

SCHEDULE A

**AN ANNUAL BUDGET AND
SUPPORTING DOCUMENTATION
OF A MUNICIPALITY**



KING CETSHWAYO
DISTRICT MUNICIPALITY





ANNUAL BUDGET OF

KING CETSHWAYO DISTRICT MUNICIPALITY

2020/21 TO 2022/23

**MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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Table of Contents

PART 1 – ANNUAL BUDGET	2
1.1 MAYOR’S REPORT	2
1.2 COUNCIL RESOLUTIONS	2
1.3 EXECUTIVE SUMMARY	3
1.4 OPERATING REVENUE FRAMEWORK.....	5
1.5 OPERATING EXPENDITURE FRAMEWORK.....	11
1.6 CAPITAL EXPENDITURE	15
1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY.....	16
1.8 ANNUAL BUDGET TABLES - ENTITY	32
PART 2 – SUPPORTING DOCUMENTATION.....	37
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	33
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	35
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	36
2.4 OVERVIEW OF BUDGET RELATED-POLICIES.....	47
2.5 OVERVIEW OF BUDGET ASSUMPTIONS	43
2.6 OVERVIEW OF BUDGET FUNDING	45
2.7 ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS.....	48
2.8 CAPITAL EXPENDITURE DETAILS	78
2.9 LEGISLATION COMPLIANCE STATUS.....	73
2.10 CONSOLIDATED ANNUAL BUDGET TABLES	74
2.11 MUNICIPAL MANAGER’S QUALITY CERTIFICATE	90

List of Tables

Table 1 Consolidated Overview of the 2020/21 MTREF	4
Table 2 Summary of grant allocation.....	5
Table 3 Summary of revenue classified by main revenue source	7
Table 4 MBRR Table SA14 – Household bills.....	10
Table 5 Summary of operating expenditure by standard classification item	12
Table 6 Operational repairs and maintenance.....	14
Table 7 Repairs and maintenance per asset class.....	14
Table 8 2020/21 Medium-term capital budget per vote.....	15
Table 9 MBRR Table A1 - Budget Summary	16
Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	18
Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	19
Table 12 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure).....	20

Table 13 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	24
Table 14 MBRR Table A6 - Budgeted Financial Position	25
Table 15 MBRR Table A7 - Budgeted Cash Flow Statement	27
Table 16 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation	29
Table 17 MBRR Table A9 - Asset Management.....	29
Table 18 MBRR Table A10 - Basic Service Delivery Measurement.....	32
Table 19 IDP Strategic Objectives.....	32
Table 20 Proposed tariff increases over the medium-term.....	46
Table 21 Sources of capital revenue over the MTREF	47
Table 22 Annual Budgets & SDBIP.....	48
Table 23 MBRR Table A1 – Consolidated Budget Summary	80
Table 24 MBRR Table A2 – Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)	81
Table 25 MBRR Table A3 – Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)	82
Table 26 MBRR Table A4 – Consolidated Budgeted Financial Performance (revenue and expenditure) .	83
Table 27 MBRR Table A5 – Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source.....	84
Table 28 MBRR Table A6 – Consolidated Budgeted Financial Position.....	85
Table 29 MBRR Table A7 – Consolidated Budgeted Cash Flow Statement	86
Table 30 MBRR Table A8 – Consolidated Cash Backed Reserves/Accumulated Surplus Reconciliation.....	87
Table 31 MBRR Table A9 – Consolidated Asset Management.....	88
Table 32 MBRR Table A10 – Consolidated Basic Service Delivery Measurement.....	89

List of Figures

Figure 1 Revenue per Classification.....	6
Figure 2 Grant Revenue for the Draft Budget 2020/21	12
Figure 3 Planning, budgeting and reporting cycle.....	42

Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	District Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
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
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
ℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

Part 1 – Annual Budget

1.1 Mayor's Report

The budget Speech will be available after the Honourable has presented it before the Council meeting scheduled to sit on the 29 May 2020.

1.2 Council Resolutions

On 29 May 2020 the Council of King Cetshwayo District Municipality District Municipality met in the Council Chambers of King Cetshwayo District Municipality to consider the annual budget of the municipality for the financial year 2020/21. The Council approved and adopted the following resolutions:

1. The Council of King Cetshwayo District Municipality District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2020/21 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 10 on page 19;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 11 on page 20;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 12 on page 21; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 13 on page 24.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 14 on page 26;
 - 1.2.2. Budgeted Cash Flows as contained in Table 15 on page 28;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 16 on page 29;
 - 1.2.4. Asset management as contained in Table 17 on page 30; and
 - 1.2.5. Basic service delivery measurement as contained in Table 18 on page 32.
2. The Council of King Cetshwayo District Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the tariffs of charges for various services with effect from 1 July 2020 as set out in Annexure A:

1.3 Executive Summary

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

The District'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 noncore and 'nice to have' items.

The District has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the District has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 98 and 99 were used to guide the compilation of the 2019/20 MTREF.

The main challenges experienced during the compilation of the 2020/21 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water and sanitation 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 bulk water and electricity (due to tariff increases from the Bulk Water and Electricity Suppliers as well as the rollout of some of the schemes), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2020/21 MTREF process; and

The following budget principles and guidelines directly informed the compilation of the 2020/21 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 King Cetshwayo 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. To note that in determining the tariffs to be levied, the municipality must balance the issue of the cost reflectiveness versus the affordability by the consumers, as this may result in consumers not affording the services

- 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;
- A global amount has been ringfenced for new positions which will be prioritised by the Accounting Officer after the review and approval of the organogram for the 2020/21 financial year.
- Overtime limited to only for employees qualifying for such in terms of the threshold and any exemptions by the Bargaining Council;
- Minimal Expenditure on Furniture and office equipment;
- Minimal funding for Catering expenditure;
- Conferences;
 - Minimal travelling & accommodation costs; and
 - No delegations.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2020/21 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2020/21 MTREF

2020/2021 Final Multi Year Budget Summary - KCDM							
	2020/2021 Draft Budget	2020/2021 Final Budget	Change Amount	Change %	2021/2022 Budget	2022/2023 Budget	Total for MTREF
Revenue by Source							
- Grants & subsidies	281 058 000	281 058 000	-	0%	318 942 000	358 096 000	958 096 000
- Equitable Share	263 035 000	263 035 000	-	0%	284 664 000	305 982 000	853 681 000
- Levy Replacement Grant	294 668 000	294 668 000	-	0%	319 462 000	342 609 000	956 739 000
Total Government Grant & Subsidies	838 761 000	838 761 000	-	0%	923 068 000	1 006 687 000	2 768 516 000
- Sundry Income	1 162 568	3 989 408	2 826 840	243%	1 233 670	1 307 890	6 530 968
- Interest Income	33 188 780	33 188 780	-	0%	35 180 107	37 290 913	105 659 800
Total Other Income	34 351 348	37 178 188	2 826 840.00	8%	36 413 777	38 598 803	112 190 768
Trading Services	103 468 045	103 468 045	-	0%	113 200 322	124 221 377	340 889 744
Borrowings - New Loan - Cell 3	-	-	-	0%	34 715 689	-	34 715 689
Cash Backed Reserve - Acc DPN & Rehabilitation Reser	29 830 054	29 830 054	-	0%	8 011 901	-	37 841 955
Total Revenue	1 006 410 447	1 009 237 287	2 826 840	0%	1 115 409 689	1 169 507 180	3 294 154 156
Expenditure							
Non-trading services	255 901 334	262 236 557	6 335 223	2%	273 083 039	288 224 805	823 544 401
Trading Services	500 455 167	476 681 053	-23 774 114	-5%	543 324 446	589 858 254	1 609 863 753
Operational IDP	54 664 685	54 879 762	215 077	0%	51 994 363	60 736 488	167 610 613
Capital IDP & Internal Fixed Assets	296 130 376	296 130 376	-	0%	334 727 590	325 356 000	956 213 966
Total Expenditure	1 107 151 562	1 089 927 748	-17 223 814	-2%	1 203 129 438	1 264 175 547	3 557 232 733
LESS : DEPRECIATION NOT CASH BACKED	100 741 115	80 690 461	-20 050 654	-23%	87 719 749	94 668 367	263 078 577
TOTAL EXPENDITURE EXCL. DEPN	1 006 410 447	1 009 237 287	2 826 840	0%	1 115 409 689	1 169 507 180	3 294 154 156

It can be noted from the above table that the total revenue budget for the District for 2020/21 financial year is R1.009bn, whereas the total expenditure is expected to be R1.089bn. The amount of R80.7m 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 R89.7m. This is after this expenditure line item was reviewed and recalculated subsequent to the figure of R112m that was indicated in the draft budget in March.

Total operational expenditure, trading and non – trading services including operational IDP projects amounts to R794m for 2020/21 increasing to R868m in 2021/22 and again increasing to R939m in 2022/23 financial years.

The total capital budget for the 2020/21 financial year is R296m, increasing to R335m and R348m in two outer years of the MTREF.

The detailed grant allocations from National Treasury, per the Division of Revenue Bill, 2020 was made available from the 26th February 2020 on National Treasury's website. Furthermore, Provincial allocations have also since been gazetted and the King Cetshwayo District Municipality has not been allocated any grant funding from any of the Provincial departments for the 2020/21 financial year.

The following table depicts the grant allocations as contained in the 2020 Division of Revenue Bill in comparison to the projections of the 2019 Division of Revenue Act grant allocation;

Table 2 Summary of grant allocation

TOTAL ALLOCATIONS PER DORA 2020 Name of Grant	Responsible Dept	DORA 2019 Forecas		DORA 2020 MEDIUM TERM PER BUDGET SPEECH			
		Budget 20/21 Forecast	Budget 20/21 Gazetted	Variance	% Change	Budget 21/22 Forecast	Budget 22/23 Forecast
Equitable Share & Levy Replacement Grant	Finance	557 682 000	557 703 000	21 000	0%	604 126 000	648 591 000
Local Finance Management Grant	Finance	1 200 000	1 200 000	-	0%	1 200 000	1 200 000
Municipal Infrastructure Grant	Technical	180 826 000	169 623 000	-11 203 000	-7%	185 053 000	196 345 000
Water Services Infrastructure Grant	Technical	98 115 000	75 000 000	-23 115 000	-31%	80 000 000	85 000 000
Rural Roads Asset Management Systems Grant	Technical	2 833 000	2 550 000	-283 000	-11%	2 689 000	2 845 000
EPWP Incentive Grant	Technical	-	5 276 000	5 276 000	100%	-	-
Regional Bulk Infrastructure Grant	Technical	80 000 000	27 409 000	-52 591 000	-192%	50 000 000	72 706 000
Total Gazetted Grants		920 656 000	838 761 000	-81 895 000	-10%	923 068 000	1 006 687 000

The changes in the grant allocations when compared to the 2020/21 budget approved in the 2019/20 MTREF are as follows;

- The Equitable Share and Levy Replacement Grant allocation has seen a minimal increase of R21,000 when compared to the 2020/21 projections as Gazetted in the 2019 Division of Revenue Act.
- The Water Services Infrastructure Grant has decreased by R23m when compared to the 2020/21 projections as Gazetted in the 2019 Division of Revenue Act.
- The Municipal Infrastructure Grant (MIG) has decreased by R11.2m when compared to the 2020/21 projections as Gazetted in the 2019 Division of Revenue Act.
- The Regional Bulk Infrastructure Grant (RBIG) has decreased by R52.6m from R80m to R27.4m.
- Trading Services charges are budgeted for at R103,1m, this is an increase of R5.2m from the R98,3m that had been estimated in the 2019/20 MTREF.
- To be noted that there are no grants that have been allocated to KCDM from any of the provincial departments in the 2020/21 financial year.
- Overall, the total revenue anticipated for the Municipality in the 2020/21 financial year is R1.009 billion rand, the majority of which is grant revenue at R839m. Also included in this is the cash backed reserves relating to the rehabilitation of the Regional Landfill Site which requires rehabilitation as well as the construction of cell 3, as the current airspace in the landfill site is only left with twelve months' capacity. These amounts combined together amounted to R19.2m. This is a net decrease of R58.9m from the 2019/20 projections. For the current year, the funding for the Construction of Cell 3 is from the reserves, this is while an application for MIG funding is being submitted to Cogta for consideration, if the application is

successful, the funding mechanism will be amended through an adjustment budget.

1.4 Operating Revenue Framework

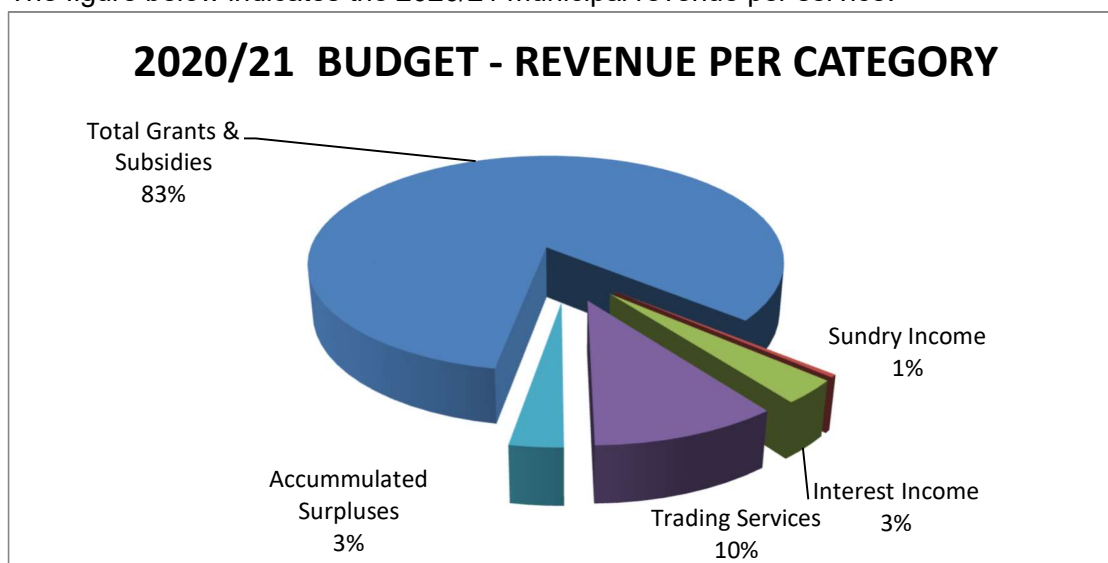
For King Cetshwayo District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty, coupled with the global economic crisis. 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 90 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 1 Revenue per Classification for the 2020/21 financial year

The figure below indicates the 2020/21 municipal revenue per service.



The above graph depicts the municipality's reliance on grants and subsidies making up 83% of the revenue source. Trading Services is the second at only 10%, interest income 3%, sundry income below 1% and accumulated surpluses at 3%.

The following table is a summary of the 2020/21 MTREF (classified by main revenue source):

Table 3 Summary of revenue classified by main revenue source

DC28 King Cetshwayo - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Service charges - water revenue	2	38 937	48 893	53 125	52 991	52 991	52 991	47 527	69 502	73 673	78 093
Service charges - sanitation revenue	2	6 706	7 939	7 569	7 943	7 943	7 943	6 846	8 444	8 951	9 488
Service charges - refuse revenue	2	18 972	20 505	26 218	31 539	31 539	31 539	21 916	25 173	30 207	36 249
Rental of facilities and equipment		47	568	119	111	111	111	73	115	122	129
Interest earned - external investments		45 649	44 449	39 258	32 145	38 821	38 821	34 757	32 909	34 884	36 977
Interest earned - outstanding debtors		2 054	2 190	1 710	265	265	265	1 869	280	297	314
Dividends received		-	3	4	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	8	13	9	9	9	15	10	10	11
Licences and permits		52	20	40	70	70	70	55	74	80	85
Transfers and subsidies		467 500	537 477	574 401	532 948	542 200	542 200	525 756	591 780	631 068	682 981
Other revenue	2	40 597	32 547	23 055	29 074	2 767	2 767	1 868	4 139	1 391	1 475
Gains		-	6 965	48	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		620 513	701 565	725 560	687 096	676 717	676 717	640 681	732 426	780 682	845 801

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 been decreased by 15 percent when compared with the 2019/20 Adjustments Budget, this is due to the unavailability of funds to invest due to the late payment of

some grants by the National Treasury as experienced in the 2019/20 financial year, furthermore due to the fact that the municipality had to bridge finance some of the projects that were already ongoing by using its own reserves. The total revenue generated from water services charges increases slightly from R69.5m in 2020/21 to R78.1m by 2022/23. The water sales contribution to the total service charges revenue is 67% for 2020/21, 65% in 2021/22 and 63% in the 2022/23 financial year. 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 with R25 million rand expected for the 2020/21 financial year and is expected to increase to R36 million by 2022/23. 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 reviews 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. Total grants and transfers totals R839 million in the 2020/21, R923 million in the 2021/22 financial year and further increasing to R1.007 billion in 2022/23.

Tariff-setting is a very important and strategic part of the compilation of any budget. When 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 and a consensus was reached to increase the tariffs in such a way that it will have a minimal impact on the citizens of the district, mostly the vulnerable being the poor, senior citizens as well as small and medium enterprises.

National Treasury, in its MFMA Circulars 98 and 99 issued in December 2019 and March 2020 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 6 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.

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, fuel 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, fuel, 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, over and above being cross subsidised by the equitable share. 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 6% for the lower band of consumers as well as 6% for commercial users 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. In the meanwhile, in order to give some relief to small and upcoming enterprises, a new

step tariff for 0-50kl has been introduced, which will give these business a reduction of 30% on tariffs they are charged for water. 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 who consume less than 6kl of water per month.

The roll out of prepaid meters commenced from the 2013/2014 financial year and the impact thereof have started to materialize from the 2017/2018 financial year to date, wherein a gradual reduction in arrear debts is being realised. However cognisance must be drawn to the possibility that consumers who have prepaid systems have started exercising water conservation mechanisms and this has reduced their demand for potable water which has negatively affected the revenue generated. The cost of providing the water function far exceeds the revenue generated is therefore cross subsidised from both the equitable share and the levy replacement grant.

The proposed tariffs for households (residential) and non-residential consumers are detailed on Annexure A of the medium term budget report.

In taking cognisance of the country wide shortage of fresh water supplies the municipality have for the first time in the 2015/2016 financial year, 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 failed 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 local municipality has been completed and the district has been utilising these in the calculation of the sanitation tariffs since the 2010/11 financial year. The tariff increase for 2020/2021 has been determined at 6%.

Domestic Sewer tariffs have been revised to R0,00811c per rand value of the property.

Business sewer has also been revised to R0.00811c per rand value of the business property.

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

1.4.3 Regional Solid Waste – Landfill Site

The average increase in the tariff for the 2020/2021 year is 10%. Following the feasibility studies performed a few years back, 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.

1.4.4 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

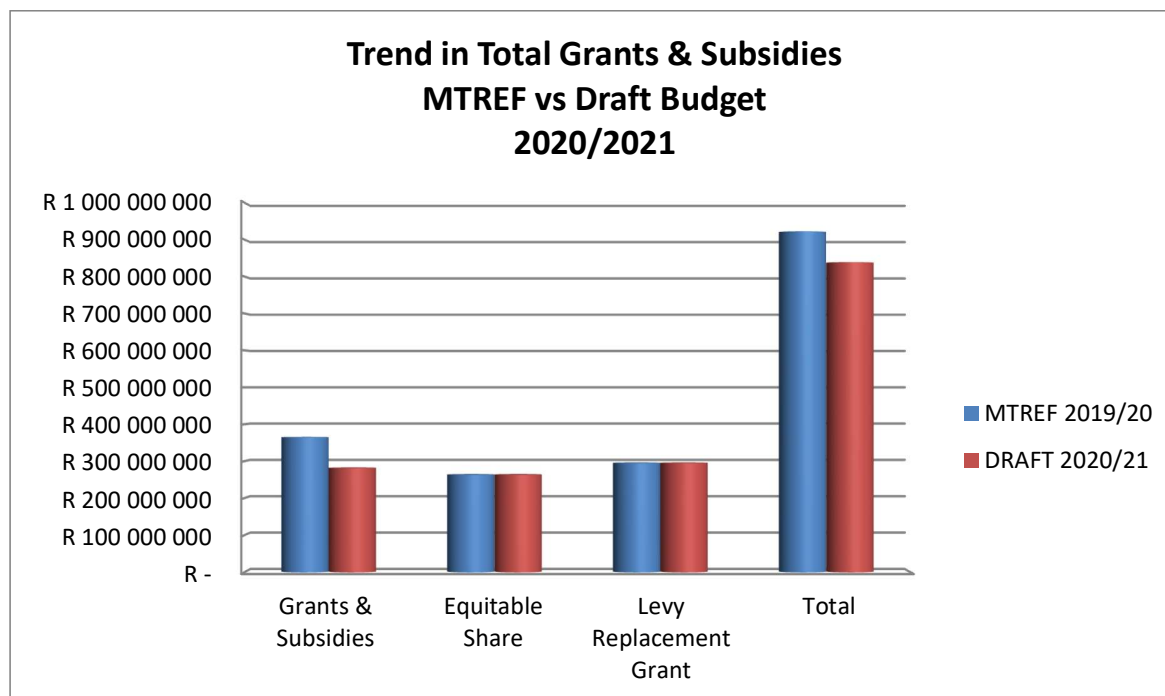
Table 2 MBRR Table SA14 – Household bills

DC28 King Cetshwayo - Supporting Table SA14 Household bills

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent											
Monthly Account for Household - 'Middle Income Range'											
Rates and services charges:											
Property rates		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Electricity: Basic levy		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Electricity: Consumption		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water: Basic levy		51,04	51,04	56,15	56,15	56,15	56,15	(100,0%)	-	-	-
Water: Consumption		211,79	294,49	385,77	396,52	396,52	396,52	15,4%	457,65	485,11	514,22
Sanitation		191,97	211,18	209,34	223,87	223,87	223,87	12,4%	251,63	266,73	282,74
Refuse removal		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
sub-total		454,80	556,71	651,26	676,54	676,54	676,54	4,8%	709,29	751,84	796,95
VAT on Services		63,67	83,51	97,69	101,48	101,48	101,48		106,39	112,78	119,54
Total large household bill:		518,48	640,22	748,95	778,02	778,02	778,02	4,8%	815,68	864,62	916,50
% increase/-decrease			23,5%	17,0%	3,9%	-	-		4,8%	6,0%	6,0%
Monthly Account for Household - 'Affordable Range'											
Rates and services charges:											
Property rates		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Electricity: Basic levy		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Electricity: Consumption		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water: Basic levy		51,04	51,04	56,15	56,15	56,15	56,15	(100,0%)	-	-	-
Water: Consumption		167,67	212,82	295,94	301,30	301,30	301,30	18,4%	356,74	378,14	400,83
Sanitation		191,97	211,18	209,34	223,87	223,87	223,87	12,4%	251,63	266,73	282,74
Refuse removal		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
sub-total		410,68	475,04	561,43	581,32	581,32	581,32	4,7%	608,37	644,88	683,57
VAT on Services		57,50	71,26	84,21	87,20	87,20	87,20		91,26	96,73	102,54
Total small household bill:		468,18	546,30	645,64	668,52	668,52	668,52	4,7%	699,63	741,61	786,10
% increase/-decrease			16,7%	18,2%	3,5%	-	-		4,7%	6,0%	6,0%
Monthly Account for Household - 'Indigent Household receiving free basic services'											
Rates and services charges:											
Property rates		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Electricity: Basic levy		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Electricity: Consumption		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water: Basic levy		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water: Consumption		88,16	96,17	106,70	113,13	113,13	113,13	48,4%	167,88	177,95	188,63
Sanitation		23,35	25,46	27,23	27,23	27,23	27,23		-	-	-
Refuse removal		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
sub-total		111,51	121,63	133,92	140,36	140,36	140,36	19,6%	167,88	177,95	188,63
VAT on Services		16,73	18,25	20,09	21,05	21,05	21,05	#NAME?	25,18	26,69	28,29
Total small household bill:		128,24	139,88	154,01	161,41	161,41	161,41	19,6%	193,06	204,64	216,92
% increase/-decrease			9,1%	10,1%	4,8%	(13,0%)	-		37,5%	6,0%	6,0%

Figure 2 Grant Revenue for the Draft Budget 2020/21 vs MTREF Budget 2019/20

The below graph pictorially depicts the municipality's dependency on grants equating to a total of R839m for the 2020/21 financial year compared to R921m for the 2019/20 MTREF budget.



1.5 Operating Expenditure Framework

The District's expenditure framework for the 2020/21 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (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 asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no procurement plan no budget*. If there is no procurement plan no funding allocation can be made. Departments have been given the period between the tabling of the draft budget and finalization of the final budget to submit their procurement plans.

The following table is a high level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure):

Table 5 Summary of operating expenditure by standard classification item

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type											
Employee related costs	2	173 463	195 948	229 028	239 552	232 975	232 975	189 990	280 421	291 890	309 447
Remuneration of councillors		10 292	11 778	11 679	13 697	12 221	12 221	10 362	14 436	15 216	16 129
Debt impairment	3	12 426	5 318	8 754	7 612	7 612	7 612	248	7 817	8 286	8 783
Depreciation & asset impairment	2	62 985	69 920	74 751	102 409	101 759	101 759	60 328	89 656	97 466	105 187
Finance charges		9 163	6 432	5 322	4 581	4 581	4 581	2 395	3 722	6 917	5 782
Bulk purchases	2	55 622	47 255	39 201	34 381	59 381	59 381	59 122	71 811	87 363	104 325
Other materials	8	-	32 530	27 905	35 307	17 214	17 214	14 483	36 266	25 939	27 596
Contracted services		111 867	387 281	367 238	253 765	297 703	297 703	270 865	177 417	220 674	240 095
Transfers and subsidies		10 635	11 515	19 355	5 943	2 081	2 081	1 000	1 025	2 820	2 961
Other expenditure	4, 5	275 308	96 776	107 248	128 969	104 847	104 847	73 900	111 227	111 831	118 513
Losses		-	1 332	-	-	-	-	-	-	-	-
Total Expenditure		721 762	866 085	890 480	826 215	840 372	840 372	682 694	793 797	868 402	938 820

The salary increase of 6.25% has been factored into the draft budget for 2020/21. This is in accordance with the current salary and wage collective agreement where it is stated that the increase for 2020/21 will be an inflation outlook as announced by the Reserve Bank's Monetary Policy Committee in its January 2020 report, plus 1.5%.

The total employee related costs for the 2020/21 financial year is R280 million. To note that the budget amounting to R11.5m that had been ring-fenced for new positions in the draft budget that served before Council in March has been allocated to various positions which emanated from the review of the municipality's organogram by the Accounting Officer. The filling of these positions will be in terms of the implementation plan to be approved by Council.

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 District's budget.

The provision of debt impairment was determined based on an annual collection rate of 92 per cent together with Credit Control & Debt Collection Policy of the municipality. For the 2020/21 financial year this amount equates to R7.2 million and escalates to R8.8 million by 2022/23. 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, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Property, plant and Equipment Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R89.7 million for the 2020/21 financial year. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Bulk purchases are directly informed by the purchase of water from the Bulk Water suppliers. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The total budget for Bulk Water Purchases in 2020/21 financial year is R72m, increasing to R104m by 2022/23.

Other materials comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the District's repairs and maintenance plan this group of expenditure has been prioritized to ensure sustainability of the

District's infrastructure. For 2020/21 the appropriation against this group of expenditure is budgeted for at R111m, escalating to R119m by 2022/23.

Contracted services has been identified as a major cost driver for the District, as the bulk of the operations and maintenance of the potable water and waste water schemes is outsourced to the Service Support Agency. As part of the compilation of the 2020/21 MTREF this group of expenditure was critically evaluated and it was proposed at the Strategic Planning meeting of the municipality that the municipality needs to acquire and implement a system that will correctly flag any operational inefficiencies that may be there in this expenditure. In the 2020/21 financial year, the operations, repairs and maintenance of the water schemes is budgeted for at R144m, including Employee Related Costs for KCDM staff responsible for the operations and maintenance of the water schemes. It must be noted that a process is underway to procure a partner that will assist the municipality in the running of the bulk and rudimentary schemes, ranging from service providers to even water boards. To allow this to happen without service delivery interruption, the contract for WSSA has been extended until 30 June 2020.

Furthermore a tender specification document has been compiled for a panel of contractors who will undertake repairs and maintenance of the water schemes. It is expected that this process be finalized during the course of the 2019/20 financial year.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The budget in this line item for the 2020/21 financial year is R107m, increasing to R118m by 2022/23.

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the District's current infrastructure, the 2020/21 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the District. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. To be noted that in the case of the King Cetshwayo District municipality, the repairs and maintenance has been part of the Service Support Contract, and as stated above, this model has been reviewed and this function will be insourced on a phased in approach.

Table 6 Operational repairs and maintenance

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
Repairs and Maintenance	8										
Employee related costs		-	-	-	-	-	-	-	43 787	46 404	47 775
Other materials		-	27	1 152	-	400	400	355	4 900	5 800	6 300
Contracted Services		79 267	158 480	203 492	140 932	152 239	152 239	147 571	94 758	141 177	150 290
Other Expenditure		-	-	-	-	-	-	-	704	733	765
Total Repairs and Maintenance Expenditure	9	79 267	158 507	204 643	140 932	152 639	152 639	147 926	144 049	194 114	205 130

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 7 Repairs and maintenance per asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
R thousand											
Repairs and Maintenance by Asset Class	3	79 267	158 507	204 643	140 932	152 639	152 639	144 049	194 114	205 130	
<i>Water Supply Infrastructure</i>		77 198	156 448	199 231	136 889	148 425	148 425	135 713	185 168	195 607	
Infrastructure		77 198	156 448	199 231	136 889	148 425	148 425	135 713	185 168	195 607	
Community Facilities		290	104	47	210	310	310	194	203	217	
Community Assets		290	104	47	210	310	310	194	203	217	
Furniture and Office Equipment		7	-	5	-	3	3	-	-	-	
Machinery and Equipment		720	576	1 267	2 206	2 099	2 099	1 097	1 557	1 713	
Transport Assets		1 051	1 379	4 093	1 627	1 802	1 802	7 044	7 186	7 593	

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 District's Indigent Policy. Registration of indigents is an ongoing exercise and the Policy relating to indigents is reviewed on an annual basis and any proposed enhancements are forwarded to Council for approval. 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.

1.6 Capital expenditure

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

Table 8 2020/21 Medium-term capital budget per vote

The table below indicates the capital budget per municipal vote for the three financial years of the 2020/21 MTREF.

Capital Budget per Vote						
	2020/2021	2020/2021	Change	Change	2021/2022	2022/2023
COST CENTER	Draft Budget	Final Budget	Amount	%	Budget	Budget
	R	R	R		R	R
BOARD & GENERAL EXPENSES	100 000	100 000	-	0%	-	-
EXECUTIVE & COUNCIL	100 000	100 000	-	0%	-	-
BUDGETS & REPORTING	5 300 000	5 300 000	-	0%	700 000	-
INFORMATION & COMMUNICATIONS TECHN	1 409 000	1 409 000	-	0%	650 000	650 000
ASSET CARE CENTRE	300 000	300 000	-	0%	300 000	-
FINANCE & ADMINISTRATION	7 009 000	7 009 000	-	0%	1 650 000	650 000
COMMUNITY SERVICES	60 000	60 000	-	0%	-	-
CEMETERY	90 000	90 000	-	0%	-	-
WASTE MANAGEMENT	150 000	150 000	-	0%	-	-
TECHNICAL FACILITY SERVICES - LANDFILL	19 240 054	19 240 054	-	0%	39 077 590	-
WASTE MANAGEMENT	19 240 054	19 240 054	-	0%	39 077 590	-
WATER USE EFFECIENCY	24 000 000	18 000 000	(6 000 000)	-25%	30 000 000	30 000 000
PROCESS MANAGEMENT - WATER	1 000 000	1 000 000	-	0%	700 000	-
MUNICIPAL INFRASTRUCTURE & IMPLEMEN	204 914 312	186 910 703	(18 003 609)	-9%	223 811 240	247 706 000
WATER SERVICES PROVIDER DIVISION - SSA	21 450 000	35 450 000	14 000 000	65%	1 000 000	1 000 000
INFRASTRUCTURE SERVICES	251 364 312	241 360 703	(10 003 609)	-4%	255 511 240	278 706 000
SANITATION	6 000 000	16 003 609	10 003 609	167%	28 188 760	31 000 000
PROCESS MANAGEMENT - WASTE WATER	12 267 010	12 267 010	-	0%	10 300 000	15 000 000
WASTE WATER MANAGEMENT	18 267 010	28 270 619	10 003 609	55%	38 488 760	46 000 000
TOTAL	296 130 376	296 130 376	-	0%	334 727 590	325 356 000

For 2020/21 an amount of R241 million has been appropriated for the development of water infrastructure which represents 85 per cent of the total capital budget. In the outer years this amount totals R256 million, 76 per cent and R279 million, 86 per cent respectively for each of the financial years.

Total new assets represent 91 per cent or R269 million of the total capital budget while asset renewal and upgrading equates to 9 per cent or R27 million. Further detail relating to asset classes and proposed capital expenditure is contained in A9 (Asset Management) table.

Furthermore page 87 contain a detailed breakdown of the capital budget per project over the medium-term.

1.7 Annual Budget Tables - Parent Municipality

The following eighteen 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 2020/21 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 King Cetshwayo - Table A1 Consolidated Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Service charges	64 615	77 337	86 913	92 472	92 472	92 472	76 289	103 119	112 831	123 830
Investment revenue	45 649	44 449	39 258	32 145	38 821	38 821	34 757	32 909	34 884	36 977
Transfers recognised - operational	467 500	537 477	574 401	532 948	542 200	542 200	525 756	591 780	631 068	682 981
Other own revenue	42 749	42 303	24 988	29 530	3 223	3 223	3 880	4 618	1 900	2 014
Total Revenue (excluding capital transfers and contributions)	620 513	701 565	725 560	687 096	676 717	676 717	640 681	732 426	780 682	845 801
Employee costs	173 463	195 948	229 028	239 552	232 975	232 975	189 990	280 421	291 890	309 447
Remuneration of councillors	10 292	11 778	11 679	13 697	12 221	12 221	10 362	14 436	15 216	16 129
Depreciation & asset impairment	62 985	69 920	74 751	102 409	101 759	101 759	60 328	89 656	97 466	105 187
Finance charges	9 163	6 432	5 322	4 581	4 581	4 581	2 395	3 722	6 917	5 782
Materials and bulk purchases	55 622	79 785	67 106	69 688	76 595	76 595	73 605	108 076	113 301	131 922
Transfers and grants	10 635	11 515	19 355	5 943	2 081	2 081	1 000	1 025	2 820	2 961
Other expenditure	399 601	490 707	483 239	390 346	410 161	410 161	345 014	296 461	340 791	367 392
Total Expenditure	721 762	866 085	890 480	826 215	840 372	840 372	682 694	793 797	868 402	938 820
Surplus/(Deficit)	(101 249)	(164 519)	(164 920)	(139 119)	(163 655)	(163 655)	(42 014)	(61 371)	(87 720)	(93 018)
Transfers and contributions capital (transfers) allocations) (National / Provincial and District)	398 564	270 696	214 677	355 785	441 418	441 418	162 227	246 981	292 000	323 706
Surplus/(Deficit) after capital transfers & contributions	297 316	106 176	49 757	216 665	277 762	277 762	120 214	185 610	204 280	230 688
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	297 316	106 176	49 757	216 665	277 762	277 762	120 214	185 610	204 280	230 688
Capital expenditure & funds sources										
Capital expenditure	375 258	187 343	198 403	370 535	483 184	483 184	148 334	296 130	334 728	325 356
Transfers recognised - capital	357 062	171 513	191 280	355 785	441 418	441 418	138 678	246 981	292 000	323 706
Borrowing	-	-	-	-	-	-	-	-	34 716	-
Internally generated funds	18 196	15 830	7 123	14 750	41 766	41 766	9 656	49 149	8 012	1 650
Total sources of capital funds	375 258	187 343	198 403	370 535	483 184	483 184	148 334	296 130	334 728	325 356
Financial position										
Total current assets	621 509	555 076	582 874	439 713	437 058	437 058	727 982	638 580	603 158	631 301
Total non current assets	2 162 137	2 301 443	2 425 614	2 938 031	3 032 948	3 032 948	2 512 435	2 964 530	3 016 979	2 992 342
Total current liabilities	270 858	233 262	331 947	120 920	115 509	115 509	451 012	449 691	415 809	444 608
Total non current liabilities	144 839	129 081	131 616	118 452	118 261	118 261	125 281	130 853	125 671	126 473
Community wealth/Equity	2 367 949	2 494 177	2 545 022	3 138 372	3 235 586	3 235 586	2 665 138	3 022 567	3 078 656	3 052 562
Cash flows										
Net cash from (used) operating	393 953	150 159	133 261	317 704	371 633	371 633	180 789	273 833	301 006	334 752
Net cash from (used) investing	(308 435)	(171 513)	(198 287)	(370 530)	(483 184)	(483 184)	(148 377)	(296 062)	(334 656)	(325 263)
Net cash from (used) financing	(12 989)	(15 940)	(6 716)	(9 926)	(7 529)	(7 529)	(6 608)	(30 763)	(31 539)	(34 425)
Cash/cash equivalents at the year end	495 087	440 252	389 745	321 464	263 299	263 299	25 718	502 126	436 937	412 001
Cash backing/surplus reconciliation										
Cash and investments available	509 560	461 491	494 384	401 733	399 893	399 893	626 289	555 118	518 847	545 939
Application of cash and investments	288 951	273 703	365 331	163 967	159 803	159 803	466 433	487 515	447 872	473 951
Balance - surplus (shortfall)	220 610	187 788	129 053	237 766	240 091	240 091	159 856	67 603	70 975	71 988
Asset management										
Asset register summary (WDV)	2 155 712	1 525 883	1 530 520	1 971 633	2 066 549	2 066 549	2 066 549	1 780 613	1 788 852	1 772 565
Depreciation	62 985	69 920	74 751	102 409	101 759	101 759	101 759	89 656	97 466	105 187
Renewal and Upgrading of Existing Assets	-	11 128	27 380	64 032	69 847	69 847	69 847	26 816	42 551	41 000
Repairs and Maintenance	79 267	158 507	204 643	140 932	152 639	152 639	152 639	144 049	194 114	205 130
Free services										
Cost of Free Basic Services provided	5 471	3 182	3 325	2 895	2 895	2 895	3 797	3 797	4 025	4 266
Revenue cost of free services provided	-	-	-	-	-	-	3 406	3 406	3 611	3 827
Households below minimum service level										
Water:	47	66	66	66	66	66	67	67	68	69
Sanitation/sewerage:	28	50	50	50	50	50	51	51	52	53

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the District'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 basic service delivery backlogs.
3. Financial management reforms emphasizes 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 Total Expenditure) 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. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. 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 will review the Funding and Reserves Policy as required by section 7 of the Municipal Budget and Reporting Regulations during the course of the 2020/21 financial year, 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 2035, unless urgent interventions are implemented.

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

DC28 King Cetshwayo - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional										
Governance and administration		701 203	586 030	522 074	678 254	781 456	781 456	594 765	658 713	716 317
Executive and council		-	(1)	-	-	-	-	-	-	-
Finance and administration		701 203	586 032	522 074	678 254	781 456	781 456	594 765	658 713	716 317
Community and public safety		174	225	217	209	209	209	339	360	381
Community and social services		174	225	217	209	209	209	339	360	381
Economic and environmental services		20 648	19 095	19 075	18 391	18 391	18 391	19 583	20 669	21 894
Environmental protection		20 648	19 095	19 075	18 391	18 391	18 391	19 583	20 669	21 894
Trading services		266 600	337 980	364 472	318 078	318 078	318 078	364 720	392 941	430 915
Water management		222 224	241 881	261 892	278 597	278 597	278 597	313 103	337 826	362 350
Waste water management		25 404	75 594	76 362	7 943	7 943	7 943	26 444	24 907	32 316
Waste management		18 972	20 505	26 218	31 539	31 539	31 539	25 173	30 207	36 249
Other	4	30 452	28 931	34 398	27 948	-	-	-	-	-
Total Revenue - Functional	2	1 019 078	972 261	940 237	1 042 880	1 118 135	1 118 135	979 407	1 072 682	1 169 507
Expenditure - Functional										
Governance and administration		136 616	142 656	166 793	201 932	187 984	187 984	213 512	218 290	230 084
Executive and council		25 841	30 287	42 089	46 413	40 062	40 062	42 587	44 872	47 424
Finance and administration		110 776	112 368	124 704	155 519	147 922	147 922	161 124	163 056	171 676
Internal audit		-	-	-	-	-	-	9 801	10 362	10 983
Community and public safety		49 074	47 144	31 547	31 877	31 934	31 934	29 980	33 562	35 438
Community and social services		31 224	31 011	31 547	31 877	31 934	31 934	29 980	33 562	35 438
Health		17 850	16 133	-	-	-	-	-	-	-
Economic and environmental services		20 767	28 084	54 650	45 963	39 024	39 024	44 869	46 851	49 606
Planning and development		20 767	25 815	35 882	24 991	19 918	19 918	21 511	22 548	23 813
Environmental protection		-	2 269	18 768	20 972	19 107	19 107	23 358	24 303	25 792
Trading services		485 201	615 564	613 878	517 846	581 429	581 429	505 436	569 699	623 692
Water management		423 415	474 799	546 030	479 679	545 783	545 783	449 891	507 346	552 182
Waste water management		26 651	111 782	46 799	14 320	10 494	10 494	31 563	33 321	41 471
Waste management		35 135	28 983	21 049	23 847	25 152	25 152	23 981	29 031	30 040
Other	4	30 104	32 637	23 613	28 598	-	-	-	-	-
Total Expenditure - Functional	3	721 762	866 085	890 480	826 215	840 372	840 372	793 797	868 402	938 820
Surplus/(Deficit) for the year		297 316	106 176	49 757	216 665	277 762	277 762	185 610	204 280	230 688

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

- 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 15 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.
- 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.
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Water and Waste water functions, but not 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 King Cetshwayo - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote	1									
Vote 01 - Executive & Council		-	(1)	-	-	-	-	-	-	-
Vote 03 - Community & Social Services		174	225	217	209	209	209	339	360	381
Vote 05 - Environmental Health		20 648	19 095	19 075	18 391	18 391	18 391	19 583	20 669	21 894
Vote 06 - Finance & Administration		701 203	586 032	522 074	678 254	781 456	781 456	594 765	658 713	716 317
Vote 07 - Infrastructure Services		222 224	241 881	261 892	278 597	278 597	278 597	313 103	337 826	362 350
Vote 08 - Waste Management		18 972	20 505	26 218	31 539	31 539	31 539	25 173	30 207	36 249
Vote 09 - Waste Water Management		25 404	75 594	76 362	7 943	7 943	7 943	26 444	24 907	32 316
Vote 10 - King Cetshwayo Fresh Produce Market		30 452	28 931	34 398	27 948	-	-	-	-	-
Total Revenue by Vote	2	1 019 078	972 261	940 237	1 042 880	1 118 135	1 118 135	979 407	1 072 682	1 169 507
Expenditure by Vote to be appropriated	1									
Vote 01 - Executive & Council		38 041	55 001	69 061	83 919	78 995	78 995	95 155	96 275	101 628
Vote 02 - Economic Development, Planning & Environmental Health		20 767	25 815	35 882	24 991	19 918	19 918	21 511	22 548	23 813
Vote 03 - Community & Social Services		31 224	31 011	31 547	31 877	31 934	31 934	29 980	33 562	35 438
Vote 05 - Environmental Health		17 850	18 402	18 768	20 972	19 107	19 107	23 358	24 303	25 792
Vote 06 - Finance & Administration		98 575	87 655	97 732	118 013	108 989	108 989	118 358	122 014	128 456
Vote 07 - Infrastructure Services		423 415	474 799	546 030	479 679	545 783	545 783	449 891	507 346	552 182
Vote 08 - Waste Management		35 135	28 983	21 049	23 847	25 152	25 152	23 981	29 031	30 040
Vote 09 - Waste Water Management		26 651	111 782	46 799	14 320	10 494	10 494	31 563	33 321	41 471
Vote 10 - King Cetshwayo Fresh Produce Market		30 104	32 637	23 613	28 598	-	-	-	-	-
Total Expenditure by Vote	2	721 762	866 085	890 480	826 215	840 372	840 372	793 797	868 402	938 820
Surplus/(Deficit) for the year	2	297 316	106 176	49 757	216 665	277 762	277 762	185 610	204 280	230 688

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 District. 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 King Cetshwayo - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Service charges - water revenue	2	38 937	48 893	53 125	52 991	52 991	52 991	47 527	69 502	73 673	78 093
Service charges - sanitation revenue	2	6 706	7 939	7 569	7 943	7 943	7 943	6 846	8 444	8 951	9 488
Service charges - refuse revenue	2	18 972	20 505	26 218	31 539	31 539	31 539	21 916	25 173	30 207	36 249
Rental of facilities and equipment		47	568	119	111	111	111	73	115	122	129
Interest earned - external investments		45 649	44 449	39 258	32 145	38 821	38 821	34 757	32 909	34 884	36 977
Interest earned - outstanding debtors		2 054	2 190	1 710	265	265	265	1 869	280	297	314
Dividends received		-	3	4	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	8	13	9	9	9	15	10	10	11
Licences and permits		52	20	40	70	70	70	55	74	80	85
Transfers and subsidies		467 500	537 477	574 401	532 948	542 200	542 200	525 756	591 780	631 068	682 981
Other revenue	2	40 597	32 547	23 055	29 074	2 767	2 767	1 868	4 139	1 391	1 475
Gains		-	6 965	48	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		620 513	701 565	725 560	687 096	676 717	676 717	640 681	732 426	780 682	845 801
Expenditure By Type											
Employee related costs	2	173 463	195 948	229 028	239 552	232 975	232 975	189 990	280 421	291 890	309 447
Remuneration of councillors		10 292	11 778	11 679	13 697	12 221	12 221	10 362	14 436	15 216	16 129
Debt impairment	3	12 426	5 318	8 754	7 612	7 612	7 612	248	7 817	8 286	8 783
Depreciation & asset impairment	2	62 985	69 920	74 751	102 409	101 759	101 759	60 328	89 656	97 466	105 187
Finance charges		9 163	6 432	5 322	4 581	4 581	4 581	2 395	3 722	6 917	5 782
Bulk purchases	2	55 622	47 255	39 201	34 381	59 381	59 381	59 122	71 811	87 363	104 325
Other materials	8	-	32 530	27 905	35 307	17 214	17 214	14 483	36 266	25 939	27 596
Contracted services		111 867	387 281	367 238	253 765	297 703	297 703	270 865	177 417	220 674	240 095
Transfers and subsidies		10 635	11 515	19 355	5 943	2 081	2 081	1 000	1 025	2 820	2 961
Other expenditure	4, 5	275 308	96 776	107 248	128 969	104 847	104 847	73 900	111 227	111 831	118 513
Losses		-	1 332	-	-	-	-	-	-	-	-
Total Expenditure		721 762	866 085	890 480	826 215	840 372	840 372	682 694	793 797	868 402	938 820
Surplus/(Deficit)		(101 249)	(164 519)	(164 920)	(139 119)	(163 655)	(163 655)	(42 014)	(61 371)	(87 720)	(93 018)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		398 564	270 696	214 677	355 785	441 418	441 418	162 227	246 981	292 000	323 706
Surplus/(Deficit) after capital transfers & contributions		297 316	106 176	49 757	216 665	277 762	277 762	120 214	185 610	204 280	230 688
Taxation											
Surplus/(Deficit) after taxation		297 316	106 176	49 757	216 665	277 762	277 762	120 214	185 610	204 280	230 688
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		297 316	106 176	49 757	216 665	277 762	277 762	120 214	185 610	204 280	230 688
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		297 316	106 176	49 757	216 665	277 762	277 762	120 214	185 610	204 280	230 688

- Total operational revenue is R794 million in 2020/21 and escalates to R939 million by 2022/23. This represents an increase of 18% over the medium term.
- The salary increase of 6.25% has been factored into the draft budget for 2019/20. This is in accordance with the current salary and wage collective agreement where it is stated that the increase for 2020/21 will be an inflation outlook as announced by the Reserve Bank's Monetary Policy Committee in its January 2020 report, plus 1.5%.
- The total employee related costs for the 2020/21 financial year is R280 million. To note that the budget amounting to R11.5m that had been ring-fenced for new positions in the draft budget that served before Council in March has been allocated to various positions which emanated from the review of the municipality's organogram by the Accounting Officer. The filling of these positions will be in terms of the implementation plan to be approved by Council.

4. With the addition of the newly funded positions, the total employee related costs as a percentage of the budget increases to 35% in the 2020/21 financial year, and decreasing slightly to 34% and 33% in the respective outer two years of the MTREF. It is important to note that the National Treasury norm for this ratio is 25% - 40. The filling of these positions may need to be re-looked at by Management as the current norm is fast approaching the maximum.
5. 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 District's budget.
6. The provision of debt impairment was determined based on an annual collection rate of 92 per cent together with Credit Control & Debt Collection Policy of the municipality. For the 2020/21 financial year this amount equates to R7.8 million and escalates to R8.9 million by 2022/23. 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, as well as the municipality's realistically anticipated revenues.
7. Provision for depreciation and asset impairment has been informed by the Municipality's Property, plant and Equipment Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R112 million for the 2020/21 financial year. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.
8. Bulk purchases are directly informed by the purchase of water from the District's Bulk Water suppliers. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.
9. Other materials comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the District's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the District's infrastructure. For 2020/21 the appropriation against this group of expenditure is budgeted for at R36m, R26m for 2021/22 and to R28m for 2022/23.
10. Contracted services has been identified as a major cost driver for the District, as the bulk of the operations and maintenance of the potable water and waste water schemes is outsourced to the Service Support Agency. As part of the compilation of the 2020/21 MTREF this group of expenditure was critically evaluated and it was proposed at the Strategic Planning meeting of the municipality that the municipality needs to acquire and implement a system that will correctly flag any operational inefficiencies that may be there in this expenditure. In the 2020/21 financial year, the operations, repairs and maintenance of the water schemes is budgeted for at R177m. It must be noted that a process is underway to procure a partner that will assist the municipality in the running of the bulk and rudimentary schemes, ranging from service providers to even water boards. To allow this to happen seamlessly, the contract for WSSA has been extended until 30 June 2020.

11. Furthermore a tender specification document has been compiled for a panel of contractors who will undertake repairs and maintenance of the water schemes. It is expected that this process be finalized during the course of the 2019/20 financial year.
12. Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The budget in this line item for the 2020/21 financial year is R107m, increasing to R119m by 2022/23.

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

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 03 - Community & Social Services		-	636	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure Services		354 169	152 500	172 655	309 753	335 840	335 840	95 799	178 911	213 811	237 706
Vote 08 - Waste Management		-	310	-	-	-	-	-	4 362	4 362	-
Vote 09 - Waste Water Management		3 000	-	18 625	52 032	68 631	68 631	39 600	16 004	38 189	46 000
Capital multi-year expenditure sub-total	7	357 169	153 446	191 280	361 785	404 471	404 471	135 399	199 276	256 362	283 706
Single-year expenditure to be appropriated	2										
Vote 01 - Executive & Council		3 579	2 028	783	100	3 715	3 715	70	100	-	-
Vote 02 - Economic Development, Planning & Environ		-	-	86	40	40	40	-	-	-	-
Vote 03 - Community & Social Services		999	221	1 955	-	253	253	-	150	-	-
Vote 05 - Environmental Health		-	86	242	250	250	250	-	-	-	-
Vote 06 - Finance & Administration		3 472	2 917	2 227	3 450	4 250	4 250	1 633	7 009	1 650	650
Vote 07 - Infrastructure Services		2 893	28 494	1 144	4 310	69 922	69 922	11 078	62 450	41 700	41 000
Vote 08 - Waste Management		258	50	578	-	-	-	-	14 878	34 716	-
Vote 09 - Waste Water Management		2 929	-	-	600	283	283	154	12 267	300	-
Vote 10 - King Cetshwayo Fresh Produce Market		3 959	100	108	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		18 089	33 897	7 123	8 750	78 713	78 713	12 935	96 854	78 366	41 650
Total Capital Expenditure - Vote		375 258	187 343	198 403	370 535	483 184	483 184	148 334	296 130	334 728	325 356
Capital Expenditure - Functional											
Governance and administration		7 052	4 946	3 010	3 550	7 965	7 965	1 703	7 109	1 650	650
Executive and council		3 579	1 703	443	100	3 715	3 715	70	100	-	-
Finance and administration		3 472	3 242	2 567	3 450	4 250	4 250	1 633	7 009	1 650	650
Community and public safety		999	858	1 955	-	253	253	-	150	-	-
Community and social services		999	858	1 955	-	253	253	-	150	-	-
Economic and environmental services		-	86	328	290	290	290	-	-	-	-
Planning and development		-	-	86	40	40	40	-	-	-	-
Environmental protection		-	86	242	250	250	250	-	-	-	-
Trading services		363 248	181 354	193 002	366 695	474 676	474 676	146 631	288 871	333 078	324 706
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		357 062	180 994	173 799	314 063	405 762	405 762	106 877	241 361	255 511	278 706
Waste water management		5 929	-	18 625	52 632	68 914	68 914	39 754	28 271	38 489	46 000
Waste management		258	360	578	-	-	-	-	19 240	39 078	-
Other		3 959	100	108	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	375 258	187 343	198 403	370 535	483 184	483 184	148 334	296 130	334 728	325 356
Funded by:											
National Government		357 062	171 513	191 280	355 785	441 418	441 418	138 678	246 981	292 000	323 706
Transfers recognised - capital	4	357 062	171 513	191 280	355 785	441 418	441 418	138 678	246 981	292 000	323 706
Borrowing	6	-	-	-	-	-	-	-	-	34 716	-
Internally generated funds		18 196	15 830	7 123	14 750	41 766	41 766	9 656	49 149	8 012	1 650
Total Capital Funding	7	375 258	187 343	198 403	370 535	483 184	483 184	148 334	296 130	334 728	325 356

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 2020/21 R219 million has been allocated of the total R 296 million capital budget, which totals 74 per cent. This allocation increases to R256 million in 2021/22 and then escalates to R347 million in 2022/23.
3. Single-year capital expenditure has been appropriated at R77 million for the 2020/21 financial year, increases slightly to R78 million and drops to R1.6 million for the 2021/22 financial year.
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 vehicles and specialized tools and equipment. 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 District.
5. The capital programme is funded from capital grants and transfers and internally generated funds from current year surpluses. For 2020/21, capital transfers totals R247 million and escalates to R347 million by 2022/23. The MTREF with internally generated funding totaling R49.1 million, R3 million and R1.7 million for each of the respective financial years of the MTREF.

Table 14 MBRR Table A6 - Budgeted Financial Position

DC28 King Cetshwayo - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS											
Current assets											
Cash		198 357	111 491	144 384	66 733	64 893	64 893	314 431	165 118	153 847	180 939
Call investment deposits	1	305 000	350 000	350 000	335 000	335 000	335 000	311 858	390 000	365 000	365 000
Consumer debtors	1	72 298	45 459	54 358	27 778	27 358	27 358	57 166	51 496	51 422	52 465
Other debtors		40 080	42 042	28 235	5 735	5 340	5 340	37 450	26 025	26 952	26 963
Current portion of long-term receivables		43	48	53	44	44	44	53	97	93	91
Inventory	2	5 731	6 036	5 844	4 423	4 423	4 423	7 023	5 844	5 844	5 844
Total current assets		621 509	555 076	582 874	439 713	437 058	437 058	727 982	638 580	603 158	631 301
Non current assets											
Long-term receivables		222	-	116	121	121	121	73	68	72	93
Investments		6 203									
Property, plant and equipment	3	2 151 559	2 295 318	2 419 391	2 930 908	3 026 123	3 026 123	2 506 914	2 949 617	3 011 300	2 987 642
Intangible		3 453	4 658	4 591	6 302	6 003	6 003	5 074	13 329	4 091	3 091
Other non-current assets		700	1 468	1 516	700	700	700	374	1 516	1 516	1 516
Total non current assets		2 162 137	2 301 443	2 425 614	2 938 031	3 032 948	3 032 948	2 512 435	2 964 530	3 016 979	2 992 342
TOTAL ASSETS		2 783 646	2 856 520	3 008 488	3 377 744	3 470 006	3 470 006	3 240 417	3 603 110	3 620 137	3 623 643
LIABILITIES											
Current liabilities											
Borrowing	4	10 605	5 928	6 670	7 529	7 529	7 529	6 670	7 626	7 748	9 948
Consumer deposits		10 387	10 012	10 058	12 456	12 456	12 456	9 997	23 137	23 791	24 478
Trade and other payables	4	248 209	188 103	286 384	67 170	61 759	61 759	405 511	387 581	352 966	380 799
Provisions		1 656	29 219	28 835	33 765	33 765	33 765	28 835	31 347	31 304	29 384
Total current liabilities		270 858	233 262	331 947	120 920	115 509	115 509	451 012	449 691	415 809	444 608
Non current liabilities											
Borrowing		44 462	38 533	31 864	24 335	24 335	24 335	28 633	23 378	21 838	21 483
Provisions		100 377	90 548	99 752	94 117	93 926	93 926	96 648	107 475	103 833	104 990
Total non current liabilities		144 839	129 081	131 616	118 452	118 261	118 261	125 281	130 853	125 671	126 473
TOTAL LIABILITIES		415 697	362 343	463 563	239 371	233 770	233 770	576 293	580 544	541 480	571 081
NET ASSETS	5	2 367 949	2 494 177	2 544 924	3 138 372	3 236 236	3 236 236	2 664 124	3 022 567	3 078 656	3 052 562
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		2 102 957	2 494 176	2 545 021	2 810 901	2 908 115	2 908 115	2 665 137	2 705 253	2 723 924	2 750 331
Reserves	4	264 992	1	1	327 471	327 470	327 470	1	317 313	354 732	302 230
TOTAL COMMUNITY WEALTH/EQUITY	5	2 367 949	2 494 177	2 545 022	3 138 372	3 235 586	3 235 586	2 665 138	3 022 567	3 078 656	3 052 562

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.
3. Table 13 is supported by an extensive table of notes (SA3 which can be found on) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
4. 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.
5. 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 3 MBRR Table A7 - Budgeted Cash Flow Statement

DC28 King Cetshwayo - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Service charges		64 841	77 337	86 913	83 225	83 225	83 225	76 289	93 870	103 804	113 923
Other revenue		(6 399)	7 522	23 275	29 530	3 223	3 223	3 880	4 338	1 603	1 700
Transfers and Subsidies - Operational	1	433 789	537 477	574 401	532 948	535 948	535 948	525 756	591 780	631 068	682 981
Transfers and Subsidies - Capital	1	461 763	270 696	214 677	355 785	441 418	441 418	162 227	246 981	292 000	323 706
Interest		47 703	46 639	40 968	32 410	38 821	38 821	34 757	33 189	35 180	37 291
Dividends			3	4					-	-	-
Payments											
Suppliers and employees		(587 984)	(771 568)	(782 299)	(705 671)	(724 339)	(724 339)	(618 724)	(691 578)	(752 912)	(816 106)
Finance charges		(9 125)	(6 432)	(5 322)	(4 581)	(4 581)	(4 581)	(2 395)	(3 722)	(6 917)	(5 782)
Transfers and Grants	1	(10 635)	(11 515)	(19 355)	(5 943)	(2 081)	(2 081)	(1 000)	(1 025)	(2 820)	(2 961)
NET CASH FROM/(USED) OPERATING ACTIVITIES		393 953	150 159	133 261	317 704	371 633	371 633	180 789	273 833	301 006	334 752
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		187							-	-	-
Decrease (increase) in non-current receivables		90							-	-	-
Decrease (increase) in non-current investments		-	-	116	5	-	-	(43)	68	72	93
Payments											
Capital assets		(308 711)	(171 513)	(198 403)	(370 535)	(483 184)	(483 184)	(148 334)	(296 130)	(334 728)	(325 356)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(308 435)	(171 513)	(198 287)	(370 530)	(483 184)	(483 184)	(148 377)	(296 062)	(334 656)	(325 263)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Increase (decrease) in consumer deposits		-	(10 012)	(47)	(2 397)	-	-	61	(23 137)	(23 791)	(24 478)
Payments											
Repayment of borrowing		(12 989)	(5 928)	(6 670)	(7 529)	(7 529)	(7 529)	(6 670)	(7 626)	(7 748)	(9 948)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(12 989)	(15 940)	(6 716)	(9 926)	(7 529)	(7 529)	(6 608)	(30 763)	(31 539)	(34 425)
NET INCREASE/ (DECREASE) IN CASH HELD		72 529	(37 294)	(71 742)	(62 753)	(119 079)	(119 079)	25 804	(52 992)	(65 189)	(24 937)
Cash/cash equivalents at the year begin:	2	422 557	477 546	461 487	384 217	382 378	382 378	(86)	555 118	502 126	436 937
Cash/cash equivalents at the year end:	2	495 087	440 252	389 745	321 464	263 299	263 299	25 718	502 126	436 937	412 001

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 R502m, R437m and R412m for the 2020/2021, 2021/2022 and 2022/2023 financial years respectively.

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

DC28 King Cetshwayo - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	495 087	440 252	389 745	321 464	263 299	263 299	25 718	502 126	436 937	412 001
Other current investments > 90 days		8 271	21 239	104 639	80 269	136 595	136 595	600 571	52 992	81 910	133 938
Non current assets - Investments	1	6 203	-	-	-	-	-	-	-	-	-
Cash and investments available:		509 560	461 491	494 384	401 733	399 893	399 893	626 289	555 118	518 847	545 939
Application of cash and investments											
Unspent conditional transfers		-	0	92 895	-	-	-	294 584	92 895	92 895	92 895
Statutory requirements	2	1 656	29 219	28 835	33 765	33 765	33 765	28 835	31 347	31 304	29 384
Other working capital requirements	3	186 917	153 936	143 849	36 085	32 111	32 111	46 366	255 799	219 839	246 682
Other provisions		100 377	90 548	99 752	94 117	93 926	93 926	96 648	107 475	103 833	104 990
Total Application of cash and investments:		288 951	273 703	365 331	163 967	159 803	159 803	466 433	487 515	447 872	473 951
Surplus(shortfall)		220 610	187 788	129 053	237 766	240 091	240 091	159 856	67 603	70 975	71 988

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

DC28 King Cetshwayo - Table A9 Consolidated Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE										
Total New Assets	1	375 258	176 215	171 023	306 503	413 337	413 337	269 315	292 177	284 356
Water Supply Infrastructure		354 169	169 043	164 464	300 253	372 733	372 733	226 478	255 511	283 706
Sanitation Infrastructure		20 389	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	310	523	-	-	-	14 878	34 716	-
Infrastructure		374 558	169 353	164 987	300 253	372 733	372 733	241 356	290 227	283 706
Community Facilities		-	636	425	-	253	253	-	-	-
Community Assets		-	636	425	-	253	253	-	-	-
Heritage Assets		700	-	-	-	-	-	-	-	-
Operational Buildings		-	-	195	1 300	11 236	11 236	-	-	-
Other Assets		-	-	195	1 300	11 236	11 236	-	-	-
Licences and Rights		-	1 110	880	1 650	1 442	1 442	5 119	500	-
Intangible Assets		-	1 110	880	1 650	1 442	1 442	5 119	500	-
Computer Equipment		-	2 262	1 769	1 750	1 874	1 874	1 590	850	650
Furniture and Office Equipment		-	1 215	1 048	350	463	463	220	-	-
Machinery and Equipment		-	119	221	1 200	1 082	1 082	1 030	600	-
Transport Assets		-	1 521	1 497	-	24 255	24 255	20 000	-	-
Total Renewal of Existing Assets	2	-	1 959	3 538	41 032	56 981	56 981	22 004	28 189	31 000
Water Supply Infrastructure		-	1 959	3 538	-	-	-	6 000	-	-
Sanitation Infrastructure		-	-	-	41 032	56 981	56 981	16 004	28 189	31 000
Infrastructure		-	1 959	3 538	41 032	56 981	56 981	22 004	28 189	31 000
Total Upgrading of Existing Assets	6	-	9 169	23 842	23 000	12 866	12 866	4 812	14 362	10 000
Water Supply Infrastructure		-	9 169	23 842	23 000	12 866	12 866	450	10 000	10 000
Solid Waste Infrastructure		-	-	-	-	-	-	4 362	4 362	-
Infrastructure		-	9 169	23 842	23 000	12 866	12 866	4 812	14 362	10 000
Total Capital Expenditure	4	375 258	187 343	198 403	370 535	483 184	483 184	296 130	334 728	325 356
Water Supply Infrastructure		354 169	180 170	191 844	323 253	385 599	385 599	232 928	265 511	293 706
Sanitation Infrastructure		20 389	-	-	41 032	56 981	56 981	16 004	28 189	31 000
Solid Waste Infrastructure		-	310	523	-	-	-	19 240	39 078	-
Infrastructure		374 558	180 480	192 367	364 285	442 580	442 580	268 171	332 778	324 706
Community Facilities		-	636	425	-	253	253	-	-	-
Community Assets		-	636	425	-	253	253	-	-	-
Heritage Assets		700	-	-	-	-	-	-	-	-
Operational Buildings		-	-	195	1 300	11 236	11 236	-	-	-
Other Assets		-	-	195	1 300	11 236	11 236	-	-	-
Licences and Rights		-	1 110	880	1 650	1 442	1 442	5 119	500	-
Intangible Assets		-	1 110	880	1 650	1 442	1 442	5 119	500	-
Computer Equipment		-	2 262	1 769	1 750	1 874	1 874	1 590	850	650
Furniture and Office Equipment		-	1 215	1 048	350	463	463	220	-	-
Machinery and Equipment		-	119	221	1 200	1 082	1 082	1 030	600	-
Transport Assets		-	1 521	1 497	-	24 255	24 255	20 000	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		375 258	187 343	198 403	370 535	483 184	483 184	296 130	334 728	325 356
ASSET REGISTER SUMMARY - PPE (WDV)	5	2 155 712	1 525 883	1 530 520	1 971 633	2 066 549	2 066 549	1 780 613	1 788 852	1 772 565
Water Supply Infrastructure		2 022 885	1 293 161	1 107 570	1 589 443	1 651 789	1 651 789	1 274 867	1 299 640	1 320 114
Sanitation Infrastructure		30 948	(3 677)	(6 015)	54 820	70 769	70 769	6 748	18 933	21 744
Solid Waste Infrastructure		18 448	14 857	16 222	47 407	47 407	47 407	35 462	55 299	16 222
Information and Communication Infrastructure		-	114 555	297 975	153 945	153 945	153 945	298 225	298 225	298 225
Infrastructure		2 072 281	1 418 896	1 415 751	1 845 615	1 923 910	1 923 910	1 615 300	1 672 096	1 656 304
Community Assets		61 928	15 318	15 302	19 957	19 022	19 022	15 534	15 534	15 534
Heritage Assets		700	700	700	700	700	700	700	700	700
Other Assets		-	59 608	18 179	59 655	69 591	69 591	18 179	18 179	18 179
Intangible Assets		3 453	4 658	4 591	6 302	6 003	6 003	13 329	4 091	3 091
Computer Equipment		5 374	7 174	6 682	12 426	12 284	12 284	7 342	8 062	8 162
Furniture and Office Equipment		4 431	6 414	12 149	1 922	1 053	1 053	12 293	12 113	12 313
Machinery and Equipment		1 115	1 970	920	18 195	2 871	2 871	3 216	3 356	3 562
Transport Assets		6 429	11 147	56 246	6 861	31 116	31 116	94 719	54 719	54 719
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2 155 712	1 525 883	1 530 520	1 971 633	2 066 549	2 066 549	1 780 613	1 788 852	1 772 565
EXPENDITURE OTHER ITEMS		142 252	228 427	279 394	243 341	254 398	254 398	233 705	291 580	310 317
Depreciation	7	62 985	69 920	74 751	102 409	101 759	101 759	89 656	97 466	105 187
Repairs and Maintenance by Asset Class	3	79 267	158 507	204 643	140 932	152 639	152 639	144 049	194 114	205 130
Water Supply Infrastructure		77 198	156 448	199 231	136 889	148 425	148 425	135 713	185 168	195 607
Infrastructure		77 198	156 448	199 231	136 889	148 425	148 425	135 713	185 168	195 607
Community Facilities		290	104	47	210	310	310	194	203	217
Community Assets		290	104	47	210	310	310	194	203	217
Furniture and Office Equipment		7	-	5	-	3	3	-	-	-
Machinery and Equipment		720	576	1 267	2 206	2 099	2 099	1 097	1 557	1 713
Transport Assets		1 051	1 379	4 093	1 627	1 802	1 802	7 044	7 186	7 593
TOTAL EXPENDITURE OTHER ITEMS		142 252	228 427	279 394	243 341	254 398	254 398	233 705	291 580	310 317
Renewal and upgrading of Existing Assets as % of total capex		0.0%	5.9%	13.8%	17.3%	14.5%	14.5%	9.1%	12.7%	12.6%
Renewal and upgrading of Existing Assets as % of deprecn		0.0%	15.9%	36.6%	62.5%	68.6%	68.6%	29.9%	43.7%	39.0%
R&M as a % of PPE		3.7%	6.9%	8.5%	4.8%	5.0%	5.0%	4.9%	6.4%	6.9%
Renewal and upgrading and R&M as a % of PPE		4.0%	11.0%	15.0%	10.0%	11.0%	11.0%	10.0%	13.0%	14.0%

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. From the above table it is noted that the amounts allocated to renewal, upgrade and repairs and maintenance of infrastructure assets equates to 10% of PPE. Furthermore, King Cetshwayo's internally funded capital for 2020/21 accounts for 17% of the total capital budget, most of the capital budget is grant funded mainly through MIG, RBIG and WSIG, which is for backlog eradication.

Table 48 MBRR Table A10 - Basic Service Delivery Measurement

DC28 King Cetshwayo - Table A10 Consolidated basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		31 221	40 337	40 741	40 741	40 741	40 741	41 352	41 972	42 602
Piped water inside yard (but not in dwelling)		48 419	58 065	58 646	58 646	58 646	58 646	59 525	60 418	61 324
Using public tap (at least min.service level)	2	23 180	29 282	29 575	29 575	29 575	29 575	30 018	30 469	30 926
<i>Minimum Service Level and Above sub-total</i>	3	102 820	127 684	128 961	128 961	128 961	128 961	130 895	132 859	134 852
Using public tap (< min.service level)		10 230	10 102	10 203	10 203	10 203	10 203	10 356	10 512	10 669
No water supply		36 692	55 677	56 234	56 234	56 234	56 234	57 077	57 933	58 803
<i>Below Minimum Service Level sub-total</i>	3	46 921	65 779	66 437	66 437	66 437	66 437	67 434	68 445	69 472
Total number of households	5	149 742	193 464	195 398	195 398	195 398	195 398	198 329	201 304	204 324
Sanitation/sewage:										
Flush toilet (connected to sewerage)		31 221	40 337	40 741	40 741	40 741	40 741	41 352	41 972	42 602
Flush toilet (with septic tank)		4 378	5 657	5 713	5 713	5 713	5 713	5 799	5 886	5 974
Pit toilet (ventilated)		85 789	97 528	98 503	98 503	98 503	98 503	99 981	101 480	103 002
<i>Minimum Service Level and Above sub-total</i>		121 388	143 522	144 957	144 957	144 957	144 957	147 131	149 338	151 578
Other toilet provisions (< min.service level)		28 353	49 942	50 441	50 441	50 441	50 441	51 198	51 966	52 745
<i>Below Minimum Service Level sub-total</i>		28 353	49 942	50 441	50 441	50 441	50 441	51 198	51 966	52 745
Total number of households	5	149 742	193 464	195 398	195 398	195 398	195 398	198 329	201 304	204 324
Water (6 kilolitres per indigent household per month)		5 471	3 182	3 325	2 895	2 895	2 895	3 797	4 025	4 266
Total cost of FBS provided		5 471	3 182	3 325	2 895	2 895	2 895	3 797	4 025	4 266
Highest level of free service provided per household										
Water (kilolitres per household per month)		11	10	10	10	10	10	10	10	10
Sanitation (kilolitres per household per month)		33	29	29	29	29	29	29	30	30
Revenue cost of subsidised services provided (R'000)	9									
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	3 183	3 374	3 576
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	223	237	251
Total revenue cost of subsidised services provided		-	-	-	-	-	-	3 406	3 611	3 827

Explanatory notes to Table A10 - Basic Service Delivery Measurement

- 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 Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Accounting Officer.

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 District's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

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 2019) 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 2019 and was then subsequently submitted to the Financial Services Portfolio Committee, Exco, and Council in August 2019. The Key dates applicable to the process were:

- **August 2019** – The Mayor tables the Schedule of Key deadlines to the relevant Council Committees;
- **October/November 2019** – Detail departmental budget proposals (capital and operating) submitted to the Budget Office for consolidation and assessment against the financial planning guidelines;
- **January 2020**- Council considers the 2019/20 Mid-year Review in terms of section 72 of the MFMA;
- **February 2020**- Council considers the 2019/20 Adjustments Budget;
- **March 2020**– Multi-year budget proposals are submitted to the Budget Steering Committee for consideration and further deliberation;
- **March 2020**- Tabling in the Financial Services Portfolio Committee, Exco and Council of the draft 2019/20 IDP and 2019/20 MTREF for consideration;
- **April/May 2020** – Public consultation, IDP Roadshows;
- **May 2020**– 2020/20 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;
- **May 2020** - Tabling of the final 2020/21 MTREF before Council for consideration and approval.
- **June 2020** - finalisation of the 2020/21 IDP review

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.

2.1.1 IDP and Service Delivery and Budget Implementation Plan

This is the fourth review of the IDP as adopted by Council in May 2016. It started in September 2019 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2020/21 MTREF in August.

The District's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2020/21 MTREF, based on the approved 2019/20 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2020/21 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and performance against the 2019/20 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.2 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/21 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2020/21 MTREF:

- District growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2019/20 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;

- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 98 and 99 has been taken into consideration in the planning and prioritisation process.

2.1.3 Community Consultation

The draft 2020/21 MTREF as tabled before Council on 26 March 2020 for community consultation was published on the municipality's website, and hard copies will be made available at local municipalities' notice boards and in local press. Due to the Covid-19 pandemic that has gripped our country and the subsequent proclamation of countrywide lockdown by our President, other innovative ways have been employed to ensure the draft budget reach our communities. These are;

- The municipal website
- 1KZNTV
- Radio interviews
- Publication of the draft budget supplement in the local newspapers
- Social media: Facebook, WhatsApp and Twitter
- Budget supplements distributed to each municipal area

The public was asked to view the full budget on our website and social media, and to comment through email, Facebook Messenger, writing to the Municipal Manager or Fax.

All documents in the appropriate format (electronic and printed) were provided to Provincial and National Treasuries, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be addressed, and where relevant will be considered as part of the finalisation of the 2020/21 MTREF.

2.2 Overview of alignment of annual budget with IDP

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

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

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

strategic environment for managing and guiding all planning, development and decision making in the municipality.

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

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

2.2.1 Alignment Of Budget With IDP

The budget was prepared using the following IDP inputs:

- Situational Analysis
- The outputs of the consultations with the various 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 2017/18 - 2021/22 as required by the Municipal Systems Act and the MFMA. The document contains information on the following:

- Vision for the King Cetshwayo 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.

2.2.2 IDP FOCUS AREAS

The integrated development approach of the King Cetshwayo 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.

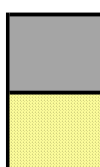
The King Cetshwayo District Municipality also focuses on its core functions as referenced in Section 84(1) of the Municipal Structures Act (No. 117 of 1998). The following table provides a summary of only those core functions (shaded areas) for the King Cetshwayo

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

2.2.3 IDP Strategic Objectives

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

Table 19: IDP Strategic objectives

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 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 2020/2021 MTREF has therefore been directly informed by the above strategic objectives and the IDP.

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the District has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

Over the years, managers reporting directly to the Municipal Manager have been required to sign performance agreements and then assessed on the targets contained therein, this has recently been cascaded to the third tier of management, being managers reporting to the Deputy Municipal Managers. In the ensuing year, this will be further cascaded to the fourth tier of management.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

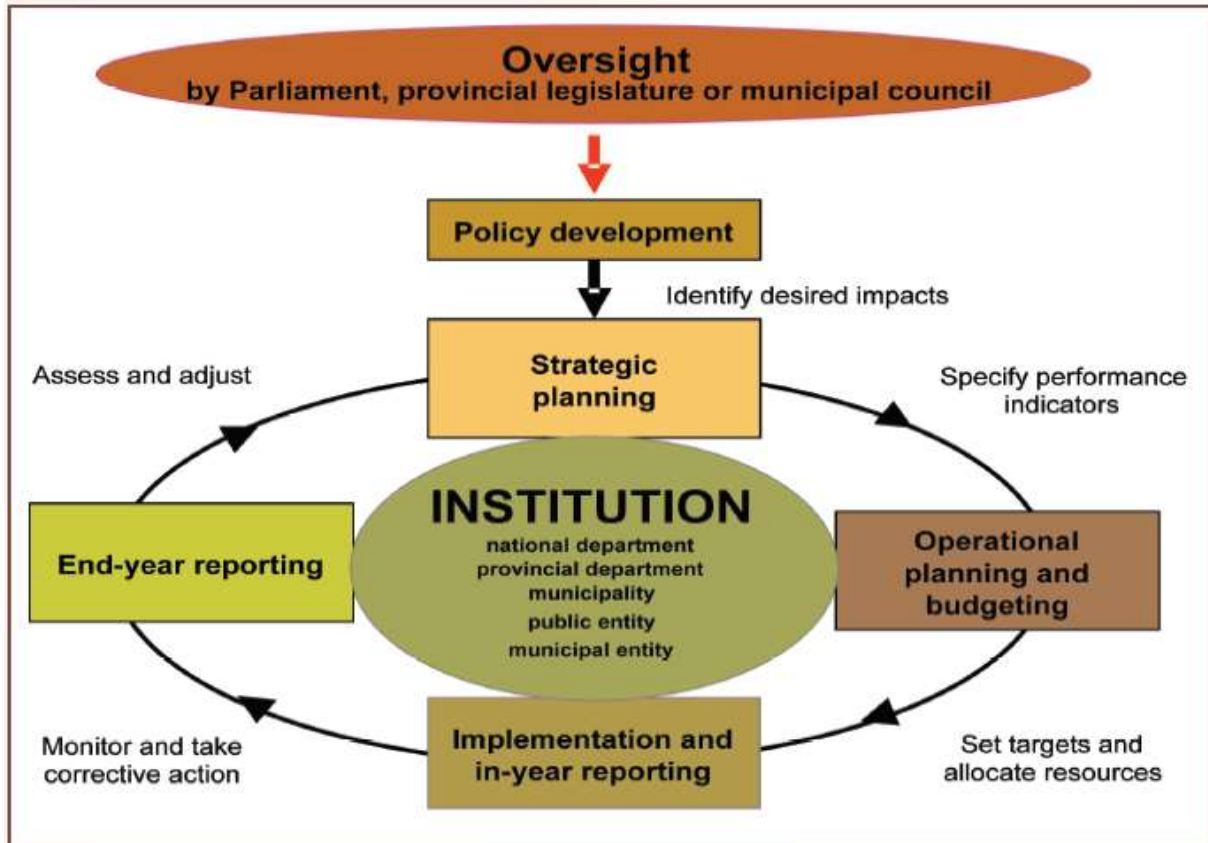


Figure 3 Planning, budgeting and reporting cycle

The performance of the District relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The District therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the District in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury.

2.4 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 vetted by the Legal Services section of the KCDM. These policies will be taken to the Rules Committee and will be taken to Exco and Council for final approval together with the final 2020/2021 multi-year budget in May 2020. These policies are as follows;

- Incentive Policy
- Indigent Policy
- Investment and Banking Policy
- Property, Plant and Equipment Policy
- Tariff Policy
- Credit Control and Debt collection Policy (Bylaws)
- Virement Policy
- Budget policy
- Long Term Financial Planning Policy
- Funding & Reserves Policy
- Cost Containment Policy
- Borrowing Policy
- Supply Chain Management Policy
- Targeted Procurement Policy
- Creditors and Employee Related Payments Policy
- Fleet Management Policy
- Fleet Management Policy for Councillors

2.5 Overview of budget assumptions

2.5.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the District's finances.

No adjustments have been made as a result of the possible impact of COVID-10, the situation to be monitored closely and should it be necessary, an adjustment budget will be prepared i.t.o section 28 of the MFMA. Similarly, we will await the announcements by Finance Minister should there be any adjustments on the DORB 2020 or any additional grant allocations in response to the pandemic.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2020/21 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on District's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 32 per cent of total operating expenditure in the 2020/21 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage

agreement SALGBC concluded with the municipal workers unions in 2018 has been taken into account in calculating the salary and wage increases.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The District currently does not envisage taking out any borrowing in the ensuing financial year, however it is currently servicing two long term loans which were acquired for the construction of the regional solid waste site as well as a water treatment plant. Only in the 2021/22 financial year has the municipality budgeted to acquire a long term loan which will be used to finance the construction of Cell 3 of the Regional Landfill site. The processes as prescribed in the MFMA and the Regulations will be followed in acquiring the said long term loan.

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (85 per cent) of annual billings. Cash flow is assumed to be 85 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.5 Growth in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the District, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.6 Salary increases

The salary increase of 6.25% has been factored into the draft budget for 2019/20. This is in accordance with the current salary and wage collective agreement where it is stated that the increase for 2020/21 will be an inflation outlook as announced by the Reserve Bank's Monetary Policy Committee in its January 2020 report, plus 1.5%.

2.5.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2020/21 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The District derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the District and economic development;
- Revenue management and enhancement;
- Achievement of a 90 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements, and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2020/21 MTREF on the different revenue categories are:

Table 20 Proposed tariff increases over the medium-term

Revenue category	2020/21 proposed tariff increase	2021/22 proposed tariff increase	2022/23 proposed tariff increase	2020/21 Total Budgeted revenue	2021/22 Total Budgeted revenue	2022/23 Total Budgeted revenue
	%	%	%	R'000	R'000	R'000
Sanitation	6	6	6	8 444	8 951	9 488
Solid Waste	10	10	10	25 173	30 207	36 249
Water	6	6	6	69 512	73 683	78 104
Cemetery	6	6	6	339	360	381
Total				103 468	113 200	124 221

Revenue to be generated from water is estimated at R69.5 million in the 2020/21 financial year and increases to R78.1 million by 2022/23 which represents 12 per cent increase over the medium term.

Services charges relating to water, sanitation, solid waste and Cemetery constitutes the biggest component of the revenue basket of the District totalling R103 million for the 2020/21 financial year and increasing to R124 million by 2022/23.

Operational grants and subsidies amount to R592 million, R631 million and R683 million for each of the respective financial years of the MTREF. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 7 per cent in 2021/22 and 8 per cent for the two outer years. The percentage of the total operational grants and transfers in relation to the total operating revenue is distorted owing to the high increases in revenue relating to services charges.

Investment revenue contributes marginally to the revenue base of the District with a budget allocation of R33 million, R35 million and R37 million for the respective three financial years of the 2020/21 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2020/21 medium-term capital programme:

Table 21 Sources of capital revenue over the MTREF

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funded by:											
National Government		357 062	171 513	191 280	355 785	441 418	441 418	138 678	246 981	292 000	323 706
Transfers recognised - capital	4	357 062	171 513	191 280	355 785	441 418	441 418	138 678	246 981	292 000	323 706
Borrowing	6	–	–	–	–	–	–	–	–	34 716	–
Internally generated funds		18 196	15 830	7 123	14 750	41 766	41 766	9 656	49 149	8 012	1 650
Total Capital Funding	7	375 258	187 343	198 403	370 535	483 184	483 184	148 334	296 130	334 728	325 356

Capital grants and receipts equates to 83 per cent of the total funding source which represents R247 million for the 2020/21 financial year and steadily increase to R324 million or 99 per cent by 2022/23.

2.7 Annual budgets and SDBIPs – internal departments

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2020/21 MTREF in May 2020 directly aligned and informed by the 2020/21 MTREF. The draft SDBIP has been is detailed below for information purposes.

Table 22 Annual budgets and SDBIPs – internal departments

OFFICE OF THE MUNICIPAL MANAGER : 2020/2021																			
COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE																			
Item no:	KCDM Strategic Goal	Implementation Plan Ref:	PERFORMANCE TARGET	UNIT OF MEASUREMENT	RESPONSIBLE PERSON	BASELINE 2018/2019	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE		BUDGET ALLOCATION FOR 2019/2020	BUDGET REMAINING AT YEAR END		
								TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL				
1			MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT																
1.1	Municipal Transformation, Organisational and Human Resource Development		Ensure the development of all Human Resources Policies by 30 December 2020 and 100% implementation of approved policies by 30 June 2021.	Number of HR Polices approved by Council	DMM CORPORATE	New		Review of all Human Resources Policies by 30 September		Approval of reviewed policies and Workshop Staff on all									
			Percentage implementation of all Human Resources policies			New	1						1		1				
1.2			Ensure implementation of the Work-study and submit a report to Council by 30 June 2021	Number of Work-study reports submitted to Council	MANAGER COUNCILLOR SUPPORT	New	1											No Budget allocated.	
1.3			Ensure the 50% development of all Councillors in accordance with the training plan by 30 June 2021	Percentage of Councillors trained		New	50%								50%				
1.4			Ensure the implementation of the Automated Performance Management System by 31 March 2021	Number of PMS Automated System implementation	COO		1								1				
1.5			Ensure the submission of job descriptions for all posts on the approved organogram to Job Evaluation Committee for evaluation by 31 December 2020.	Percentage of Job Descriptions submitted to the Job Evaluation Committee	DMM CORPORATE		1				1								
1.6			Ensure compliance to the Employment Equity Plan for the 2020/2021 financial year by ensuring that 80% of objectives are implemented in accordance with the plan	Percentage of objectives implemented in accordance with the plan				80%	80%		80%			80%		80%			Operational
1.7		Conduct an employee satisfaction survey for officials and submit a report to Council by 30 June 2021.	Number of Satisfaction Survey Reports for Officials submitted to Council		New	1											1	No Budget allocated.	

2		FINANCIAL VIABILITY AND MANAGEMENT													
2.1	Sound Financial Management and Viability	Ensure a financially sustainable district by efficiently and effectively spending of all allocated grants by 30 June 2021	Percentage spent on CAPEX		1	0		0		1		1		Operational	
			Percentage spent on OPEX		1	0		0		1		1		Operational	
		2.2	Ensure 100% compliance with MFMA in accordance with the MFMA Dashboard	Percentage of MFMA compliance according to MFMA Dashboard	1	1	1		1		1		1		Operational
				2.3	Maintain an Unqualified Audit opinion for the 2018/2019 financial year.	Number of Unqualified Audit Opinions	Unqualified Audit Report	1				1			
		Percentage of Internal Audit findings addressed				1	1		1		1		1		Operational
		2.4	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.	Debt coverage ratio		17.00			17.00				17.00		Operational
				Outstanding debtors to revenue ratio		1							0.8		Operational
				Cost coverage ratio		3.00	3.00		3.00		3.00		3.00		Operational
		2.5	Ensure the implementation of revenue enhancement strategies by ensuring that 88% of debt is collected quarterly.	Percentage debt collection		1	1		1		1		1		Operational
		2.6	Ensure that 100% of conditional grants and subsidies are spent by 30 June 2021	Percentage of grants and subsidies spent		1	0		1		1		1		Operational
		3	Ensure the effective implementation of Municipal Standard Chart Of Accounts (MSCOA) by ensuring that MSCOA Committee meetings are held quarterly.	Number of MSCOA Meetings held per quarter		4	1		1		1		1		
2.8	Ensure compliance to Generally Recognised Accounting Practice (GRAP) Standards by ensuring that quarterly monitoring reports are submitted to Council	Number of quarterly GRAP monitoring reports to Council	New	4	1		1		1		1				
2.9	Ensure effective implementation of Supply Chain Management (SCM) by complying with the Supply Chain Management (SCM) Policy and submitting quarterly SCM reports to Council	Number of SCM reports submitted to Council	New	4	1		1		1		1				
2.10	Improve debt collection within the district by conducting a water meter audit of all households within the district by 30 June 2021	Percentage of completion of Water meter audit by 30 June 2021	DMM Technical	New	1	0		0		1		1			
2.11	Ensure effective implementation of the Organisational Procurement Plan by 30 June 2021	Percentage implementation of the Organisational Procurement Plan	MM		1	0		1		1		1			

3. BASIC SERVICES																	
3.1	Infrastructure and Basic Services Delivery	Ensure the eradication of Water Services backlog in the district by implementing all prioritised Bulk and Reticulation Infrastructure	Percentage completion Bulk and Reticulation Infrastructure Projects	DMM Technical	New	1	0	1	1	1	1						
3.2		Ensure 50% implementation of the Water Tanker Reduction Strategy by 30 June 2021	Percentage of implementation of the Water Tanker Reduction Strategy	DMM Technical		1	0	0	0	0	1						
3.3		Ensure effective implementation of the prioritised Rural and Urban VIP Sanitation Projects by 30 June 2021	Percentage implementation of prioritised Rural and Urban VIP Sanitation Projects	DMM Technical		1	0	1	1	1	1						
3.4		Maintain the Regional Solid Waste Site as well as the transfer station in order to ensure effective operation of the sites by ensuring 100% compliance with the permits conditions.	Percentage Compliance with Permit Conditions	DMM Technical		100%	100%	100%	100%	100%	100%						
3.5		Ensure an effective Road Transport Service by implementing the Rural Transport and Infrastructure Strategy by 30 June 2021	Percentage implementation the Rural Transport and Infrastructure Strategy	DMM Technical	New	1	0	1	1	1	1						
4. GOOD GOVERNANCE																	
4.1	Good Governance & Public Participation	Ensure the hosting of the State of the District Address (SODA) by 30 June 2021	Date of the State of District Address (SODA)	MM		1								1			
4.2		Ensure 80% functionality of all IGR Structures established and functional in accordance with the IGR Framework	Percentage of established and functional IGR Structures			1	1	1	1	1	1						
4.3		Ensure tracking and 80% implementation of ExCo and Council resolutions within 30 days after Council meeting and submit quarterly report on council actions and timelines to MPAC.	Percentage of resolutions actioned within 30 days after Council meeting			1	1	1	1	1	1	1				Operational	
			Number of Actions and Timelines quarterly reports to MPAC			4	1	1	1	1	1	1				Operational	

LOCAL ECONOMIC DEVELOPMENT															
5.1	Radical Local Economic, Development Rural Development and Food Security	Ensure the development of the Local Economic Development strategy by 30 June 2021	Number of Council approved Local Economic Development Strategies	DMM PED		1							1		
5.2		Ensure the development of the Tourism strategy by 30 June 2021	Number of Council approved Tourism Strategies			1								1	
5.3		Ensure the establishment of the Farmer Support Strategic Plan for the district by 31 December 2020	Number of Council approved Farmer Support Strategic Plans			1			1						
5.7		Promote the district through Agricultural Development, Job Creation, SMMEs support and development, Film and Visual Performing Arts and ensure that the district remains a tourism destination of choice by 30 June 2021.	Number of agricultural support initiatives supported	DMM PED		12	4		4		4		4		
	Number of Local Economic Development Summits hosted				1						1				
	Number of Film and Visual Art Programmes supported				4	1		1				2			
	Number of Festivals hosted				2	2									
	Number of Tourism Expo facilitated				2	1				1					
	Number of Black Industrialist supported.				5							5			
	Number of SMME development workshops and training sessions				3			1		1		1			

6		CROSS CUTTING															
6.1	Social Services, Human and Community Development	Review and approve the Disaster Management Plan by 30 June 2021	Number of Disaster Management Plan approved by Council	DMM COMMUNITY SERVICES		1								1			
6.2		Review and approve the Air Quality Management Plan by 30 June 2021	Number of Air Quality Management Plan approved by Council			1									1		
6.3		Ensure the reviewal of the Cemetry By-Laws by 30 June 2021	Number of Cemetry By-Laws reviewed			1										1	
6.4	Social Services, Human and Community Development	Ensure the implementation of the Arts and Culture Plan	Percentage Implementation of the Arts and Culture Plan			100%	100%		100%		100%			100%			
6.5		Collaborate with external stakeholders to ensure crime presentation and reduction within the district by reporting quarterly to Council by hosting 2 crime prevention programmes	Number of Crime prevention programmes held		2					1				1			
6.6	Social Services, Human and Community Development	Conduct a quality of life survey to establish the effectiveness of Social Support initiatives and the rendering of Community support and Development services for citizens of the district and submit a report to Council by 30 June 2021.	Number of survey report on Community Support and Development services for citizens of the District submitted to Council	COO	New	1								1		No budget allocated	
6.7		Co-ordinated Planning, Spatial Equity, Coastal and Environmental Management	Ensure the development and reviewal of suite plans for all represented sectors within the municipality and submit to Council for approval by 30 June 2021	Date of review and approval of Municipal Sector Suite Plans	DMM PED	New	44377				Review of Municipal Sector Suite Plans 31 December 2020				Approval Municipal Sector Suite Plans 30 June 2021		
			Number of quarterly meetings			4	1		1		1		1				
6.8		Ensure effective functioning of Spatial Planning and Land Use Management Act (SPLUMA) Tribunals and report quarterly to Council	Number of quarterly reports				4	1		1		1		1			

6.9	Social Services, Human and Community Development	Ensure reduction of HIV/AIDS infections by implementing 4 HIV/AIDS programmes by 30 June 2021. Submit a progress report to the portfolio Committee at the 2nd PC meeting after quarter ends.	Number of HIV/AIDS programmes implemented		4	1			1		1		1		525000			
			Number of progress reports submitted to the portfolio committee		4	1			1		1		1		Operational			
		6.10	Ensure the implementation of Operation Sukuma Sakhe by ensuring that 100% of identified needs are met within available budget. Report quarterly to portfolio committee at the 2nd PC meeting after quarter ends	Percentage of identified needs assisted	1	1	1			1		1		1		335000		
				Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends	4	4	4			1		1		1		Operational		
		6.11																
		6.12		Ensure the implementation of the Integrated District Education Programme through the hosting of the Annual Matric Achievers Awards by 31 January 2021.	Number of Annual Matric Achievers Awards hosted		1						1				170000	
6.13	DMM	Ensure the implementation of the Skills Development Programme by assisting 30 youths with registration grants by 31 January 2021. Submit a report to the PC by 31 March 2021.	Number of Adverts issues for Integrated Skills Development Programme		1						1				200000			
			Council Approval on candidates for the integrated Skills Development Programme		1				1									
			Number of Youth Assisted with registration grants		30						30							
			Number of Quarterly reports		1						1				Operational			

CHIEF OPERATIONS OFFICER : 2020/2021																	
COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE																	
Item no.	KCDM Strategic Goal	Implementation Plan Ref.	PERFORMANCE TARGET	RESPONSIBLE PERSON	UNIT OF MEASUREMENT	BASELINE 2020/2021	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE		BUDGET ALLOCATION FOR 2020/2021	BUDGET REMAINING AT YEAR END
								TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL		
1 EXECUTIVE																	
1.1	Municipal Transformation and Organisational and Human Development	CS 3.4	Ensure the implementation of the Performance Management Framework for 2020/2021 through the measurement, reporting and assessment of performance of the municipality as an institution. Ensure that senior managers performance agreements are signed by 31 July 2020 and quarterly assessments are conducted within 10 days after quarter ends.	COO	Percentage of signed Senior Managers Performance Agreements submitted to PMS Unit	31-Jul-20	100%	100%								Operational	
					Percentage of Performance Assessments conducted with Senior Managers and Managers		100%	100%		100%		100%		100%		Operational	
1.2		Internal	Ensure the preparation of Performance Agreements for 2020/2021 financial year for Senior Managers within the department.		Percentage of draft 2020/2021 Performance Plans for all Senior Managers the Department		100%							100%		Operational	
2 BASIC SERVICE DELIVERY																	
2.1	Sound Financial Management & Viability	MM5.10	Conduct community satisfaction survey to establish the perceptions of the district's performance and service rendering and report to Council by 30 June 2021	SENIOR MANAGER STAKEHOLDER RELATIONS AND COMMUNICATIONS	Number of community satisfaction survey reports submission to Council	New	1							1		Operational	
3 MUNICIPAL STANDARD CHARTS OF ACCOUNTS (MSCOA)																	
3.1	Sound Financial Management & Viability	Internal	Ensure attendance to quarterly MSCOA Committee meetings	All Senior Managers	Number of MSCOA Steering Committee meetings attended by DMM	4	4	1		1		1		1		Operational	
3.2					All Managers	Number of MSCOA Implementation Committee meetings attended by Senior Managers	New	4	1		1		1		1		Operational

4															
BUDGET PLANNING															
4.1	Sound Financial Management & Viability	Internal	Ensure the implementation of the 2020/2021 Procurement Plan by reporting quarterly on the progress made to the Portfolio Committee by the 2nd PC after quarter ends.	COO	Number of quarterly procurement progress reports	4	4	1		1		1		1	Operational
5															
BUDGETING AND REPORTING															
5.1	Sound Financial Management & Viability	Internal	Ensure the submission of monthly budget reports for the department and report to the Budget and Treasury Office on the due dates stipulated by the Budget Office	COO	Number of budget reports submitted to the Budget and Treasury Office on the due dates stipulated by the Budget Office	11	11	2		3		3		3	Operational
					Number of consolidated quarterly budget reports submitted to the 2nd PC after the after quarter ends	4	4	1		1		1		1	Operational
5.2	Sound Financial Management & Viability	Internal	Ensure at least 90% spend on the quarterly allocated annual operating budget per quarter	COO	Percentage of the annual operating budget spent per quarter.	90%	90%	22.5%		45%		67.5%		90%	Operational
6															
EXPENDITURE CONTROL															
6.1	Sound Financial Management & Viability	Internal	Ensure payments certificates are submitted to Expenditure within 5 working days of receipt	COO	Percentage of payment certificates submitted to expenditure section	100%	100%	100%		100%		100%		100%	Operational

8 CROSS CUTTING																
8.1	Social Services, Human and Community Development	MM1.1	Ensure the implementation of the Integrated District Education Programme through the hosting of the Annual Matric Achievers Awards by 31 January 2021.	YOUTH MANAGER	Number Annual Matric Acheivers Awards		31-Jan-21					31-Jan-21			R170 000	
8.2		DMM	Ensure the implementation of the Integrated Skills Development Programme by assisting 30 youths with registration grants by 31 January 2020. Submit a report to the PC by 31 March 2020.		Number of Adverts issues for Integrated Skills Development Programme		30-Nov-20									R200 000
					Council Approval on candidates for the integrated Skills		31-Jan-21				31-Jan-21					
					Number of Youth Assisted with registration grants		30				30			R 200 000		
					Number of Quarterly reports		31-Mar-21				31-Mar-21			Operational		
8.3		MM5.10 ; MM 2.2	Facilitate 4 district Clean up campaigns with the local municipalities by 30 June 2021.	COO	Number of clean up campaigns conducted by 30 June 2021		4	1		1		1		1	R 140 000	
8.4			Facilitate the hosting of the Mayoral Cup to promote local athletes by 30 September 2020 and report thereon to Council at the 2nd PC meeting after quarter ends.	COO	Number of Mayoral Cup held		30-Sep-20	30-Sep-20							R400 000	
					Number of Quarterly reports			1				1			Operational	

DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: TECHNICAL SERVICES: 2020/2021
 COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

Item no:	King Cetshwayo District Goals	Implementation Plan Ref:	PERFORMANCE TARGET	RESPONSIBLE PERSON	UNIT OF MEASUREMENT	BASELINE 2020/2021	ANNUAL TARGET	QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		BUDGET ALLOCATION FOR 2020/2021	BUDGET BALANCE FOR 2020/2021
								TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL		
TECHNICAL EXECUTIVE																	
1.1	Sound Financial Management & Viability	Internal	Ensure 100% expenditure on CAPEX, OPEX, WSIG, RBIG and MIG annual expenditure programmes with no over or under expenditure by 30 June 2021	DMM:TS & SM's	Percentage of budgeted amount expenditure on OPEX	Can only be populated after Q4 Report	100%	10%		30%		60%		100%			
					Percentage of budgeted amount expenditure on CAPEX	Can only be populated after Q4 Report	100%	10%		30%		60%		100%			
					Percentage of budgeted amount expenditure on WSIG	Can only be populated after Q4 Report	100%	10%		45%		65%		100%		R138 936 573	
					Percentage of budgeted amount expenditure on RBIG	Can only be populated after Q4 Report	100%	10%		45%		65%		100%		R106 849 000	
					Percentage of budgeted amount expenditure on MIG	Can only be populated after Q4 Report	100%	20%		45%		70%		100%		R180 433 597	
					Number of reports to portfolio by the 2nd PC meeting after quarter ends	Can only be populated after Q4 Report	4	1		1		1		1		Operational	
1.2	Good Governance and Public Participation	Internal	Submit the Monthly Back to Basics report and Quarterly Back to Basics report to the Office of the Municipal Manager by the date specified by the PMS Office	M Dlamini/ L Gcaba	Number of Back to Basics Monthly reports submitted dependant on date received from PMS		12	12	3		3		3		3		Operational
					Number of Back to Basics Quarterly reports submitted dependant on date received from PMS		4	4	1		1		1		1		Operational
1.3		F4.1	Ensure that all Projects (From Inception up to Commissioning Stage) have a Standard Project File that is updated on a monthly basis.	All Senior Managers	Percentage of all project files inspected for accuracy and report submitted to Portfolio Committee	New	100%	100%			100%		100%		100%		Operational
1.4	Municipal Transformation and Organisational and Human Development	Internal	Ensure the implementation of the Performance Management Framework for 2020/2021 through the measurement, reporting and assessment of performance of the municipality as an institution. Ensure that senior managers performance agreements are signed by 31 July 2020 and quarterly assessments are conducted within 10 days after quarter ends.	DMM:TS	Percentage of signed Senior Managers Performance Agreements submitted to PMS Unit		100%	100%									Operational
				DMM :TS	Percentage of Performance Assessments conducted with Senior Managers and Managers		100%	100%		100%		100%		100%		Operational	
1.5		CS 3.4	Ensure the preparation of Performance Agreements for 2020/2021 financial year for Senior Managers within the department.	DMM:TS & Senior Managers	Percentage of draft 2020/2021 Performance Plans for all Senior Managers the Department	New	100%							100%		Operational	

3		BUDGET PLANNING													
3.1	Sound Financial Management & Viability	Internal	Ensure the implementation of the 2020/2021 Procurement Plan by reporting quarterly on the progress made to the Portfolio Committee by the 2nd PC after quarter ends.	DMM:TS / All Senior Managers	Number of quarterly procurement progress reports	4	4	1	1	1	1				Operational
4		BUDGETING AND REPORTING													
4.1	Sound Financial Management & Viability	Internal	Ensure the submission of monthly budget reports for the department and report to the Budget and Treasury Office on the due dates stipulated by the Budget Office	DMM:TS / All Senior Managers	Number of budget reports submitted to the Budget and Treasury Office on the due dates stipulated by the Budget Office	11	3	3	3	2				Operational	
4.2		Internal	Ensure at least 90% spend on the quarterly allocated annual operating budget per quarter		DMM:TS / All Senior Managers	Number of consolidated quarterly budget reports submitted to the 2nd PC after the after quarter ends	4	1	1	1	1			Operational	
					Percentage of the annual operating budget spent per quarter.	90%	22.5%	45%	67.5%	90%				Operational	
5		EXPENDITURE CONTROL													
5.1	Sound Financial Management & Viability	Internal	Ensure payments certificates are submitted to Expenditure within 7 working days of receipt	DMM:TS / All Senior Managers	Percentage of payment certificates submitted to expenditure section	New	100%	100%	100%	100%	100%			Operational	

5		PLANNING AND DESIGN														
5.1	Infrastructure and Basics Service Delivery	Internal	Development and Review of WSDP, MASTERPLAN for the municipality	SM Water Services	Number of consolidated quarterly budget reports submitted to the 2nd PC after the after quarter ends		4	1		1		1			Operational	
5.1		Internal	Continuous update on all project still at the Planning and Stage		Number of consolidated quarterly budget reports submitted to the 2nd PC after the after quarter ends		4	1		1		1			Operational	
5.1		Internal	Development of Partnership Arrangements with Private Sector and other WSA's		Number of consolidated quarterly budget reports submitted to the 2nd PC after the after quarter ends		4	1		1		1			Operational	
5.1		Internal	Monitoring of Agreements Between KCDM and other Entities		Number of consolidated quarterly budget reports submitted to the 2nd PC after the after quarter ends		4	1		1		1			Operational	
6		MUNICIPAL INFRASTRUCTURE IMPLEMENTATION														
6.1	Infrastructure and Basics Service Delivery	T4.12, T4.15, T4.17, T4.18, T4.19, T4.20, T4.21, T4.23, T4.25	Ensure the eradication of backlogs in the district by providing 3000 new households with access to basic water services. Report quarterly to the Technical Portfolio Committee by the 2nd PC meeting after quarter ends on the number of households with access to water as well as the new water connections.	SM: MII	Percentage of households with access to basic water	69.36	70.29%	69.36	69.36		69.36		70.29%			
						Number of households with access to basic water	80720	81 800	80720	80720		80720		81 800		
						Number of new water connections	0	1080	0	0		0		1080		
					Number of progress reports by the 2nd PC meeting after quarter ends		3	0	1		1		1			
6.2	Infrastructure and Basics Service Delivery	T4.82, T4.83, T4.84, T4.85, T4.86	Ensure the eradication of backlogs in the district by providing 5000 new households with access to free basic sanitation. Report quarterly to the Technical Portfolio Committee by the 2nd PC meeting after quarter ends on the number of new sanitation connections as well as households with access to free basic sanitation.	B- BUTHELEZI	Percentage of households with access to basic sanitation		N/A this financial year									
						Number of households with access to sanitation services		N/A this financial year								
						Number of new sanitation connections		N/A this financial year								
						Number of progress reports by the 2nd PC meeting after quarter ends		N/A this financial year								
6.3	Infrastructure and Basics Service Delivery	T1.21	Ensure the functioning of EPWP incentive projects within the King Cetshwayo District by creating 600 new jobs under projects being implemented for the 2020/2021 financial year. Report quarterly statistics to the portfolio committee by the 2nd PC meeting after quarter ends.	DMM:TS / All Senior Managers	Number of new jobs created	Still awaiting DPW	600	50	100		150		300		R 6 763 000	
						Number of progress reports to portfolio by the 2nd PC meeting after quarter ends		4	1	1		1		1		Operational

7		OPERATIONS MAINTENANCE AND MONITORING													
7.1	Infrastructure and Basic Service Delivery	Internal	Maintain the Regional Solid Waste Site as well as the transfer station in order to ensure effective operation of the sites by ensuring compliance with the permit conditions. Submit quarterly report to the portfolio committee by the 2nd PC meeting after quarter ends	SM	Number of compliance monitoring committee meetings held		4	1		1		1		1	Operational
					Number of quarterly compliance Audit reports		4	1		1		1	Operational		
					Number of progress reports by the 2nd PC meeting after quarter ends		3	0		1		1	Operational		
7.2	Infrastructure and Basic Service Delivery	T6.9	Ensure improved health and safety conditions by implementing recommendations made by the Occupational Health and Safety Committee within the budget by 30 June 2021. Submit quarterly report to PC by the 2nd PC meeting after quarter ends. Submit OHS Annual expenditure report to Council by the 30 June 2021.	SM MII	Percentage of budget spent within 2020/2021 financial year addressing OHS problems identified in 2019/2020 financial year by OHS Committee	New	100%	10%		30%		60%		100%	Please include budget info
					Number of reports submitted to PC by 2nd PC meeting after quarter ends		4	1		1		1	Operational		
					Number of OHS Annual expenditure report submitted to Council		30-Jun-19				30-Jun-19	Operational			
8		PROCESSING OF WATER AND WASTE WATER													
8.1	Infrastructure and Basic Service Delivery	T5.4	Improve the quality of drinking water by 15 % for all water treatment plants by 30 June 2021		Percentage Compliance to SANS 241 : 2015	New	98.0%	83.3%		88.3%		93.3%		98.3%	Operational
			Submit quarterly report on improvement to PC by the 2nd PC meeting after quarter ends		Number of reports to the PC by the 2nd PC meeting after quarter ends.	New	4	1		1		1	Operational		
8.2	Infrastructure and Basic Service Delivery		Blue Drop		Number of reports to the PC by the 2nd PC meeting after quarter ends.		4	1		1		1		1	Operational
			Water Safety Plans		Number of reports to the PC by the 2nd PC meeting after quarter ends.		4	1		1		1	Operational		
			Ensure functionality of all our Potable Water Plants and identification of non compliance gaps		Number of reports to the PC by the 2nd PC meeting after quarter ends.		4	1		1		1	Operational		
			Ensure functionality of all our Waste Water Plants and identification of non compliance gaps		Number of reports to the PC by the 2nd PC meeting after quarter ends.		4	1		1		1	Operational		
8.3	Infrastructure and Basic Service Delivery	T5.5	Improve quality of waste water by 15 % for all waste water treatment plants by 30 June 2021	X Mthembu	Percentage Compliance to General Authorisation Standards/ Works Licence		63.0%	48.3%		53.3%		58.3%		63.3%	Operational
			Submit quarterly report on improvement to PC by the 2nd PC meeting after quarter ends		Number of reports to the PC by the 2nd PC meeting after quarter ends.		4	1		1		1	Operational		
			Green Drop		Number of reports to the PC by the 2nd PC meeting after quarter ends.		4	1		1		1	Operational		
			Waste Water Risk Abatement Plans		Number of reports to the PC by the 2nd PC meeting after quarter ends.		4	1		1		1	Operational		

9		WATER USE EFFICIENCY													
9.1	Infrastructure and Basics Service Delivery		Ensure 100% installation of smart meters within the district in line with KCDM Water Conservation and Demand Management Strategy	T JELE	Percentage completion of the installation of smart meters		100%	10%		30%		60%		100%	R 23 000 000
					Number of progress reports by the 2nd PC meeting after quarter ends		3	0		1		1		1	
		T4.40	Ensure that 100% of identified household leaks are repaired by 30 June 2021 and report quarterly progress to the Technical Services Portfolio Committee by 2nd PC meeting after quarter ends.	T JELE	Percentage of leaks repaired		100%	100%		100%		100%		100%	
9.2					Number of progress reports by the 2nd PC meeting after quarter ends		4	1		1		1		1	Operational
			Development of Monthly No Drop Reports to DWS and submission by due date	T JELE	Number of reports to the PC by the 2nd PC meeting after quarter ends.		4	1		1		1		1	Operational
9.3															
10		OPERATIONS AND MAINTENANCE													
10.1	Infrastructure and Basics Service Delivery		Ensure 100% Functionality of all our Water and Wastewater Reticulation Networks	S Mkhize	Number of reports to the PC by the 2nd PC meeting after quarter ends.		4	4		4		4		4	Operational
					Percentage of Water and Wastewater Reticulation networks functional.		100%	100%		100%		100%		100%	
10.2			Development and Updating of Operations & Maintenance Plans per Scheme	S Mkhize	Percentage of Operations and Maintenance Plans per scheme developed and updated										
					Number of reports to the PC by the 2nd PC meeting after quarter ends.		4	4		4		4		4	Operational
						100%	25%		50%		75%		100%		
10.3		T4.40	Monitoring of Water Tankers	S Mkhize	Number of reports to the PC by the 2nd PC meeting after quarter ends.		4	1		1		1		1	Operational
					Number of reports to the PC by the 2nd PC meeting after quarter ends.		4	1		1		1		1	Operational
10.4			Monitoring of Diesel and Electricity Consumptions on all our schemes	S Mkhize	Number of reports to the PC by the 2nd PC meeting after quarter ends.		4	1		1		1		1	Operational

DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: FINANCIAL SERVICES: 2020/2021																
COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE																
Item no:	King Cetshwayo District Goals	Implementation Plan Ref:	PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE 17/18	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE		BUDGET ALLOCATION FOR 19/20	BUDGET BALANCE FOR 19/20
							TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL		
1																
1.1	Good Governance and Public Participation	Internal	Submit the Monthly and Quarterly Back to Basics report to the Office of the Municipal Manager by the specified date and submit quarterly Back to Basics report except where Finance is reliant on Technical Services department for information.	Number of Back to Basics Monthly reports submitted		12	3		3		3		3			
			Number of Back to Basics Quarterly reports submitted		4	1		1		1		1		1		
1.2	Municipal Transformation and Organisational and Human Development	Internal	Ensure the implementation of the Performance Management Framework for 2020/2021 through the measurement, reporting and assessment of performance of the municipality as an institution. Ensure that senior managers performance agreements are signed by 31 July 2019 and quarterly assessments are conducted within 10 days after quarter ends.	Percentage of signed Senior Managers Performance Agreements submitted to PMS Unit		100%	100%									
				Percentage of Performance Assessments conducted with Senior Managers and Managers		100%	100%		100%		100%		100%			
			Ensure the preparation of Performance Agreements for 2020/2021 financial year for Senior Managers within the department.	Percentage of draft 2020/2021 Performance Plans for all Senior Managers the Department		100%						100%				
2																
2.1	Sound Financial Management & Viability	Internal	Ensure attendance to quarterly MSCOA meetings by DMM	Number of MSCOA Steering Committee meetings attended by DMMs		4	1		1		1		1			
2.2					Number of MSCOA Implementation Committee meetings attended by SM		4	1		1		1		1		1
3																
3.1	Sound Financial Management & Viability	Internal	Ensure the implementation of the 2020/2021 Procurement Plan by reporting quarterly on the progress made to the Portfolio Committee by the 2nd PC after quarter ends.	Number of quarterly procurement progress reports to portfolio by the 2nd PC after quarter ends		4	1		1		1		1			
4																
EXPENDITURE CONTROL																
4.1	Sound Financial Management & Viability	Internal	Ensure payments certificates are submitted to Expenditure Section within 5 working days of receipt	Percentage of payment certificates submitted to the expenditure section	New	100%	100%	100%	100%		100%		100%			
			Ensure Cost Cutting measures to address the limited financial resources	Number of cost cutting measures implemented		4	1		1		1		1		1	

5		BUDGET PREPARATION												
5.1	Internal	Ensure submission of final 2020/2021 budget to Council for approval by 31 May 2020 in terms of section 24 (1) of the MFMA and to Provincial and National Treasury by 14 June 2019 as per the budget regulation section 35 (a) of Government Gazette No 32141.	Date of Submission of Budget time schedules to Council	1	1									
			Number of Draft Budgets submitted to Council	1				1						
			Number of Final Budget submitted to Council	1						1				
			Number of Final budgets submitted to NT and PT	1							1			
		5.2	Internal	Ensure submission of the Mid-Year Financial Review of the 2020/2021 budget to the Mayor by 25 January 2021 in terms of section 72 (1) of the MFMA and Provincial and National Treasury immediately after the submission to the Mayor as per budget regulation section 24 (3) of Government Gazette No 32141.	Date of submission of S72 report to Mayor	1					1			
					Number of S72 report to submitted to NT and PT	1				1				
		5.3	Internal	Ensure submission of the adjustments budget, if required, to Council by 28 February 2021 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	Number of adjustments budgets to Council submitted to Council	1					1			
					Number of adjustments budgets to NT and PT	1					1			
		5.4	F6.2, F6.3	Ensure the implementation of mSCOA by reporting bi-monthly on progress to the Finance Portfolio Committee by the 2nd PC meeting after month ends	Number of mSCOA reports submitted to portfolio committee	4	1		1		1			
		5.5	F6.7, F6.9	Ensure submission of 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 submit to the Financial Services Portfolio Committee by the 2nd PC meeting after quarter ends.	Number of S71 reports submitted to the Mayor	12	3		3		3			
					Number of S71 reports submitted to portfolio committee	12	3		2		4		3	
		5.6	Internal	Ensure the review of the Budget, Virement, Funding & Reserve policy and Long Term Financial Plan. Submit to Council for approval by 31 May 2021.	Number of policies reviewed	4	research policies		Workshop to MANCO		Submit to Budget Steercom		4	
Number of policies approved by Council	04-Jan-00										4			
5.7	Internal	Ensure at least 90% spend on the quarterly allocated annual operating budget per quarter	Percentage of the annual operating budget spent per quarter.	100%	22.5%	22.05%	45%		67.5%		90%			
6														
6.1	F5.8	Ensure that 96% of defaulters on non-payment in urban areas (Gingindlovu, Mtunzini, Eshowe, Kwambonambi, Melmoth and Nkandla) receive notifications monthly and submit quarterly reports to the Financial Services Portfolio Committee by the 2nd PC meeting after quarter ends.	Percentage of defaulters receiving notifications monthly	96%	96%		96%		96%		96%			
			Number of defaulters on non-payment in urban areas reports submitted to the portfolio	4	1		1		1		1			
			6.2	F6.8	Enhance revenue collection through quarterly workshops with the community to promote revenue policies. Submit quarterly report by the 2nd PC meeting after quarter ends	Number of revenue workshops	16	4		4		4		
						Number of reports on revenue collection workshops to portfolio committee	4	1		1		1		1
			6.3	F6.8	Report on the Financial Viability of KCDM and the achievement of 92% debtors collection target by submitting quarterly report to portfolio by the 2nd PC meeting after quarter ends	Percentage debt collection	92%	92%		92%		92%		
						Number of reports to on Percentage of debt collected	4	1		1		1		1
			6.4	Internal	Submit monthly Grants reports to the relevant Provincial Departments on all DORA grants received within 10 working days after month end in terms of section 71 (5) of the MFMA.	Number of grant reports submitted to relevant Departments	12	3		3		3		
			6.5	F6.8	Ensure the review of the Credit and Debt Control, Tariff, Incentive and Indigent policies and submit to Council for approval by 31 May 2020.	Number of policies reviewed	4	research policies		Workshop to MANCO		Submit to Budget Steercom		4
						Number of policies approved by Council	4							4

6		REVENUE & BILLING											
6.1	Sound Financial Management & Viability	F6.8	Ensure that 96% of defaulters on non-payment in urban areas (Gingindlovu, Mtunzini, Eshowe, Kwambonambi, Melmoth and Nkandla) receive notifications monthly and submit quarterly reports to the Financial Services Portfolio Committee by the 2nd PC meeting after quarter ends.	Percentage of defaulters receiving notifications monthly		96%	96%		96%		96%		
				Number of defaulters on non-payment in urban areas reports submitted to the portfolio		4	1		1		1		
6.2		F6.8	Enhance revenue collection through quarterly workshops with the community to promote revenue policies. Submit quarterly report by the 2nd PC meeting after quarter ends	Number of revenue workshops		16	4		4		4		
				Number of reports on revenue collection workshops to portfolio committee		4	1		1		1		
6.3		F6.8	Report on the Financial Viability of KCDM and the achievement of 92% debtors collection target by submitting quarterly report to portfolio by the 2nd PC meeting after quarter ends	Percentage debt collection		92%	92%		92%		92%		
				Number of reports on Percentage of debt collected		4	1		1		1		
6.4	Internal	Submit monthly Grants reports to the relevant Provincial Departments on all DORA grants received within 10 working days after month end in terms of section 71 (5) of the MFMA.	Number of grant reports submitted to relevant Departments		12	3		3		3			
6.5	F6.8	Ensure the review of the Credit and Debt Control, Tariff, Incentive and Indigent policies and submit to Council for approval by 31 May 2020.	Number of policies reviewed		4	research policies		Workshop to MANCO		Submit to Budget Steercom		4	
			Number of policies approved by Council		4							4	
7+A		SUPPLY CHAIN MANAGEMENT											
7.1	Sound Financial Management & Viability	F6.1.8	Ensure the review of the Supply Chain Management policy and submit to Council by 31 May 2021	Number of Supply Chain Management policies approved by Council		1	research policies		Workshop to MANCO		Submit to Budget Steercom		1
7.2			Prepare and Submit Annual report by 31 August 2020 on the implementation of the Supply Chain Management policy for 2020/2021 financial year to the Finance Portfolio Committee within 30 days after year end	Number of Annual Reports on the implementation of the Supply Chain Management policy for 2019/2020 financial year SCM to portfolio		1	1						
7.3		Internal	Control and monitor stores by conducting quarterly total stock counts and report to the Portfolio Committee by the 2nd PC meeting after quarter ends. Ensure submission of Annual Variance report to the Portfolio Committee within two months after the financial year ends	Number of Variance reports submitted to portfolio		31-Aug-19	31-Aug-19						
				Number of quarterly total stock counts		4	1		1		1		1
				Number of reports to portfolio committee by the 2nd PC meeting after quarter ends		4	1		1		1		1
7.4			Ensure the effective monitoring and management of expenditure by hosting a Supply Chain Management Procurement Indabas	Number of Supply Chain Management Procurement Indabas held		1							30-Jun-20
7.5		Conduct an assessment on the SCM processes and procedures in order to ensure a functional SCM unit by 31 March 2021	Number of Supply Chain Management Assessments completed		1					1			
7.6		Appoint a Contracts Manager by 31 March 2021	Number of Contracts Managers appointed		1					1			

8		EXPENDITURE												
8.1	Sound Financial Management & Viability	Internal	Ensure 95% of creditors payment and 100% of Salary payments by submitting monthly cash flow statement reports to the Finance Portfolio Committee by the 2nd PC meeting after quarter ends	Percentage of invoices paid within 30 days from receipt by the Finance Department of invoices, statements, and credible, accurate and reliable payment documentation submitted timeously from user departments		95%	95%		95%		95%		95%	
			Percentage of salary payments made within 7 days after month end		100%	100%	100%	100%		100%		100%		
			Number of reports to portfolio committee by the 2nd PC meeting after quarter ends		4	1		1		1		1		
9														
9.1	Sound Financial Management & Viability	F6.7	Ensure the review and approval of the Asset policy by 31 May 2021	Number of Asset Policies approved by Council		1	research policies		Workshop to MANCO		Submit to Budget Steercom		1	
10														
10.1	Sound Financial Management & Viability	F6.7, 6.9	Complete and formally submit the 2019/2020 financial statements to the Auditor General by 31 August 2020 in terms of section 126 (2) of the MFMA.	Number of AFS submitted to AG		1	1							
10.2		F 6.9	Complete and formally submit the 2020/2021 Consolidated Annual Financial Statements to the Auditor General by 30 September 2019 in terms of section 126 (b) of the MFMA.	Number of Consolidated AFS submitted to AG		1	1							
10.3		F6.7, 6.9	Submit the Financial Audit Report of 2020/2021 financial year to Council by 31 January 2020 in terms of section 121 (1) of the MFMA.	Number of Financial Audit Reports submitted to Council		1					1			
10.4		Internal	Ensure the review of the Borrowing & Cash and Banking policies and submit to Council for approval by 31 May 2021.	Number of policies reviewed		2	research policies		Workshop to MANCO		Submit to Budget Steercom		2	
			Number of policies approved by Council		2							02-Jan-00		

DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES: 2020/2021																		
COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE																		
Item no.	KCDM Strategic Goal	Implementation Plan Ref.	PERFORMANCE TARGET	UNIT OF MEASUREMENT	RESPONSIBLE PERSON	BASELINE 2019/2020	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE		BUDGET ALLOCATION FOR 2020/2021	BUDGET REMAINING AT YEAR END	
								Target	Actual	Target	Actual	Target	Actual	Target	Actual			
CORPORATE EXECUTIVE																		
1	Municipal Transformation and Institutional Development	Internal	Submit the Monthly Back to Basics reports to the Office of the Municipal Manager within 10 working days after month end and submit quarterly Back to Basics report to PMS office within the specified date	Number of Back to Basics Monthly reports submitted	All Senior Managers		12	3		3		3		3		Operational		
1.1			Number of Back to Basics Quarterly reports submitted	All Senior Managers		4	1		1		1		1		1		Operational	
1.2		CS 3.4	Ensure the implementation of the Performance Management Framework for 2020/2021 through the measurement, reporting and assessment of performance of the municipality as an institution. Ensure that senior managers, mid management and professionals performance agreements are signed by 31 July 2020 and quarterly assessments are conducted within 10 days after quarter ends.	Percentage of signed Senior Managers Performance Agreements submitted to PMS Unit	DMM		100%	100%									Operational	
				Percentage of Performance Assessments conducted with Senior Managers and Managers	DMM		100%	100%		100%		100%		100%				Operational
1.3	Internal		Percentage of draft 2020/2021 Performance Plans for all Senior Managers the Department	DMM		100%						100%				Operational		
MUNICIPAL STANDARD CHARTS OF ACCOUNTS (MSCOA)																		
2	Sound Financial Management & Viability	Internal	Ensure attendance to quarterly MSCOA Committee meetings	Number of MSCOA Steering Committee meetings attended by DMM	DMM		4	1		1		1		1		Operational		
2.1				Number of MSCOA Implementation Committee meetings attended by Senior Managers	All Senior Managers		4	1		1		1		1		1		Operational
BUDGET PLANNING																		
3	Sound Financial Management	Internal	Ensure the implementation of the 2020/2021 Procurement Plan by reporting quarterly on the progress made to the Portfolio Committee by the 2nd PC after quarter ends.	Number of quarterly procurement progress reports to portfolio by the 2nd PC after quarter ends	DMM		4	1		1		1		1		Operational		
3.1																		

BUDGETING AND REPORTING																
4.1	Sound Financial Management & Viability	Internal	Ensure the submission of monthly budget reports for the department and report to the Budget and Treasury Office on the due dates stipulated by the Budget Office.	Number of budget reports submitted to the Budget and Treasury Office within 10 working days after month end	DMM		11	2		3		3		3		Operational
				Number of consolidated quarterly budget reports submitted to portfolio committee within 60 days after quarter end			4	1		1		1		1		Operational
4.2		Internal	Ensure at least 90% spend on the Quarterly allocated annual operating budget per quarter	Percentage of the annual operating budget spent per quarter.			90%	22.5%		45%		67.5%		90%		Operational
EXPENDITURE CONTROL																
5.1	Sound Financial Management	Internal	Ensure payments certificates are submitted to Expenditure within 5 working days of receipt	Percentage of payment certificates approved and submitted to expenditure section	DMM		100%	100%		100%		100%		100%		Operational
ADMINISTRATIVE SERVICES																
6.1	Good Governance and Public Participation	Internal	Ensure the effective functioning of Council and Committees of Council in accordance with Council's Standing Rules of Order by holding at least 40 portfolio committees, 12 EXCO and 6 Council meetings by 30 June 2021.	Number of Portfolio meetings held	Senior Manager Administration		40	10		10		10		10		Operational
				Number of EXCO meetings held		12	3	3	3	Operational						
				Number of Council meetings held		6	1	2	2	1	Operational					
		Monitor Councillors' attendance to Council Meetings by submitting quarterly reports to the Office of the Speaker within 60 days after quarter ends.	Number of reports submitted to the Office of the Speaker on Councillors' attendance to Council meetings	4		1	1	1	1	Operational						
6.2	Internal	Ensure the submission of consolidated quarterly reports on the progress of Council resolutions to ExCo, Council and MPAC within 60 days after quarter ends.	Number of consolidated progress reports on the implementation of Council Resolutions submitted to EXCO, Council and MPAC		4	1		1		1		1		Operational		
6.3	Internal	Ensure compliance with the Promotion of Access to Information Act by the review and approval of the Access to Information Manual by Council no later than 31 December 2019. Ensure that the Manual is published and gazetted by 30 June 2021.	Number of Access to Information Manual reviewed		1	1									Operational	
			Council Approval of Review of Access to Information Manual		1		1						Operational			
			Number of the review of Access to Information Manuals advertised		1			1					Operational			
		Number of Access to Information Manuals published		1							1			Operational		

7		INFORMATION TECHNOLOGY													
7.1	Internal	Ensure automation of manual processes for agenda items workflows by 30 June 2021	Number finalized deployment and testing of document management system		1			1							IT Section to include budget amounts
			Number of Completed Pilot Projects for workflow system		1				1						
			Number of rollouts of Document System to all users		1					1					
			Number of Progress reports to IT Steering Committee		1							1			
7.3		Ensure a centralized Document storage for the organisation (on Open text/eDocs) by 30 June 2020 and report quarterly to the IT Steering committee on the progress within 30 days after the quarter ends and to the PC within 60 days after the quarter ends	Number of service providers appointment and commenced with deployment of centralised document storage		1	1								IT Section to include budget amounts (not budgeted for but will use for development management information)	
			Number finalized deployment and testing decentralised document storage system		1			1							
			Number of completed pilot project for the centralised document storage system		1				1						
			Number of System rollout to all users		1					1					
7.4	Internal	Ensure the expansion of the Wide Area Network connectivity by 30 June 2021 in accordance with IT plan and report quarterly to the IT Steering committee on the progress within 30 days after the quarter ends and to the PC within 60 days after the quarter ends	Number of ICT Infrastructure due diligence pre implementation concluded for one site		1	1								IT Section to include budget amounts	
			Number of WAN Implementation approval by IT District Forum		1			1							
			Number of WAN Implemented		1				1						
			Number of Progress reports to IT Steering Committee		4	1		1		1		1			
7.6		Ensure the improvements on the security access system by 30 June 2021. Report quarterly to the IT Steering committee on the progress within 30 days after the quarter ends and to the PC within 60 days after the quarter ends	Number of feasibility studies undertaken and ICT Due diligence conducted on 1 satellite office to implement access control systems		1	1								Budgeted for R120	
			Number of project plans to implement Access control system for 1 satellite office		1			1							
			Number of access control system implemented as per plan		1				1						
			Report progress to the ICTSC.		4	1		1		1		1			
7.7		Procure and implement the new telephony system by 30 June 2021. Report quarterly to the IT Steering committee on the progress within 30 days after the quarter ends and to the PC within 60 days after the quarter ends	Percentage of 25% implementation of new telephony system		25%	25%								IT Section to include budget amounts (or budgeted for)	
			Percentage of 50% implementation of new telephony system		50%			50%							
			Percentage of 75% implementation of new telephony system		75%				75%						
			Percentage of 100% implementation of new telephony system		100%					100%					

8		MANAGEMENT SERVICES												
8.1	Internal	Ensure the implementation of effective HR management in preparation of Clean Audit 2020 through the implementation of the Employment Equity Strategy by ensuring that 60% of appointments are made in line with the EEP. Report quarterly statistics to the Employment Equity Committee within 30 days after the quarter ends and to the PC by the 2nd PC meeting after the quarter ends	Percentage of appointments made in line with EEP	65%	65%		65%		65%		65%		Operational	
			Percentage of appointments receiving induction training within 30 days	100%	100%		100%		100%		100%		Operational	
			Number of reports to EE Committee	4	1		1		1		1		Operational	
			Number of reports to the PC by the 2nd PC meeting after quarter ends	4	1		1		1		1			
8.2	Internal	Ensure implementation of the 2020/2021 WSP by ensuring that 320 staff members receive training by 30 June 2021 and submit the 2020/2021 WSP to LGSETA by 30 April 2021. Report quarterly on the percentage of budgeted amount spent to the PC by the 2nd PC meeting after quarter ends.	Number of staff trained	320	80		80		80		80		Operational	
			Percentage of budgeted amount spent on WSP	100%	10%		30%		60%		100%		Operational	
			Number of Skills Audits completed for staff and Councillors	1					1				Operational	
			Number of 2020/2021 WSP submitted to LGSETA	1							1		Operational	
			Number of reports to the PC by the 2nd PC meeting after quarter ends	4	1		1		1		1		Operational	
8.4	CS3.1	Ensure that bi-annual medical examinations are conducted for staff in water and sewerage plants, cemetery and landfill staff as per legislation. Ensure that exit medicals are conducted for technical and cemetery staff members that leave the organisation. Submit report on examination results to the user department within 30 days after they become available from the medical practitioner.	Number of medical examinations for sewerage staff	2	1		1						R 150 000	
			Percentage of medical examinations for water staff, cemetery and landfill staff	100%			100%							
			Number of days to submit exit medical results to user departments, after receiving them from the medical practitioner	30 days	30 days		30 days		30 days		30 days		Operational	
			Number of progress reports to PC by the 2nd PC meeting after quarter ends	4	1		1		1		1		Operational	
			Ensure 100% submission of all Job Descriptions to the Job Evaluation Panel by 31 December 2020	Percentage of Job Descriptions submitted to the job evaluation panel	100%	50%		100%						R 400 000
8.5		Ensure the development of the Human Resources strategy by 31 December 2020 and 100% implementation of objectives for the 2020/2021 financial year.	Number of Approved of HR Strategies by Council	1			1							
			Percentage implementation of prioritised objectives	100%					50%		100%			
9		LEGAL SERVICES												
9.1	Internal	Ensure that at least 20 legal policy compliance and legal updates are conducted quarterly for the organisation by 30 June 2021	Number of policy compliance and legal updates	20	5		5		5		5		Operational	

DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES 2020/2021																
COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE																
SDB/FP No	King Cetshwayo District Municipality	Implementation Plan No	PERFORMANCE TARGET	RESPONSIBLE PERSON	UNIT OF MEASUREMENT	BASELINE 2020/2021	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE		BUDGET ALLOCATION FOR 2020/2021
								TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	
1																
COMMUNITY EXECUTIVE																
1.1	Municipal Transformation and Organisational and Human Development	1.1.3,1.1.4/6.2 Internal	Ensure the implementation of the Performance Management Framework for 2020/2021 through the measurement, reporting and assessment of performance of the municipality as an institution. Ensure that senior managers performance agreements are signed by 31 July 2020 and quarterly assessments are conducted within 10 working days after quarter ends.	DMM	Percentage of signed Senior Managers Performance Agreements submitted to PMS Unit		100%	100%								Operational
					Percentage of Performance Assessments conducted with Senior Managers and Managers		100%	100%		100%		100%		100%		
1.2			5.4.1, 5.2.2/6.2 Internal	Ensure the preparation of Performance Agreements for 2020/2021 financial year for Senior Managers within the department.		Percentage of draft 2020/2021 Performance Plans for all Senior Managers the Department		100%							100%	
2																
MUNICIPAL STANDARD CHARTS OF ACCOUNTS (MSCOA)																
2.1	Sound Financial Management & Viability	4.1.1/4.4, 6.1, 6.2.6.3,6.4, / INTERNAL	Ensure attendance to quarterly MSCOA Committee meetings	DMM	Number of MSCOA Steering Committee meetings attended by DMMs		4	1		1		1		1		Operational
				All Senior Managers	Number of MSCOA Implementation Committee meetings attended by Senior Managers		4	1		1		1		1		1
3																
BUDGET PLANNING																
3.1	Sound Financial Management & Viability	4.1.1/6.2/ INTERNAL	Ensure the implementation of the 2020/2021 Procurement Plan by reporting quarterly on the progress made to the Portfolio Committee by the 2nd PC after quarter ends.	DMM	Number of quarterly procurement progress reports submitted to PC by the 2nd PC meeting after quarter ends		4	1		1		1		1		Operational
4																
BUDGETING AND REPORTING																
4.1	Sound Financial Management & Viability	4.1.1/6.2/ INTERNAL	Ensure the submission of monthly budget reports for the department and report to the Budget and Treasury Office on the due dates stipulated by the Budget Office	DMM	Number of budget reports submitted to the Budget and Treasury Office on the due dates stipulated by the Budget Office		10	2		3		3		2		Operational
							Number of consolidated quarterly expenditure reports submitted to portfolio committee within 60 days after quarter ends		4	1		1		1		1
4.2			Ensure at least 90% spend on the Quarterly allocated annual operating budget per quarter	DMM	Percentage of the annual operating budget spent per quarter.		100%	22.5%		45%		67.5%		90%		Operational

EXPENDITURE CONTROL															
5															
5.1	Sound Financial Management & Viability	4, 5/6, 2/ INTERNAL	Ensure payments certificates are submitted to Expenditure section within 5 working days of receipt	DMM	Percentage of payment certificates approved and submitted to expenditure section within 5 working days.	100%	100%	100%		100%		100%		Operational	
6															
COMMUNITY AND SOCIAL SERVICES															
6.1	Social Services, Human and Community Development	7.10.1 to 7.10.5/ 3.1, 3.2/ C3.19 to C.24	Ensure the implementation of programmes by 30 June 2021 for marginalised groups such as Women, Men, Senior Citizens and the Disabled. Report quarterly progress to portfolio committee at the 2nd PC meeting after quarter ends.	S DIMBA	Number of Senior Citizens Forum meetings held		2	1		1		N/A	N/A	R 323 000	
Number of Senior citizens Programme implemented						3	1		1		n/a	1			
Date of Men's programme						30-Jun-21	30-Jun-21								Operational
Number of Women's Forum meetings held						1	1		N/A		N/A	N/A			R178 000
Number of Women's programmes implemented						2	1		1		N/A	N/A			
Number of District Disability Forum meetings held						3	1		1		N/A	1			R400 000
Number of Disability programmes implemented						4	1		1		1	1			
Number of Men's forum meeting held						2	1						1		R 150 000
Number of Children's programmes implemented						2	N/A		N/A		1	1			R 150 000
Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends						4	1		1		1	1			Operational
			Ensure the Implementation of Arts and Culture programmes within the district by 30 June 2021. Submit a progress report to the portfolio Committee at the 2nd PC meeting after quarter ends.	S DIMBA	Number of Arts and Culture programmes implemented		8	2		2		2	2	R 1 050 000	
					Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends		4	1		1		1	1	Operational	
7															
AIR QUALITY MANAGEMENT															
7.1	Social Services, Human and Community Development	INTERNAL/5.4/C 5.4	Ensure the implementation of the Air Quality Management Plan by ensuring that inspections are conducted at all 8 identified sites by 30 June 2021. Report quarterly progress to portfolio committee at the 2nd PC meeting after quarter ends.	J MKHABELA	Number of identified areas inspected		8	2		2		2		R250 000	
Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends						4	1		1		1		1		Operational
7.2						MONITOR THE UPDATE of the emissions and inventory system by 30 June 2021 Report quarterly progress to portfolio committee at the 2nd PC meeting after quarter ends.	J MKHABELA	Quarterly monitoring of the inventory system		4	1		1		1
					Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends		4	4		1		1	1		
			Review the Air Quality Management Plan and submit to Council for approval by 30 June 2021.		Number of Air Quality Management Plans approved by Council		1						1		

SPORTS DEVELOPMENT																
8																
8.1	Social Services, Human and Community Development	7.4.1 & 7.5/3.2/C3.28, C3.32	Ensure the participation and contribution towards the District Elimination Games by 31 October 2019 and SALGA Games by 31 December 2020 and report quarterly progress to the Community Services Portfolio Committee at the 2nd PC meeting after quarter ends	S DIMBA	Percentage of budgeted amount spent on District Elimination Games	100%	80%			100%				Operational		
Percentage of budgeted amount spent on SALGA Games					100%	25%			75%		100%			Operational		
Number of District Elimination Games participated					1				1					R400 000		
Number of SALGA Games participated in					1				1					R 3 000 000		
					Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends	3				1		1		Operational		
8.2	Social Services, Human and Community Development	7.4.2/3.2/C3.29	Facilitate the District Golden Games for elderly people by 31 September 2020 and report to the Community Services Portfolio Committee at the 2nd PC meeting after quarter ends	S DIMBA	Number of District Golden games	30-Sep-20	30-Sep-20							R150 000		
								Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends	1				1			Operational
8.3	Social Services, Human and Community Development		Provide support for the district sports development by responding to formal requests for assistance by 30 June 2021. Report quarterly progress to portfolio committee at the 2nd PC meeting after quarter ends.	S DIMBA	Number of formal requests for sports development assisted	4	1				1		1		R 2 267 000	
9																
DISASTER MANAGEMENT																
9.1	Social Services, Human and Community Development		Ensure the implementation of the Disaster Risk Reduction Programme through the facilitation of 12 awareness campaigns by 30 June 2021. Report quarterly progress to the portfolio committee by the 2nd PC meeting after quarter ends.	JABU MKHABELA	Number of Disaster Awareness Campaigns held	12	3			3		3		3	R.....	
9.2						Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends	4	1			1		1		1	
9.3					Ensure the review and approval of the disaster management sector plan to Council by 31 March 2021.		Number of Disaster Management Sector Plans approved by Council	1					1			
10																
ENVIRONMENTAL HEALTH																
10.1	Social Services, Human and Community Development	INTERNAL / 3.1	Ensure implementation of the Environmental Health by conducting 60 awareness campaigns by 30 June 2021. Submit quarterly report to the portfolio by the 2nd PC after quarter ends.	J MKHABELA	Number of awareness campaigns conducted	60	15			15		15		15	Operational	
						Number of quarterly progress reports submitted to PC by the 2nd PC meeting after quarter ends	4	1			1		1		1	

DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: PLANNING AND ECONOMIC DEVELOPMENT: 2020/2021																			
COMPONE																			
Item no:	Item no:	King Cetshwayo District Goals	Implementation Plan Ref:	PREVIOUS PERFORMANCE INDICATOR	RESPONSIBLE PERSON	REVIEWED PERFORMANCE INDICATOR	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE		BUDGET ALLOCATION 2019/2020	BUDGET REMAINING AT YEAR END		
								TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL				
1	1							PLANNING EXECUTIVE											
1.1	1.1	Municipal Transformation and Organisational and Human Development	Internal	Ensure the implementation of the Performance Management Framework for 2020/2021 through the measurement, reporting and assessment of performance of the municipality as an institution. Ensure that senior managers performance agreements are signed by 31 July 2020 and quarterly assessments are conducted within 10 days after quarter ends.	Z Mbonane	Percentage of signed Senior Managers Performance Agreements submitted to PMS Unit	100%	100%									Operational		
					Z Mbonane	Percentage of Performance Assessments conducted with Senior Managers and Managers	100%	100%			100%				100%			Operational	
					Z Mbonane	Percentage of draft 2021/2022 Performance Plans for all Senior Managers the Department	100%									100%			Operational
2	2.1	Sound Financial Management & Viability	Internal	Ensure attendance to quarterly MSCOA Committee meetings	Z Mbonane	Number of MSCOA Meeting attended by the Deputy Municipal Manager	4	1			1				1		Operational		
2.1					All Senior Managers	Number of MSCOA Meeting attended by the senior Managers	4	1			1				1		Operational		
3	3																		
3.1	3.1	Sound Financial Management & Viability	Internal	Ensure the implementation of the 2020/2021 Procurement Plan by reporting quarterly on the progress made to the Portfolio Committee by the 2nd PC after quarter ends.	Z Mbonane	Number of quarterly procurement progress reports to portfolio by the 2nd PC after quarter ends	4	1			1				1		Operational		

4	4																
4.1	4.1	Sound Financial Management & Viability	Internal	Ensure the submission of monthly budget reports of the department and report to the Budget and Treasury Office on the due dates stipulated by the Budget Office. Submit consolidated report to portfolio within 60 days after quarter ends.	Z Mbonane	Number of budget reports submitted to the Budget and Treasury Office	11	2		3		3		3			Operational
						Number of consolidated quarterly budget reports	4	1		1		1		1			Operational
4.2	4.2	Sound Financial Management & Viability	Internal	Ensure at least 90% spend on the Quarterly allocated annual operating budget per quarter	Z Mbonane	Percentage of the annual operating budget spent per quarter.	90%	22.5%		45%		67.5%		90%			Operational
5	5																
5.1	5.1	Sound Financial Management & Viability	Internal	Ensure payments certificates are submitted to Expenditure section within 5 working days of receipt	Z Mbonane	Percentage of payment certificates submitted to expenditure section within 5 days of receipt	100%	100%		100%		100%		100%			

7		STATUTORY AND DEVELOPMENT PLANNING												
7.1	Internal	Ensure that 90% of the Statutory and Development Planning expenditure on OPEX projects is within the approved budget for the 2019/2020 financial year	W Mpfu	Percentage of total budgeted OPEX amount spent	90%	22.5%		45%		67.5%		90%		Operational
7.2	P6.4	Ensure finalisation of the Environmental Management Framework project by submitting adoption reports to Portfolio Committee by 2nd PC meeting after quarter ends	W Mpfu	Number of progress reports to portfolio Committee	1	N/A		1		N/A		N/A		R 550 000
		Report quarterly on Coastal Management and Integrated Environmental management matters to the Planning and Economic Development Portfolio committee by the 2nd PC meeting after quarter ends. Render support to Environmental Management Programme.	W Mpfu	Number of Coastal Working Group Meetings held	4	1		1		1		1		Operational
	Number of Coastal Clean-Up campaigns held			3	1			1		1		1		Operational
	Number of environmental Management programme supported		2				1					1		R320 500
	Number of quarterly environmental progress reports to portfolio Committee and EIA's commented on.		4	1			1			1		1		
	Ensure the functioning of DPSS-by rendering support to the local municipalities. Report quarterly progress to the Planning and Development Portfolio Committee meeting by the 2nd PC meeting after quarter ends.	W Mpfu	Number of consultative visits to participating DPSS Local Municipalities	12	3		3		3		3		Operational	
			Number of quarterly DPSS progress reports to portfolio Committee	4	1		1		1		1		Operational	
			Number of Planners forums held	4	1		1		1		1		Operational	
	Ensure participation to all JMPT activities with the District by 30 June 2021 and submit a report to the portfolio committee by the 2nd PC meeting after quarter ends.	W Mpfu	Number of JMPT meetings Participated	12	3		3		3		3		Operational	
			Number of quarterly Spluma implementation reports to portfolio Committee	4	1		1		1		1		Operational	
	Ensure monitoring of progress on the Comprehensive Integrated Transport Plan project by submitting quarterly reports to Portfolio Committee by the 2nd PC meeting after quarter ends	W Mpfu	Number of CIPT Steering Committee meetings	4	1		1		1		1			
	Ensure implementation of DGDGP through hosting DGDGP technical Committees and submitting quarterly reports to Portfolio Committee by the 2nd PC meeting after quarter ends	W Mpfu	Number of quarterly CIP reports to Portfolio Committee	4	1		1		1		1			
			Number of DGDGP technical committee meetings held	4	1		1		1		1			
			Number of quarterly DGDGP progress reports to portfolio committee	4	1		1		1		1			
	Develop, review and approve the Environmental Management Framework by 31 December 2020.		Number of Environmental Management Framework approved by Council	1			1							
	Develop Transport Sector Plan Stage 1 by 30 June 2021.		Number of Council Approved Transport Sector Plan : Stage 1	1							1			
	Ensure effective functioning of Spatial Planning and Land Use Management Act (SPLUMA) Tribunals and ensure prioritisation of development in rural areas		Number of Quarterly reports on the effective functioning of SPLUMA	4	1		1		1		1			

2.8 Capital expenditure details

The following table present details of the District's capital expenditure programme, over the Medium Term.

CAPITAL PROJECTS				
Cost Centre	Vote Description	Final Budget 2021	Final Budget 2122	Final Budget 2223
1101	P-CNIN FURN & OFF EQUIP	100 000	-	-
BOARD GENERAL EXPENSE		100 000	-	-
1208	IMPLEMENTATION OF MSCOA	5 000 000	500 000	-
1208	IMPLEMENTATION OF MSCOA(COMP EQUIP)	300 000	200 000	-
BUDGET AND REPORTING		5 300 000	700 000	-
1210	BACK UP HARDWARE	119 000	-	-
1210	DOCUMENT MANAGEMENT INFORMATION	600 000	-	-
1210	COMPUTER & NETWORK COMPONENTS	250 000	250 000	250 000
1210	IT EQUIPMENT STOCK	440 000	400 000	400 000
COMMUNICATION AND INFORMATION TECHNOLOGY		1 409 000	650 000	650 000
1213	P-CNIN MACHINERY & EQUIP	300 000	300 000	-
ASSET MANAGEMENT		300 000	300 000	-
1401	FURNITURE AND EQUIPMENT	60 000	-	-
COMMUNITY SERVICES		60 000	-	-
1403	P-CNIN MACHINERY & EQUIP	30 000	-	-
1403	FURN & OFF EQUIP	60 000	-	-
CEMETERY		90 000	-	-
2201	CONSTRUCTION OF CELL 3	14 878 153	34 715 689	-
2201	REHABILITATION OF LANDFILL SITE	4 361 901	4 361 901	-
SOLID WASTE		19 240 054	39 077 590	-
2407	SMART METER INSTALLATION	-	10 000 000	10 000 000
2407	WC/WDM STRATEGY IMPLEMENTATION	14 000 000	10 000 000	10 000 000
2407	NKANDLA WEIR	4 000 000	10 000 000	10 000 000
WATER USE EFFICIENCY		18 000 000	30 000 000	30 000 000
2408	HEALTH & SAFETY COMPL - PLANTS	500 000	700 000	-
2408	MACHINERY AND EQUIPMENT	500 000	-	-
PROCESS MANAGEMENT		1 000 000	700 000	-
2409	ESHOWE SSA1	5 000 000	10 000 000	10 000 000
2409	MIDDLEDRIFT PHASE 2	30 000 000	-	-
2409	MIDDLEDRIFT SSA3	5 625 322	10 000 000	15 000 000
2409	VUTSHINI PHASE 1	1 503 178	10 000 000	20 000 000
2409	MBONAMBI WATER PHASE 2	10 000 000	35 000 000	20 000 000
2409	GREATER MTHONJANENI SSA5	-	2 000 000	10 000 000
2409	MPUNGOSE PHASE 1D - RETICULATION	-	2 000 000	10 000 000
2409	NKANDLA VITSHINI S/A SSA5	15 797 000	-	10 000 000
2409	MHLANA SOMOPHO PHASE 3C	12 000 000	30 000 000	20 000 000
2409	MIDDLEDRIFT SSA5	28 643 213	32 811 240	-
2409	KWAHLOKOHLOKO SSA1	-	2 000 000	20 000 000
2409	GREATER MTHONJANENI SSA4	6 000 000	-	-
2409	GINGINDLOVU RAW WATER SYSTEM RELOCATIO	18 932 990	-	-
2409	TANKER REDUCTION STRATEGY	26 000 000	30 000 000	30 000 000
2409	Refurbishment of water storage reservoirs	-	10 000 000	10 000 000
2409	MIDDLEDRIFT SSA2	-	30 000 000	30 000 000
2409	KWAHLOKOHLOKO SSA1	27 409 000	-	-
2409	ESHOWE SSA1	-	20 000 000	-
2409	MIDDLEDRIFT SSA3	-	-	42 706 000
MUNICIPAL INFRASTRUCTURE AND IMPLEMENTATION		186 910 703	223 811 240	247 706 000
2412	P-CNIN TRANSPORT ASSETS	20 000 000	-	-
2412	SURVIVAL WATER BOREHOLE	1 000 000	1 000 000	1 000 000
2412	Refurbishment of Water Infrastructure in King C	14 000 000	-	-
2412	NKANDLA WATER & WASTE SCHEME UPGRADE	450 000	-	-
WATER SERVICE DIVISION		35 450 000	1 000 000	1 000 000
2501	ESHOWE SEWER UPGRADE	10 000 000	10 000 000	6 000 000
2501	MELMOTH SEWER UPGRADE	5 000 000	10 000 000	15 000 000
2501	MTUNZINI SEWER UPGRADE	1 003 609	8 188 760	10 000 000
WASTE WATER MANAGEMENT		16 003 609	28 188 760	31 000 000
2502	WATER AND SEWER PLANTS REFURBISHMENT	-	10 000 000	15 000 000
2502	MELMOTH WATER TREATMENT WORKS REFURBI	2 067 010	-	-
2502	ESHOWE WATER TREATMENT WORKS REFURBISH	10 000 000	-	-
2502	P-CNIN MACHINERY & EQUIP	200 000	300 000	-
PROCESS MANAGEMENT - WASTE WATER		12 267 010	10 300 000	15 000 000
Grand Total		296 130 376	334 727 590	325 356 000

2.9 Legislation compliance status

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

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 and includes monthly published financial performance on the District's website.

2. Internship programme

The District is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme in 2004/2005, the District has successfully employed and trained over 30 interns through this programme and some of them have been appointed either in the District or other Institutions.

3. Budget and Treasury Office

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

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2020/21 MTREF in May 2020 directly aligned and informed by the 2020/21 MTREF. The draft SDBIP has been included in this report for information purposes.

6. Annual Report

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

7. Policies

All the budget related policies have been reviewed on terms of regulation 7 of the Municipal Budget and Reporting Regulations.

2.10 Annual Budget Tables – Consolidated Budget

Table 23 Consolidated Budget Summary

DC28 King Cetshwayo - Table A1 Consolidated Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Service charges	64 615	77 337	86 913	92 472	92 472	92 472	76 289	103 119	112 831	123 830
Investment revenue	45 649	44 449	39 258	32 145	38 821	38 821	34 757	32 909	34 884	36 977
Transfers recognised - operational	467 500	537 477	574 401	532 948	542 200	542 200	525 756	591 780	631 068	682 981
Other own revenue	42 749	42 303	24 988	29 530	3 223	3 223	3 880	4 618	1 900	2 014
Total Revenue (excluding capital transfers and contributions)	620 513	701 565	725 560	687 096	676 717	676 717	640 681	732 426	780 682	845 801
Employee costs	173 463	195 948	229 028	239 552	232 975	232 975	189 990	280 421	291 890	309 447
Remuneration of councillors	10 292	11 778	11 679	13 697	12 221	12 221	10 362	14 436	15 216	16 129
Depreciation & asset impairment	62 985	69 920	74 751	102 409	101 759	101 759	60 328	89 656	97 466	105 187
Finance charges	9 163	6 432	5 322	4 581	4 581	4 581	2 395	3 722	6 917	5 782
Materials and bulk purchases	55 622	79 785	67 106	69 688	76 595	76 595	73 605	108 076	113 301	131 922
Transfers and grants	10 635	11 515	19 355	5 943	2 081	2 081	1 000	1 025	2 820	2 961
Other expenditure	399 601	490 707	483 239	390 346	410 161	410 161	345 014	296 461	340 791	367 392
Total Expenditure	721 762	866 085	890 480	826 215	840 372	840 372	682 694	793 797	868 402	938 820
Surplus/(Deficit)	(101 249)	(164 519)	(164 920)	(139 119)	(163 655)	(163 655)	(42 014)	(61 371)	(87 720)	(93 018)
Transfers and contributions allocations (National / Provincial and District)	398 564	270 696	214 677	355 785	441 418	441 418	162 227	246 981	292 000	323 706
Surplus/(Deficit) after capital transfers & contributions	297 316	106 176	49 757	216 665	277 762	277 762	120 214	185 610	204 280	230 688
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	297 316	106 176	49 757	216 665	277 762	277 762	120 214	185 610	204 280	230 688
Capital expenditure & funds sources										
Capital expenditure	375 258	187 343	198 403	370 535	483 184	483 184	148 334	296 130	334 728	325 356
Transfers recognised - capital	357 062	171 513	191 280	355 785	441 418	441 418	138 678	246 981	292 000	323 706
Borrowing	-	-	-	-	-	-	-	-	34 716	-
Internally generated funds	18 196	15 830	7 123	14 750	41 766	41 766	9 656	49 149	8 012	1 650
Total sources of capital funds	375 258	187 343	198 403	370 535	483 184	483 184	148 334	296 130	334 728	325 356
Financial position										
Total current assets	621 509	555 076	582 874	439 713	437 058	437 058	727 982	638 580	603 158	631 301
Total non current assets	2 162 137	2 301 443	2 425 614	2 938 031	3 032 948	3 032 948	2 512 435	2 964 530	3 016 979	2 992 342
Total current liabilities	270 858	233 262	331 947	120 920	115 509	115 509	451 012	449 691	415 809	444 608
Total non current liabilities	144 839	129 081	131 616	118 452	118 261	118 261	125 281	130 853	125 671	126 473
Community wealth/Equity	2 367 949	2 494 177	2 545 022	3 138 372	3 235 586	3 235 586	2 665 138	3 022 567	3 078 656	3 052 562
Cash flows										
Net cash from (used) operating	393 953	150 159	133 261	317 704	371 633	371 633	180 789	273 833	301 006	334 752
Net cash from (used) investing	(308 435)	(171 513)	(198 287)	(370 530)	(483 184)	(483 184)	(148 377)	(296 062)	(334 656)	(325 263)
Net cash from (used) financing	(12 989)	(15 940)	(6 716)	(9 926)	(7 529)	(7 529)	(6 608)	(30 763)	(31 539)	(34 425)
Cash/cash equivalents at the year end	495 087	440 252	389 745	321 464	263 299	263 299	25 718	502 126	436 937	412 001
Cash backing/surplus reconciliation										
Cash and investments available	509 560	461 491	494 384	401 733	399 893	399 893	626 289	555 118	518 847	545 939
Application of cash and investments	288 951	273 703	365 331	163 967	159 803	159 803	466 433	487 515	447 872	473 951
Balance - surplus (shortfall)	220 610	187 788	129 053	237 766	240 091	240 091	159 856	67 603	70 975	71 988
Asset management										
Asset register summary (WDV)	2 155 712	1 525 883	1 530 520	1 971 633	2 066 549	2 066 549	2 066 549	1 780 613	1 788 852	1 772 565
Depreciation	62 985	69 920	74 751	102 409	101 759	101 759	101 759	89 656	97 466	105 187
Renewal and Upgrading of Existing Assets	-	11 128	27 380	64 032	69 847	69 847	69 847	26 816	42 551	41 000
Repairs and Maintenance	79 267	158 507	204 643	140 932	152 639	152 639	152 639	144 049	194 114	205 130
Free services										
Cost of Free Basic Services provided	5 471	3 182	3 325	2 895	2 895	2 895	3 797	3 797	4 025	4 266
Revenue cost of free services provided	-	-	-	-	-	-	3 406	3 406	3 611	3 827
Households below minimum service level										
Water:	47	66	66	66	66	66	67	67	68	69
Sanitation/sewerage:	28	50	50	50	50	50	51	51	52	53

Table 24 Consolidated Budgeted Financial Performance (revenue and expenditure by function classification)

DC28 King Cetshwayo - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional	1									
Governance and administration		701 203	586 030	522 074	678 254	781 456	781 456	594 765	658 713	716 317
Executive and council		-	(1)	-	-	-	-	-	-	-
Finance and administration		701 203	586 032	522 074	678 254	781 456	781 456	594 765	658 713	716 317
Community and public safety		174	225	217	209	209	209	339	360	381
Community and social services		174	225	217	209	209	209	339	360	381
Economic and environmental services		20 648	19 095	19 075	18 391	18 391	18 391	19 583	20 669	21 894
Environmental protection		20 648	19 095	19 075	18 391	18 391	18 391	19 583	20 669	21 894
Trading services		266 600	337 980	364 472	318 078	318 078	318 078	364 720	392 941	430 915
Water management		222 224	241 881	261 892	278 597	278 597	278 597	313 103	337 826	362 350
Waste water management		25 404	75 594	76 362	7 943	7 943	7 943	26 444	24 907	32 316
Waste management		18 972	20 505	26 218	31 539	31 539	31 539	25 173	30 207	36 249
Other	4	30 452	28 931	34 398	27 948	-	-	-	-	-
Total Revenue - Functional	2	1 019 078	972 261	940 237	1 042 880	1 118 135	1 118 135	979 407	1 072 682	1 169 507
Expenditure - Functional										
Governance and administration		136 616	142 656	166 793	201 932	187 984	187 984	213 512	218 290	230 084
Executive and council		25 841	30 287	42 089	46 413	40 062	40 062	42 587	44 872	47 424
Finance and administration		110 776	112 368	124 704	155 519	147 922	147 922	161 124	163 056	171 676
Internal audit		-	-	-	-	-	-	9 801	10 362	10 983
Community and public safety		49 074	47 144	31 547	31 877	31 934	31 934	29 980	33 562	35 438
Community and social services		31 224	31 011	31 547	31 877	31 934	31 934	29 980	33 562	35 438
Health		17 850	16 133	-	-	-	-	-	-	-
Economic and environmental services		20 767	28 084	54 650	45 963	39 024	39 024	44 869	46 851	49 606
Planning and development		20 767	25 815	35 882	24 991	19 918	19 918	21 511	22 548	23 813
Environmental protection		-	2 269	18 768	20 972	19 107	19 107	23 358	24 303	25 792
Trading services		485 201	615 564	613 878	517 846	581 429	581 429	505 436	569 699	623 692
Water management		423 415	474 799	546 030	479 679	545 783	545 783	449 891	507 346	552 182
Waste water management		26 651	111 782	46 799	14 320	10 494	10 494	31 563	33 321	41 471
Waste management		35 135	28 983	21 049	23 847	25 152	25 152	23 981	29 031	30 040
Other	4	30 104	32 637	23 613	28 598	-	-	-	-	-
Total Expenditure - Functional	3	721 762	866 085	890 480	826 215	840 372	840 372	793 797	868 402	938 820
Surplus/(Deficit) for the year		297 316	106 176	49 757	216 665	277 762	277 762	185 610	204 280	230 688

Table 25 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)**DC28 King Cetshwayo - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	(1)	-	-	-	-	-	-	-
Vote 03 - Community & Social Services		174	225	217	209	209	209	339	360	381
Vote 05 - Environmental Health		20 648	19 095	19 075	18 391	18 391	18 391	19 583	20 669	21 894
Vote 06 - Finance & Administration		701 203	586 032	522 074	678 254	781 456	781 456	594 765	658 713	716 317
Vote 07 - Infrastructure Services		222 224	241 881	261 892	278 597	278 597	278 597	313 103	337 826	362 350
Vote 08 - Waste Management		18 972	20 505	26 218	31 539	31 539	31 539	25 173	30 207	36 249
Vote 09 - Waste Water Management		25 404	75 594	76 362	7 943	7 943	7 943	26 444	24 907	32 316
Vote 10 - King Cetshwayo Fresh Produce Market		30 452	28 931	34 398	27 948	-	-	-	-	-
Total Revenue by Vote	2	1 019 078	972 261	940 237	1 042 880	1 118 135	1 118 135	979 407	1 072 682	1 169 507
Expenditure by Vote to be appropriated	1									
Vote 01 - Executive & Council		38 041	55 001	69 061	83 919	78 995	78 995	95 155	96 275	101 628
Vote 02 - Economic Development, Planning & Environmental Health		20 767	25 815	35 882	24 991	19 918	19 918	21 511	22 548	23 813
Vote 03 - Community & Social Services		31 224	31 011	31 547	31 877	31 934	31 934	29 980	33 562	35 438
Vote 05 - Environmental Health		17 850	18 402	18 768	20 972	19 107	19 107	23 358	24 303	25 792
Vote 06 - Finance & Administration		98 575	87 655	97 732	118 013	108 989	108 989	118 358	122 014	128 456
Vote 07 - Infrastructure Services		423 415	474 799	546 030	479 679	545 783	545 783	449 891	507 346	552 182
Vote 08 - Waste Management		35 135	28 983	21 049	23 847	25 152	25 152	23 981	29 031	30 040
Vote 09 - Waste Water Management		26 651	111 782	46 799	14 320	10 494	10 494	31 563	33 321	41 471
Vote 10 - King Cetshwayo Fresh Produce Market		30 104	32 637	23 613	28 598	-	-	-	-	-
Total Expenditure by Vote	2	721 762	866 085	890 480	826 215	840 372	840 372	793 797	868 402	938 820
Surplus/(Deficit) for the year	2	297 316	106 176	49 757	216 665	277 762	277 762	185 610	204 280	230 688

Table 26 Consolidated Budgeted Financial Performance (revenue and expenditure)

DC28 King Cetshwayo - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Service charges - water revenue	2	38 937	48 893	53 125	52 991	52 991	52 991	47 527	69 502	73 673	78 093
Service charges - sanitation revenue	2	6 706	7 939	7 569	7 943	7 943	7 943	6 846	8 444	8 951	9 488
Service charges - refuse revenue	2	18 972	20 505	26 218	31 539	31 539	31 539	21 916	25 173	30 207	36 249
Rental of facilities and equipment		47	568	119	111	111	111	73	115	122	129
Interest earned - external investments		45 649	44 449	39 258	32 145	38 821	38 821	34 757	32 909	34 884	36 977
Interest earned - outstanding debtors		2 054	2 190	1 710	265	265	265	1 869	280	297	314
Dividends received		-	3	4	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	8	13	9	9	9	15	10	10	11
Licences and permits		52	20	40	70	70	70	55	74	80	85
Transfers and subsidies		467 500	537 477	574 401	532 948	542 200	542 200	525 756	591 780	631 068	682 981
Other revenue	2	40 597	32 547	23 055	29 074	2 767	2 767	1 868	4 139	1 391	1 475
Gains		-	6 965	48	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		620 513	701 565	725 560	687 096	676 717	676 717	640 681	732 426	780 682	845 801
Expenditure By Type											
Employee related costs	2	173 463	195 948	229 028	239 552	232 975	232 975	189 990	280 421	291 890	309 447
Remuneration of councillors		10 292	11 778	11 679	13 697	12 221	12 221	10 362	14 436	15 216	16 129
Debt impairment	3	12 426	5 318	8 754	7 612	7 612	7 612	248	7 817	8 286	8 783
Depreciation & asset impairment	2	62 985	69 920	74 751	102 409	101 759	101 759	60 328	89 656	97 466	105 187
Finance charges		9 163	6 432	5 322	4 581	4 581	4 581	2 395	3 722	6 917	5 782
Bulk purchases	2	55 622	47 255	39 201	34 381	59 381	59 381	59 122	71 811	87 363	104 325
Other materials	8	-	32 530	27 905	35 307	17 214	17 214	14 483	36 266	25 939	27 596
Contracted services		111 867	387 281	367 238	253 765	297 703	297 703	270 865	177 417	220 674	240 095
Transfers and subsidies		10 635	11 515	19 355	5 943	2 081	2 081	1 000	1 025	2 820	2 961
Other expenditure	4, 5	275 308	96 776	107 248	128 969	104 847	104 847	73 900	111 227	111 831	118 513
Losses		-	1 332	-	-	-	-	-	-	-	-
Total Expenditure		721 762	866 085	890 480	826 215	840 372	840 372	682 694	793 797	868 402	938 820
Surplus/(Deficit)		(101 249)	(164 519)	(164 920)	(139 119)	(163 655)	(163 655)	(42 014)	(61 371)	(87 720)	(93 018)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		398 564	270 696	214 677	355 785	441 418	441 418	162 227	246 981	292 000	323 706
Surplus/(Deficit) after capital transfers & contributions		297 316	106 176	49 757	216 665	277 762	277 762	120 214	185 610	204 280	230 688
Taxation											
Surplus/(Deficit) after taxation		297 316	106 176	49 757	216 665	277 762	277 762	120 214	185 610	204 280	230 688
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		297 316	106 176	49 757	216 665	277 762	277 762	120 214	185 610	204 280	230 688
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		297 316	106 176	49 757	216 665	277 762	277 762	120 214	185 610	204 280	230 688

Table 27 Consolidated Budgeted Capital Expenditure by vote, function classification and funding

DC28 King Cetshwayo - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 03 - Community & Social Services		-	636	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure Services		354 169	152 500	172 655	309 753	335 840	335 840	95 799	178 911	213 811	237 706
Vote 08 - Waste Management		-	310	-	-	-	-	-	4 362	4 362	-
Vote 09 - Waste Water Management		3 000	-	18 625	52 032	68 631	68 631	39 600	16 004	38 189	46 000
Capital multi-year expenditure sub-total	7	357 169	153 446	191 280	361 785	404 471	404 471	135 399	199 276	256 362	283 706
Single-year expenditure to be appropriated	2										
Vote 01 - Executive & Council		3 579	2 028	783	100	3 715	3 715	70	100	-	-
Vote 02 - Economic Development, Planning & Environmental Services		-	-	86	40	40	40	-	-	-	-
Vote 03 - Community & Social Services		999	221	1 955	-	253	253	-	150	-	-
Vote 05 - Environmental Health		-	86	242	250	250	250	-	-	-	-
Vote 06 - Finance & Administration		3 472	2 917	2 227	3 450	4 250	4 250	1 633	7 009	1 650	650
Vote 07 - Infrastructure Services		2 893	28 494	1 144	4 310	69 922	69 922	11 078	62 450	41 700	41 000
Vote 08 - Waste Management		258	50	578	-	-	-	-	14 878	34 716	-
Vote 09 - Waste Water Management		2 929	-	-	600	283	283	154	12 267	300	-
Vote 10 - King Cetshwayo Fresh Produce Market		3 959	100	108	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		18 089	33 897	7 123	8 750	78 713	78 713	12 935	96 854	78 366	41 650
Total Capital Expenditure - Vote		375 258	187 343	198 403	370 535	483 184	483 184	148 334	296 130	334 728	325 356
Capital Expenditure - Functional											
Governance and administration		7 052	4 946	3 010	3 550	7 965	7 965	1 703	7 109	1 650	650
Executive and council		3 579	1 703	443	100	3 715	3 715	70	100	-	-
Finance and administration		3 472	3 242	2 567	3 450	4 250	4 250	1 633	7 009	1 650	650
Community and public safety		999	858	1 955	-	253	253	-	150	-	-
Community and social services		999	858	1 955	-	253	253	-	150	-	-
Economic and environmental services		-	86	328	290	290	290	-	-	-	-
Planning and development		-	-	86	40	40	40	-	-	-	-
Environmental protection		-	86	242	250	250	250	-	-	-	-
Trading services		363 248	181 354	193 002	366 695	474 676	474 676	146 631	288 871	333 078	324 706
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		357 062	180 994	173 799	314 063	405 762	405 762	106 877	241 361	255 511	278 706
Waste water management		5 929	-	18 625	52 632	68 914	68 914	39 754	28 271	38 489	46 000
Waste management		258	360	578	-	-	-	-	19 240	39 078	-
Other		3 959	100	108	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	375 258	187 343	198 403	370 535	483 184	483 184	148 334	296 130	334 728	325 356
Funded by:											
National Government		357 062	171 513	191 280	355 785	441 418	441 418	138 678	246 981	292 000	323 706
Transfers recognised - capital	4	357 062	171 513	191 280	355 785	441 418	441 418	138 678	246 981	292 000	323 706
Borrowing	6	-	-	-	-	-	-	-	-	34 716	-
Internally generated funds		18 196	15 830	7 123	14 750	41 766	41 766	9 656	49 149	8 012	1 650
Total Capital Funding	7	375 258	187 343	198 403	370 535	483 184	483 184	148 334	296 130	334 728	325 356

Table 28 Consolidated Budgeted Financial Position

DC28 King Cetshwayo - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS											
Current assets											
Cash		198 357	111 491	144 384	66 733	64 893	64 893	314 431	165 118	153 847	180 939
Call investment deposits	1	305 000	350 000	350 000	335 000	335 000	335 000	311 858	390 000	365 000	365 000
Consumer debtors	1	72 298	45 459	54 368	27 778	27 358	27 358	57 166	51 496	51 422	52 465
Other debtors		40 080	42 042	28 235	5 735	5 340	5 340	37 450	26 025	26 952	26 963
Current portion of long-term receivables		43	48	53	44	44	44	53	97	93	91
Inventory	2	5 731	6 036	5 844	4 423	4 423	4 423	7 023	5 844	5 844	5 844
Total current assets		621 509	555 076	582 874	439 713	437 058	437 058	727 982	638 580	603 158	631 301
Non current assets											
Long-term receivables		222	-	116	121	121	121	73	68	72	93
Investments		6 203									
Property, plant and equipment	3	2 151 559	2 295 318	2 419 391	2 930 908	3 026 123	3 026 123	2 506 914	2 949 617	3 011 300	2 987 642
Intangible		3 453	4 658	4 591	6 302	6 003	6 003	5 074	13 329	4 091	3 091
Other non-current assets		700	1 468	1 516	700	700	700	374	1 516	1 516	1 516
Total non current assets		2 162 137	2 301 443	2 425 614	2 938 031	3 032 948	3 032 948	2 512 435	2 964 530	3 016 979	2 992 342
TOTAL ASSETS		2 783 646	2 856 520	3 008 488	3 377 744	3 470 006	3 470 006	3 240 417	3 603 110	3 620 137	3 623 643
LIABILITIES											
Current liabilities											
Borrowing	4	10 605	5 928	6 670	7 529	7 529	7 529	6 670	7 626	7 748	9 948
Consumer deposits		10 387	10 012	10 058	12 456	12 456	12 456	9 997	23 137	23 791	24 478
Trade and other payables	4	248 209	188 103	286 384	67 170	61 759	61 759	405 511	387 581	352 966	380 799
Provisions		1 656	29 219	28 835	33 765	33 765	33 765	28 835	31 347	31 304	29 384
Total current liabilities		270 858	233 262	331 947	120 920	115 509	115 509	451 012	449 691	415 809	444 608
Non current liabilities											
Borrowing		44 462	38 533	31 864	24 335	24 335	24 335	28 633	23 378	21 838	21 483
Provisions		100 377	90 548	99 752	94 117	93 926	93 926	96 648	107 475	103 833	104 990
Total non current liabilities		144 839	129 081	131 616	118 452	118 261	118 261	125 281	130 853	125 671	126 473
TOTAL LIABILITIES		415 697	362 343	463 563	239 371	233 770	233 770	576 293	580 544	541 480	571 081
NET ASSETS	5	2 367 949	2 494 177	2 544 924	3 138 372	3 236 236	3 236 236	2 664 124	3 022 567	3 078 656	3 052 562
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	4	2 102 957	2 494 176	2 545 021	2 810 901	2 908 115	2 908 115	2 665 137	2 705 253	2 723 924	2 750 331
Reserves		264 992	1	1	327 471	327 470	327 470	1	317 313	354 732	302 230
TOTAL COMMUNITY WEALTH/EQUITY	5	2 367 949	2 494 177	2 545 022	3 138 372	3 235 586	3 235 586	2 665 138	3 022 567	3 078 656	3 052 562

Table 29 Consolidated Budgeted Cash Flows

DC28 King Cetshwayo - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Service charges		64 841	77 337	86 913	83 225	83 225	83 225	76 289	93 870	103 804	113 923
Other revenue		(6 399)	7 522	23 275	29 530	3 223	3 223	3 880	4 338	1 603	1 700
Transfers and Subsidies - Operational	1	433 789	537 477	574 401	532 948	535 948	535 948	525 756	591 780	631 068	682 981
Transfers and Subsidies - Capital	1	461 763	270 696	214 677	355 785	441 418	441 418	162 227	246 981	292 000	323 706
Interest		47 703	46 639	40 968	32 410	38 821	38 821	34 757	33 189	35 180	37 291
Dividends			3	4					-	-	-
Payments											
Suppliers and employees		(587 984)	(771 568)	(782 299)	(705 671)	(724 339)	(724 339)	(618 724)	(691 578)	(752 912)	(816 106)
Finance charges		(9 125)	(6 432)	(5 322)	(4 581)	(4 581)	(4 581)	(2 395)	(3 722)	(6 917)	(5 782)
Transfers and Grants	1	(10 635)	(11 515)	(19 355)	(5 943)	(2 081)	(2 081)	(1 000)	(1 025)	(2 820)	(2 961)
NET CASH FROM/(USED) OPERATING ACTIVITIES		393 953	150 159	133 261	317 704	371 633	371 633	180 789	273 833	301 006	334 752
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		187							-	-	-
Decrease (increase) in non-current receivables		90							-	-	-
Decrease (increase) in non-current investments		-	-	116	5	-	-	(43)	68	72	93
Payments											
Capital assets		(308 711)	(171 513)	(198 403)	(370 535)	(483 184)	(483 184)	(148 334)	(296 130)	(334 728)	(325 356)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(308 435)	(171 513)	(198 287)	(370 530)	(483 184)	(483 184)	(148 377)	(296 062)	(334 656)	(325 263)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Increase (decrease) in consumer deposits		-	(10 012)	(47)	(2 397)	-	-	61	(23 137)	(23 791)	(24 478)
Payments											
Repayment of borrowing		(12 989)	(5 928)	(6 670)	(7 529)	(7 529)	(7 529)	(6 670)	(7 626)	(7 748)	(9 948)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(12 989)	(15 940)	(6 716)	(9 926)	(7 529)	(7 529)	(6 608)	(30 763)	(31 539)	(34 425)
NET INCREASE/ (DECREASE) IN CASH HELD		72 529	(37 294)	(71 742)	(62 753)	(119 079)	(119 079)	25 804	(52 992)	(65 189)	(24 937)
Cash/cash equivalents at the year begin:	2	422 557	477 546	461 487	384 217	382 378	382 378	(86)	555 118	502 126	436 937
Cash/cash equivalents at the year end:	2	495 087	440 252	389 745	321 464	263 299	263 299	25 718	502 126	436 937	412 001

Table 30 Consolidated Budgeted Cash back reserves/accumulated surplus reconciliation**DC28 King Cetshwayo - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	495 087	440 252	389 745	321 464	263 299	263 299	25 718	502 126	436 937	412 001
Other current investments > 90 days		8 271	21 239	104 639	80 269	136 595	136 595	600 571	52 992	81 910	133 938
Non current assets - Investments	1	6 203	-	-	-	-	-	-	-	-	-
Cash and investments available:		509 560	461 491	494 384	401 733	399 893	399 893	626 289	555 118	518 847	545 939
Application of cash and investments											
Unspent conditional transfers		-	0	92 895	-	-	-	294 584	92 895	92 895	92 895
Statutory requirements	2	1 656	29 219	28 835	33 765	33 765	33 765	28 835	31 347	31 304	29 384
Other working capital requirements	3	186 917	153 936	143 849	36 085	32 111	32 111	46 366	255 799	219 839	246 682
Other provisions		100 377	90 548	99 752	94 117	93 926	93 926	96 648	107 475	103 833	104 990
Total Application of cash and investments:		288 951	273 703	365 331	163 967	159 803	159 803	466 433	487 515	447 872	473 951
Surplus(shortfall)		220 610	187 788	129 053	237 766	240 091	240 091	159 856	67 603	70 975	71 988

Table 31 Consolidated Asset Management

DC28 King Cetshwayo - Table A9 Consolidated Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	375 258	176 215	171 023	306 503	413 337	413 337	269 315	292 177	284 356
Water Supply Infrastructure		354 169	169 043	164 464	300 253	372 733	372 733	226 478	255 511	283 706
Sanitation Infrastructure		20 389	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	310	523	–	–	–	14 878	34 716	–
Infrastructure		374 558	169 353	164 987	300 253	372 733	372 733	241 356	290 227	283 706
Community Facilities		–	636	425	–	253	253	–	–	–
Community Assets		–	636	425	–	253	253	–	–	–
Heritage Assets		700	–	–	–	–	–	–	–	–
Operational Buildings		–	–	195	1 300	11 236	11 236	–	–	–
Other Assets		–	–	195	1 300	11 236	11 236	–	–	–
Licences and Rights		–	1 110	880	1 650	1 442	1 442	5 119	500	–
Intangible Assets		–	1 110	880	1 650	1 442	1 442	5 119	500	–
Computer Equipment		–	2 262	1 769	1 750	1 874	1 874	1 590	850	650
Furniture and Office Equipment		–	1 215	1 048	350	463	463	220	–	–
Machinery and Equipment		–	119	221	1 200	1 082	1 082	1 030	600	–
Transport Assets		–	1 521	1 497	–	24 255	24 255	20 000	–	–
Total Renewal of Existing Assets	2	–	1 959	3 538	41 032	56 981	56 981	22 004	28 189	31 000
Water Supply Infrastructure		–	1 959	3 538	–	–	–	6 000	–	–
Sanitation Infrastructure		–	–	–	41 032	56 981	56 981	16 004	28 189	31 000
Infrastructure		–	1 959	3 538	41 032	56 981	56 981	22 004	28 189	31 000
Total Upgrading of Existing Assets	6	–	9 169	23 842	23 000	12 866	12 866	4 812	14 362	10 000
Water Supply Infrastructure		–	9 169	23 842	23 000	12 866	12 866	450	10 000	10 000
Solid Waste Infrastructure		–	–	–	–	–	–	4 362	4 362	–
Infrastructure		–	9 169	23 842	23 000	12 866	12 866	4 812	14 362	10 000
Total Capital Expenditure	4	375 258	187 343	198 403	370 535	483 184	483 184	296 130	334 728	325 356
Water Supply Infrastructure		354 169	180 170	191 844	323 253	385 599	385 599	232 928	265 511	293 706
Sanitation Infrastructure		20 389	–	–	41 032	56 981	56 981	16 004	28 189	31 000
Solid Waste Infrastructure		–	310	523	–	–	–	19 240	39 078	–
Infrastructure		374 558	180 480	192 367	364 285	442 580	442 580	268 171	332 778	324 706
Community Facilities		–	636	425	–	253	253	–	–	–
Community Assets		–	636	425	–	253	253	–	–	–
Heritage Assets		700	–	–	–	–	–	–	–	–
Operational Buildings		–	–	195	1 300	11 236	11 236	–	–	–
Other Assets		–	–	195	1 300	11 236	11 236	–	–	–
Licences and Rights		–	1 110	880	1 650	1 442	1 442	5 119	500	–
Intangible Assets		–	1 110	880	1 650	1 442	1 442	5 119	500	–
Computer Equipment		–	2 262	1 769	1 750	1 874	1 874	1 590	850	650
Furniture and Office Equipment		–	1 215	1 048	350	463	463	220	–	–
Machinery and Equipment		–	119	221	1 200	1 082	1 082	1 030	600	–
Transport Assets		–	1 521	1 497	–	24 255	24 255	20 000	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		375 258	187 343	198 403	370 535	483 184	483 184	296 130	334 728	325 356
ASSET REGISTER SUMMARY - PPE (WDV)	5	2 155 712	1 525 883	1 530 520	1 971 633	2 066 549	2 066 549	1 780 613	1 788 852	1 772 565
Water Supply Infrastructure		2 022 885	1 293 161	1 107 570	1 589 443	1 651 789	1 651 789	1 274 867	1 299 640	1 320 114
Sanitation Infrastructure		30 948	(3 677)	(6 015)	54 820	70 769	70 769	6 748	18 933	21 744
Solid Waste Infrastructure		18 448	14 857	16 222	47 407	47 407	47 407	35 462	55 299	16 222
Information and Communication Infrastructure		–	114 555	297 975	153 945	153 945	153 945	298 225	298 225	298 225
Infrastructure		2 072 281	1 418 896	1 415 751	1 845 615	1 923 910	1 923 910	1 615 300	1 672 096	1 656 304
Community Assets		61 928	15 318	15 302	19 957	19 022	19 022	15 534	15 534	15 534
Heritage Assets		700	700	700	700	700	700	700	700	700
Other Assets		–	59 608	18 179	59 655	69 591	69 591	18 179	18 179	18 179
Intangible Assets		3 453	4 658	4 591	6 302	6 003	6 003	13 329	4 091	3 091
Computer Equipment		5 374	7 174	6 682	12 426	12 284	12 284	7 342	8 062	8 162
Furniture and Office Equipment		4 431	6 414	12 149	1 922	1 053	1 053	12 293	12 113	12 313
Machinery and Equipment		1 115	1 970	920	18 195	2 871	2 871	3 216	3 356	3 562
Transport Assets		6 429	11 147	56 246	6 861	31 116	31 116	94 719	54 719	54 719
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2 155 712	1 525 883	1 530 520	1 971 633	2 066 549	2 066 549	1 780 613	1 788 852	1 772 565
EXPENDITURE OTHER ITEMS	7	142 252	228 427	279 394	243 341	254 398	254 398	233 705	291 580	310 317
Depreciation		62 985	69 920	74 751	102 409	101 759	101 759	89 656	97 466	105 187
Repairs and Maintenance by Asset Class	3	79 267	158 507	204 643	140 932	152 639	152 639	144 049	194 114	205 130
Water Supply Infrastructure		77 198	156 448	199 231	136 889	148 425	148 425	135 713	185 168	195 607
Infrastructure		77 198	156 448	199 231	136 889	148 425	148 425	135 713	185 168	195 607
Community Facilities		290	104	47	210	310	310	194	203	217
Community Assets		290	104	47	210	310	310	194	203	217
Furniture and Office Equipment		7	–	5	–	3	3	–	–	–
Machinery and Equipment		720	576	1 267	2 206	2 099	2 099	1 097	1 557	1 713
Transport Assets		1 051	1 379	4 093	1 627	1 802	1 802	7 044	7 186	7 593
TOTAL EXPENDITURE OTHER ITEMS		142 252	228 427	279 394	243 341	254 398	254 398	233 705	291 580	310 317
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0.0%	5.9%	13.8%	17.3%	14.5%	14.5%	9.1%	12.7%	12.6%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		0.0%	15.9%	36.6%	62.5%	68.6%	68.6%	29.9%	43.7%	39.0%
<i>R&M as a % of PPE</i>		3.7%	6.9%	8.5%	4.8%	5.0%	5.0%	4.9%	6.4%	6.9%
<i>Renewal and upgrading and R&M as a % of PPE</i>		4.0%	11.0%	15.0%	10.0%	11.0%	11.0%	10.0%	13.0%	14.0%

Table 32 Consolidated Basic Service Delivery measurement

DC28 King Cetshwayo - Table A10 Consolidated basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		31 221	40 337	40 741	40 741	40 741	40 741	41 352	41 972	42 602
Piped water inside yard (but not in dwelling)		48 419	58 065	58 646	58 646	58 646	58 646	59 525	60 418	61 324
Using public tap (at least min.service level)	2	23 180	29 282	29 575	29 575	29 575	29 575	30 018	30 469	30 926
<i>Minimum Service Level and Above sub-total</i>		102 820	127 684	128 961	128 961	128 961	128 961	130 895	132 859	134 852
Using public tap (< min.service level)	3	10 230	10 102	10 203	10 203	10 203	10 203	10 356	10 512	10 669
No water supply		36 692	55 677	56 234	56 234	56 234	56 234	57 077	57 933	58 803
<i>Below Minimum Service Level sub-total</i>		46 921	65 779	66 437	66 437	66 437	66 437	67 434	68 445	69 472
Total number of households	5	149 742	193 464	195 398	195 398	195 398	195 398	198 329	201 304	204 324
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		31 221	40 337	40 741	40 741	40 741	40 741	41 352	41 972	42 602
Flush toilet (with septic tank)		4 378	5 657	5 713	5 713	5 713	5 713	5 799	5 886	5 974
Pit toilet (ventilated)		85 789	97 528	98 503	98 503	98 503	98 503	99 981	101 480	103 002
<i>Minimum Service Level and Above sub-total</i>		121 388	143 522	144 957	144 957	144 957	144 957	147 131	149 338	151 578
Other toilet provisions (< min.service level)		28 353	49 942	50 441	50 441	50 441	50 441	51 198	51 966	52 745
<i>Below Minimum Service Level sub-total</i>		28 353	49 942	50 441	50 441	50 441	50 441	51 198	51 966	52 745
Total number of households	5	149 742	193 464	195 398	195 398	195 398	195 398	198 329	201 304	204 324
Water (6 kilolitres per indigent household per month)		5 471	3 182	3 325	2 895	2 895	2 895	3 797	4 025	4 266
Total cost of FBS provided		5 471	3 182	3 325	2 895	2 895	2 895	3 797	4 025	4 266
Highest level of free service provided per household										
Water (kilolitres per household per month)		11	10	10	10	10	10	10	10	10
Sanitation (kilolitres per household per month)		33	29	29	29	29	29	29	30	30
Revenue cost of subsidised services provided (R'000)	9									
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	3 183	3 374	3 576
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	223	237	251
Total revenue cost of subsidised services provided		-	-	-	-	-	-	3 406	3 611	3 827

2.11 Municipal manager's quality certificate

I Mbali Ndlovu, municipal manager of King Cetshwayo, 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 Mbali Ndlovu

Municipal Manager of King Cetshwayo (DC28)

Signature _____

Date _____



KING CETSHWAYO
DISTRICT MUNICIPALITY