605	4 529	5 363	4 863	4 863	-	5 421	5 963	6 559
Service charges - refuse revenue	2	8 445	11 722	11 381	16 440	15 440	15 440	-	14 327	17 192	20 631
Service charges - other		217	270	232	213	213	213	-	28 095	29 765	31 446
Rental of facilities and equipment		34	34	37	-	-	-	-	-	-	-
Interest earned - external investments		26 998	27 113	32 866	25 113	35 155	35 155	-	30 374	35 197	37 834
Interest earned - outstanding debtors		40	34	28	3 803	260	260	-	276	293	310
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		349 642	396 314	424 059	457 075	474 014	474 014	-	490 849	490 838	531 106
Other revenue	2	8 703	10 162	15 295	38 918	189 058	189 058	-	32 154	11 664	824
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		433 433	483 560	526 085	581 865	755 444	755 444	-	647 205	641 191	684 017
Expenditure By Type											
Employee related costs	2	88 085	99 493	110 824	157 400	145 354	145 354	-	179 782	191 546	196 267
Remuneration of councillors		7 870	8 523	8 814	10 584	10 584	10 584	-	12 255	12 828	13 458
Debt impairment	3	8 024	4 190	4 330	3 793	3 793	3 793	-	3 637	3 834	4 034
Depreciation & asset impairment	2	36 543	50 917	48 971	48 872	48 872	48 872	-	53 980	56 030	58 081
Finance charges		11 901	19 376	13 637	7 988	15 242	15 242	-	16 656	19 207	10 155
Bulk purchases	2	29 204	29 466	32 471	26 462	33 631	33 631	-	58 297	61 574	64 894
Other materials	8	-	-	-	367	396	396	-	1 055	1 116	1 177
Contracted services		63 005	65 270	82 515	95 957	96 968	96 968	-	112 349	122 414	140 070
Transfers and grants		10 330	11 127	12 233	13 277	12 587	12 587	-	7 563	8 066	8 631
Other expenditure	4, 5	155 117	182 879	203 369	221 594	325 131	325 131	-	225 385	195 250	221 623
Loss on disposal of PPE		419	265	193	-	-	-	-	-	-	-
Total Expenditure		410 497	471 506	517 356	586 295	692 558	692 558	-	670 958	671 864	718 390
Surplus/(Deficit)		22 936	12 054	8 729	(4 430)	62 886	62 886	-	(23 753)	(30 673)	(34 372)
Transfers recognised - capital		204 284	173 857	209 559	342 255	287 755	287 755	-	489 275	467 052	444 333
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		227 220	185 911	218 288	337 826	350 641	350 641	-	465 522	436 379	409 961
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		227 220	185 911	218 288	337 826	350 641	350 641	-	465 522	436 379	409 961
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		227 220	185 911	218 288	337 826	350 641	350 641	-	465 522	436 379	409 961
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		227 220	185 911	218 288	337 826	350 641	350 641	-	465 522	436 379	409 961

DC28 uThungulu - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Economic Development, Planning & Environment		-	-	-	-	17 860	17 860	-	-	-	-
Vote 3 - Community & Social Services		-	364	-	7 300	11 688	11 688	-	1 085	1 600	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 5 - Environmental Health		-	-	-	-	-	-	-	-	-	-
Vote 6 - Finance & Administration		2 423	-	-	700	10 300	10 300	-	-	-	-
Vote 7 - Infrastructure Services		76 862	156 579	211 132	336 819	304 008	304 008	-	491 190	472 202	450 633
Vote 8 - Waste Management		121 267	-	341	-	3 010	3 010	-	-	-	-
Vote 9 - Waste Water Management		194	-	1 080	-	5 180	5 180	-	4 550	4 350	4 550
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
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	200 746	156 943	212 553	344 819	352 046	352 046	-	496 825	478 152	455 183
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	1 625	1 580	50	783	783	-	950	2 000	1 250
Vote 2 - Economic Development, Planning & Environment		-	-	142	40	90	90	-	170	-	-
Vote 3 - Community & Social Services		-	56	471	180	480	480	-	780	500	-
Vote 4 - Public Safety		-	16	-	1 200	1 450	1 450	-	1 700	200	-
Vote 5 - Environmental Health		-	-	-	-	-	-	-	400	50	50
Vote 6 - Finance & Administration		1 183	4 414	3 571	1 400	1 708	1 708	-	2 510	1 750	1 370
Vote 7 - Infrastructure Services		-	3 602	-	15 957	11 599	11 599	-	8 560	2 100	3 000
Vote 8 - Waste Management		-	-	-	50	755	755	-	350	-	-
Vote 9 - Waste Water Management		-	7 545	-	5 000	12 600	12 600	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
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		1 183	17 258	5 764	23 877	29 466	29 466	-	15 420	6 600	5 670
Total Capital Expenditure - Vote		201 929	174 201	218 317	368 696	381 511	381 511	-	512 245	484 752	460 853
Capital Expenditure - Standard											
Governance and administration		3 235	6 038	5 151	2 150	12 742	12 742	-	3 860	3 750	2 620
Executive and council		963	195	1 554	50	683	683	-	850	2 000	1 250
Budget and treasury office		2 272	354	530	900	805	805	-	1 660	700	450
Corporate services		-	5 489	3 067	1 200	11 253	11 253	-	1 350	1 050	920
Community and public safety		1 162	436	471	8 680	11 586	11 586	-	3 965	2 350	50
Community and social services		1 162	420	471	7 480	10 136	10 136	-	2 265	2 150	50
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	16	-	1 200	1 450	1 450	-	1 700	200	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		33	-	142	40	17 950	17 950	-	170	-	-
Planning and development		33	-	142	40	17 950	17 950	-	170	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		197 499	167 727	212 553	357 826	339 234	339 234	-	504 250	478 652	458 183
Electricity		-	-	-	-	-	-	-	-	-	-
Water		197 324	160 182	211 132	352 776	315 607	315 607	-	499 350	474 302	453 633
Waste water management		94	7 545	1 080	5 000	17 780	17 780	-	4 550	4 350	4 550
Waste management		81	-	341	50	5 847	5 847	-	350	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	201 929	174 201	218 317	368 696	381 511	381 511	-	512 245	484 752	460 853
Funded by:											
National Government		186 187	160 724	182 163	343 086	271 697	271 697	-	490 275	471 352	448 833
Provincial Government		-	19	-	-	19 860	19 860	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	186 187	160 743	182 163	343 086	291 556	291 556	-	490 275	471 352	448 833
Public contributions & donations	5	-	-	-	-	1 500	1 500	-	-	-	-
Borrowing	6	956	3 088	60	-	11 541	11 541	-	-	-	-
Internally generated funds		14 786	10 370	36 094	25 610	76 914	76 914	-	21 970	13 400	12 020
Total Capital Funding	7	201 929	174 201	218 317	368 696	381 511	381 511	-	512 245	484 752	460 853

DC28 uThungulu - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Current assets											
Cash		86 717	75 848	38 756	23 490	23 490	23 490		27 091	30 614	31 368
Call investment deposits	1	280 000	370 000	480 000	355 000	355 000	355 000	-	320 000	340 000	360 000
Consumer debtors	1	22 970	37 791	44 203	13 775	13 775	13 775	-	11 702	12 444	13 277
Other debtors		25 056	14 502	20 413	9 632	9 632	9 632		10 433	11 038	11 678
Current portion of long-term receivables		35	38	39	40	40	40		42	45	48
Inventory	2	6 122	7 269	6 552	8 493	8 493	8 493		8 986	9 507	10 058
Total current assets		420 899	505 448	589 964	410 430	410 430	410 430	-	378 253	403 647	426 429
Non current assets											
Long-term receivables		496	440	393	354	354	354		313	266	215
Investments		46 207	24 673	23 004	19 755	19 755	19 755		14 372	6 079	-
Investment property											
Investment in Associate											
Property, plant and equipment	3	1 050 408	1 173 336	1 342 634	1 997 111	2 009 927	2 009 927	-	2 485 690	2 913 735	3 316 624
Agricultural											
Biological											
Intangible		1 477	1 077	932	1 828	1 828	1 828		1 402	1 051	834
Other non-current assets											
Total non current assets		1 098 587	1 199 526	1 366 963	2 019 048	2 031 864	2 031 864	-	2 501 778	2 921 131	3 317 673
TOTAL ASSETS		1 519 487	1 704 974	1 956 927	2 429 478	2 442 294	2 442 294	-	2 880 031	3 324 778	3 744 102
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	9 327	10 595	12 036	13 654	13 654	13 654	-	15 531	11 047	5 928
Consumer deposits		8 229	9 114	9 661	8 655	8 655	8 655		9 521	10 473	11 519
Trade and other payables	4	153 457	168 870	214 756	95 209	95 209	95 209	-	115 559	112 827	114 858
Provisions		1 510	16 926	4 561	2 473	2 473	2 473		6 754	6 838	6 930
Total current liabilities		172 523	205 505	241 014	119 991	119 991	119 991	-	147 365	141 185	139 235
Non current liabilities											
Borrowing		104 584	78 874	72 487	63 931	63 931	63 931	-	52 525	44 020	38 533
Provisions		82 838	75 634	80 175	96 516	96 516	96 516	-	102 114	107 802	113 863
Total non current liabilities		187 422	154 508	152 662	160 447	160 447	160 447	-	154 639	151 822	152 396
TOTAL LIABILITIES		359 945	360 013	393 676	280 438	280 438	280 438	-	302 004	293 007	291 631
NET ASSETS	5	1 159 541	1 344 961	1 563 250	2 149 040	2 161 856	2 161 856	-	2 578 027	3 031 771	3 452 471
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		894 549	1 079 969	1 298 258	1 884 050	1 896 864	1 896 864		2 294 714	2 748 386	3 168 759
Reserves	4	264 992	264 992	264 992	264 992	264 992	264 992	-	264 992	264 992	264 992
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	1 159 541	1 344 961	1 563 250	2 149 042	2 161 856	2 161 856	-	2 559 706	3 013 378	3 433 751

DC28 uThungulu - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		48 017	49 902	53 801	51 284	61 774	61 774		-	-	-
Service charges		(7 687)	5 933	4 615	9 127	474 014	474 014		91 977	100 824	110 158
Other revenue		306 150	337 874	371 631	457 075	287 755	287 755		10 154	11 664	824
Government - operating	1	205 088	244 168	277 214	342 255	35 416	35 416		490 849	490 838	531 106
Government - capital	1	27 038	27 147	32 894	28 916	35 416	35 416		489 275	467 052	444 333
Interest									30 650	35 489	38 144
Dividends									-	-	-
Payments											
Suppliers and employees		(344 574)	(386 003)	(441 303)	(430 510)	(530 212)	(530 212)		(589 122)	(584 728)	(637 488)
Finance charges		(11 901)	(19 375)	(7 988)	(7 988)	(15 241)	(15 241)		(16 656)	(19 207)	(10 155)
Transfers and Grants	1	(9 244)	(11 127)	(12 233)	(13 277)	(12 587)	(12 587)		(12 563)	(13 066)	(13 131)
NET CASH FROM/(USED) OPERATING ACTIVITIES		212 887	248 519	278 630	436 882	336 335	336 335	-	494 564	488 867	463 791
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		175							-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables		44	53	46	57	57	57		41	47	51
Decrease (increase) in non-current investments		(20 487)	21 534	1 668	4 368	4 368	4 368		5 383	8 293	6 079
Payments											
Capital assets		(188 981)	(167 417)	(202 490)	(368 696)	(381 511)	(381 511)		(512 245)	(484 752)	(460 853)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(209 249)	(145 830)	(200 776)	(364 271)	(377 086)	(377 086)	-	(506 821)	(476 412)	(454 723)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits			885		787	787	787		866	952	1 046
Payments											
Repayment of borrowing		(2 279)	(24 442)	(4 946)	(6 938)	(6 938)	(6 938)		(9 529)	(12 989)	(10 605)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2 279)	(23 558)	(4 946)	(6 151)	(6 151)	(6 151)	-	(8 663)	(12 037)	(9 559)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	365 358	366 717	445 848	312 031	518 756	518 756		436 438	415 518	415 936
Cash/cash equivalents at the year end:	2	366 717	445 849	518 756	378 490	471 854	471 854		415 518	415 936	415 445

DC28 uThungulu - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	366 717	445 849	518 756	378 490	471 854	471 854	-	415 518	415 936	415 445
Other current investments > 90 days		(0)	(0)	(0)	(0)	(93 364)	(93 364)	-	(68 427)	(45 322)	(24 077)
Non current assets - Investments	1	46 207	24 673	23 004	19 755	19 755	19 755	-	14 372	6 079	-
Cash and investments available:		412 924	470 521	541 761	398 245	398 245	398 245	-	361 463	376 693	391 368
Application of cash and investments											
Unspent conditional transfers		26 500	32 460	51 186	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	92 501	87 445	108 661	80 808	43 515	43 515	-	97 361	89 630	90 584
Other provisions		92 577	101 674	84 736	98 989	98 989	98 989	-	108 868	114 640	120 793
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	188 375	236 594	283 757	165 419	202 712	202 712	-	117 784	135 827	151 043
Total Application of cash and investments:		399 953	458 173	528 340	345 216	345 216	345 216	-	324 013	340 097	362 420
Surplus(shortfall)		12 970	12 349	13 421	53 029	53 029	53 029	-	37 451	36 596	28 948

DC28 uThungulu - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	201 929	174 201	218 317	222 832	237 692	237 692	22 735	10 050	8 020
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		76 862	74 033	186 003	212 412	221 612	221 612	14 165	500	850
Infrastructure - Sanitation		194	67	50	5 000	8 600	8 600	-	4 300	4 500
Infrastructure - Other		121 280	96 487	24 426	-	705	705	1 500	750	-
Infrastructure		198 336	170 587	210 479	217 412	230 917	230 917	15 665	5 550	5 350
Community		-	-	-	280	280	280	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	3 434	3 522	7 459	4 490	5 845	5 845	6 795	4 325	2 470
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		160	93	379	650	650	650	275	175	200
Total Renewal of Existing Assets	2	-	-	-	145 864	143 819	143 819	489 510	474 702	452 833
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	140 364	93 531	93 531	485 375	473 802	452 783
Infrastructure - Sanitation		-	-	-	-	9 180	9 180	4 050	50	50
Infrastructure - Other		-	-	-	-	3 010	3 010	-	750	-
Infrastructure		-	-	-	140 364	105 721	105 721	489 425	474 602	452 833
Community		-	-	-	5 500	10 138	10 138	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	27 960	27 960	85	100	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		76 862	74 033	186 003	352 776	315 144	315 144	499 540	474 302	453 633
Infrastructure - Sanitation		194	67	50	5 000	17 780	17 780	4 050	4 350	4 550
Infrastructure - Other		121 280	96 487	24 426	-	3 715	3 715	1 500	1 500	-
Infrastructure		198 336	170 587	210 479	357 776	336 639	336 639	505 090	480 152	458 183
Community		-	-	-	5 780	10 418	10 418	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	3 434	3 522	7 459	4 490	33 805	33 805	6 880	4 425	2 470
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		160	93	379	650	650	650	275	175	200
TOTAL CAPITAL EXPENDITURE - Asset class	2	201 929	174 201	218 317	368 696	381 511	381 511	512 245	484 752	460 853
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport										
Infrastructure - Electricity										
Infrastructure - Water		481 208	490 239	644 234	1 191 048	1 153 415	1 153 415	1 633 257	2 076 782	2 499 839
Infrastructure - Sanitation		26 815	22 742	22 226	40 856	53 636	53 636	56 990	61 097	64 854
Infrastructure - Other		467 435	585 640	600 456	589 303	597 656	597 656	591 998	585 867	578 788
Infrastructure		975 458	1 098 622	1 266 916	1 821 208	1 804 707	1 804 707	2 282 245	2 723 745	3 143 480
Community										
Heritage assets										
Investment properties										
Other assets		74 950	74 714	75 718	111 843	141 118	141 118	123 331	106 463	90 778
Agricultural Assets										
Biological assets										
Intangibles		1 477	1 077	932	1 828	1 828	1 828	1 402	1 051	834
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 051 885	1 174 413	1 343 566	1 934 878	1 947 653	1 947 653	2 406 978	2 831 260	3 235 092
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		36 543	50 917	48 971	48 872	48 872	48 872	53 980	56 030	58 081
Repairs and Maintenance by Asset Class	3	33 189	43 985	52 108	35 952	49 666	49 666	47 626	54 139	58 368
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		28 940	-	42 694	33 658	47 675	47 675	44 733	51 091	54 676
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		4 249	43 985	8 381	868	32	32	243	256	269
Infrastructure		33 189	43 985	51 076	34 526	47 707	47 707	44 976	51 347	54 946
Community		-	-	133	202	258	258	59	62	65
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6,7	-	-	900	1 224	1 701	1 701	2 591	2 730	3 357
TOTAL EXPENDITURE OTHER ITEMS		69 732	94 903	101 080	84 824	98 538	98 538	101 606	110 169	116 449

DC28 uThungulu - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		20 982	30 306	33 337	30 306	30 306	30 306	36 670	40 337	44 371
Piped water inside yard (but not in dwelling)		21 800	43 625	47 988	47 000	47 000	47 000	52 786	58 065	63 871
Using public tap (at least min.service level)	2	22 000	22 000	24 200	22 500	22 500	22 500	26 620	29 282	32 210
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		64 782	95 931	105 524	99 806	99 806	99 806	116 077	127 684	140 453
Using public tap (< min.service level)	3	6 325	7 590	8 349	9 930	9 930	9 930	9 184	10 102	11 113
Other water supply (< min.service level)	4									
No water supply		43 939	41 831	46 014	35 616	35 616	35 616	50 616	55 677	61 245
<i>Below Minimum Service Level sub-total</i>		50 264	49 421	54 363	45 546	45 546	45 546	59 799	65 779	72 357
Total number of households	5	115 046	145 352	159 887	145 352	145 352	145 352	175 876	193 464	212 810
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		16 980	30 306	33 337	30 306	30 306	30 306	36 670	40 337	44 371
Flush toilet (with septic tank)		4 250	4 250	4 675	4 250	4 250	4 250	5 143	5 657	6 222
Chemical toilet										
Pit toilet (ventilated)		36 126	73 274	80 601	83 274	83 274	83 274	88 662	97 528	107 280
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		57 356	107 830	118 613	117 830	117 830	117 830	130 474	143 522	157 874
Bucket toilet										
Other toilet provisions (< min.service level)		57 950	37 522	41 274	27 522	27 522	27 522	45 402	49 942	54 936
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		57 950	37 522	41 274	27 522	27 522	27 522	45 402	49 942	54 936
Total number of households	5	115 306	145 352	159 887	145 352	145 352	145 352	175 876	193 464	212 810

2.14 Municipal Manager’s quality certificate

I, municipal manager of uThungulu District, 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 _____

Municipal Manager of UThungulu District (DC28)

Signature _____

Date _____

UTHUNGULU

