



*"An economically sound district with effective infrastructure and a district municipality that empowers people, protects the environment and demonstrates leadership excellence"*

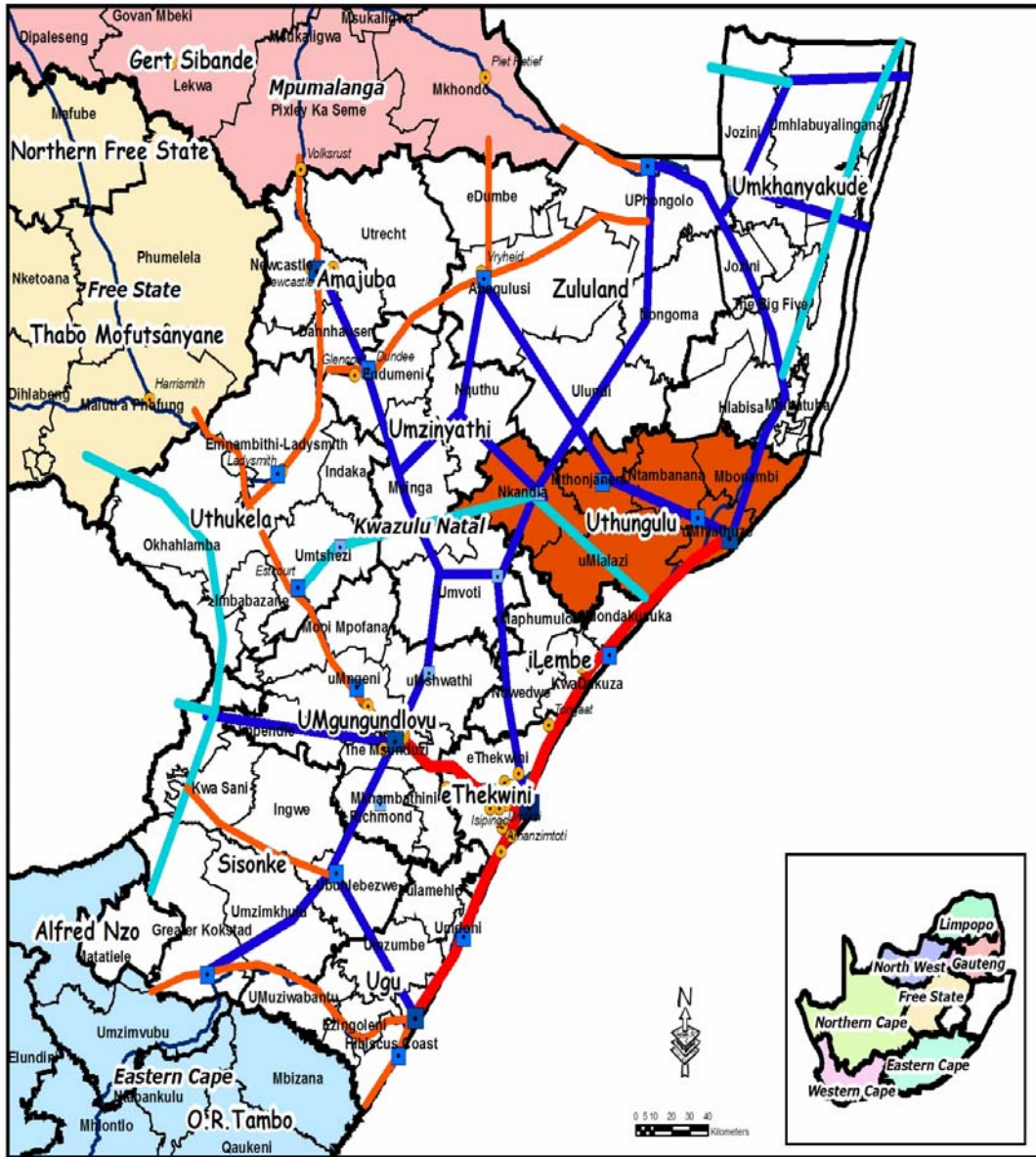
# **uThungulu District Municipality**

## **FINAL MEDIUM TERM BUDGET REPORT**

**2010/11 – 2012/13**

**MAY 2010**





NSDP/IDP  
Alignment  
**KWAZULU NATAL:**  
uThungulu  
Locality Map 1

### Legend

**KZN Activity Nodes**

- 1
- 2
- 3
- 4

**KZN Activity Corridors**

- Multi Sectoral Activity Corridor
- Tourism Activity Corridor
- Agricultural Activity Corridor
- Existing Corridor
- Capital Cities
- Main Towns
- Freeways
- Major Roads
- Local Municipalities
- District Municipalities



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# **PART 1 – ANNUAL BUDGET**

## **1. DEFINITIONS**

(1) In this Budget Report, unless the context indicates otherwise –

**“accounting officer”**

(a) in relation to a municipality, means the municipal official referred to in section 60 of the Municipal Finance Management Act, 2003; and include a person acting as the accounting officer;

**“allocation”**, in relation to a municipality, means –

(a) a municipality’s share of the local government’s equitable share referred to in section 214(1)(a) of the Constitution;

(b) an allocation of money to a municipality in terms of section 214(1)(c) of the Constitution;

(c) an allocation of money to a municipality in terms of a provincial budget; or

(d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

**“annual Division of Revenue Act”** means the Act of Parliament which must be enacted annually in terms of section 214 (1) of the Constitution;

**“approved budget”** means an annual budget –

(a) approved by a municipal council; or

(b) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;

**“basic municipal service”** means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

**“budget-related policy”** means a policy of a municipality affecting or affected by the annual budget of the municipality, including –

(a) the tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

(b) the credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

**“budget year”** means the financial year for which an annual budget is to be approved in terms of section 16(1) of the Municipal Finance Management Act, 2003.;

**“chief financial officer”** means a person designated in terms of section 80(2)(a) of the Municipal Finance Management Act, 2003.

**“CoGTA”** means the department of Co-operative Governance and Traditionnal Affairs.;

**“councillor”** means a member of a municipal council;

**“CPIX”** means Consumer price Index.

**“current year”** means the financial year which has already commenced, but not yet ended;

**“debt”** means -

- (a) a monetary liability or obligation created by a financing agreement, note, debenture, bond or overdraft, or by the issuance of municipal debt instruments; or
- (b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

**“delegation”**, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

**“district municipality”** means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;

**“DLGTA”** means Department of Local Government and Traditional Affairs of the Kwa-Zulu Natal Province

**“DWA”** means Department of Water Affairs

**“EXCO”** means Executive Committee of the Council of the District Municipality

**“GFS”** means General Financial Statistic.

**“financial year”** means a year ending on 30 June;

**“IDP”** means Integrated Development Plan

**“In year reports, in relation to-**

- (a) a municipality means
  - (i) a monthly budget statement of the municipality contemplated in section 71(1) of the MFMA
  - (ii) a Quarterly report on the implementation of the budget and financial state of affairs of the municipality contemplated in section 52(d) of the act;
  - (iii) a mid-year budget and performance assessment of the municipality contemplated in section 72 of the act.

**“investment”**, in relation to funds of a municipality, means -

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

**“lender”**, in relation to a municipality, means a person who provides debt finance to a municipality;

**“local community”** has the meaning assigned to it in section 1 of the Municipal Systems Act;

**“local municipality”** means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

**“long-term debt”** means debt repayable over a period exceeding one year;

**“MANCO”** means management committee of the district municipality

**“MFMA”** Municipal Finance Management Act, No. 56 of 2003

**“MFMA Regulations or (MBRR)”** means regulations relating to Municipal Budget and Reporting;

**“MTEF”** means Medium Term Expenditure Framework

**“mayor”**, in relation to -

(a) a municipality with an executive mayor, means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act; or

(b) a municipality with an executive committee, means the councillor elected as the mayor of the municipality in terms of section 48 of that Act;

**“month”** means one of the 12 months of a calendar year;

**“municipality”** -

(a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

**“MIG”** means Municipal Infrastructure Grant;

**“municipal service”** has the meaning assigned to it in section 1 of the Municipal Systems Act;

**“Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

**“municipal tariff”** means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

**“municipal tax”** means property rates or other taxes, levies or duties that a municipality may impose;

**“National Treasury”** means the National Treasury established by section 5 of the Public Finance Management Act;

**“past financial year”** means the financial year preceding the current year;

**“NER”**, means the National Electricity Regulator;

**“Provincial Treasury”** means a treasury established in terms of section 17 of the Public Finance Management Act;

**“quarter”** means any of the following periods in a financial year:

(a) 1 July to 30 September;

(b) 1 October to 31 December;

(c) 1 January to 31 March; or

(d) 1 April to 30 June;

**“Quality certificate”**, in relation to

(a) a municipality, means a certificate issued and signed by the municipal manager of the municipality confirming the accuracy and reliability of the contents of a document prepared or issued by the municipality



**“SDBIP”** means Service Delivery Budget Implementation Plan

**“standards of generally recognised accounting practice”** means an accounting practice complying with standards applicable to municipalities or municipal entities and issued in terms of Chapter 11 of the Public Finance Management Act;

**“vote”** means -

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

**“WSDP”** means Water Service Development Plan;

**“SCOPA”** means Standing Committee on Public Accounts





## **2. MAYORAL BUDGET SPEECH**

The Mayoral Budget Speech will be delivered to the Council during 27th May 2010 to coincide with tabling of the final budget for approval.

The purpose of the Mayoral budget speech will be to provide a high-level summary of the budget that draws on the executive summary and highlights key deliverables during the coming years. The speech will address certain fundamental issues, including the eradication of service delivery backlogs, commencement of new projects and programs.



### **3. BUDGET RELATED RESOLUTIONS**

*These are the resolutions recommended for approval:*

1. The annual budget of the municipality for the financial year 2010/11; and indicative for the two projected outer years 2011/12 and 2012/13 be approved as set-out in the following schedules:
  - 1.1 **Budget Summation** (Revenue, Expenditure, Financial Position, Performance, Capital Exp & Cash Flow) **Table A1 (Page 84)**
  - 1.2 **Financial Performance** (Revenue and Expenditure by standard classification/ vote) – **Table A2 (Page 85)**
  - 1.3 **Financial Performance** (Revenue by Vote and Expenditure by Vote) – **Table A3 (Pages 86)**
  - 1.4 **Financial Performance** (Revenue and Expenditure by Sub Vote) **Table A4 (Page 87)**
  - 1.5 **Capital expenditure** by Vote, Standard classification and funding – **Table A5 (Pages 88)**
2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:
  - 2.1 **Financial Position – Table A6 (Pages 89)**
  - 2.2 **Cash Flows – Table A7 (Page 90)**
  - 2.3 **Cash backed reserves & accumulated reconciliation – Table A8 (Page 91)**
  - 2.4 **Asset Management – Table A9 (Pages 92)**
3. **Supporting tables – (Pages 93 – 96)**
4. That in terms of Section 17(3) (k) of the Municipal Finance Management Act, 56 of 2003, that the proposed cost to council of salary, allowances and benefits of each office bearer, councillor and senior officials is reflected in **Page 94**
5. **Budget Related Charts (Pages 80 – 83 & 98 – 101)**
6. **Detailed Operational IDP Projects (Pages 102 & 103)**
7. In terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget-related policies, including any amendments as set out in Budget Chapter 8 are approved for the budget year 2010/11.
8. **Detailed Capital Budget (Pages 104)**
9. Council resolves that tariffs and charges are approved for the budget year 2009/10 as reflected in **(Pages 49 – 55)**

10. Council **notes** the draft SDBIP tabled together with the measurable performance objectives per vote for subsequent approval by the Mayor. (Chapter 13: Departmental SDBIP) (Page 61) To be submitted in June 2010.

#### **4. EXECUTIVE SUMMARY**

In accordance with the Municipal Finance Management Act (MFMA), No.56 of 2003 section 16 (2) the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

In accordance with MFMA Circular No. 51, which states that “Municipalities are expected to do more with its resources”. The budget regulations states that the multi-year budgets should be outputs/outcomes focused and consistent with the form required in terms of the MFMA and supported by the budget and revenue related policies. Circular 51 emphasises the need to ensure that revenue projections are realistic and achievable taking into account affordability levels of the community; allocations from other sources of revenue are consistent with the Division of Revenue Act and provincial budgets and that tariffs and rates are raised in line with the prescribed increases. The backlogs in infrastructure must be addressed, whilst maintaining a balance between new assets and rehabilitation of existing assets. Sufficient provision must be made for maintenance of existing assets, provision for working capital and administrative overheads must be minimised.

Circular 51 issued on the 19 February 2010 provides a guide to all municipalities for the preparation of the 2010/11 budgets. The circular requires municipalities to take cognisance of the global economic crisis when preparing their budgets and emphasis is placed on municipalities that they should understanding the implications of this crisis on their respective economies. The decisions taken by the District in compiling this budget is very important for the future. Therefore this budget is focused at the poor communities that the municipality provides services to and noting that the demographics of the district is 80% rural and 20% urban (which is the basic needs approach and economic development). The inflation forecast per National Treasury for the 2010/11 and outer years is as follows:

<b>Fiscal year</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Headline CPI Inflation	9.9%	6.7%	5.7%	6.2%	5.9%

The global economic crisis, the local economy and the quality of services that the municipality would like to deliver to its citizens plays an important role in determining tariffs. National Treasury through Circular 51 has placed a capping on increases at 6 % and states that should a municipality want to approve more than the capping then the increase will have to be justified by that municipality.

The 2010/11 medium term revenue and expenditure framework (MTREF) report is submitted in a booklet format with increases in our basic services varying from 10% to 12%. Although the guidelines indicate a prescribed inflationary increase

of 6%, it also goes on to state that the need to ensure financial sustainability must be borne in mind when formulating the budget. The regulations further emphasize that the tariff must reflect all the costs associated with the provision of the services by 2014. In preparation for this a gradual phase in approach to increases in tariffs has been adopted. These tariffs are further elaborated on in Section 4.4. This process ensures that the costs borne by the customer has minimal impact on their living standards.

The circular further outlines the implementation of the Regulations on Budget and Reporting. It must be noted that the 2010/11 MTREF has been drafted taking into account the Municipal Budget and Reporting Regulations issued on the 17 April 2009 per Government Gazette 32141. The objective of the regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities and municipal entities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the Act.

The Regulations are fully applicable to all municipalities in the country when preparing their 2010/11 budget. However, this is our second year of implementation and although the process is challenging every effort is being made to ensure compliance.

#### **4.1 PAST AND CURRENT PERFORMANCE, ACHIEVEMENTS AND CHALLENGES**

The Municipality over the previous financial year has had a lot of challenges associated with trying to improve the quality of life of the people within the district. There were a number of obstacles which the municipality had to overcome and that, was characterised with the success of the municipality. It goes without saying that the vision of the municipality to a certain extent has been fulfilled obviously within the available resources of the municipality.

When reflecting at the years that have gone by the municipality has been able to reduce some backlogs in the provision of basic services to its citizens. Having said that, if additional resources were available to the municipality a great deal more would have been achieved. The District municipality currently spends 70% of its budget on water.

It is also important to note some of the achievements that the municipality has received which can be summarised as being:

- Unqualified audit opinion was received for 2008/09 financial year (GRAP AFS)
- Completion of the 2010 FIFA Official base site
- Completion of the second phase of the Regional Solid Waste Site
- Completion of the Uthungulu House building



We are proud of being the best district municipality in Kwazulu Natal, but are mindful of the challenges in the year ahead and will endeavour to raise the bar even further. It must further be noted that the district is an official 2010 world cup training camp for the coming FIFA games. The district is almost complete with the construction of the state of the art Multi-Purpose sports stadium and has very recently been chosen as the base camp for the Nigerian world cup team.

#### **4.2 STRATEGIC FOCUS**

The integrated development approach of the Uthungulu District Municipality focuses on the combination of basic needs approach and economic development. As such, the district has been investing in physical, social and economic development aspects. Its investment has been founded on the approach of responding to areas of greatest need and areas with potential for greatest returns in terms of economic development. As a result of our focus and in compliance with the MFMA and Municipal Systems Act the budget/IDP process occurred according to the budget timetable approved by council and was monitored by the Budget Steering Committee. The team further ensured compliance with the MFMA and subsequent circulars in the preparation and approval of the multi-year budget/IDP and SDBIP.

With the completion of the Quality of Life Survey 2007, initial discussions and alignment meetings, the 2010/11 multi-year budget and the IDP was prepared. The Municipality is committed in assisting those communities that do not have access to basic services by providing free and subsidised basic services. It is however important to note with regards to Water services that there are areas that have water infrastructure but are without meters. This makes it even more difficult and challenging to measure what is consumed and by whom, and this will remain a challenge for the municipality until every household is connected to a water meter.

#### **4.3 CONSULTATIVE PROCESS**

The municipality embarked on a consultative process which was according to the budget/IDP timetable, initial alignment meetings have already occurred with major stakeholders, such as provincial and national government departments, and meetings with suppliers, EXCO, MANCO and Council, plus road shows held with communities in October 2009 and further road shows after the approval of the draft budget occurred in April 2010. Further to the roadshows, a supplement was advertised in the Zululand Observer on the 23<sup>rd</sup> April 2010 highlighting the draft MTREF budget for 2010/11.

It must be noted that in order to remain financially viable and sustainable, sufficient resources must be generated. As limited scope exists to generate alternative revenue, it is necessary to increase tariffs for services. The determination of tariffs is the responsibility of council, as per the Local Government Systems Act. Although affordability is an important factor when considering any tariff increases. The municipality is currently dependant on National Treasury for its revenue; however, other revenue is raised from sale of water, sanitation, refuse, cemetery and interest charges on services and/or investments.



## **4.4 SERVICES**

### **4.4.1 WATER**

The water Tariffs have been increased on average by 10% as a result of increases in the cost of chemicals and maintenance of the ageing infrastructure in some areas. However, in order to reduce high volumes of water consumed by certain commercial consumers a second sliding scale tariff is introduced for consumption greater than 149 kl. The free basic water of 6kl is still applicable in the coming financial year only to domestic consumers. The cost of providing the water function in the 10/11 year budget amounts to R200m and revenue generated is a mere R21m therefore R110m is funded from the equitable share and R69m from the levy replacement grant. However, budgeted expenditure had to be reduced for the budget to balance.

### **4.4.2 SANITATION**

As a result of all local municipalities having to comply with the Municipal Property Rates Act, Act 6 of 2004, it is now possible to calculate the sanitation tariffs for the district based on the new valuation rolls from these municipalities. The valuation rolls per KZ has been completed and the district has utilised these in the calculation of the new sanitation tariffs, hence the implementation of the new sanitation tariffs will commence in the 2010/11 financial year. This has resulted in the sanitation tariff having a 12% overall increase in revenue however this does not result in individual accounts having the same net effect. Therefore, a minimum and maximum tariff has been introduced to buffer the increases that are over the 12%.

Domestic Sewer tariffs have been revised to R0,004c per rand value of the property. The minimum and maximum charge will be R38.50 and R150.00 base on property values of R115,500 and R450,000 respectively.

Business sewer has also been revised to R0.004c per rand value of the business property. The minimum and maximum charge is R100 and R1,000 based on property values of R300,000 and R3,000,000 respectively.

### **4.4.3 REGIONAL CEMETERY**

The increase in the Cemetery services for the coming financial year is 20%. The cemetery is being utilised at a lower rate than expected in the 09/10 financial year and this is expected to reduce further with the opening of the new Esikhaweni cemetery by the City of Umhlathuze. The construction of the second phase of the cemetery has been scaled down due to the lower demand. The cemetery is situated in Empangeni and is used by all interested citizens of the District.

#### **4.4.4 REGIONAL SOLID WASTE**

The increase in the tariff for the frequently used waste disposal like building rubble and green waste in 10/11 is 20%. However, the tyres and delisted waste and sewerage sludge have increased by 50%. The construction of phase 2 is complete and in operation. Cell 1 will be rehabilitated.

#### **4.4.5 GENERAL**

Other tariff increases for ad hoc services (i.e. lamination, copies of bylaws, map production and faxing of documents) have increased on average between 10% and 12%. The budget was prepared taking into account the National Treasury's Medium Term Budget Policy in October/November last year, which indicated projected growth rates, CPIX and a replacement Levy Grant.

#### **4.5 OPERATING BUDGET KEY ISSUES**

There are only essential positions budgeted for in the 2010/11 budget due to the phasing out of external service providers. During the budget process positions required by departments were reviewed in terms of available funding, as well as vacant positions were frozen due budget constraints. A total of 38 new positions are included in the 2010/11 budget year (R4.12m).

The overall operational budget has decreased by 19%; however line items have increased by 6% with the exception of Salaries for staff, councillor allowances and section 57 employees (8.48%), Eskom by 24.85% and contracts by the SLA increases stipulations.

#### **SALARY INCREASES**

Section 57, Permanent and contract staff salary increases have been budgeted for on an estimated 8.48 % for 2010/11 with another 8% per annum thereafter.

Councillors increases are budgeted for in terms of the upper limits for salaries, benefits and allowances for a member of a municipal council as per the Government Notice No.R1225 which was published in the Government Gazette No. 32833, with an estimated annual increase of 8.48%. For more information see schedule on page 93.

#### **UNFUNDED MANDATES**

##### **Disaster Management (Fire Fighting Shared Services inclusive)**

- The Disaster Management Service is currently being budgeted for at R 2, 6 m in 2010/11, with no direct allocations from Government which is currently a legislative requirement in terms of the Disaster Management Act. uThungulu has to utilize funds from the levy replacement grant to fund the balance of the cost, as the function is not performed by any other sphere of Government in the District. It must be noted that the Provincial Government assisted with the purchase of assets for the centre when it was established.

## **Environmental Health**

- In terms of the allocation of equitable share per the Division of Revenue Act – 2010, the equitable share formulae now includes an Environmental Healthcare Subsidy in the Basic Services Component formulae. The allocation according to the Act, equates to approximately R 18 (2009, R18) per household per year towards the provision of environmental healthcare services.
- As a result of the minimum amount received from National Government, uThungulu has budgeted in terms of the service level agreements with uMlalazi and uMhlathuze Municipalities until the locals, Province and the District finalise outstanding issues relating to Municipal Health Functions.
- The Budget currently provides for a ring fenced amount of R13.8m as determined by the provision of the Division of Revenue Act which computes the allocation for Environmental Health as R18 allocated per household.

### **4.6 HIGHLIGHTS OF THE 2010/11 MULTI –YEAR BUDGET/IDP**

- There has been a minimal decrease in Operational Revenue, 0.43%, (R0,26m) from year 2009/10, largely due to a decrease in interest income from external investments caused by the economic recession. Total trading service revenue has only increased by 1% due to the decrease in the consumption of water.
- Grants and subsidies have increased by 23% (R 78m) largely as a result of increases in the municipal infrastructure grant. In addition national government has allocated R19,8m towards regional bulk infrastructure, R 17m increase in the levy replacement grant and an additional R 27m for equitable share from national government. It be noted that Richards Bay Minerals has also pledged to donate R2m per annum for the MTEF period to fund the installation of residential water meters in the uMfolozi area.
- Surpluses from revenue in the 2010/11 budget year are able to fund major projects such as drought relief programmes and upgrades of Water Schemes but only to a limited amount.
- Operational expenditure for 2010/11 when compared to the 2009/10 full year forecast has decreased by R 19m.
- Of concern is the income earning potential of the Municipality, and the allocation of non-revenue earning or 100 % government grant funded mandates such as Disaster Management and Environmental Health in consideration that the operational income of the municipality only accounts for 13% of total revenue in 2010/11 excluding the depreciation reserve of R15m. It be noted that the Mayors' Forum resolved that the District municipality will continue providing the Fire fighting service and the local municipalities will fund 40% of the cost while the District will be funding 60% and the district's contribution will be phased out.
- A further grave concern with the budget has been the water service provider function which is provided on behalf of the local municipalities. The function is cross subsidized emanating from the large percentage of the District being rural. Letters have been forwarded to DTLGA and DWA highlighting the challenges of cross subsidization and emphasizing the impact of drought on the Districts budget and its mandate to provide quality drinking water to its impoverished communities. To date no response has been forthcoming. A

meeting is to be arranged in the coming financial year with CogTA to further elaborate on the dire situation facing the District and its budget.

## Major Capital Projects for 2010/11 Highlights

No	PROJECT NAME/DESCRIPTION	VALUE (R'000)
1	Mbonambi Water Phase 2	8,000
2	Mhlana Somopho Phase 3C	4,000
3	Upper Nseleni Phase 1 VO	15,000
4	Upper Nseleni Phase 2	10,079
5	Mbonambi Water SSA2	500
6	Greater Mthonjaneni SSA 2	500
7	Vutshini Phase 1	500
8	Vutshini Phase 2	2,608
9	Mvutshini Supply Area SSA5	500
10	Greater Mthonjaneni Phase 1 & 2	48,941
11	Mpungose Phase 1D VO	4,000
12	Middledrift Phase SSA3	500
13	Middledrift SSA5	500
14	KwaHlokohe SSA 5/uMhlathuze LM	2,500
15	Middledrift Phase 2	2,937
16	Greater Mthonjaneni Ph 1 & 2	19,807
17	Greater Mthonjaneni Phase SSA 4 (Phase 3)	500
18	Greater Mthonjaneni Phase SSA 5	500
19	KwaHlokohe SSA 1	500
20	Eshowe SSA1	500
21	Melmoth Water Services Network Upgrade	1,000
22	Mtunzini Water Services Network Upgrade	1,000
23	Gingindlovu Water Services Network Upgrade	1,000
24	Eshowe Water Services Network Upgrade	3,000
25	Kwambo Water Services Network Upgrade	1,000
26	Nkandla Water Services Network Upgrade	1,000
27	Health & Safety Compliance - Plants	1,000
28	Eshowe New Industrial Bulk Services	1,000
29	Mtunzini Sewer Plant	4,000
30	Survival Water Programme (Boreholes)	6,000
31	Water metre installation	1,600
32	Water metre installation (RBM)	2,000
33	Existing Projects Extensions	1,000
	<b>TOTAL</b>	<b>147,472</b>

## Major Operational Projects for 2010/11 Highlights

No	PROJECT NAME/DESCRIPTION	VALUE (R'000)
1	Credit Rating	80
2	Crime Prevention Programmes	50
3	District Elimination & Kwanaloga Games	2,000
4	Programmes for the Marginalized (Gender, Youth, Children, Disabled, Senior Citizens)	450
5	Cultural Events - Heritage Day	50
6	Implementation of HIV/AIDS Programme	400
7	Integrated Poverty Alleviation Strategy	50
8	Disaster Management Plan (Operational Plans)	300
9	District Advisory Committee	25
10	Disaster Stock Items	150
11	Master Systems Plan	511
12	TASK Job Evaluation Implementation (Est. of pay scales)	2,000
13	Establishment of Environmental Health Section (Air Quality)	300
14	Community Awareness & Education on diseases	150
15	Implementation of Environmental Plan	100
16	Marketing	100
17	Organisational Performance Management	230
18	Risk Management Strategy - King III	70
19	Review of LED Framework	350
20	LED Forum	20
21	LED Development Fund	200
22	LED Operational Support Programme	200
23	SMME Support Programme	200
24	SMME Forum Alignment	10



**KwaMthethwa**



**Mpongose HIV aids Centre**



No	PROJECT NAME/DESCRIPTION	VALUE (R'000)
25	Cruise Ship Tourism	75
26	R66 Route Development (Birding)	100
27	Forests of Zululand	75
28	Tourism Awareness Programme	45
29	Tourism Marketing: Shows	130
30	Tourism Marketing Tools	200
31	Tourism Media Marketing	50
32	Tourism Events (Zulu Dance)	300
33	Agriculture Indaba	30
34	Agricultural Implementation	200
35	Annual IDP Review	50
36	IDP Roadshows - Izimbizo	300
37	Review of Spatial Development Framework	150
38	Coastal Management Programme (Review)	350
39	Municipal Systems Improvement Grant	150
40	Construction of Transfer Stations (Mthonjaneni)	200
41	Ntambanana Solid Waste	3,913
42	281-3 - VIP Sanitation Project	3,500
43	285-3 Sanitation Project	6,500
44	286-3 - VIP Sanitation Project	6,000
45	283-3 - VIP Sanitation Project	5,000
46	284-3 - VIP Sanitation Project	6,934
47	National Sanitation Week	25
48	Water loss management strategy - Implementation	1,250
49	Water Treatment Works & Waste Water TW Registration	750
50	Water Quality Improvement Interventions	750
51	Blue/Green Drop compliance	750
52	Raw water abstraction fee (DWAF)	7,750
53	GIS Operational Budget	250
54	GIS Development & Training	50
55	National Water Week	25
56	Preparation of Water Use Management Plan	500
57	Annual Update of WSDP	250
58	Issue Manager	93
59	Customer Care and Call Centre	200
60	Drought Relief	11,473
61	EPWP Incentive Grant	7,131
62	Water Services Provider Plan	200
	<b>TOTAL</b>	<b>73,695</b>

## **PART 2 – SUPPORTING DOCUMENTATION**

### **5. ANNUAL BUDGET PROCESS OVERVIEW**

#### **5.1 INTRODUCTION**

The 2010/11 medium term revenue and expenditure framework (MTREF), is one of the Budgets that have been drafted under severe financial constraints due the impact of the global recession and spiralling costs.

According to circular 51 of National Treasury issued on the 19 February 2010, municipalities are cautioned on the 2010/11 budget increases with respect to tariffs. Treasury encourages keeping increases as low as practically possible in line with CPI inflation. However, municipalities must also take into account the wage agreement SALGA concluded with municipal workers unions on 31 July 2009 for salary increases, this comprised of a 10.5 per cent increase from 01 July 2009 and a 2.5 per cent non-pensionable allowance, which is pensionable from July 2010.

<b>Fiscal year</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Headline CPI Inflation	9.9%	6.7%	5.7%	6.2%	5.9%

The circular further capped increases on overall budgets to 6% with a proviso that should the increases on the municipal budget be above the capped rate, a justification must be done by that municipality to National Treasury.

Circular 51 outlines the national priority challenge as follows:

- Each municipality is to do more within its existing resource envelope.
- In the run-up to the local government elections, Mayors and councils need to remain focused on the effective delivery of core municipal services, and steer away from seeking to buy political support through patronage.
- Each municipality must explore how it can contribute to job creation when revising their IDP's and preparing their 2010/11 budgets.
- Government is taking active steps to uproot the problem of corruption in all three spheres of government, particularly in the tender system. Municipalities must play their part. Municipalities are advised that National Treasury's supply chain compliance unit will also be focusing on municipal procurement processes.

According to the circular, Municipal revenues & cash flows are expected to remain under pressure in 2010/11 MTREF therefore municipalities should adopt a conservative approach when projecting their expected revenues and cash receipts. The choices for expenditure should consider the following:

- ❑ Municipalities must pay special attention to controlling unnecessary spending on nice-to have items and non-essential activities such as foreign travel, councillor and staff perks, advertising and public relations activities. Municipalities must also ensure that their capital budgets reflect consistent efforts to address the backlogs in basic services & the refurbishment of existing network services.
- ❑ Municipalities must include a section on 'Drinking water quality and waste water management' in their 2010/11 budget supporting document.
- ❑ Allocations to "Mayoral Discretionary Funds", "Special Projects", "Special Events" or similar discretionary type funds are discouraged.
- ❑ Municipalities are discouraged from starting projects to build or renovate office buildings, but rather to prioritise service delivery infrastructure.
- ❑ Municipalities are allowed to use future conditional transfers as security for bridging finance to facilitate the implementation of capital projects financed by conditional grants, but only after getting approval from National Treasury.
- ❑ Each municipality must put in place a council approved virements policy, which should provide clear guidance to managers of when they may shift funds between items, projects, programmes and votes.

In line with the above circular guidance and in order for the municipality to achieve a balanced budget the following decisions were taken at the Budget Steering Committee Meeting on the 2<sup>nd</sup> March 2010 and a workshop was held on the 9<sup>th</sup> March 2010 with the FSPC and EXCO to highlight the challenges in the compilation of the 2010/11 MTREF.

The budget challenges arose due to the impact of the new functions that have been transferred to the municipality e.g. Environmental health which includes Air Quality. A further strain on the budget has been the water service provider function which is provided on behalf of the local municipalities. The function is cross subsidized emanating from the large percentage of the District being rural. The table below depicts the budget and actual expenditure trend for the water services department over the last 5 years.

<b>Water Services Dept</b>	<b>05/06</b>	<b>06/07</b>	<b>07/08</b>	<b>08/09</b>	<b>09/10</b>	<b>10/11</b>
	Base year					
Budget Trends		-9%	-10%	42%	21%	-9%
AFS Actual Spend		3%	23%	28%	21%	
AFS Actual Spend - Capital		-13%	-4%	19%	90%	

It is apparent from the above analysis that as Capital Infrastructure is completed and rolled out to communities the operations and maintenance of these schemes become a financial constraint as the communities that it serves are below the 6kl free basic allocation and therefore are not contributing to the revenue stream that funds the O&M budget.

This has been the major disadvantage of the MIG funding to municipalities as the equitable share does not compensate for the O&M on completed MIG projects in the rate at which they are rolled out.

Overview of total expenditure on water tanker and drought relief operation from 2005/06 to 2008/09:

	05/06 R	06/07 R	07/08 R	08/09 R
Actual Expenditure	16,860,893	21,535,390	38,269,321	35,571,830
Grant funding received	5,310,000	4,870,000	4,500,000	0
Funded from Surplus	11,550,893	16,665,390	33,769,321	33,571,830

However from 2008/09 no funding was received from Provincial or National government for this operation and the municipal funded this from surpluses. Unfortunately the financial position of the municipality has changed drastically.

Letters have been forwarded to DTLGA and DWAF highlighting the challenges of cross subsidization and emphasizing the impact of drought on the Districts budget and its mandate to provide quality drinking water to its impoverished communities. To date no response has been forthcoming. A meeting will be held with CogTA to further elaborate on the dire situation facing the District and its budget.

An item served at the Mayors' Forum meeting on the 16th March 2010 regarding the transfer of the fire fighting service to the local municipalities being KZ 281, 283 and 285. The recommendation was that a task team be formed to deal with the issue of Public Safety and the transfer be finalised prior to adoption of the Final Budget in May 2010. Due to the local municipalities not being able to accommodate this in their 10/11 budgets, the Task Team recommended that the District municipality will continue providing the Fire fighting service and the local municipalities will fund 40% of the cost while the District will be funding 60%. This was later agreed upon in the District Mayors' Forum.



## **BACKGROUND**

The uThungulu District Municipality, established as a high capacity municipality comprises six local municipalities, i.e. Mbonambi, Umhlathuze, Ntambanana, Umlalazi, Mthonjaneni, and Nkandla. The Municipality covers an extensive geographical area of 8,200 square kilometres that stretches from Gingindlovu in the south to KwaMbonambi in the north and inland to Nkandla. The District has the third largest population (estimated 885,872) in the province. The area is third most important in the province of Kwa-Zulu Natal in terms of economic production and contributes 7, 6% of the total Gross Geographical Product and 5.5% of the total formal employment.

### **Vision and Mission for the Municipality**

**“An economically sound district with effective infrastructure and a district municipality that empowers people, protects the environment and demonstrates leadership excellence”**

**The municipal mission is noted as follows:**

“To create a prosperous district by:

- Providing a high standard of essential basic services;
  - Supporting sustainable local economic development;
  - Encouraging community participation in service delivery projects; and
  - To achieve cost recovery on services provided”

**Core Values include:**

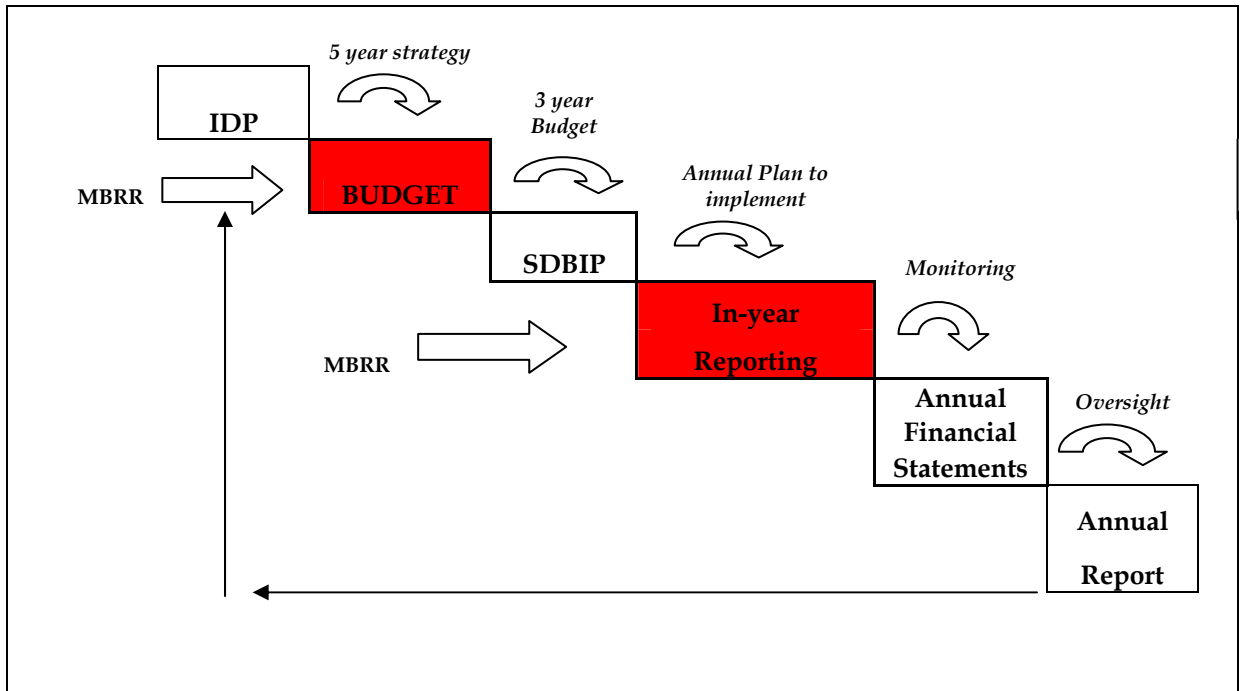
- Integrity
  - Transparency
  - Commitment
  - Co-operation
  - Innovation
  - Accountability

## **5.2 POLITICAL OVERSIGHT**

Section 53 of the MFMA requires that the Mayor provides general political guidance over the budget process and the priorities that must guide the preparation of the budget. The Management committee has a significant role to play in the planning process of the Budget as directed by the Mayor. A budget is primarily about priorities and choices that the municipality has to make in deciding how to meet the agreed set policy objectives.

Therefore Political oversight of the budget process allows the municipality to manage the needs of the communities versus the fiscal realities. The accountability cycle illustrates the political oversight role that has to be played by council over administration and also to be able to hold management accountable to its stake holders.

## ACCOUNTABILITY CYCLE



### 5.3 SCHEDULE OF KEY DEADLINES RELATING TO BUDGET [MFMA s 21(1) (b)]

The Act requires the formal budget process to start with the tabling by the Mayor in Council of a schedule showing the key budget deadlines. This was prepared for tabling in Council by the end of August 2009. The objective of the Budget timetable is to ensure integration between the development of the IDP and the Budget and also to ensure that a balanced budget is tabled at council for consideration and approval.

### 5.4 PROCESS FOR INTERGRATION OF THE IDP & PREPARATION OF THE BUDGET

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

The Director: Planning and Development arranged alignment meetings with each of the various sections, of which key outcomes were considered in the review of the IDP and for inclusion in the 2010/2011 Multi-Year Budget.



Consultation for the review of the Uthungulu IDP takes place mainly through the following structures:

- Growth & Development Summit: 5, 6 November 2009
- IDP/Budget Road Shows: October 2009
- Service Provider Alignment: 8 December 2009
  - Department of Education
  - Department of Land Affairs
  - Department of Agriculture, Environmental Affairs and Rural Development
  - Department of Social Development
  - Department of Health
- Ongoing Management Discussions
- Budget Steering Committee: 2 March 2010
- Presentation to EXCO & Council: 25 March 2010
- Road shows in April 2010
- Public Comment period on the IDP/Budget: 01 April to 23 April 2010
- Final approval of IDP/Budget by Council: 27 May 2010

## **5.5 PROCESS FOR TABLING THE BUDGET IN COUNCIL FOR CONSIDERATION AND APPROVAL**

According to the MFMA, section 16 (2), the budget is required to be tabled to council 90 days before the commencement of the New Year. The draft multi-year 2010/11 budget was tabled to council on the 25th of March 2010.

In addition the MFMA, section 22 prescribes that immediately after the budget is tabled to council per section 16 (2), the municipality must make public the annual budget and invite the local community to submit representations, as such members of the community will be invited to comment on the tabled budget. The municipality has selected a period of 21 days commencing on the 1st of April 2010 and ending on the 23<sup>rd</sup> of April 2010, whereby the public is invited to comment on the tabled budget and IDP. (Per Regulation 15 (3) of the MSA)

## **5.6 PROCESS FOR TABLING THE BUDGET IN COUNCIL FOR CONSULTATION**

The 2009/10 multi-year budget/IDP was reported to the Finance Services Portfolio on the 24<sup>th</sup> of March 2010 and then tabled to Council on the 25<sup>th</sup> of March 2010 in terms of section 16 (2) and 22 of the MFMA.

In addition the MFMA prescribes per section 23, that the municipality consider any views since the budget was tabled to council, from the local community and National and Provincial Treasury.

During the period 1st of April to the 23<sup>rd</sup> April 2010, public hearings on the budget were open for comment together with road shows that took place in each of the six local municipalities within the District.

## 5.7 PROCESS FOR APPROVING THE BUDGET

In accordance with the MFMA, section 24, the budget is required to be approved at least 30 days before the commencement of the budget year.

In terms of the budget timetable, Finance Services Portfolio will review the budget on the 26<sup>th</sup> of May 2010 and Exco and Council will consider the approval of the multi-year 2009/10 IDP/Budget on the 27<sup>th</sup> of May 2010.

## 5.8 MODELS USED FOR PRIORITISING RESOURCE ALLOCATION

The following criteria are used in the technical prioritisation of projects in the uThungulu District:

- (1) Status of the proposed project
- (2) The public benefit associated with the project
- (3) Income benefit to Council
- (4) The impact on the operating budget
- (5) Planning and approval status

The above criteria are discussed briefly hereunder:

- The **status of the project** relates mainly to whether it is a compulsory or critical, i.e. a legislative requirement or very important to alleviate a health or safety hazard. Other considerations relate to the necessity of a proposed project, whether the district is acting on behalf of another or whether a project is strategic to unlock potential.
- When evaluating the **public benefit** of a project, the most important consideration is the provision in basic needs of a community. Other considerations relate to improving existing basic facilities to a higher standard and the creation of an enabling environment, i.e. a project serves as a catalyst and provides critical linkages.
- Projects are also evaluated in terms of the **potential income benefit to Council**. In this regard, a differentiation is made whether a project received grant funding, covers its own expenses or generates tax or levy income. Another consideration is whether a project could leverage or attract outside investment.
- The impact of a project on the **operating budget** is another important criterion. Hereunder the most important considerations are a potential reduction on the operating budget. Caution is also taken with regard to projects that could become a liability due to a significant increase in the operating budget.
- The final criteria relates to the **planning and approval status** of a project. The main consideration here relates to the approval status of a sector plan – the sector plans being legislative requirements.

From the above it is observed that the above is a technical prioritisation model that focuses on the municipal core functions, the millennium targets as well as backlog eradication.

## **5.9 PROCESS TO RECORD AND INTEGRATE INPUTS FROM THE COMMUNITY**

The Director Planning recorded inputs from the community based on initial alignment meetings and with Road shows held in October 2009. Further road shows were held in April 2010 in each Local Municipality Area to provide feedback on the tabled Budget / IDP as follows:

<b>Local Municipality</b>	<b>Oct/November Road shows</b>	<b>March/April Road shows</b>
Mbonambi	21 October 2009	15 April 2010
Umhlathuze	22 October 2009	16 April 2010
Ntambanana	23 October 2009	19 April 2010
Umlalazi	27 October 2009	20 April 2010
Mthonjaneni	29 October 2009	21 April 2010
Nkandla	28 October 2009	22 April 2010

## **5.10 PROCESS AND MEDIA USED TO PROVIDE INFORMATION ON THE BUDGET AND IDP TO THE COMMUNITY**

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

- Road shows – one in each of the six local municipalities – annually in April during the Budget/IDP comment phase and in June after Council approval of the IDP/Budget
- Monthly radio talk shows by the Mayor on Ukhozi FM
- Monthly external newsletter *Izindaba Ezimtoti*
- Monthly internal newsletter *Ezisematheni*
- uThungulu website [www.uthungulu.org.za](http://www.uthungulu.org.za)
- Annual Service Commitment Charter booklet published annually.
- Annual Report – publication planned for January each year.
- Print media press releases as and when required to local and provincial newspapers and radio stations
- Adverts in local and provincial newspapers as required
- IDP Alignment Stakeholder Forum meetings
- District LED Forum meetings
- District Mayors' Forum meetings

## **6 ALIGNMENT OF BUDGET WITH IDP**

### **6.1 ALIGNMENT OF BUDGET WITH IDP**

The budget was prepared using the following IDP inputs:

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

The information from the above processes was included in the budget according to the IDP prioritisation model. A review of the municipal Integrated Development Plan (IDP) has been prepared 2010/2011 as required by the Municipal Systems Act and the MFMA. The complete process of IDP preparation was followed, and the content of the previous IDP was taken into account.

The document contains information on the following:

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

An IDP/Budget Steering Committee (SC) has been operational since the inception of the IDP preparation process. The SC acts as a support to the IDP Representative Forum, making technical decisions and inputs, to the Municipal Manager and the IDP Manager.

The outline terms of reference for the SC are as follows:

- Provide terms of reference for the various planning activities associated with the IDP;
- Commission research studies as may be required;
- Considers and comments on:
  - Inputs from sub-committee/s, study teams and other;
  - Inputs from provincial sector departments and support providers; and
  - IDP RF members.
- Processes, summarise and document outputs;
- Makes content and technical recommendations; and
- Prepare, facilitate and documents meetings.

It is important to note that a forum has been in existence for some time in the District that performs the functions of the IDP/Budget Steering Committee. With the 2010/2011 IDP Review this Forum has been formalized in terms of the Regulations of the MFMA.

## **6.2 IDP FOCUS AREAS**

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

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



**Ongoye Forest**



**Table A: Uthungulu Core Functions**

		Area Provided					
Uthungulu Core Functions		281	282	283	284	285	286
1	Integrated development planning for the district municipality including Development Plan for the local municipalities within the area of the District Municipality						
2	Potable water supply that affects a significant proportion of the municipalities in the district.						
3	Bulk supply of electricity						
4	Domestic waste-water and sewage disposal systems						
5	Solid waste disposal sites serving the area of the District Municipality as a whole						
6	Municipal roads which form an integrated part of a road transport system for the area of the district municipality as a whole						
7	Regulation of passenger transport services						
8	Municipal airports serving the area of the district municipality as a whole						
9	Municipal health serving the area of the district municipality as a whole						
10	Fire fighting services for district municipality as a whole						
11	Fresh produce markets and (abattoirs) serving the area of the district municipality as a whole						
12	Cemeteries and crematoria						
13	Promotion of local tourism for the district municipality						
14	Municipal public works relating to any of the above function or and other functions assigned to the district municipality						
15	The receipt, allocation and if applicable distribution of grants made to the district municipality						
16	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 legislation.						
17	Building regulations						
18	Local tourism						
19	Licensing and control of undertakings that sell food to the public.						
20	Refuse removal, refuse dumps, solid waste disposal and cleansing services						



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

**Table B: Uthungulu's Development Strategies**

Strategy		Description
1	Economically Sound District	This strategy aims to establish economic growth and development in all economic sectors with a particular focus on agriculture, tourism and trade and industry (SMME), whilst contributing to poverty alleviation in the district.
2	Effective Infrastructure	The strategy focuses on the improved maintenance of existing infrastructure and the provision of new infrastructure services to ensure the spatial integration of the district and its transportation systems. The strategy therefore aims to improve service delivery and ensure a basic standard of living for all.
3	People Empowerment	The focus of this strategy is on social development and community empowerment dealing with issues ranging from health care to education and the provision of community facilities such as fire fighting services and disaster management services. The strategy aims at community upliftment and awareness in matters of gender, health care, safety and security thereby ensuring a strong, participatory and inclusive community.
4	Integrated Environment	The strategy focuses on the co-ordination of the spatial and service delivery component to improve the management of district level responsibilities. The strengthening of the nodes of the municipalities while ensuring the equitable development of the rural areas through land reform, housing and service delivery is of prime importance. Environmental management and spatial integration of development are further components of the strategy to ensure integration and optimum organizational capacities.
5	Leadership Excellence	This strategy ensures commitment by the district to provide the highest quality of service to its constituents and to ensure that all the strategies and objectives are adhered to, resulting in a productive and sustainable district. This strategy aims at establishing a network of municipal service delivery throughout the district.

The operational expenditure per sub-vote was apportioned into the five development strategies contained in the IDP of the district according to the following allocations:

VOTE & SUB-VOTE	STRATEGY				
	1	2	3	4	5
<b>EXECUTIVE &amp; COUNCIL</b>					
Board & General Expenses					100%
Executive Division - Corporate Services			25%		75%
Administrative Services Division	5%	5%	5%	5%	80%
Department of the Municipal Manager	15%	5%	5%	5%	70%
Department of the Deputy Municipal Manager	15%	5%	5%	5%	70%
<b>FINANCE &amp; ADMIN/FINANCE</b>					
Management Services Division/HR					100%
Management Services Division/IT					100%
Executive Division - Financial	5%	5%	5%	5%	80%
Levy Collection					100%
Expenditure	5%	60%	5%	5%	25%
SCM Unit	5%	60%	5%	5%	25%
Uthungulu House		100%			
Satellite Offices		100%			
Bateleur Park		100%			
Budgeting					100%
Budget Interns					100%
<b>PLANNING DIVISION</b>					
Planning Division	30%			70%	
Shared Services Planning				100%	
<b>COMM. &amp; SOCIAL SERVICES</b>					
Cemetery			100%		
Community Services Division			100%		
<b>PUBLIC SAFETY</b>					
Disaster Management			75%	25%	
Fire Fighting			75%	25%	
<b>ENVIRONMENTAL PROTECTION</b>					
Environmental Health			75%	25%	
<b>WASTE MANAGEMENT/SOLID WASTE</b>					
Solid Waste		100%			
<b>ELECTRICITY/ELECTRICITY DISTRIBUTION</b>					
Electricity		100%			
<b>TECHNICAL</b>					
Executive Division - Technical	10%	75%		10%	5%
Technical Services		100%			
Municipal Support Function		100%			
WSA Division		100%			
Water Services Provider Division		100%			
Consumer Billing		100%			
Water Services - Mthonjaneni		100%			
Water Services - Umlalazi		100%			
<b>WASTE WATER MANAGEMENT</b>					
Waste Water Management		100%			

### 6.3 LONG TERM GOALS

The municipal vision and mission should be interpreted in relation to the Millennium Development Goals (September 2000). Furthermore, the link between these goals and the strategic programmes, as contained in the district development strategies, are shown hereunder:

Table D: Millennium Development Goals		Uthungulu Development Programmes
1.	Eradicate extreme poverty and hunger <ul style="list-style-type: none"> <li>▪ Halve the proportion of people with less than one rand a day.</li> <li>▪ Halve the proportion of people who suffer from hunger.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Poverty Alleviation</li> </ul>
2.	Achieve universal primary education <ul style="list-style-type: none"> <li>▪ Ensure that boys and girls alike complete primary schooling.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Education, Training and Capacity Building</li> <li>▪ Community Services, Facilities and Actions</li> </ul>
3.	Promote gender equality and empower women <ul style="list-style-type: none"> <li>▪ Eliminate gender disparity at all levels of education</li> </ul>	<ul style="list-style-type: none"> <li>▪ Marginalized Groups</li> </ul>
4.	Reduce child mortality <ul style="list-style-type: none"> <li>▪ Reduce by two thirds the under five mortality rate</li> </ul>	<ul style="list-style-type: none"> <li>▪ Municipal Health</li> </ul>
5.	Improve maternal health <ul style="list-style-type: none"> <li>▪ Reduce by three quarters the maternal mortality ratio</li> </ul>	<ul style="list-style-type: none"> <li>▪ Municipal Health</li> </ul>
6.	Combat HIV/AIDS, malaria and other diseases <ul style="list-style-type: none"> <li>▪ Reverse the spread of HIV/AIDS</li> </ul>	<ul style="list-style-type: none"> <li>▪ HIV/Aids</li> </ul>
7.	Ensure environmental sustainability <ul style="list-style-type: none"> <li>▪ Integrate sustainable development into country policies and reverse loss of environmental resources</li> <li>▪ Halve the proportion of people without access to potable water</li> <li>▪ Significantly improve the lives of at least 100 million slum dwellers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Environmental Management</li> <li>▪ Potable Water, Waste Water and Sanitation</li> <li>▪ Land Reform</li> <li>▪ Housing</li> </ul>
8.	Develop a global partnership for development <ul style="list-style-type: none"> <li>▪ Raise official development assistance</li> <li>▪ Expand market access</li> <li>▪ Encourage debt sustainability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Public Relations and Communications</li> <li>▪ Local Economic Development</li> <li>▪ Local Tourism Development</li> <li>▪ Agricultural Development</li> <li>▪ Business and Industrial Development</li> </ul>

Apart from the above relationship between the millennium development goals and the development programmes of the district, specific attention is given to backlog eradication. Water backlogs have been addressed since the 2001/2002 financial years.

The backlogs for water and sanitation (as the main expenditure items on the municipal budget) relate to the following RDP standards:

- The minimum RDP level of water supply is 25 litres per capita per day within a walking distance of 200m.
- The minimum RDP level of sanitation supply is 1 VIP per household, detached from the household, inclusive of superstructure.

## **6.4 ALIGNMENT WITH NATIONAL, PROVINCIAL & DISTRICT PLANS**

### **6.4.1 NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE**

The Policy Co-ordination and Advisory Services (PCAS) in the Presidency produced a National Spatial Development Perspective (NSDP) that was endorsed by Cabinet in March 2003. The four principles of the NSDP are as follows:

- **Economic growth** is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation.
- Government spending on fixed investment should therefore be focused on **localities of economic growth and/or economic potential** in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.
- **Efforts to address past and current social inequalities should focus on people not places.** In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low development potential, government spending, beyond basic services, should focus on providing social transfers, human resource development and labour market intelligence.
- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into **activity corridors and nodes** that are adjacent to or link the main growth centres.

The NSDP places a lot of emphasis on the presence of institutional capacity to realize the developmental impact of any given area or identified resource that has developmental potential. As such, it distinguishes between the following categories of potential:

- (1) innovation and experimentation,
- (2) the production of high-value differentiated goods,
- (3) labour intensive mass-production,
- (4) public service and administration,
- (5) tourism and
- (6) commercial services and retail.

Apart from improved service delivery and ensuring a basic standard of living for all in the district, a summary of the aims of the district development strategies clearly links with the principles of the NSDP:

- The economically sound district strategy aims to establish economic growth and development in all economic sectors.
- The people empowerment strategy has its focus on social development and community empowerment.
- The integrated environment strategy focuses the strengthening of the nodes in the municipalities while ensuring the equitable development of the rural areas through land reform, housing and service delivery.
- The spatial development vision for the district is based on a hierarchy of functions for centres and nodes.

#### **6.4.2 KWAZULU-NATAL PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY**

The KwaZulu-Natal Provincial Growth and Development Strategy (PGDS) has as its purpose the provision of strategic direction for development and planning in the Province. The following six provincial priorities that address a number of developmental challenges related to economic and social needs of the province provide the focus of the PGDS.

1. Strengthening governance and service delivery
2. Integrating investments in community infrastructure
3. Sustainable economic development and job creation
4. Developing human capability
5. Developing a comprehensive response to HIV/Aids
6. Fighting poverty and protecting vulnerable groups in society

The link between the PGDS goals and programmes and the Uthungulu strategic development programmes is illustrated hereunder:



**Greater Mthonjaneni**

**Table E: Alignment with KZN PGDS**

PGDS		UTHUNGULU PROGRAMMES	
PGDS GOALS	Build a People Focused and Effective, Efficient Government	Programme 1: Good Governance	<ul style="list-style-type: none"> <li>o Financial Control</li> <li>o Public Relations and Communications</li> <li>o Shared Services</li> <li>o Co-operative Governance( Mayors forum)</li> <li>o MFMA Compliance</li> </ul>
		Programme 2: Transformation	<ul style="list-style-type: none"> <li>o Management services (includes employment equity, skills development, learnerships and transformation management)</li> </ul>
	Build the Economy	Programme 3: Competitive Investment	<ul style="list-style-type: none"> <li>o Local Economic Development (includes LED Forum, Development Fund, Marketing and Investment)</li> <li>o Investment Incentive Strategy( Family of municipalities)</li> <li>o KMMI/TIK Affiliation</li> <li>o Participation in Investment and trade missions</li> </ul>
		Programme 4: Local Economic Development	<ul style="list-style-type: none"> <li>o Local Economic Development (includes LED Forum, Development Fund, Marketing and Investment)</li> <li>o LED strategy review(Family of Municipalities)</li> </ul>
	Reduce Poverty and Create Sustainable Communities	Programme 5: Sustainable Communities	<ul style="list-style-type: none"> <li>o Local Economic Development (Tourism and Agriculture)</li> <li>o Potable Water, Waste Water and Sanitation</li> <li>o Coastal Management</li> <li>o Disaster Management</li> <li>o Fire Fighting</li> <li>o Municipal Health Services</li> </ul>
		Programme 6: Basic Income Opportunities	<ul style="list-style-type: none"> <li>o Local Economic Development</li> <li>o Business and Industrial Development</li> <li>o Poverty Alleviation</li> <li>o SMME Development (Asisebenze)</li> <li>o EPWP Initiatives</li> </ul>
	Cross Cutting Issues	HIV and Aids	<ul style="list-style-type: none"> <li>o HIV/Aids Policy</li> </ul>
		BEE	<ul style="list-style-type: none"> <li>o Preferential Procurement</li> <li>o MFMA Compliance</li> <li>o EPWP incentives</li> </ul>
		Environmental Management	<ul style="list-style-type: none"> <li>o Invader Eradication Plan</li> <li>o Coastal Management Plan</li> <li>o Integrated Environmental Plan</li> <li>o Waste Transfer Stations</li> <li>o Cemetery Plan</li> </ul>
		Human Rights and AA	<ul style="list-style-type: none"> <li>o Marginalized Groups</li> <li>o Management Services</li> <li>o Employment Equity</li> </ul>
		Integration	<ul style="list-style-type: none"> <li>o Establishment of stakeholders Forum for alignment purposes</li> </ul>
		Capacity Building	<ul style="list-style-type: none"> <li>o Skills Audits</li> <li>o Learnerships</li> <li>o Bursary Schemes</li> <li>o EPWP</li> </ul>
		Science and Technology	<ul style="list-style-type: none"> <li>o DIMS</li> <li>o Learnerships</li> <li>o GIS Development</li> <li>o Organic Production</li> </ul>

Apart from the aforementioned, resolutions pertaining to the following from the Local Government Summit is noted by the district municipality:

- Improving cooperative local governance in KwaZulu-Natal
- Role of women, youth and people with disabilities in local government
- Public participation in local governance
- The role of infrastructure development in poverty alleviation
- Improving the relationship between traditional leadership and municipalities
- Achieving financial viability
- The readiness of municipalities for the local government elections

### **6.4.3 DISTRICT ALIGNMENT**

The uThungulu District Municipality formally engages with its neighbouring municipalities (albeit district or local) on cross border planning and development issues. During the past financial year, there have been four such Cross Border meetings – 8 May 2009 (at uThungulu DM); 24 June 2009 (at Umzinyathi DM); 11 November 2009 (at uThungulu DM); 12 February 2010 (at iLembe DM). Typical issues of a cross border nature that are discussed relate to:

- ❖ Projects that have a service delivery or developmental impact across municipal boundaries, e.g. water networks, transportation systems.
- ❖ Community Facilities that is located close to municipal borders that either have the potential to or do serve catchments that includes beneficiaries from different municipal districts.
- ❖ Responses to Provincial Planning initiatives or projects that have a provincial impact such as the proposed Dube Trade Port as well as the Provincial Spatial Economic Development Strategy (PSEDS).

The following list of issues has become standing items on the cross-border alignment agenda:

- ❖ Corridor Linkages
- ❖ Water and Sanitation
- ❖ Migration
- ❖ Access to land
- ❖ Housing Development
- ❖ Disaster Management
- ❖ Tourism
- ❖ Socio-economic development
- ❖ Alignment of Spatial Development Frameworks

## 7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

### 7.1 PROVISION OF CLEAN WATER AND MANAGING WASTE WATER

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

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

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

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

#### Water Supply Backlog

Local Municipality	2008 / 2009 Households	Households with Water	Household without Water	2008/2009 % Backlog
Mbonambi (KZ281)	20 615	12 163	8 452	41%
Ntambanana (KZ283)	16 339	8 986	7 353	44%
uMlalazi (KZ284)	42 623	21 738	20 885	49%
Mthonjaneni (KZ285)	9 712	4 565	5 147	53%
Nkandla (KZ286)	25 757	15 712	10 045	39%
<b>Total</b>	<b>115 046</b>	<b>76 537</b>	<b>51 882</b>	<b>45 %</b>

The households were counted directly from the aerial photographs taken in 2006. an average of 8 people per homestead is used for design for population estimation and for design purposes.

Based on the tables above, it is clear that the municipality is faced with the challenge of ensuring that the 55% (76 537) households that have now been provided with water or have access to piped water enjoys uninterrupted service.

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



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

The 76 537 households receive water from over 283 water schemes. These water projects receive water from the following sources; boreholes, springs, rivers through weirs, dams and from bulk pipeline from other neighbouring municipalities.

### **Sanitation Backlog:**

<b>Local Municipality</b>	<b>2008 / 2009 Households</b>	<b>Households with Sanitation</b>	<b>Households without Sanitation</b>	<b>2008/2009 % Backlog</b>
<b>Mbonambi (KZ281)</b>	20 615	10 457	10 158	49%
<b>Ntambanana (KZ283)</b>	16 339	9 687	6 652	41%
<b>Umlalazi (KZ284)</b>	42 623	9 408	33 215	78%
<b>Mthonjaneni (KZ285)</b>	9 712	7 278	2 434	25%
<b>Nkandla (KZ286)</b>	25 757	11 290	14 467	56%
<b>Total</b>	<b>115 046</b>	<b>48 120</b>	<b>66 926</b>	<b>58 %</b>

The bulk households that make up the 48 120 about 42% of household served is urban areas with water borne sewerage systems. Only the Mfolozi Town is entirely on septic tanks.

#### **7.1.1 WATER SERVICES PROVIDER STATUS**

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

This required that the municipality provide all resources and capacity to ensure that the all systems were operational.

To achieve this successfully, uThungulu appointed the service of a service support agent WSSA. Currently in the year ahead, uThungulu has budgeted the WSP function as follows;

## PROVISION FOR THE RURAL SCHEMES

Municipality	Operational Cost	Maintenance Cost (Repairs)	Total Cost
Mfolozi	7,546,493	5,074,555	12,621,047
Ntambanana	4,159,943	2,656,729	6,816,672
Umlalazi	19,210,962	10,632,635	29,843,597
Mthonjaneni	5,553,470	3,108,902	8,662,372
Nkandla	17,150,666	7,027,179	24,177,846
<b>Est. Actuals</b>	<b>53,621,534</b>	<b>28,500,000</b>	<b>82,121,534</b>
<b>Budget 10/11</b>	<b>31,800,000</b>	<b>27,000,000</b>	<b>58,800,000</b>
<b>Reduced Budget to align with Revenue</b>	<b>-21,821,534</b>	<b>-1,500,000</b>	<b>-23,321,534</b>

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

In areas where boreholes and springs have dried out and where there is no prospect of underground water, the municipality provide water with water tankers. The cost of the combine WSP function on rural areas is table below:

Municipality	Water Cart Cost & Borehole Drilling	Borehole Repair Costs	Total O&M	Total Cost
Mfolozi	3,721,632	1,132,353	16,629,808	21,483,793
Ntambanana	11,365,293	617,647	14,172,203	26,155,143
Umlalazi	11,766,084	1,882,353	40,434,746	54,083,183
Mthonjaneni	2,089,840	147,059	10,600,645	12,837,544
Nkandla	1,832,188	1,220,588	28,512,598	31,565,374
<b>Est. Actuals</b>	<b>30,775,038</b>	<b>5,000,000</b>	<b>110,350,000</b>	<b>146,125,038</b>
<b>Budget 10/11</b>	<b>11,473,306</b>	<b>6,000,000</b>	<b>75,900,000</b>	<b>93,373,306</b>
<b>Reduced Budget to align with Revenue</b>	<b>-19,301,732</b>	<b>1,000,000</b>	<b>-34,450,000</b>	<b>-52,751,732</b>

The R35m depicted in the table above is the reduction of the water services budget in the 2010/11 forecasted expenditure to ensure adequate service level to communities. The reduction was mainly in the tankering and borehole strategy reduction votes.

With regards to town, the following amounts have been budgeted for maintenance;

<b>Municipality</b>	<b>Town</b>	<b>Budget 10/11</b>
Mfolozi KZ 281	KwaMbonambi Town	R1,0m
uMlalazi KZ284	Mtunzini	R5,0m
	Gingindlovu	R1,5m
	Eshowe	R3,8m
Mthonjaneni KZ 285	Melmoth	R7,9m
Nkandla KZ 286	Nkandla	R1,0m
<b>TOTAL</b>		<b>R20.2m</b>

#### **□ WATER QUALITY ISSUES**

The municipality is taking the water quality issue very seriously. From last year, the municipality started to make budget provision to address water quality issues. Currently water quality is managed based on the Department of Water Affairs guidelines.

These guidelines were reviewed in April 2009 to conform to the SANS 241 standard (blue and green drop). With the introduction of the blue drop performance rating, this standard was improved to only consider water conforming to the class 1 classification.

Uthungulu is doing internal monitoring by sampling all its water schemes on a monthly basis and submit those results to DWA through the electronic reporting system. In addition to this, all water plants are equipped with chlorine test meters. The samples are taken on a daily basis for chlorine level monitoring. This also includes the turbidity testing.

The budget allocated in the 2010/11 MTREF is R1m.

In average, uThungulu water quality has always been above the 80% compliance. The bulk failures are received from boreholes and spring sources mostly in areas without electricity.

#### **□ EFFLUENT QUALITY**

The effluent samples are taken on a monthly basis and the results are submitted to DWAF. In terms of this our systems are within the 80% compliance rating. There are only two systems with serious problems due to the ageing infrastructure.

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

#### **□ WATER SAFETY PLAN**

Previously the municipality did not have a water safety plan as this was not compulsory. A budget provision of R1 000 000 has been made in the 2010/11 financial year with similar provisions made in the outer years.

It is important to state that all designs of bulk schemes had been based on 36 to 48hr storages. Since 2006, the municipality has embarked on a strategy to move away from

unreliable local sources such as boreholes and springs as they are susceptible to ground water fluctuations and are the first points of failure during drought.

#### ❑ **PROBLEMS EXPERIENCED BY THE MUNICIPALITY**

1. Huge number of backlogs still to be addressed by the municipality
2. Ageing infrastructure in the towns
3. Vast areas without water requiring water tanker intervention
4. Diminishing underground water causing boreholes to dry or affecting water quality
5. Negative impact on water supply due to high demand arising from excessive garden watering due to the “One House One Garden” National Government campaign.

#### ❑ **STEPS TO ADDRESS THE ABOVE PROBLEMS**

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

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

Uthungulu has also approached the Netherlands Government for grant funding to fact track its backlog eradication Programme.



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## 8. BUDGET RELATED POLICIES OVERVIEW & AMENDMENTS

The **detailed policies** are not included in this budget documentation. However they are available on request by Councillors and by the public at the Council offices in Kruger Rand and on the website [www.uthungulu.org.za/policies](http://www.uthungulu.org.za/policies). This section gives a **broad overview** of the budget policy framework and highlights the amended policies to be approved by Council resolution.

NAME OF POLICY	LAST DATE OF APPROVAL	NEW ADOPTION DATE	PURPOSE / BASIC AREAS COVERED BY POLICY	STATUS
<b>REVENUE RELATED</b>				
Tariff	27 <sup>th</sup> March 2009 (UDMC: 940)	25 March 2010 (UDMC: 1330)	Details of all tariffs and charges for new financial year	Reviewed
Credit control and debt collection bylaws	14 <sup>th</sup> March 2007 (UDMC: 185)		Principles and guidelines to be followed with respect to arrear consumer debt control	No changes
Incentive	27 <sup>th</sup> March 2009 (UDMC: 940)	25 March 2010 (UDMC: 1330)	To improve the principal of paying for services received.	Reviewed
Indigent	27 <sup>th</sup> March 2009 (UDMC: 940)	25 March 2010 (UDMC: 1330)	Guidelines and procedures for the subsidization of rates and basic services to indigent households	Reviewed
<b>EXPENDITURE AND BUDGET RELATED</b>				
Borrowing Policy	23 <sup>rd</sup> September 2006 (UDMC: 23)		Sets out the borrowing principles that the municipality will follow when considering any form of borrowing.	No Changes
Investment and Banking	27 <sup>th</sup> August 2009 (UDMC:1022)		Guideline of procedures to be followed when investing or lending money.	No Changes
Virement	14 December 2005 (UDMC: 2689)		Sets out guidelines and procedures to be followed when transferring budget savings between votes	No Changes
Supply chain management	28 <sup>th</sup> May 2008 (UDMC:943)	25 March 2010 (UDMC: 1330)	Dictates procedures for the procurement of goods and services	Reviewed
Property Plant and equipment	15 <sup>th</sup> December 2009 (UDMC 1247)		Defines the management of fixed assets.	No Changes
Budget	14 <sup>th</sup> December 2005 (UDMC 2690)	25 March 2010 (UDMC: 1330)	Set out budgeting principles.	No Changes
<b>HUMAN RESOURCES RELATED POLICIES</b>				
Succession and Retention Policy	12 <sup>th</sup> March 2008 (UDMC: 520)		Defines the organisations role with regards to human assets	No Changes
Recruitment and selection Policy	12 <sup>th</sup> March 2008		Defines the recruitment process	No Changes

## 9. BUDGET ASSUMPTIONS

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. The section provides a comprehensive summary of all the assumptions used in preparing the budget. Key assumptions to be summarised here for past, current and projected years (budget year plus at least 2 projected outer years) include but are not limited to:

**External factors** (population migration, employment, health, development of businesses, and new residential areas, etc)

### 9.1 GENERAL INFLATION OUTLOOK & ITS IMPACT ON THE MUNICIPAL ACTIVITIES

According to circular 51 of National Treasury issued on the 19 February 2010, municipalities are cautioned on the 2010/11 budget increases with respect to tariffs. Treasury encourages keeping increases as low as practically possible in line with CPI inflation.

	2009/10	2010/11	2011/12	12/13
CPI inflation	5.4%	5.7%	6.2%	5.9%

The circular further encourages municipalities to keep increases in tariffs and other charges as low as practically possible.

### 9.2 INTEREST RATES FOR BORROWING

The MFMA specifies that borrowing can only be used to fund capital. The municipality currently has loans from the following institutions:

LONG-TERM LOANS	REDEEMABLE DATE	CARRYING VALUE RAND	SPECIFIC ASSET
INCA @ 13.95%	2014/12/31	21,000,000	Solid Waste loan
INCA @ 11.95%	2023/06/30	30,000,000	Solid Waste & uThungulu House
ABSA @ 12.60%	2024/06/30	46,000,000	Solid Waste P2, Uthungulu House & Greater Mthonjaneni

### 9.3. INVESTMENT OF FUNDS

Short term investments are currently made with the following banks, with an average of 6.5 % p.a. earned from the investments and are invested between call,30,60, 90 and 120 days:

- ABSA
- First National Bank
- Nedbank
- Standard Bank
- Investec Bank

## **9.4. CREDIT RATING OUTLOOK**

The 2008/09, credit rating was undertaken by Global Rating, was by Global Credit rating a company that has local experience to perform credit rating for the District Municipality.

The following rating was issued:

- **Long term: A- (single A minus);**  
High credit quality. Protection factors are good. However, risk factors are more variable and greater in periods of economic stress.
- **Short term: -A1 (single A one minus);**  
Very high certainty of timely payment. Liquidity factors are excellent and supported by good fundamental protection factors. Risk factors are minor.

The rating is based on the following key factors:

- The municipality's sustained operating growth over the review period, supported by the district being a key area for development by the national government, is positively viewed.
- An experienced and stable management team, which has demonstrated an ability to proactively manage the challenges facing the district.
- uThungulu has evidenced fairly strong cash holdings over the review period, characterised by a sound financial profile.
- The municipality's gross gearing ratio has declined consistently over the review period. Going forward, however, external funds are expected to increase substantially in F09 and F10, placing pressure on gearing metrics in the medium term. This notwithstanding, uThungulu is expected to maintain its net cash position.
- uThungulu's substantial reliance on various government grants to support its activities.
- Debtors collection has shown a marked deterioration in recent years.
- Going forward, the challenging economic environment may exacerbate collection efficiency in the medium term.

## **9.5 GROWTH OR DECLINE IN TAX BASE OF THE MUNICIPALITY**

### **9.5.1 Levy Replacement Grant**

National Government has included a Replacement Levy Grant with Equitable Share, as a substitute for levies from local business.

The 2009 Division of Revenue Act indicated that part of the fuel levy be devolved to Category A Municipalities as a replacement for RSC levies. For all the Category C (i.e. District municipalities), National Treasury has allocated the levy replacement grant as compensation.



### 9.5.2 Average salary increases

Permanent & contract staff salary increases have been budgeted for at an estimated 8.48% per the South African Local Bargaining Council Agreement and 8% per annum from 2011/12, whilst Section 57 employees are budgeted at an increase of 8.48% per annum for the next three years and councillors an annual increase of 8.48%. The increase in staff salaries takes into account the implementation of the TASK wage curve as agreed in the bargaining council.

### 9.5.3 Depreciation

Depreciation on assets is budgeted for as a result of the implementation of GRAP from 1st July 2005, in compliance with MFMA Circular 18. According to Chapter 2. Accounting for Property, plant and equipment, per National Treasury's Guidelines for the implementation of accounting standards, a "Government Reserve" (non-cashed back) has been created equal to grant received to fund future depreciation. An amount of **R15m** is included provisionally in operational expenditure for new and current water and sanitation infrastructure. The straight line method of determining depreciation has been utilized in this budget in terms of the proposed accounting policy for assets and depreciation to be presented to Council with other GRAP alignments.



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## 10. FUNDING THE BUDGET

### 10.1 SOURCES OF FUNDING

#### 10.1.1 Rates, tariffs and other charges

##### Changes in tariff structure

From the 2009/10 financial year, all domestic consumers within the district pay the same tariff per kilolitre and this approach was achieved over a period of 5-6 years in a “phase in” approach. As per item UDME: 2161, all commercial consumers phase in has been equalised in this Financial year.

##### Municipal Services

There are four categories of municipal services, namely that of:

- Trading services – e.g. Water and sewerage
- Economic services - e.g. Solid waste disposal facility and other adhoc
- Subsidized services -e.g. Categories of water and cemetery
- Community services - e.g. Fire fighting Co-ordination

##### Trading Services

These services are defined as services whereby the consumption of the service is measurable and can be accurately apportioned to an individual consumer. These services are hence managed like businesses and meters are read, where circumstances reasonably permit, on a monthly basis. The tariffs for these services are budgeted for in such a way as to reach a breakeven situation for the municipality. Examples of these services include water, electricity and waste sewer.

The Council’s pricing strategy for these services is to **where possible** recover the full cost of rendering the service to the communities. For this purpose full cost includes:

- Direct operating costs e.g. Salaries, allowances including overtime, materials used, repairs and maintenance, general expenses and plant and vehicle hire.
- Depreciation / capital charges based on usage, life of buildings, plant and equipment and infrastructure used.
- Financing outlays which includes loan service cost.
- Allocated costs that include costs allocated through support services.

## **Economic Services**

These are services for which tariffs are fixed in such a way as where possible the full cost of providing the service is recovered, e.g. trade effluent includes commercial and industrial use of the solid waste site, tender deposits and sale of maps. The consumption of an economic service can be measured or determined accurately and charged to an individual consumer. Whilst they are also managed like businesses, the tariffs for these services are normally determined in such a way that user charges cover the cost of providing the service.

These costs can be determined as follows:

- Full cost of providing the service or;
- The rate per unit is based on projected usage.

## **Subsidized Services**

These are services for which tariffs are fixed in such a way that at least a portion of the cost of providing the service can be recovered. The consumption of these services can be determined reasonably accurately and can be apportioned to individuals and consumers. However, if the tariffs for using this service were based on its real cost, nobody would be able to afford it. In most cases, not only would the consumer benefit from using the service, but also other persons.

Therefore, user charge is payable for using the service, but the tariff is much lower than the real cost of providing the service. These services include water, approval of building plans and the construction of buildings (Nkandla and Mbonambi only), leasing of municipal facilities, selling of burial sites and certain town planning functions.

## **Community Services**

Community services are those services for which the Council is unable to accurately determine the consumption and hence apportion to individual consumers. These services are typically financed through the operating budget. These services include the provision and maintenance of roads and storm water drainage systems, the establishment, management and maintenance of cemeteries etc. In addition to the above services sewage removal is also a community service provided directly to all the residents and for which costs form part of a balanced budget.

The Municipality also provides support services such as committee services, records and archives, financial management accounting and stores, occupational health and human resources management, which are financed through the operating budget

## **Calculation of tariffs for major services**

A minimum amount of basic services must be free. The Municipality subscribes to the policy that all poor households are entitled to a minimum amount of free basic services. A basic service is a service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety of the environment. These services include:

- Potable water
- Domestic wastewater and sewage removal
- Burials

Council is aware that it currently does not provide these services to all residents within its municipal area. It is also aware that, more than likely, some of the services it currently provides in conjunction with the abovementioned services may be transferred or assigned to other bodies. In the latter case, the Council commits itself to make representations and negotiate with those services providers to achieve its goal.

Council realizes that in order to achieve its goal, a minimum amount of basic services should be free to the poor, whilst tariffs for services above the minimum level of consumption will have to be increased. These increases are necessary to make good any shortfall resulting from free services and to ensure a balanced budget on the trading account.

## **Keeping Tariffs Affordable**

Council is keenly aware of the financial situation of most residents within the Municipal area therefore, it undertakes to keep tariffs at affordable Levels. Council is also aware that due to historical reasons many residents receive services at a level higher than what they can afford. In order for services to remain affordable Council will ensure that:

- Services are delivered at an appropriate level,
- Efficiency improvements are actively pursued across the Municipalities' operations,
- Any service that is provided for which there is little demand, be priced at the actual cost of providing it and which requires the Municipality to maintain significant infrastructure and other facilities, are phased out, except where Council is by law required to provide such a service.

### **Introducing the “Consumer must pay principle”.**

Having regard for the abovementioned Council’s policy on minimum amount of free basic, Council believes that consumers of services must pay for the amount of services that they use. Where it is possible to measure the consumption services, Council intends to install metering systems as in the case of water usage, and to take into account the free service element. In this regard the Council will develop a programme to install meters in appropriate cases. Also it is the Council’s policy that the tariffs for such services must include all relevant cost factors.

### **Redistribution / Cross Subsidization**

It is a fact that some members of the community are better able to afford to pay for the services that they use and have the benefit of, than others are. The budget of the Municipality is an important device in ensuring redistribution within the community. Likewise Council will ensure that the cross-subsidization occurs between and within services to further contribute to its redistribution objectives.

### **Promoting Local and Economic Competitiveness and Development**

The municipal service charges presented to the local businesses, are a significant business overhead for any business enterprise in the Municipal area. The overhead of a business is one of the factors that influence the price of goods and services sold by it, and therefore its profitability and chances of survival. Council will take care that the municipal accounts presented to local businesses are fair. To ensure fairness toward local business, Council will, when it determines tariffs, take into account the desire:

- To promote local economic competitiveness and
- To promote local economic development and growth.

### **Ensuring Financial Sustainability of Service Delivery**

The Constitution, Local Government Municipals Systems Act, 2000 and Water Services Act of 1997 require that the Municipality must ensure that the services that it provides must be sustainable.

Financial sustainability of an enterprise will be achieved when it is financed in a manner that ensures that it’s financing is sufficient. The tariff for a service must therefore be sufficient to cover the cost of the initial capital expenditure required and interest thereon, managing and operating the

service and maintaining, repairing and replacing the physical assets used in its provision. However, sustainability does not only mean that the price of the service must include all the relevant cost elements, it also means that charges to be levied must be collected.

Council will therefore adopt and apply a Credit Control and Debt Collection policy to ensure that service charges are fully recovered.



**Mondi Richards Bay**

## 10.2. Tariffs for 2010/11

The following tariffs are applicable in the 2010/11 financial year, with a comparison with the prior year tariff for indication of increases in R/c and percentages:

2010/2011 Tariffs of Charges (All tariffs are inclusive of Vat)

Effective date the 1<sup>st</sup> July 2010

TARIFF OF CHARGES 2010/11		Tariff (‘R) 2009/2010	Tariff (‘R) 2010/2011	Rand’s/ C Increase	% Increase
<b>1</b>	<b>WATER</b>				
<b>1.1</b>	<b>uMfolozi Municipality</b>				
	Water per kl				
<b>1.1.1</b>	<b>Domestic</b>				
	0 - 6 kl	Free	Free		
	7 - 30 kl	5.61	6.17	0.56	10%
	above 30 kl	6.99	7.69	0.70	10%
	Availability charge	32.02	35.22	3.20	10%
<b>1.1.2</b>	<b>Commercial</b>				
	0 kl - 149kl	10.13	11.14	1.01	10%
	≥ 150kl (new tariff)		14.48		
<b>1.2</b>	<b>Nkandla Municipality</b>				
	Water per kl				
<b>1.2.1</b>	<b>Domestic</b>				
	0 - 6 kl	Free	Free		
	7 - 30 kl	5.61	6.17	0.56	10%
	above 30 kl	6.99	7.69	0.70	10%
	Availability charge	32.02	35.22	3.20	10%
<b>1.2.2</b>	<b>Commercial</b>				
	0 kl	9.56	11.14	1.58	17%
	≥ 150kl (new tariff)		14.48		
<b>1.3</b>	<b>Umlalazi Municipality</b>				
	<b>Eshowe Town</b>				
	Water per kl				
<b>1.3.1</b>	<b>Domestic</b>				
	0 - 6 kl	Free	Free		
	7 - 30 kl	5.61	6.17	0.56	10%
	above 30 kl	6.99	7.69	0.70	10%
	Availability charge	32.02	35.22	3.20	10%

TARRIFF OF CHARGES 2010/11		Tariff (‘R) 2009/2010	Tariff (‘R) 2010/2011	Increase	% Increase
	<b>Gingindlovu</b>				
1.3.2	<b>Domestic</b>			-	
	0 - 6 kl	Free	Free		
	7 - 30 kl	5.61	6.17	0.56	10%
	above 30 kl	6.99	7.69	0.70	10%
	Availability charge	32.02	35.22	3.20	10%
	<b>Mtunzini</b>				
	Water per kl				
1.3.3	<b>Domestic</b>				
	0 - 6 kl	Free	Free		
	7 - 30 kl	5.61	6.17	0.56	10%
	above 30 kl	6.99	7.69	0.70	10%
	Availability charge	32.02	35.22	3.20	10%
	<b>Eshowe</b>				
1.3.4	<b>Commercial</b>				
	0 kl	10.13	11.14	1.01	10%
	≥ 150kl (new tariff)		14.48		
	<b>Gingindlovu</b>				
1.3.5	<b>Commercial</b>				
	0 kl	10.13	11.14	1.01	10%
	≥ 150kl (new tariff)		14.48		
	<b>Mtunzini</b>				
1.3.6	<b>Commercial</b>				
	0 kl	10.13	11.14	1.01	10%
	≥ 150kl (new tariff)		14.48		
1.4	<b>Mthonjaneni Municipality</b>				
	Water per kl				
1.4.1	<b>Domestic</b>				
	0 - 6 kl	Free	Free		
	7 - 30 kl	5.61	6.17	0.56	10%
	above 30 kl	6.99	7.69	0.70	10%
	Availability charge	32.02	35.22	3.20	10%
1.4.2	<b>Commercial</b>				
	> 0 kl	9.56	11.14	1.58	17%
	≥ 150kl (new tariff)		14.48		

TARRIFF OF CHARGES 2010/11		Tariff (‘R) 2009/2010	Tariff (‘R) 2010/2011	Increase	% Increase
<b>1.5</b>	<b>Upper Nseleni</b>				
1.5.1	Water per kl				
	>0 kl	10.74	11.81	1.07	10%
	≥ 150kl (new tariff)		15.35		
<b>1.6</b>	<b>DOW/Schools/Clinics</b>				
1.6.1	Water per kl				
	0 kl - 149kl	10.74	11.81	1.07	10%
	≥ 150kl (new tariff)		15.35		
<b>1.7</b>	<b>Water other</b>				
1.7.1	Reconnection of water supply on clients request (closed on clients request)	187.67	210.19	22.52	12%
1.7.2	Penalty fee for non compliance of warning notice (Water restriction process)	308.49	345.51	37.02	12%
(a)	Rebate on penalty fee for indigent customers		50%		
(b)	Rebate on penalty fee for customers who make application and qualify for indigent status within 30 days of being levied the said fee		50%		
(c)					
1.7.3	New domestic single household standard connection fee				
A	Full water pressure systems	771.23	870.00	98.77	13%
B	RDP systems	337.08	380.00	42.92	13%
1.7.4	New connection fees: other than those stated in 1.7.3a & 1.7.3b	Cost + 10%	Cost + 10%		
1.7.5	Special readings of meters	192.81	215.95	23.14	12%
1.7.6	Final reading admin fee upon disconnection	15.42	17.27	1.85	12%
1.7.7	Testing of meters - up to 25mm	411.32	460.68	49.36	12%
1.7.8	Testing of meters - larger than 25mm	Cost + 10%	Cost + 10%		
1.7.9	Tampering fee - first occurrence	1242.98	1,392.14	149.16	12%
1.7.10	Undeveloped land- available services fee	56.73	63.54	6.81	12%
1.7.11	Bulk tariff treated water per kl - applicable to supplies to Municipalities only	3.94	4.41	0.47	12%
<b>1.8</b>	<b>Water un-metered - Rural Areas</b>				
1.8.1	Availability charge - Standpipe	19.28	22.00	2.72	14%



1.8.2	Un-metered households connection	46.28	52.00	5.72	12%
<b>TARRIFF OF CHARGES 2010/11</b>		<b>Tariff (‘R) 2009/2010</b>	<b>Tariff (‘R) 2010/2011</b>	<b>Increase</b>	<b>% Increase</b>
1.8.3	Water delivered by Tanker per 10 000 litres to public institutions - Incl. Price of water & Transportation cost	Cost + 10%	Cost + 10%		
1.8.3.1	Water delivered by Tanker per 10 000 litres to general public (At discretion of municipality) Incl. Price of water & Transportation	Cost + 25%	Cost + 25%		
1.9	Indigency				
	0 - 6 kl	Free	Free		
	7-10 kl	4.12	4.53	0.41	10%
	11 - 30 kl	5.60	6.16	0.56	10%
	above 30 kl	6.99	7.69	0.70	10%
	Availability charge	-	-		
<b>2</b>	<b>CEMETERY</b>				
2.1	Single interment of an adult (resident)	511.59	613.91	102.32	20%
2.2	Single interment of an child (resident)	511.59	613.91	102.32	20%
2.3	Permission to erect a tombstone (single or double)	65.55	78.66	13.11	20%
2.4	Permission for additional depth grave (including interment)	3698.10	4,437.72	739.62	20%
2.5	Reservation of a grave (excl. interment)	551.43	661.72	110.29	20%
2.6	Exhumation of a body	1,101.58	1,321.90	220.32	20%
2.7	Interment outside normal working hours - resident	511.59	613.91	102.32	20%
2.8	Interment outside normal working hours - Saturday (non-resident)	2,988.55	3,586.26	597.71	20%
2.9	Interment outside normal working hours - Sundays & Public holiday non-resident)	3,934.60	4,721.52	786.92	20%
2.10	Wall of remembrance	471.74	566.09	94.35	20%
2.11	Reservation of niche excluding utilization - resident	251.94	302.33	50.39	20%
<b>3</b>	<b>SANITATION</b>				
3.1	All Areas in District - Properties that can be/are physically connected to the water borne sewer systems, whether connected or not				

TARRIFF OF CHARGES 2010/11		Tariff (‘R) 2009/2010	Tariff (‘R) 2010/2011	Increase	% Increase
3.2	Domestic Rand valuation of combined land and improvements value as per the latest published municipal valuation roll (subject to minimum R38.50 and a maximum of R150 per month)		0.004 c/R		
3.3	Business Rand valuation of combined land and improvements value as per the latest published municipal valuation roll (subject to minimum R100 and a maximum of R1000 per month)		0.004 c/R		
3.4	Registered Indigent-rand valuations of combined land and improvement value as per the latest published municipal valuation roll subject to a maximum of R19.25 p/m		0.004 c/R		
3.5	Mtunzini -per load (honeysucker)	449.44	503.37	53.93	12%
3.6	Gingindlovu - per load (honeysucker)	449.44	503.37	53.93	12%
3.7	Sewer connection fee in all areas	Cost + 10%	Cost + 10%		
3.8	Disposal of domestic effluent from within or without the Council’s area of jurisdiction to Council facilities.				
	• Delivered by private road tanker per kiloliter, measured as the nominal carrying capacity of the tanker.	12.3	13.78	1.48	12%
	• Delivered by private road haulage in drums per drum of capacity not exceeding 150 liters (per drum)	1.23	1.38	0.15	12%
<b>4</b>	<b>SOLID WASTE</b>				
4.1	Building rubble per ton	47.00	56.40	9.40	20%
4.2	De-listed waste - per ton	541.50	812.25	270.75	50%
4.3	Tyres -per ton	388.50	582.75	194.25	50%
4.4	Green waste -per ton	47.00	56.40	9.40	20%
4.5	Sewer Sludge -per ton	955.00	1,432.50	477.50	50%
4.6	Miscellaneous -per ton	Cost + 10%	Cost + 10%		
4.7	Miscellaneous weighing service - Per service	60.50	73.00	12.50	21%

<b>5</b>	<b>DEPOSITS</b>				
<b>TARRIFF OF CHARGES 2010/11</b>		<b>Tariff (‘R) 2009/2010</b>	<b>Tariff (‘R) 2010/2011</b>	<b>Increase</b>	<b>% Increase</b>
5.1	Non refundable tender deposits	257.00	290.00	33.00	13%
5.2	Consumer deposits : New applications				
5.2.1	Domestic application	380.00	425.00	45.00	12%
5.2.2	Commercial application	955.00	1,100.00	145.00	15%
5.2.3	Registered Indigent customers	Exempt	Exempt	0	0%
5.2.4	Customers supplied by "RDP" systems	Exempt	Exempt	0	0%
5.2.5	Government Institutions	Exempt	Exempt	0	0%
5.2.6	Municipal Institutions	Exempt	Exempt	0	0%
<b>6</b>	<b>OTHER</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>Rand's Increase</b>	<b>% Increase</b>
6.1	Sale of Marketing/corporate gifts and other	Cost + 10%			
6.2	Clearance Certificate admin fee	55.00	61.00	6.00	11%
6.3	Interest Charges	10%	10%		
<b>7</b>	<b>BYLAWS</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>Rand's Increase</b>	<b>% Increase</b>
7.1	For copies of any bylaws, per page	1.58	1.74	0.16	10%
7.2	Extract of bylaws, per page or part thereof	1.58	1.74	0.16	10%
<b>8</b>	<b>PROMOTION OF ACCESS TO INFORMATION</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>Rand's Increase</b>	<b>% Increase</b>
8.1	Fee for reproduction, relating to the promotion of the Access to the information Act as follows:				
8.1.1	Every photocopy of an A4 size page or part thereof	0.85	0.94	0.09	10%
8.1.2	Every photocopy of an A4 size page or part thereof	0.6	0.66	0.06	10%
8.1.3	For a copy on Stiffy Disc	n/a			
8.1.4	For a copy on Compact Disc	55.00	60.50	5.50	10%
8.2	<b>For a transcription of visual images:</b>				
8.2.1	For an A4 size page or part thereof	31.43	34.57	3.14	10%
8.2.2	For a copy of visual images	82.51	90.76	8.25	10%
8.3	<b>For a transcription of an audio record:</b>				
8.3.1	For an A4 size page or part thereof	17.02	18.72	1.70	10%

TARRIFF OF CHARGES 2010/11		Tariff (‘R) 2009/2010	Tariff (‘R) 2010/2011	Increase	% Increase
8.3.2	For a copy of an audio record	23.58	25.94	2.36	10%
8.3.3	To search for the record for disclosure	20.95	23.05	2.10	10%
8.4	<b>FACSIMILE</b>		-	-	
8.4.1	Outgoing facsimile – per folio	5.63	6.19	0.56	10%
8.4.2	Incoming facsimile – per folio	5.63	6.19	0.56	10%
<b>9</b>	<b>MAP PRODUCTION COSTS</b>	<b>Tariff (‘R)</b>	<b>Tariff (‘R)</b>	<b>Rand’s/ C Increase</b>	<b>% Increase</b>
	SHEET SIZE				
9.1.1	A0	520.39	572.43	52.04	10%
9.1.2	A1	430.68	473.75	43.07	10%
9.1.3	A2	378.1	415.91	37.81	10%
9.1.4	A3	344.23	378.65	34.42	10%
9.1.5	A4	319.5	351.45	31.95	10%
	<b>LAMINATING COSTS</b>				
	SHEET SIZE				
9.2.1	A0	326.07	358.68	32.61	10%
9.2.2	A1	186.32	204.95	18.63	10%
9.2.3	A2	116.46	128.11	11.65	10%
9.2.4	A3	3.2	18.78	15.58	487%
9.2.5	A4	17.07	3.52	(13.55)	-79%
<b>10</b>	<b>BUILDING PLANS</b>				
10.1	Building plans and scrutiny and supervision charges as per Townships				
<b>NB. ALL TARIFFS ARE INCLUSIVE OF VAT</b>					

### 10.3. INVESTMENTS – CASH BACKED ACCUMULATED SURPLUS

The investment policy of the Municipality is in line with the Municipal Finance Management Act, Act 56 of 2003 and the Regulations and Investment Framework issued by the Minister of Finance.

The main objective of the investment policy is to gain optimum return on investment without incurring undue risks during the period when cash revenues are not needed for capital or operational purposes.

The effectiveness of the investment policy is dependent on the accuracy of the municipality’s cash management which must identify the surplus amounts to be invested and when those funds will be needed by the municipality’s operations.



The municipality's investments are divided into the following categories:-

**1. Interest Earned on Investment**

- It is the municipality's policy to appropriate all interest earned from investments to priorities as detailed in the Integrated Development Plan.

**2. Sinking Fund**

- The municipality purchased a guaranteed zero coupon from INCA via Standard Bank, in the 2003/04 financial year for an amount of R7, 9 million with an aim of redeeming the matured value against a R21million loan with INCA.

**3. Short Term Investment**

- All reserves and creditors form part of short term investments of the municipality.
- The Municipality has a conservative approach in investing only in short term investment; however the investment policy has a provision of long term investments.

## 11. GRANT ALLOCATIONS

### 11.1 DETAILS OF GRANTS ALLOCATED TO THE MUNICIPALITY

Grant Revenue by Source	Budget 10/11 R'000	Budget 11/12 R'000	Budget 12/13 R'000
<b>Grants &amp; Subsidies - Provincial - Operational</b>	-	439,000	-
Strategic Support	-	439,000	-
<b>Grants &amp; Subsidies - Provincial - Capital</b>	-	-	-
<b>Grants &amp; Subsidies - National - Operational</b>	<b>299,695,721</b>	<b>331,544,632</b>	<b>341,822,579</b>
Equitable Share	106,560,323	121,557,983	134,442,576
Levy Replacement Grant	139,638,000	152,214,000	165,913,000
ES Environmental Health	13,779,677	14,634,017	15,497,424
MSIG	750,000	790,000	1,000,000
Water services operating & transfer subsidy	93,000	-	-
Local Finance Management Grant	1,000,000	1,250,000	1,250,000
MIG Operational - Project Management Unit	2,810,000	2,736,000	-
MIG - Sanitation Projects	27,933,721	38,362,632	23,719,579
EPWP Incentive Grant	7,131,000	-	-
<b>Grants &amp; Subsidies - National - Capital</b>	<b>122,872,279</b>	<b>160,493,368</b>	<b>271,194,421</b>
Regional Bulk Infrastructure Grant	19,807,000	40,659,000	99,234,000
MIG - Water Projects	103,065,279	119,834,368	171,960,421
<b>Total National Government Allocations</b>	<b>422,568,000</b>	<b>492,038,000</b>	<b>613,017,000</b>
<b>Public Contributions</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
Richards Bay Minerals	2,000,000	2,000,000	2,000,000
<b>Total Grants &amp; Subsidies</b>	<b>424,568,000</b>	<b>494,477,000</b>	<b>615,017,000</b>

## 11.2 GRANT ALLOCATIONS PURPOSE AND OUTPUTS

Grant	Purpose	Measurable Outputs	Future revenue and cost implications
Equitable Share	To enable municipalities to provide basic services and perform the functions allocated to it.	No. of: <ul style="list-style-type: none"> <li>Households receiving free water and electricity.</li> <li>Households receiving basic services such as water, sanitation, environmental health, refuse and electricity.</li> </ul>	The allocation is increased by
Replacement Grant	Levy Replacement Grant	Included with the equitable share grant. The grant was issued to allow municipalities to meet their expenditure obligations.	Future Revenue: Government is considering replacing the grant with funding from the fuel levy.
Municipal Infrastructure	To supplement municipal capital budgets to eradicate backlogs in basic municipal infrastructure utilised in providing basic services for the benefit of poor households.  To eradicate the bucket sanitation system mainly in urban townships.	No. of: <ul style="list-style-type: none"> <li>New households receiving water and sanitation service per annum.</li> <li>Households where the bucket sanitation system has been replaced with an alternative system.</li> <li>No of jobs created using EPWP</li> </ul>	Future Revenue: Tariffs from new households (water and sanitation).  Future cost: Repairs and maintenance. Billing and collection of revenue.
Local Government Financial Management Grant	To promote and support reforms to municipal financial management and the implementation of the MFMA Act.	<ul style="list-style-type: none"> <li>Financial recovery plans.</li> <li>Internship programme</li> <li>Progressive improvements of audit outcomes.</li> <li>Improvements in internal and external reporting on budgets, finances, in-year reporting and annual reports.</li> <li>Upgrading of IT systems for Financial management improvement</li> </ul>	Future Cost: The cost of including the interns within the organisation.
EPWP Incentive	To incentivise municipalities to increase labour intensive employment through programmes that maximise job creation and skills development in line with the guidelines.	<ul style="list-style-type: none"> <li>Increase number of people employed and receiving income through the EPWP.</li> <li>Average duration of work opportunities created.</li> <li>Increased income per EPWP beneficiary.</li> <li>Increased in number of municipalities reporting on EPWP.</li> </ul>	Future revenue allocations done quarterly based on municipalities meeting the minimum performance threshold.  Future cost Grant to be used in other similar EPWP projects.

### **11.3 GRANT ALLOCATION BY THE DISTRICT MUNICIPALITY**

#### **11.3.1 DIRECT GRANT ALLOCATIONS**

##### **Environmental Health Grant Allocation**

In accordance with the Division of Revenue Bill-2010, an Environmental Health Care Subsidy of R 18 (2010/11, R 18) per household was included in the Basic Services Component of the equitable share formula. According to a provisional Service Level Agreements with KZ 282 (uMhlatuze Municipality) and KZ 284 (uMlalazi Municipality), uThungulu District Municipality would be obligated to re-allocate grants received from Government relating to Environmental Health to the Local Municipalities that are currently performing the function. An amount of R13.8m from the equitable share has been ring fenced for this purpose.

The equitable share allocation to Ntambanana for refuse as verbal clarity from National Treasury with regards to the refuse allocation indicated that the District should engage with the local municipality to reach an agreement to reimburse them on the actual spent by them on refuse removal services.

In addition allocations to KZ 281, 283, 285 and 286, have been included in the budget for the District, as the District would perform the functions centrally.

The computation for the allocation was based on the number of households per KZ as determined by the Census 2001 count, that being 73,301 for uMhlatuze and 44,634 for uMlalazi and multiplied by the rate stipulated in the Division of Revenue Bill, 2009 of R 18 per household. This means that there will be no change or increase to the allocation of these funds to KZ 282 and 284 when comparing to 2009/10.

#### **11.3.2. GRANT ALLOCATIONS BY THE DISTRICT**

### **12. DISCLOSURE ON IMPLEMENTATION OF MFMA & OTHER LEGISLATION**

The Municipal Finance Management Act, 2003 (Act No.56 of 2003) became effective on 1 July 2004. Elements of the act have been phased in according to capacity of each municipality - high, medium and low. As a high capacity municipality, uThungulu was required to comply with the earliest implementation dates, the majority of which are now effective.

The MFMA has introduced significant changes to the financial management of local government. One of the main changes in budget preparation is that the single year, line item budgeting - which was a common feature of the previous practices - has been replaced by multi-year budgeting at a more strategic level.

The MFMA aims to modernise budget and financial practices at all spheres of government, thereby facilitating effective service delivery. The general public plays an important role in ensuring a budget is set to reflect targeted service delivery. For



example, during the budget preparation process, Section 21 of the MFMA requires communities and residents within the municipal jurisdiction to be part of the Budget and Integrated Development Planning (IDP) processes. Section 8 of this report describes how this has been achieved.

Communities can also monitor the performance of the approved budget through regular reporting of the Service Delivery & Budget Implementation Plan (SDBIP) and the performance contracts of senior managers. These are prepared at the same time as the budget, thus ensuring alignment at the start of the financial year. Section 15 of this report provides some detail of the departmental SDBIP's that have been prepared. These highlight the key service delivery and performance targets that senior managers are accountable for.

Some of the key budget reforms encapsulated within the MFMA, that uThungulu has applied, are:

- Forward looking, multi-year budgets with strategic focus;
- Clear links between budget allocations and agreed policies;
- Improved integration of budget and planning processes;
- New budget process timetable with earlier adoption of budgets by council and earlier audits of Annual Financial Statements;
- Improved in-year reporting according to vote/ function;
- Improved financial management information;
- Service Delivery and Budget Implementation Plans (SDBIP) developed and approved with budgets;
- New accounting norms and standards;
- Improvements to procurement and Supply Chain Management policies and processes;
- Establishment of a SCOPA; and
- Focus on performance measurement.

The MFMA implementation is monitored through regular reporting including:

- Quarterly reviews of MFMA implementation plans and the 12 urgent implementation priorities checklist;
- Monthly returns to National Treasury and monthly reports to the Mayor & Council, as required by section 71;
- Publication of information on the municipality's website ([www.uthungulu.org.za](http://www.uthungulu.org.za)); and
- Mid-year budget and performance assessment as required by section 72.

The 2010/11 Budget was prepared taking into account the Budget Regulations gazetted in April 2009 dealing with Budgeting and reporting as well as the MFMA circular 51.

The objective of the regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities and municipal entities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the

budgeting and reporting processes of those institutions and other relevant matters as required by the Act.

## **OTHER LEGISLATION**

The other important pieces of legislation when considering the budget processes are:

- The Division of Revenue Act 2010; and
- The Municipal Systems Act (Act No.32 of 2000), together with the Municipal Systems Amendment Act (Act No. 44 of 2003).

### **Division of Revenue Act 2010**

This Act issued in April annually, provides the three year allocations from national government to local government. It sets out all the reporting requirements and conditions relating to the grants. Alongside this Provincial Departments allocate funding to local government by means of a provincial gazette.

These allocations are used when preparing the three year budget in order to comply with section 18 of the MFMA (relating to reasonably anticipated revenues to be collected). Additional allocations – both nationally and provincially – are sometimes made to municipalities. However, these are not included in the original budget as the allocations are not certain. When confirmed they will be included in an adjustments budget in accordance with section 28 of the MFMA.

### **The Municipal Systems Act (Act No.32 of 2000) and the Municipal Systems Amendment Act (Act No. 44 of 2003)**

These Acts form the basis of the links between the budget and the integrated development Plan (IDP). In particular, the aspects that have been considered in preparing the budget are:

- Community participation (Chapters 4 & 5);  
Performance management (Chapter 6), providing also the basis for measurable performance objectives in the Service Delivery and Budget Implementation Plan (SDBIP); and Tariff policy (Chapter8).

### 13. Service Delivery Implementation Plan

Vote: Executive & Council

Department: Municipal Manager - Executive & Council (Municipal Manager)

Performance Indicator Area	IDP Ref. No.	Strategy Objective	Performance Target Output/Perf. Target (Key Performance Indicator)	Planned Target	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Operational Expenditure "Leadership Excellence"	5.0	Leadership Excellence	Keeping within the approved operational budget	No over expenditure	≤25%	≤ 50%	≤75%	≤ 100%
Public Relations and Communications	5.3	Leadership Excellence	Operational	Execute PR Plan within approved budget incorporating all ongoing operational communication and brand management initiatives of the Council.	≤25%	≤ 50%	≤75%	≤ 100%
			Public participation	Manage events, izimbizo and roadshows to promote community participation in municipal initiatives, demonstrate service delivery and enhance uThungulu's public image throughout the district.	≤25%	≤ 50%	≤75%	≤ 100%
			Marketing	Market all IDP projects to all relevant stakeholders using a wide variety of communication channels dependant on the identified target audience.	≤25%	≤ 50%	≤75%	≤ 100%

Performance Indicator Area	IDP Ref. No.	Strategy Objective	Performance Target Output/Perf. Target (Key Performance Indicator)	Planned Target	1st	2nd	3rd	4th
			District Communicator's Forum	Hold regular meetings of the District Communicator's Forum to coordinate communication within all LM's and report to Provincial Communicator's Forum	≤25%	≤ 50%	≤75%	≤ 100%
			Website Development	Co-ordinate updates to district municipality website in accordance with approved budget	≤25%	≤ 50%	≤75%	≤ 100%
Risk Management	5.7.2	Leadership Excellence	Fraud Prevention Strategy and Implementation Plan	Monitoring and Maintenance of the Fraud Risk Assessment Register	≤25%	≤ 50%	≤75%	≤ 100%
Shared Services	4.1.3 4.1.4	Leadership Excellence	Shared Services for Development Planning	Provision of Development Planning Shared Services during 1 <sup>st</sup> year of 3 year agreement	≤25%	≤ 50%	≤75%	≤ 100%
Performance Management	5.6	Leadership Excellence	Performance Measurement in terms of Performance Regulations	Section 57 Performance Measurement once per quarter	1 <sup>st</sup> (informal)	2 <sup>nd</sup> (formal)	3 <sup>rd</sup> (informal)	4 <sup>th</sup> (formal)
Soccer 2010 (Special Projects)	5.8.1	Leadership Excellence	Strategic Readiness	Strategic Readiness Plan and actions to host 2010	≤25%	≤ 50%	≤75%	≤ 100%
			2010 FIFA spec training stadium	Construction of 2010 FIFA spec training stadium	≤ 50%	≤75%	≤ 100%	

**Vote: Planning and Development**

**Department: Planning & Development (Deputy Municipal Manager)**

Performance Indicator Area	IDP Ref No	Strategy Objective	Performance Target Output/Perf. Target (Key Performance Indicator)	Planned Target	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	Action Plan
Operational Expenditure "Economic Sound District	1	Economic Sound District	Keeping within the approved Budget(operational)	No Over Expenditure	≤ 25%	≤ 50%	≤ 75%	≤ 100%	Ensure Expenditure is within Budget
LED Framework	1.1.1	Economic Sound District	Review of LED Framework for District	Completion of review of LED Framework within budget	≤ 10%	≤ 30%	≤ 75%	≤ 100%	Ensure Expenditure is within Budget
LED Capacity, Institutional & Operational Support	1.1.2.	Economic Sound District	Provide Institutional and Operational Support to SMME's	Institutional and Operational support within Budget	≤ 10%	≤ 30%	≤ 75%	≤ 100%	Ensure Expenditure is within Budget
Implement LED Framework: Tourism	1.2.2	Economic Sound District	Development of Tourism projects to promote LED	Promotion of LED through tourism within budget	≤ 10%	≤ 30%	≤ 75%	≤ 100%	Ensure Expenditure is within Budget
Uthungulu Tourism Development Office	1.2.4	Economic Sound District	Marketing of District as Tourism Destination	Marketing of District within budget	≤ 10%	≤ 30%	≤ 75%	≤ 100%	Ensure Expenditure is within Budget
Agricultural Development & Implementation	1.3.2	Economic Sound District	Alignment and implementation of agricultural projects	Coordinate and align the implementation of agricultural projects within budget	≤ 10%	≤ 30%	≤ 75%	≤ 100%	Ensure Expenditure is within Budget
Implementation of SMME Plan	1.4.2	Economic Sound District	Coordination, capacity building and training in line with SMME Strategy	Implemented coordination and alignment activities and associated support programme within budget	≤ 10%	≤ 30%	≤ 75%	≤ 100%	Ensure Expenditure is within Budget

Performance Indicator Area	IDP Ref No	Strategy Objective	Performance Target Output/Perf. Target (Key Performance Indicator)	Planned Target	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	Action Plan
Operational Expenditure “ Integrated Environment”	4	Integrated Environment	Keeping within the approved Budget(operational)	No over expenditure	≤ 25%	≤ 50%	≤ 75%	≤ 100%	Ensure Expenditure is within Budget
Integrated Development Plan Review	4.1.1	Integrated Environment	IDP Review for 2011/12 to 2013/14	Approved Review	≤ 10%	≤ 30%	≤ 75%	≤ 100%	Review IDP within Budget
Planning Implementation	4.1.4	Integrated Environment	Provide Strategic Town Planning and Land Use Management Support	Provide Strategic Planning Implementation support within Budget	≤ 10%	≤ 30%	≤ 75%	≤ 100%	Ensure Expenditure is within Budget
Land Reform: KZ Co-ordination & Alignment	4.2.1	Integrated Environment	Hosting of District Land Summit	Implemented District Land Summit for Land Reform within budget	≤ 10%	≤ 30%	≤ 75%	≤ 100%	Ensure Expenditure is within Budget
Coastal Management Plan (Review)	4.4.5	Integrated Environment	Review Policy and procedure document on Coastal Management	Approved Policy and procedure document on Coastal Management	≤ 10%	≤ 30%	≤ 75%	≤ 100%	Ensure Expenditure is within Budget

**Vote: Finance & Administration**

**Department: Finance Services (Chief Financial Officer)**

Performance Indicator Area	IDP Ref No.	Strategy	Objective (KPI)	Output/outcome indicator-performance target (Definition/Measurement)	Original Target	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Financial Control	5.1.1	Leadership Excellence	Management of Municipal Budgets & Management Accounts.	Completion of 2009/10 financial statements and formal submission to Auditor General by 31 August 2010. Entity by 30 September 2010	1	1			
Financial Control	5.1.2	Leadership Excellence	Management of Municipal Budgets & Management Accounts.	The preparation of the annual budget & related policies within the prescribed period	2			1 Tabled to Council March 11	1 Approved May 11
Financial Control	5.1.2	Leadership Excellence	Management of Municipal Budgets & Management Accounts.	Prepare & submit mid year financial review for 2010/11 budget in terms of S72 of MFMA.	1			1 Tabled to Council January 11	
Financial Control	5.1.2	Leadership Excellence	Management of Municipal Budgets & Management Accounts.	Prepare & submit adjustment budget , if required per section 72 of MFMA by 28 February 11				1 Tabled to Council February 11	
Financial Control	5.1.2	Leadership Excellence	Management of Municipal Budgets & Management Accounts	Prepare & submit monthly financial reports to Mayor/FSPC on a monthly basis.	11	2	3	3	3
Financial Control	5.1.3.1	Leadership Excellence	Management of Municipal Revenues & Collection of debtors	Approval of the revised Credit & Debt control, Tariff, Incentive and Indigent policies by 30 June	1				1
Financial Control	5.1.3.1	Leadership Excellence	Management of Municipal Revenues & Collection of debtors	Submit a report quarterly on debt collection target and credit control progress to the Finance portfolio.	4	1	1	1	1
Financial Control	5.1.3.1	Leadership Excellence	Monitor and report on Financial viability ( debtors collection)	Prepare & submit quarterly report on Financial viability of applicable Finance KPI ratios	4	1	1	1	1
Financial Control	5.1.3.2	Leadership Excellence	Management of Grants received and Financial	Monthly Grant reports on all grants received are submitted on time	12	3	3	3	3



			Reporting						
Performance Indicator Area	IDP Ref No.	Strategy	Objective (KPI)	Output/outcome indicator-performance target (Definition/Measurement)	Original Target	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Financial Control	5.1.4.1	Leadership Excellence	Annual review of Supply chain management policy	Submit the annual review on the Supply chain management policy to Finance service portfolio by 30 June	1				1
	5.1.4.1	Leadership Excellence	Management - Supply Chain management policy	Ensure SCM reports are submitted in accordance with regulations, policy and procedures	100%	100%	100%	100%	100%
	5.1.4.1	Leadership Excellence	Functional Bid committee in line with SCM regulations	Regular meeting of the Bid specification , Bid evaluation and Bid awards committees	10	2	3	3	2
	5.1.4.1	Leadership Excellence	Management of Stores	Control & monitor stores with minimum of four stock counts	4	1	1	1	1
	5.1.4.2	Leadership Excellence	Prepare and submit Management and report of the of Expenditure & Salaries	Percentage payroll related payments be completed within 7 working days at the end of the month	98%	100%	100%	100%	100%
	5.1.4.1	Leadership Excellence	Annual review of Fixed Asset policy	Submit the annual review on the Property , plant and Equipment policy to Finance service portfolio by 30 June	1				1
	5.1.4.1	Leadership Excellence	Management of Municipal Assets	Administration of PPE register by monthly update and annual verification	13	3	3	3	4

**Note: Technical Executive**

**Department: Technical Services**

Performance Indicator	IDP Ref No.	Strategy	Objective (KPI)	Output/outcome indicator-performance target (Definition/Measurement)	Original Target	Q1	Q2	Q3	Q4
Operational Budget	2.0	Effective Infrastructure	Management of the Departmental operational budget	Setting up management system to ensure effective monitoring of budget to avoid over expenditure	Q1=25% Q2=50% Q3=75% Q4=100%				
Capital Budget	2.0	Effective Infrastructure	Management of the capital budget of the Department	Setting up financial monitoring systems to control the budget and monitor expenditure to prevent over expenditure and under spending	Q1=25% Q2=50% Q3=75% Q4=100%				
Compilation of the performance plan for 2010/11	2.0	Effective Infrastructure	Review the performance plan to align it to the approved budget for the 2010/11 financial year.	Signing of the performance plan as part of the section 57 appointment contract and align the budgeted programmes and projects with the broader organizational objectives.	Q1=100%				
Compilation of the funding application for the Netherlands grant funding	2.0	Effective Infrastructure	Source additional funding to assist in fast tracking backlog eradication	Secure support and approval by all relevant authorities including National Government Departments and Embassies (Netherlands and South Africa)	Q1 = 20% Q2 = 40% Q3 = 60% Q4 = 80%				

**Vote: Water Services Authority**

**Department: Technical Department**

Performance Indicator Title	IDP Ref No.	Strategy	Objective (KPI)	Output/outcome indicator-performance target (Definition/Measurement)	Original Target	Q1	Q2	Q3	Q4
Preparation of the Water Use Management Plan	2.1	Effective Infrastructure	To prepare the Water Use management Plan as part of the DWA compliance process	Secure sufficient funding for this work and appoint experienced consultant for the successful completion of this document in line DWA requirements	Q1 = 10% Q2=30% Q3 = 60% Q =100%				
Registration of Water Works and Waste Water Plants	2.1	Effective Infrastructure	To conduct assessments and provide improvements to at least 6 water works and 4 waste water plants as part of the Blue Drop and Green drop compliance	Compiling a detailed report on the analysis of bulk water works and towns waste water plants and provide recommendations on how to improve or refurbish them to meet the DWA requirement for Blue and Green Drop compliance.	Q1=25% Q2=50% Q3=75% Q4=100%				
Registration of MIG projects for the outer years (2011/12 and 2012/13)	2.1	Effective Infrastructure	To allow for the effective forward planning by having all projects registered with MIG (COGTA) for outer years	To have all MIG approvals for projects appearing in the DoRA and prepare all feasibility studies, designs and tender documents ready for implementation	Q1= 10 % Q2 = 40% Q3 = 70 % Q4=100%				
Water Week	2.1	Effective Infrastructure	To arrange the Water Week as required by DWAF	Aligning the municipal activities related to the water week in line with the Sector Departments plan and arrangements	Q1=0% Q2=10% Q3=50% Q4=100%				
Water Road Shows	2.1	Effective Infrastructure	To arrange the road shows as a tool to communicate the annual approved projects and backlog eradication programme of the municipality	Arranging the road shows in line with the requirements and municipal budget and IDP programmes to maximize the community coverage	Q1=25% Q2=50% Q3=75% Q4=100%				
UDM internal project investigation and design	2.1	Effective Infrastructure	To identify UDM funded projects emanating from the Tanker reduction strategy	Identification, prioritization and project feasibilities and design on internally funded projects	Q1=10% Q2=30% Q3=70% Q4=100%				

**Vote: Municipal Infrastructure Implementation**

**Department: Technical Services**

Performance Indicator Title	IDP Ref No.	Strategy	Objective (KPI)	Output/outcome indicator-performance target (Definition/Measurement)	Original Target	Q1	Q2	Q3	Q4
MIG Capital Programme Implementation and management	2.2	Effective Infrastructure	To implement the MIG programme and ensure that the budget is spent as per the approved business plans	Implementation of all capital projects within the UDM and MIG annual programmes in terms of good project management practice and ensure the successful commissioning of the project to effectively achieve the desired objective of the department	Q1=25% Q2=50% Q3=75% Q4=100%				
Management and Operation of the Municipal Facilities (Empangeni Landfill site and Cemetery)	2.2	Effective Infrastructure	Effective management of the municipal facilities in line with the permits and prevailing legislation	Reduction of complains from DEAT, DWA, municipalities and other users of the landfill site. Smooth running of the cemetery operation and provide good house keeping to the facility	Q1=25% Q2=50% Q3=75% Q4=100%				
Construction of Phase 2 of the regional Cemetery	2.2	Effective Infrastructure	To commence the construction of Phase 2 of the Regional Cemetery	Design, secure contractor and project manage the construction of Phase 2 of the Regional Cemetery in terms of the specification and building regulations	Q1=10% Q2=20% Q3=30% Q4=50%				
Implementation of the UDM funded projects	2.2	Effective Infrastructure	To fast track the implementation of the projects identified under the tanker reduction strategy	Completion of drought intervention projects to assist in the tanker reduction within the rural areas.	Q1 = 25% Q2 = 50% Q3 = 75% Q4 = 100%				
Building Control Function	2.2	Effective Infrastructure	To provide support to the participating local municipalities on the implementation of Building Regulations	Assisting local municipalities in the implementation of building regulations through the approval of building plans and conduct regular inspections on building under construction.	Q1=25% Q2=50% Q3=75% Q4=100%				

**Vote: Municipal Infrastructure Operation and Maintenance**

**Department: Technical Department**

Performance Indicator Title	IDP Ref No.	Strategy	Objective (KPI)	Output/outcome indicator-performance target (Definition/Measurement)	Original Target	Q1	Q2	Q3	Q4
Operation and Maintenance of Towns' 'water services infrastructure	2.3	Effective Infrastructure	To operate and manage the towns water services infrastructure to ensure that the no disruption of the services.	Reduce water losses to 20% in all the towns and improve on the down time for repair and planned maintenance	Q1=25% Q2=50% Q3=75% Q4=100%				
Implementation of the water meter programme	2.3	Effective Infrastructure	To install water meter in line with the cost recovery strategy of the municipality	Facilitate and manage the installation of water meters in the approved projects as per WSA and Consumer Billing directive	Q1=200 Q2=800 Q3=1000 Q4=1000				
Review of Tanker reduction strategy	2.3	Effective Infrastructure	To update the tanker reduction strategy on the drought affected areas	Review of the tanker reduction strategy and provide motivation for the securing of budget during the Mid year budget review for its successful implementation to provide sustainable water sources to areas services by water tankers	Q1=25% Q2=50% Q3=75% Q4=100%				
Drought relief intervention and survival water provision	2.3	Effective Infrastructure	To support drought affected areas by providing survival water through water tankers, boreholes and springs developments	Verification of affected areas through field visits and prioritization of needy areas with a view to provide appropriate assistance inline with the Council policy	Q1=25% Q2=50% Q3=75% Q4=100%				
Operation and maintenance of rural schemes	2.3	Effective Infrastructure	To manage and provide strict control s on the activities of the Service Support Agent (SSA) as part of the budget control measures	Develop management and control measure for the material and routine repairs to limit unnecessary cost from the SSA	Q1=25% Q2=50% Q3=75% Q4=100%				
Health and Safety compliance on the plants	2.3	Effective infrastructure	To implement recommendations from the H&S Committee related to safety improvements within the plants	To improve the house keeping to most affected water works and waste water plants as part of the process for the legislative compliance.	Q1=25% Q2=50% Q3=75% Q4=100%				

Performance Indicator Title	IDP Ref No.	Strategy	Objective (KPI)	Output/outcome indicator-performance target (Definition/Measurement)	Original Target	Q1	Q2	Q3	Q4
Water Loss Management Strategy	2.3	Effective Infrastructure	To identify bulk schemes with high water losses and water related problems and implement major to address such problems	Installation of bulk meters, barmaid control valves and pressure sustaining valves to improve operation of the scheme and to reduce water losses	Q1=25% Q2=50% Q3=75% Q4=100%				
Water Quality Improvements and Green and Blue Drop compliance	2.3	Effective Infrastructure	To implement majors that will assist in the improvement of water quality to problematic water schemes	To see the improvements on the monthly results and the reduction in water quality failures normally received from DWA	Q1=25% Q2=50% Q3=75% Q4=100%				
Rural Water Meter Programme	2.3	Effective Infrastructure	To reduce water uses by installation of control devices on bulk problematic schemes	Improvement on water usage and awareness by consumers of the impact of high water wastage to the entire scheme.	Q1=25% Q2=50% Q3=75% Q4=100%				

**Vote: Executive & Council**

**Department: Corporate Services - Administrative Services (Executive Director – Corporate Services)**

IDP Strategy	Objective (KPI)	Output/outcome indicator-performance target (Definition/ Measurement)	Original Target 2010/11	1st Q	2nd Q	3rd Q	4th Q
Leadership Excellence	Access to Information Manual	Approval of Manual	Approved Manual	Revised Manual	ExCo/Council Approved Manual	<i>Information to relevant Govt Depts</i>	Gazetted Manual
		Handling of enquiries in terms of Promotion of Access to Information Act (PAIA)	All enquiries resolved	Actual Number of enquiries received and turnaround time	Actual Number of enquiries received and turnaround time	Actual Number of enquiries received and turnaround time	Actual number of enquiries received and turnaround time
Leadership Excellence	Support Services	Portfolio Committee Meetings	4 Meetings per year per Portfolio	1 Mtng per Portfolio	1 Mtngs per Portfolio	1Mtngs per portfolio	1 Meeting per Portfolio
		ExCo Meetings	12 Meetings per year	3 Mtngs	3 Mtngs	3Meetings	3 Meetings
		Council Meetings	4 Meetings per year	1 Meeting	1 Meetings	1 Meetings	1 Meetings
		Bid Committee Meetings	4 Reports to ExCo per year	1 Report on Bids Awarded	1 Reports on Bid Awarded	1 Reports on Bids Awarded	1 Reports on Bids Awarded



IDP Strategy	Objective (KPI)	Output/outcome indicator-performance target (Definition / Measurement)	Original Target 2010/11	1st Q	2nd Q	3rd Q	4th Q
Leadership Excellence	Records Management	Manage Council Records via Electronic Document Management System (EDMS)	Quarterly Reports of statistics of EDMS	1 Report on EDMS	1 Reports on EDMS	1 Reports on EDMS	1 Reports on EDMS
		Monitor Photocopy usage in line with Budget	Actual budgeted figures and usage	Actual vs Budget	Actual vs Budget	Actual vs Budget	Actual vs Budget
Leadership Excellence	Provision of Building Maintenance Service	Maintenance - In line with budget	Actual budgeted figures and usage	Actual vs Budget	Actual v Budget	Actual vs Budget	Actual vs Budget
Leadership Excellence	Management of Fleet Services	Report monthly on mileage and fuel consumption	Monthly reports to Management	3 Reports	3 Report	3 Report	4 Report
Leadership Excellence	Telephone Usage	Report monthly on Top 10 Telephone users	Monthly Reports to Manco	3 Reports	3 Reports	3 Reports	3 Reports

**Vote: Finance & Administration**

**Department: Corporate Services - I.T (Executive Director - Corporate Services)**

Section	Vote (Sub-Vote: IT)	Performance Indicator Title	Objective (KPI)	Output/outcome indicator-performance target(Definition / Measurement)	1st Q	2nd Q	3rd Q	4th Q
Information Technology	Information Technology	Communication & Business process	Connectivity @ 90% + uptime of (WAN) Wide Area Network	99% uptime	99% uptime	99% uptime	99% uptime	99% uptime
Information Technology	Information Technology	Business Continuity	Ongoing repairs & maintenance of printers to minimise man hour loss	Reduction of man hour loss	Adhoc	Adhoc	Adhoc	Adhoc
Information Technology	Information Technology	Licenses	Legal Compliance (Microsoft, Hummingbird, Venus, TrendMicro, Websense, Faxination, Orgplus, Payday, PDF converter, Design Software)	Licensing and Software assurance 2010 - 2013	Licensing to be finalised as and when required	Licensing to be finalised as and when required	Licensing to be finalised as and when required	Licensing to be finalised as and when required
Information Technology	Information Technology	DRP/BCP	Offsite storage of media tapes (daily, weekly, monthly & yearly)	Business Continuity to be tested twice per annum	Testing as per IT steering committee resolution		Testing as per IT SteerCom	
Information Technology	Information Technology	Business Continuity	UPS ongoing maintenance & repairs	Business Continuity	Servicing of IT UPS as per schedule	Servicing of IT UPS as per schedule	Servicing of IT UPS as per schedule	Servicing of IT UPS as per schedule
Information Technology	Information Technology	Dims support	Support (Dims server support, development, Version updates, user support, Issue manager support)	Business Continuity	On going	On going	On going	On going
Information Technology	Information Technology	Humming Bird	support ( Software updates, high level user support, enhancements)	Business Continuity	On going	On going	On going	On going



Vote: Finance & Administration

Department: Corporate Services - Management Services (Executive Director - Corporate Services)

Section	Sub-Vote	Performance Indicator Title	Objective (KPI)	Output/outcome indicator-performance target(Definition / Measurement)	1st Q	2nd Q	3rd Q	4th Q
Management Services	Management Services	Human Resources Development Programme	Skills Development & Implementation	Successful implementation of WSP: 01/07/2010 - 30/06/2011. * Submit quarterly report of training completed to Training Committee *Compilation of monthly & quarterly training report - ongoing. *Conducting of Skills Audit: Staff & Cllrs: 30 April 2011. *Compilation of ATR - <b>31 May 2011</b> . *Compilation of WSP by <b>31 May 2011</b> . *Approval of the ATR & WSP by the Training Committee by <b>15 June 2011</b> . *Submission of approved WSP to LGSETA by <b>30 June 2011</b> .	30%	25%	10%	35%
Management Services	Management Services	Human Resources Development Programme	Implementation of Occupational Health & Safety Act	*Ensuring ongoing compliance. * Ongoing Identification and risk assessment of water plants & offices. *Re-inspection of water plants every 3 months & report quarterly at Health & Safety meetings; *Attend to injuries on duty timeously, do follow up on payments; *Organise medical exam for staff in water plants <b>by November 2010</b> : Water & Cemetery staff annually - November 2009 *Sewerage staff bi-annually - <b>July &amp; November 2010</b> . *Ensure that doctor's recommendations are followed; * <b>Co-ordination of Exit Medicals on employees exiting the organisation (Technical)</b> ; Ensure ongoing compliance to health & safety as per risk plan * Ensure that at least 4 Health & Safety Committee meetings are conducted during the year	25%	25%	25%	25%

Section	Sub-Vote	Performance Indicator Title	Objective (KPI)	Output/outcome indicator-performance target(Definition / Measurement)	1st Q	2nd Q	3rd Q	4th Q
Management Services	Management Services	Human Resources Development Programme	<b>Implementation of Employment Equity Plan</b>	* Ensure that 75 % of appointments are made in line with the EE Plan * Submit bi-annual update report to Employment Equity Committee * Ensure that EE Report is submitted to EE Committee <b>by mid September 2010</b> and submitted to Dept Of Labour <b>by 01 October 2010</b>	25%	25%	25%	25%
Management Services	Management Services	Human Resources Development Programme	<b>Ensure HR administration to internal customers is in place</b>	* Submit quarterly reports to the Corporate Services Portfolio Committee on appointments, resignations, disciplinaries, benefits, etc, within the first month after the quarter				100%
Management Services	Management Services	Human Resources Development Programme	<b>Substance Abuse Policy</b>	* Ensure ongoing implementation of Substance Abuse Policy by 30 June 2011 * Ensure breathalyser equipment is calibrated annually *Submission of quarterly report to MANCO		50%		50%
Management Services	Management Services	Human Resources Development Programme	<b>Implementation of Induction Programme</b>	* <b>Ensure all newly appointed employees are inducted in terms of the induction programme</b>	25%	25%	25%	25%

**Vote: Community & Social Services**

**Department: Community Services (Executive Director – Corporate Services)**

Section	Vote	Performance Indicator Title	Objective (KPI)	Output/outcome indicator-performance target(Definition / Measurement)	1st Q	2nd Q	3rd Q	4th Q
<b>Community Services</b>	Community and Social Services	Community Awareness and Education on Diseases	Enhance Community Awareness and provide education on diseases	Enhanced Community Awareness and improved knowledge on community diseases	Formulate Disease Awareness Education Program	50% of Budget Diseases Awareness Education	75% of Budget Disease Awareness Education	100% of Budget Disease Awareness Education
<b>Community Services</b>	Community and Social Services	SALGA KZN (Kwanaloga) Games	Competing in the SALGA KZN (Kwanaloga) Games	Effective participation in well organized SALGA KZN Games	District Games to be held before 30 Sept 10	99.5% of Budget Provincial Games to be held Dec 2010	100% of Budget Sports Stakeholder Meeting – Postmortem	
<b>Community Services</b>	Community and Social Services	Marginalised Groups (Youth)	Advance Youth Programmes	Celebration of Youth Day - June 2010	05% of Budget Youth Planning Meetings		10% of Budget Youth Day Planning Meetings	100% of Budget Youth Day to be celebrated June 2011
<b>Community Services</b>	Community and Social Services	Marginalised Groups (People with Disabilities)	Advance the programmes of people with disabilities	Celebration of the International Day of People with disabilities	05% of Budget Disability Forum Meeting	90% of Budget International Day of the Disabled 3rd Dec 2010	95% of Budget Disability Forum Meeting	100% of Budget Disability Forum Meeting
<b>Community Services</b>	Community and Social Services	Marginalised Groups (Gender)	Advance gender programmes	Celebration of Womens day	90% of Budget Women's Day August 2010		95% of Budget Gender Forum Meeting	100% of Budget Gender Forum Meeting

Section	Vote	Performance Indicator Title	Objective (KPI)	Output/outcome indicator-performance target(Definition / Measurement)	1st Q	2nd Q	3rd Q	4th Q
Community Services	Community and Social Services	HIV/AIDS Programs	Advance the HIV/Aids Programme	HIV /AIDS awareness Programs including Aids Day	25% of Budget Awareness Program	50% of Budget Awareness Program	75% of Budget Awareness Program	100% of Budget Awareness Programs
Community Services	Community and Social Services	Marginalized Groups (Children's Rights )	Undertake programmes to advance children's rights	Celebration of Childrens Rights Day		60% of Budget Children's Rights Day	100% of Budget School Uniform Support	
Community Services	Community and Social Services	Marginalized Groups (Senior Citizen's Programme)	Undertake programmes to advance Senior Citizen's rights	Celebration of the International Day for Older Persons	05% of Budget Senior Citizens Meeting	85% of Budget International Day for Older Persons 1st Oct 2010	95% of Budget Senior Citizens Meeting	100% of Budget Senior Citizens Meeting
Community Services	Community and Social Services	Disaster Management (Operational Plans)	Prevent and reduce the risk of disasters	An intergrated and uniform approach to disaster management within the district.	05% of Budget Disaster Forum Meeting	40% of Budget Conduct awareness Campaigns	70% of Budget Support local municipality disaster prevention initiatives	100% of Budget Fire awareness Campaigns
Community Services	Community and Social Services	Disaster Management Stock Items	Purchase of essential Disaster Relief Items	Contribute to the rehabilitation of communities affected by disasters.	100% of Budget Purchase and keep stock of tents and blankets for distribution in case of disaster.			
Community Services	Community and Social Services	Heritage Day	Contribute towards Heritage Day Celebration & Other Cultural events	Celebration of Heritage Day & other cultural events	50% of Budget Heritage Day Sept 2010	50% of Budget Cultural Events 2010		



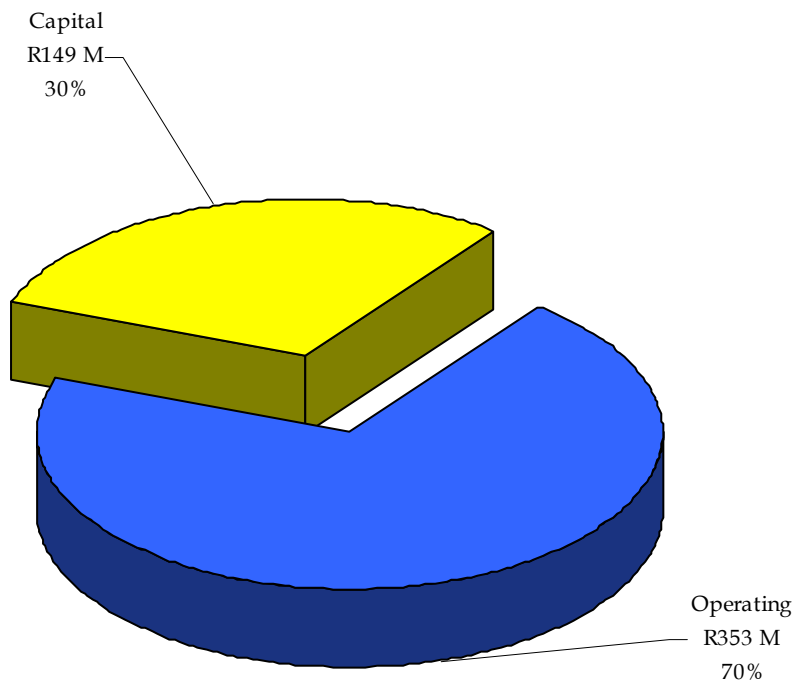


**Makhwezini**

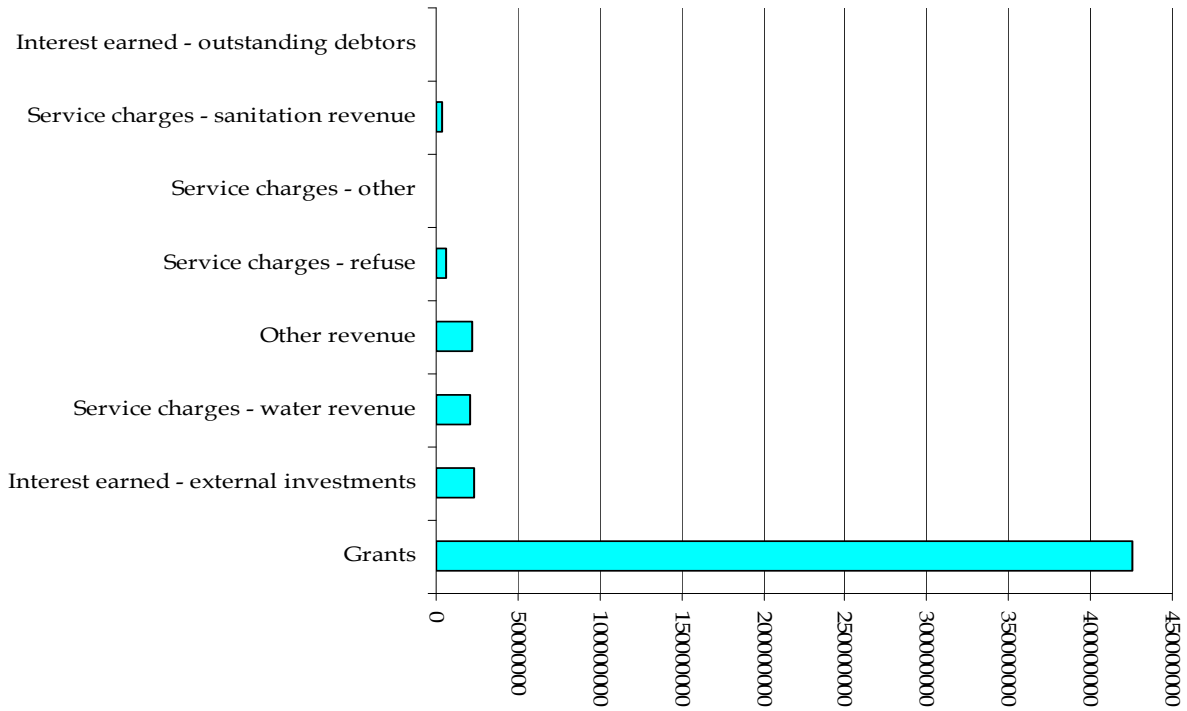
## 14. BUDGET RELATED CHARTS AND TABLES

### 14.1 BUDGET RELATED CHARTS

#### 2010/2011 BUDGET

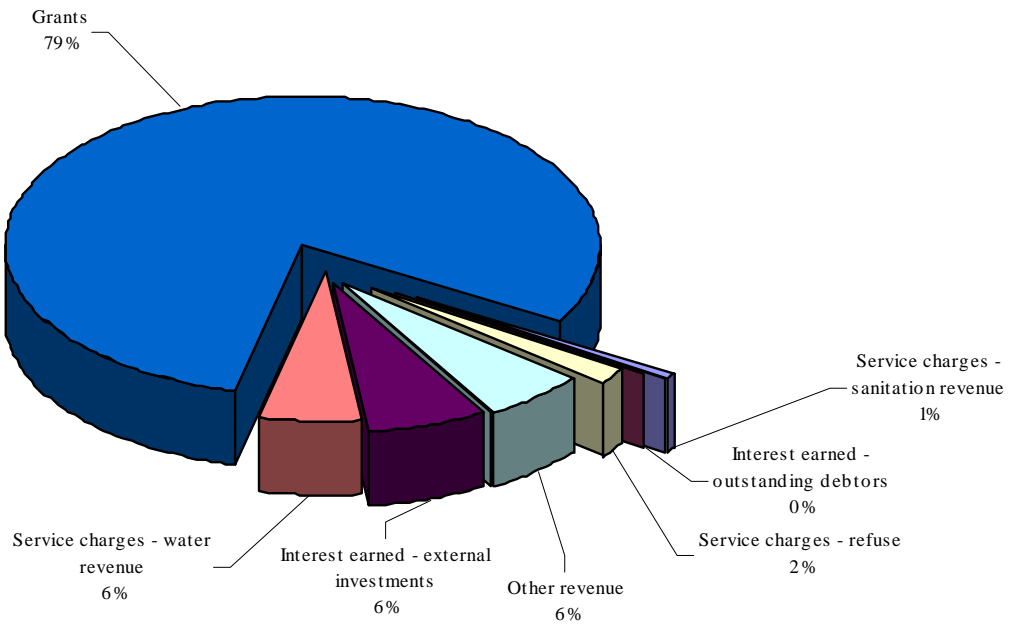


## REVENUE 2010/2011



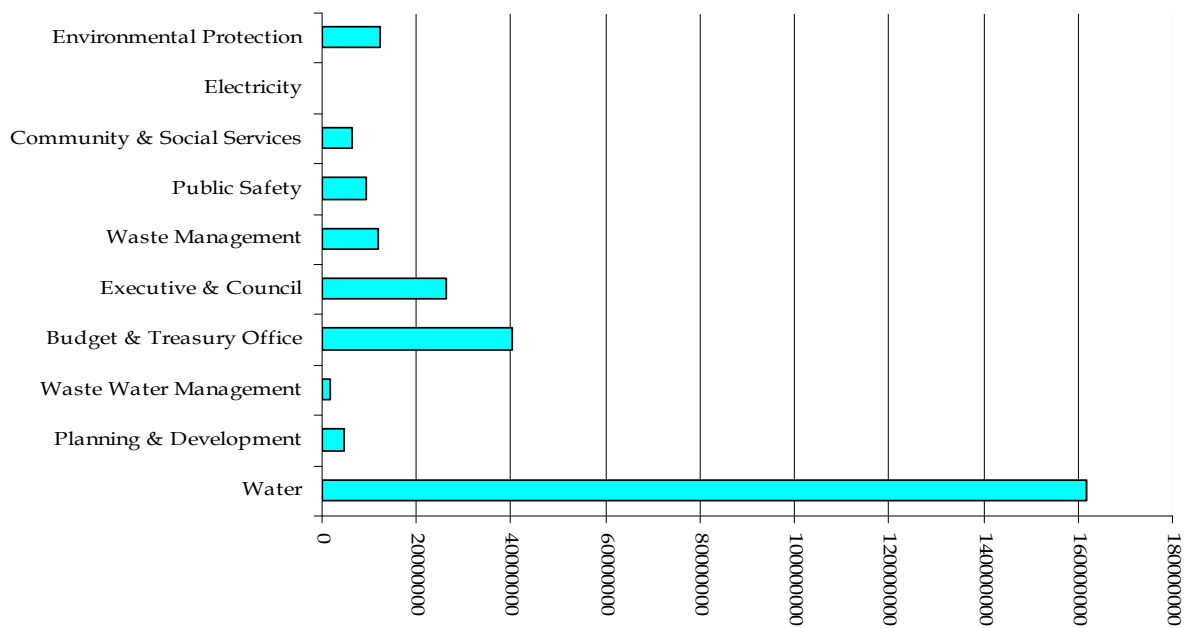
**TOTAL REVENUE R502,069 M**

## REVENUE 2010/2011



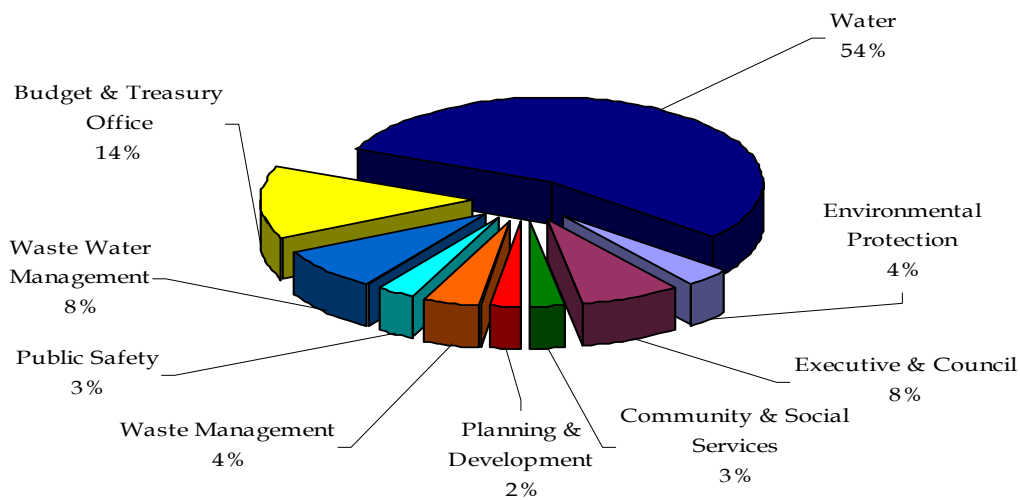
**TOTAL REVENUE R502,069 M**

## OPERATING EXPENDITURE 2010/2011



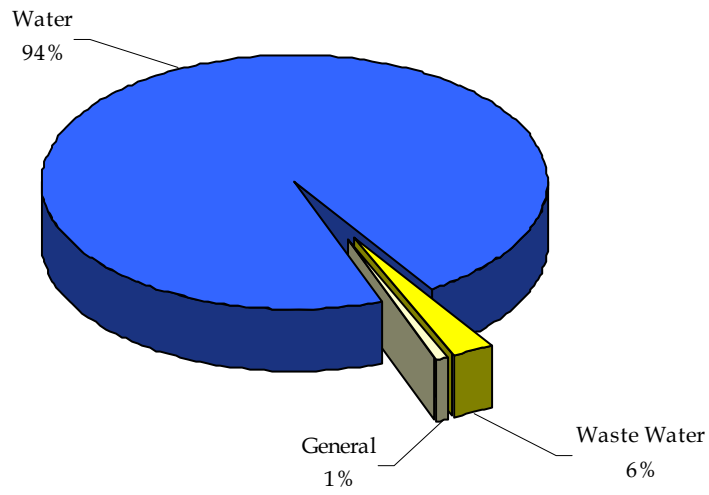
**TOTAL OPERATING EXPENDITURE R353,424 M**

## OPERATING EXPENDITURE 2010/11



**TOTAL OPERATING EXPENDITURE  
R353,424 M**

## 2010/2011 CAPITAL BUDGET BY SERVICE



**TOTAL CAPITAL BUDGET R148,646 M**

## 14.2 Budget Related Tables

DC28 uThungulu - Table A1 Budget Summary

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	25,841	29,686	33,466	30,009	30,009	30,009	30,450	34,196	38,453
Investment revenue	17,968	26,563	36,182	31,000	26,247	26,247	23,653	25,420	27,462
Transfers recognised - operational	217,744	244,257	214,665	384,873	321,028	321,028	300,501	332,797	342,700
Other own revenue	20,786	8,368	12,736	62,568	124,748	124,748	22,593	19,320	19,665
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>282,339</b>	<b>308,874</b>	<b>297,050</b>	<b>508,450</b>	<b>502,032</b>	<b>502,032</b>	<b>377,197</b>	<b>411,734</b>	<b>428,280</b>
Employee costs	40,399	50,040	61,159	84,107	85,831	85,831	107,329	115,915	125,188
Remuneration of councillors	4,415	4,700	5,021	8,521	7,021	7,021	7,165	7,738	8,357
Depreciation & asset impairment	9,386	10,966	17,978	15,318	15,318	15,318	15,318	15,318	15,318
Finance charges	-	-	8,118	13,958	13,958	13,958	15,117	15,117	15,117
Materials and bulk purchases	7,296	11,895	16,538	14,052	14,052	14,052	17,189	18,220	19,313
Transfers and grants	1,286	-	1,832	2,123	2,123	2,123	2,250	2,385	2,528
Other expenditure	148,026	182,058	216,346	292,975	296,016	296,016	189,056	200,770	206,257
<b>Total Expenditure</b>	<b>210,808</b>	<b>259,659</b>	<b>326,992</b>	<b>431,054</b>	<b>434,319</b>	<b>434,319</b>	<b>353,423</b>	<b>375,463</b>	<b>392,079</b>
<b>Surplus/(Deficit)</b>	<b>71,531</b>	<b>49,215</b>	<b>(29,942)</b>	<b>77,396</b>	<b>67,713</b>	<b>67,713</b>	<b>23,774</b>	<b>36,270</b>	<b>36,200</b>
Transfers recognised - capital	-	-	107,221	125,671	119,088	119,088	124,872	162,493	273,194
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>71,531</b>	<b>49,215</b>	<b>77,279</b>	<b>203,067</b>	<b>186,801</b>	<b>186,801</b>	<b>148,646</b>	<b>198,763</b>	<b>309,395</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>71,531</b>	<b>49,215</b>	<b>77,279</b>	<b>203,067</b>	<b>186,801</b>	<b>186,801</b>	<b>148,646</b>	<b>198,763</b>	<b>309,395</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>70,600</b>	<b>101,164</b>	<b>155,076</b>	<b>203,065</b>	<b>186,801</b>	<b>186,801</b>	<b>148,646</b>	<b>198,763</b>	<b>309,394</b>
Transfers recognised - capital	44,179	57,892	-	125,671	119,088	119,088	125,756	162,533	273,234
Public contributions & donations	3,613	-	-	-	-	-	-	-	-
Borrowing	-	-	-	42,393	31,465	31,465	-	-	-
Internally generated funds	22,808	43,272	-	35,002	36,247	36,247	22,890	36,230	36,160
<b>Total sources of capital funds</b>	<b>70,600</b>	<b>101,164</b>	<b>-</b>	<b>203,066</b>	<b>186,801</b>	<b>186,801</b>	<b>148,646</b>	<b>198,763</b>	<b>309,394</b>
<b>Financial position</b>									
Total current assets	230,549	282,540	332,923	357,135	283,758	283,758	245,594	254,253	260,745
Total non current assets	297,469	388,630	492,226	531,963	637,802	637,802	661,988	754,416	942,157
Total current liabilities	101,459	161,299	199,312	190,634	157,270	157,270	136,644	148,025	149,751
Total non current liabilities	58,873	93,069	135,335	183,979	201,806	201,806	204,542	207,419	210,274
Community wealth/Equity	367,629	416,844	490,501	514,485	562,485	562,485	566,396	653,225	842,877
<b>Cash flows</b>									
Net cash from (used) operating	84,994	140,211	139,261	131,323	94,275	94,275	106,800	202,234	310,194
Net cash from (used) investing	(70,980)	(102,109)	(124,004)	(103,159)	(186,801)	(186,801)	(149,830)	(200,019)	(310,725)
Net cash from (used) financing	4,521	2,201	30,684	2,530	48,829	48,829	3,087	3,442	3,798
<b>Cash/cash equivalents at the year end</b>	<b>200,382</b>	<b>240,685</b>	<b>286,627</b>	<b>317,321</b>	<b>242,930</b>	<b>242,930</b>	<b>202,986</b>	<b>208,643</b>	<b>211,909</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	213,879	255,763	326,284	336,235	261,844	261,844	223,035	229,895	234,436
Application of cash and investments	213,879	255,763	326,284	336,235	261,845	261,845	223,035	229,896	234,436
<b>Balance - surplus (shortfall)</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>
<b>Asset management</b>									
Asset register summary (WDV)	281,871	372,013	451,658	512,227	512,227	512,227	640,998	732,166	918,572
Depreciation & asset impairment	9,386	10,966	17,978	15,318	15,318	15,318	15,318	15,318	15,318
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	14,615	21,012	27,525	30,412	30,412	30,412	30,748	38,949	45,503
<b>Free services</b>									
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	112	139	227	-	-	241	255	271

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

Standard Classification Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	207,020	221,291	295,817	510,401	497,400	497,400	321,090	363,040	486,731
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	207,020	221,291	295,817	510,401	497,400	497,400	321,090	363,040	486,731
Corporate services	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	291	592	478	991	991	991	16,501	17,629	18,799
Community and social services	291	592	478	991	991	991	466	559	671
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	2,256	2,436	2,631
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	13,780	14,634	15,497
<i>Economic and environmental services</i>	-	-	-	-	-	-	-	-	-
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	75,029	86,990	107,976	122,728	122,728	122,728	164,478	193,558	195,944
Electricity	1,934	2,040	2,944	-	-	-	-	-	-
Water	65,227	76,370	96,884	112,777	112,777	112,777	127,534	144,629	159,821
Waste water management	2,222	3,010	3,469	2,748	2,748	2,748	31,011	41,809	27,580
Waste management	5,646	5,570	4,678	7,203	7,203	7,203	5,932	7,119	8,543
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>282,340</b>	<b>308,873</b>	<b>404,271</b>	<b>634,120</b>	<b>621,119</b>	<b>621,119</b>	<b>502,069</b>	<b>574,227</b>	<b>701,474</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	42,526	48,242	51,218	82,807	75,512	75,512	75,126	73,440	78,370
Executive and council	11,418	11,796	15,942	19,073	18,760	18,760	16,740	18,066	19,389
Budget and treasury office	13,614	13,951	12,895	24,425	23,759	23,759	25,294	22,038	23,746
Corporate services	17,494	22,495	22,381	39,309	32,993	32,993	33,093	33,336	35,235
<i>Community and public safety</i>	14,583	22,375	36,586	23,019	21,784	21,784	31,993	34,786	36,907
Community and social services	6,387	11,642	26,183	8,817	8,181	8,181	9,168	9,684	10,208
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	6,565	8,430	7,967	10,298	9,716	9,716	9,829	10,468	11,202
Housing	-	-	-	-	-	-	-	-	-
Health	1,631	2,303	2,435	3,904	3,887	3,887	12,996	14,634	15,497
<i>Economic and environmental services</i>	10,121	19,298	25,603	110,735	88,592	88,592	8,017	9,656	9,934
Planning and development	10,121	19,298	25,603	110,735	88,592	88,592	8,017	9,656	9,934
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	143,580	169,743	213,585	214,494	248,430	248,430	238,287	257,582	266,868
Electricity	2,212	2,389	3,465	450	444	444	-	-	-
Water	111,472	137,106	175,331	170,810	213,670	213,670	193,033	201,133	223,964
Waste water management	13,731	17,062	17,529	32,117	22,696	22,696	29,481	40,027	25,536
Waste management	16,165	13,186	17,261	11,117	11,620	11,620	15,773	16,422	17,368
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>210,810</b>	<b>259,658</b>	<b>326,992</b>	<b>431,055</b>	<b>434,318</b>	<b>434,318</b>	<b>353,423</b>	<b>375,464</b>	<b>392,080</b>
<b>Surplus/(Deficit) for the year</b>	<b>71,530</b>	<b>49,215</b>	<b>77,279</b>	<b>203,065</b>	<b>186,801</b>	<b>186,801</b>	<b>148,646</b>	<b>198,763</b>	<b>309,394</b>



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

Vote Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>									
<b>Revenue by Vote</b>									
Vote1 - EXECUTIVE AND COUNCIL	-	-	-	-	-	-	-	-	-
Vote2 - FINANCE AND ADMINISTRATION	207,020	221,291	295,817	510,401	497,400	497,400	321,090	363,040	486,731
Vote3 - PLANNING AND DEVELOPMENT	-	-	-	-	-	-	-	-	-
Vote4 - COMMUNITY AND SOCIAL SERVICES	291	592	478	991	991	991	466	559	671
Vote5 - PUBLIC SAFETY	-	-	-	-	-	-	2,256	2,436	2,631
Vote6 - ENVIROMENTAL HEALTH	-	-	-	-	-	-	13,780	14,634	15,497
Vote7 - WASTE MANAGEMENT	5,646	5,570	4,678	7,203	7,203	7,203	5,932	7,119	8,543
Vote8 - ELECTRICITY SERVICES	1,934	2,040	2,944	-	-	-	-	-	-
Vote9 - WATER	65,227	76,370	96,884	112,777	112,777	112,777	127,534	144,629	159,821
Vote10 - WASTE WATER MANAGEMENT	2,222	3,010	3,469	2,748	2,748	2,748	31,011	41,809	27,580
Example 11 - Vote11	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>282,340</b>	<b>308,873</b>	<b>404,271</b>	<b>634,120</b>	<b>621,119</b>	<b>621,119</b>	<b>502,069</b>	<b>574,227</b>	<b>701,474</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote1 - EXECUTIVE AND COUNCIL	16,527	18,358	24,188	36,002	29,218	29,218	26,599	28,721	30,881
Vote2 - FINANCE AND ADMINISTRATION	25,999	29,884	27,030	46,807	46,295	46,295	48,528	44,719	47,489
Vote3 - PLANNING AND DEVELOPMENT	10,121	19,298	25,603	110,736	88,593	88,593	8,017	9,656	9,934
Vote4 - COMMUNITY AND SOCIAL SERVICES	6,387	11,642	26,183	8,817	8,181	8,181	9,168	9,684	10,208
Vote5 - PUBLIC SAFETY	6,565	8,430	7,967	10,298	9,716	9,716	9,829	10,468	11,202
Vote6 - ENVIROMENTAL HEALTH	1,631	2,303	2,435	3,904	3,887	3,887	12,996	14,634	15,497
Vote7 - WASTE MANAGEMENT	16,165	13,186	17,261	11,117	11,620	11,620	15,773	16,422	17,368
Vote8 - ELECTRICITY SERVICES	2,212	2,389	3,465	450	444	444	-	-	-
Vote9 - WATER	111,473	137,106	175,331	170,806	213,669	213,669	193,033	201,133	223,964
Vote10 - WASTE WATER MANAGEMENT	13,731	17,062	17,529	32,117	22,696	22,696	29,481	40,027	25,536
Example 11 - Vote11	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>210,811</b>	<b>259,658</b>	<b>326,992</b>	<b>431,054</b>	<b>434,319</b>	<b>434,319</b>	<b>353,423</b>	<b>375,464</b>	<b>392,079</b>
<b>Surplus/(Deficit) for the year</b>	<b>71,529</b>	<b>49,215</b>	<b>77,279</b>	<b>203,066</b>	<b>186,800</b>	<b>186,800</b>	<b>148,646</b>	<b>198,763</b>	<b>309,394</b>

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

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges									
Service charges - electricity revenue	1,928	2,035	2,800	-	-	-	-	-	-
Service charges - water revenue	16,070	19,150	22,490	19,067	19,067	19,067	20,974	23,071	25,379
Service charges - sanitation revenue	2,198	2,931	3,021	2,748	2,748	2,748	3,078	3,447	3,860
Service charges - refuse revenue	5,645	5,570	4,678	7,203	7,203	7,203	5,932	7,119	8,543
Service charges - other			478	991	991	991	466	559	671
Rental of facilities and equipment	610	-	48						
Interest earned - external investments	17,968	26,563	36,182	31,000	26,247	26,247	23,653	25,420	27,462
Interest earned - outstanding debtors	453	311	177	45	45	45	211	227	246
Dividends received									
Fines									
Licences and permits									
Agency services									
Transfers recognised - operational	217,744	244,257	214,665	384,873	321,028	321,028	300,501	332,797	342,700
Other revenue	19,723	8,057	12,512	62,523	124,703	124,703	22,382	19,092	19,419
Gains on disposal of PPE									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>282,339</b>	<b>308,874</b>	<b>297,050</b>	<b>508,450</b>	<b>502,032</b>	<b>502,032</b>	<b>377,197</b>	<b>411,734</b>	<b>428,280</b>
<b>Expenditure By Type</b>									
Employee related costs	40,399	50,040	61,159	84,107	85,831	85,831	107,329	115,915	125,188
Remuneration of councillors	4,415	4,700	5,021	8,521	7,021	7,021	7,165	7,738	8,357
Debt impairment			7,481				2,777	3,076	3,408
Depreciation & asset impairment	9,386	10,966	17,978	15,318	15,318	15,318	15,318	15,318	15,318
Finance charges			8,118	13,958	13,958	13,958	15,117	15,117	15,117
Bulk purchases	7,296	11,895	16,538	13,780	13,780	13,780	17,189	18,220	19,313
Other materials				272	272	272			
Contracted services	37,238	39,933	42,414	30,000	55,617	55,617	49,716	53,080	56,350
Transfers and grants	1,286		1,832	2,123	2,123	2,123	2,250	2,385	2,528
Other expenditure	110,788	142,125	166,230	262,975	240,399	240,399	136,563	144,614	146,499
Loss on disposal of PPE			221						
<b>Total Expenditure</b>	<b>210,808</b>	<b>259,659</b>	<b>326,992</b>	<b>431,054</b>	<b>434,319</b>	<b>434,319</b>	<b>353,423</b>	<b>375,463</b>	<b>392,079</b>
<b>Surplus/(Deficit)</b>	<b>71,531</b>	<b>49,215</b>	<b>(29,942)</b>	<b>77,396</b>	<b>67,713</b>	<b>67,713</b>	<b>23,774</b>	<b>36,270</b>	<b>36,200</b>
Transfers recognised - capital			107,221	125,671	119,088	119,088	124,872	162,493	273,194
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets									
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>71,531</b>	<b>49,215</b>	<b>77,279</b>	<b>203,067</b>	<b>186,801</b>	<b>186,801</b>	<b>148,646</b>	<b>198,763</b>	<b>309,395</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>71,531</b>	<b>49,215</b>	<b>77,279</b>	<b>203,067</b>	<b>186,801</b>	<b>186,801</b>	<b>148,646</b>	<b>198,763</b>	<b>309,395</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>71,531</b>	<b>49,215</b>	<b>77,279</b>	<b>203,067</b>	<b>186,801</b>	<b>186,801</b>	<b>148,646</b>	<b>198,763</b>	<b>309,395</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>71,531</b>	<b>49,215</b>	<b>77,279</b>	<b>203,067</b>	<b>186,801</b>	<b>186,801</b>	<b>148,646</b>	<b>198,763</b>	<b>309,395</b>

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

Vote Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>									
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote1 - EXECUTIVE AND COUNCIL	870	455	10	302	1,522	1,522	-	-	-
Vote2 - FINANCE AND ADMINISTRATION	6,248	7,303	39,677	29,867	17,361	17,361	-	-	-
Vote3 - PLANNING AND DEVELOPMENT	240	125	126	242	132	132	-	-	-
Vote4 - COMMUNITY AND SOCIAL SERVICES	776	654	1,866	3,244	2,804	2,804	-	1,000	-
Vote5 - PUBLIC SAFETY	-	163	1,320	2,090	1,925	1,925	-	-	-
Vote6 - ENVIROMENTAL HEALTH	-	-	-	30	30	30	-	-	-
Vote7 - WASTE MANAGEMENT	-	32,350	24,453	3,183	11,543	11,543	-	-	-
Vote8 - ELECTRICITY SERVICES	-	-	-	200	200	200	-	-	-
Vote9 - WATER	62,467	60,114	87,473	161,289	150,454	150,454	133,472	177,403	291,294
Vote10 - WASTE WATER MANAGEMENT	-	-	150	2,618	829	829	4,000	8,000	-
<b>Capital multi-year expenditure sub-total</b>	<b>70,601</b>	<b>101,164</b>	<b>155,076</b>	<b>203,065</b>	<b>186,801</b>	<b>186,801</b>	<b>137,472</b>	<b>186,403</b>	<b>291,294</b>
<b>Single-year expenditure to be appropriated</b>									
Vote1 - EXECUTIVE AND COUNCIL	-	-	-	-	-	-	190	20	-
Vote2 - FINANCE AND ADMINISTRATION	-	-	-	-	-	-	150	260	100
Vote3 - PLANNING AND DEVELOPMENT	-	-	-	-	-	-	50	-	-
Vote4 - COMMUNITY AND SOCIAL SERVICES	-	-	-	-	-	-	-	-	-
Vote5 - PUBLIC SAFETY	-	-	-	-	-	-	-	-	-
Vote6 - ENVIROMENTAL HEALTH	-	-	-	-	-	-	784	-	-
Vote7 - WASTE MANAGEMENT	-	-	-	-	-	-	-	-	-
Vote8 - ELECTRICITY SERVICES	-	-	-	-	-	-	-	-	-
Vote9 - WATER	-	-	-	-	-	-	10,000	12,080	18,000
Vote10 - WASTE WATER MANAGEMENT	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,174</b>	<b>12,360</b>	<b>18,100</b>
<b>Total Capital Expenditure - Vote</b>	<b>70,601</b>	<b>101,164</b>	<b>155,076</b>	<b>203,065</b>	<b>186,801</b>	<b>186,801</b>	<b>148,646</b>	<b>198,763</b>	<b>309,394</b>
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>5,069</b>	<b>7,955</b>	<b>39,688</b>	<b>30,169</b>	<b>18,884</b>	<b>18,884</b>	<b>340</b>	<b>280</b>	<b>100</b>
Executive and council	194	95	10	302	1,522	1,522	190	-	-
Budget and treasury office	4,875	7,860	2,984	3,142	1,523	1,523	50	150	100
Corporate services	-	-	36,694	26,725	15,839	15,839	100	130	-
<b>Community and public safety</b>	<b>3,467</b>	<b>1,012</b>	<b>3,186</b>	<b>5,364</b>	<b>4,759</b>	<b>4,759</b>	<b>784</b>	<b>1,000</b>	<b>-</b>
Community and social services	340	419	1,866	3,244	2,804	2,804	-	1,000	-
Public safety	3,127	593	1,320	2,090	1,925	1,925	-	-	-
Health	-	-	-	30	30	30	784	-	-
<b>Economic and environmental services</b>	<b>16</b>	<b>31</b>	<b>126</b>	<b>242</b>	<b>132</b>	<b>132</b>	<b>50</b>	<b>-</b>	<b>-</b>
Planning and development	16	31	126	242	132	132	50	-	-
<b>Trading services</b>	<b>62,048</b>	<b>92,166</b>	<b>112,076</b>	<b>167,290</b>	<b>163,026</b>	<b>163,026</b>	<b>147,472</b>	<b>197,483</b>	<b>309,294</b>
Electricity	-	-	-	200	200	200	-	-	-
Water	62,048	59,802	87,473	161,289	150,454	150,454	143,472	189,483	309,294
Waste water management	-	14	150	2,618	829	829	4,000	8,000	-
Waste management	-	32,350	24,453	3,183	11,543	11,543	-	-	-
<b>Other</b>									
<b>Total Capital Expenditure - Standard</b>	<b>70,600</b>	<b>101,164</b>	<b>155,076</b>	<b>203,065</b>	<b>186,801</b>	<b>186,801</b>	<b>148,646</b>	<b>198,763</b>	<b>309,394</b>
<b>Funded by:</b>									
National Government	44,179	57,892	-	125,671	119,088	119,088	125,756	162,533	273,234
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>44,179</b>	<b>57,892</b>	<b>-</b>	<b>125,671</b>	<b>119,088</b>	<b>119,088</b>	<b>125,756</b>	<b>162,533</b>	<b>273,234</b>
Public contributions & donations	3,613	-	-	-	-	-	-	-	-
Borrowing	-	-	-	42,393	31,465	31,465	-	-	-
Internally generated funds	22,808	43,272	-	35,002	36,247	36,247	22,890	36,230	36,160
<b>Total Capital Funding</b>	<b>70,600</b>	<b>101,164</b>	<b>-</b>	<b>203,066</b>	<b>186,801</b>	<b>186,801</b>	<b>148,646</b>	<b>198,763</b>	<b>309,394</b>

DC28 uThungulu - Table A6 Budgeted Financial Position

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Full Year Forecast</b>	<b>Budget Year 2010/11</b>	<b>Budget Year +1 2011/12</b>	<b>Budget Year +2 2012/13</b>
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	30,382	50,685	66,627	17,720	17,720	17,720	18,783	19,910	21,105
Call investment deposits	170,000	190,000	220,000	299,601	225,210	225,210	184,203	188,733	190,804
Consumer debtors	13,476	12,237	10,645	10,134	11,148	11,148	11,147	12,262	13,488
Other debtors	14,471	26,271	32,410	23,959	23,959	23,959	25,397	26,921	28,536
Current portion of long-term receivables	335	261	76	153	153	153	162	171	181
Inventory	1,885	3,086	3,165	5,568	5,568	5,568	5,902	6,256	6,631
<b>Total current assets</b>	<b>230,549</b>	<b>282,540</b>	<b>332,923</b>	<b>357,135</b>	<b>283,758</b>	<b>283,758</b>	<b>245,594</b>	<b>254,253</b>	<b>260,745</b>
<b>Non current assets</b>									
Long-term receivables	2,101	1,539	911	822	888	888	941	998	1,058
Investments	13,497	15,078	39,657	18,914	18,914	18,914	20,049	21,252	22,527
Investment property	-	-	-	-	-	-	-	-	-
Investment in Associate	-	-	-	-	-	-	-	-	-
Property, plant and equipment	281,871	372,013	451,301	512,227	618,000	618,000	640,998	732,166	918,572
Intangible	-	-	357	-	-	-	-	-	-
Other non-current assets	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>	<b>297,469</b>	<b>388,630</b>	<b>492,226</b>	<b>531,963</b>	<b>637,802</b>	<b>637,802</b>	<b>661,988</b>	<b>754,416</b>	<b>942,157</b>
<b>TOTAL ASSETS</b>	<b>528,018</b>	<b>671,170</b>	<b>825,149</b>	<b>889,098</b>	<b>921,560</b>	<b>921,560</b>	<b>907,582</b>	<b>1,008,669</b>	<b>1,202,902</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft	-	-	-	-	-	-	-	-	-
Borrowing	-	41	4,660	-	7,077	7,077	7,501	7,951	8,429
Consumer deposits	3,789	4,422	5,764	5,848	5,848	5,848	6,432	7,076	7,783
Trade and other payables	96,405	155,425	188,177	182,920	142,479	142,479	120,733	130,901	131,317
Provisions	1,265	1,411	710	1,866	1,866	1,866	1,978	2,097	2,222
<b>Total current liabilities</b>	<b>101,459</b>	<b>161,299</b>	<b>199,312</b>	<b>190,634</b>	<b>157,270</b>	<b>157,270</b>	<b>136,644</b>	<b>148,025</b>	<b>149,751</b>
<b>Non current liabilities</b>									
Borrowing	41,532	43,141	67,979	117,950	116,510	116,510	114,129	111,581	108,686
Provisions	17,341	49,928	67,357	66,029	85,296	85,296	90,413	95,838	101,588
<b>Total non current liabilities</b>	<b>58,873</b>	<b>93,069</b>	<b>135,335</b>	<b>183,979</b>	<b>201,806</b>	<b>201,806</b>	<b>204,542</b>	<b>207,419</b>	<b>210,274</b>
<b>TOTAL LIABILITIES</b>	<b>160,332</b>	<b>254,368</b>	<b>334,647</b>	<b>374,613</b>	<b>359,076</b>	<b>359,076</b>	<b>341,186</b>	<b>355,444</b>	<b>360,025</b>
<b>NET ASSETS</b>	<b>367,686</b>	<b>416,802</b>	<b>490,501</b>	<b>514,485</b>	<b>562,484</b>	<b>562,484</b>	<b>566,396</b>	<b>653,225</b>	<b>842,877</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	229,245	222,060	225,509	249,963	249,963	249,963	259,963	274,963	289,963
Reserves	138,384	194,784	264,992	264,522	312,522	312,522	306,433	378,262	552,914
Minorities' interests	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>367,629</b>	<b>416,844</b>	<b>490,501</b>	<b>514,485</b>	<b>562,485</b>	<b>562,485</b>	<b>566,396</b>	<b>653,225</b>	<b>842,877</b>

DC28 uThungulu - Table A7 Budgeted Cash Flows

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	70,219	73,843	45,314	53,542	108,712	108,712	56,754	60,159	63,769
Government - operating	-	-	214,665	216,529	321,028	321,028	300,501	332,797	342,700
Government - capital	203,218	244,257	107,221	167,912	119,088	119,088	124,872	162,493	273,194
Interest	18,420	26,874	36,359	30,876	26,292	26,292	23,864	25,647	27,708
<b>Payments</b>									
Suppliers and employees	(199,322)	(196,905)	(256,180)	(326,975)	(470,194)	(470,194)	(411,805)	(391,181)	(409,206)
Finance charges	(7,541)	(7,858)	(8,118)	(10,561)	(10,651)	(10,651)	12,614	12,319	12,029
Transfers and Grants	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>84,994</b>	<b>140,211</b>	<b>139,261</b>	<b>131,323</b>	<b>94,275</b>	<b>94,275</b>	<b>106,800</b>	<b>202,234</b>	<b>310,194</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	73	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	958	636	629	763	763	763	(49)	(53)	(56)
Decrease (increase) in non-current investments	(1,411)	(1,581)	(2,756)	(2,026)	(2,026)	(2,026)	(1,135)	(1,203)	(1,275)
<b>Payments</b>									
Capital assets	(70,600)	(101,164)	(121,876)	(101,896)	(185,538)	(185,538)	(148,646)	(198,763)	(309,394)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(70,980)</b>	<b>(102,109)</b>	<b>(124,004)</b>	<b>(103,159)</b>	<b>(186,801)</b>	<b>(186,801)</b>	<b>(149,830)</b>	<b>(200,019)</b>	<b>(310,725)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	46,000	46,000	-	-	-
Borrowing long term/refinancing	-	-	30,684	-	-	-	-	-	-
Increase (decrease) in consumer deposits	3,007	633	-	-	671	671	584	644	710
<b>Payments</b>									
Repayment of borrowing	1,514	1,568	-	2,530	2,158	2,158	2,503	2,798	3,088
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>4,521</b>	<b>2,201</b>	<b>30,684</b>	<b>2,530</b>	<b>48,829</b>	<b>48,829</b>	<b>3,087</b>	<b>3,442</b>	<b>3,798</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>18,535</b>	<b>40,303</b>	<b>45,942</b>	<b>30,694</b>	<b>(43,697)</b>	<b>(43,697)</b>	<b>(39,944)</b>	<b>5,656</b>	<b>3,266</b>
Cash/cash equivalents at the year begin:	181,847	200,382	240,685	286,627	286,627	286,627	242,930	202,986	208,643
Cash/cash equivalents at the year end:	200,382	240,685	286,627	317,321	242,930	242,930	202,986	208,643	211,909

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

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>									
<b><u>Cash and investments available</u></b>									
Cash/cash equivalents at the year end	200,382	240,685	286,627	317,321	242,930	242,930	202,986	208,643	211,909
Other current investments > 90 days	-	-	0	-	-	0	(0)	0	(0)
Non current assets - Investments	13,497	15,078	39,657	18,914	18,914	18,914	20,049	21,252	22,527
<b>Cash and investments available:</b>	<b>213,879</b>	<b>255,763</b>	<b>326,284</b>	<b>336,235</b>	<b>261,844</b>	<b>261,844</b>	<b>223,035</b>	<b>229,895</b>	<b>234,436</b>
<b><u>Application of cash and investments</u></b>									
Unspent conditional transfers	-	-	141,358	94,596	110,488	110,488	86,823	94,956	93,216
Unspent borrowing	59,929	101,172	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	66,921	110,198	146,073	154,080	111,255	111,255	83,919	90,806	88,630
Other provisions	87,029	44,393	38,854	87,559	40,102	40,102	52,293	44,134	52,590
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments									
<b>Total Application of cash and investments:</b>	<b>213,879</b>	<b>255,763</b>	<b>326,284</b>	<b>336,235</b>	<b>261,845</b>	<b>261,845</b>	<b>223,035</b>	<b>229,896</b>	<b>234,436</b>
<b>Surplus(shortfall)</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>

DC28 uThungulu - Table A9 Asset Management

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<u>Total New Assets</u>	70,620	59,802	155,076	203,065	186,801	186,801	148,646	198,763	309,394
<i>Infrastructure - Electricity</i>	-	-	-	200	200	200	-	-	-
<i>Infrastructure - Water</i>	61,884	59,802	87,473	161,144	150,209	150,209	143,472	189,403	309,294
<i>Infrastructure - Sanitation</i>	-	-	150	2,618	829	829	4,000	8,000	-
<i>Infrastructure - Other</i>	2,056	-	24,453	3,183	11,543	11,543	-	-	-
Infrastructure	63,940	59,802	112,076	167,145	162,781	162,781	147,472	197,403	309,294
Community	-	-	-	2,063	1,905	1,905	-	1,000	-
Other assets	6,680	-	43,000	33,857	22,114	22,114	1,174	360	100
<b>Total Capital Expenditure</b>									
<i>Infrastructure - Water</i>	61,884	59,802	87,473	161,144	150,209	150,209	143,472	189,403	309,294
<i>Infrastructure - Sanitation</i>	-	-	150	2,618	829	829	4,000	8,000	-
<i>Infrastructure - Other</i>	2,056	-	24,453	3,183	11,543	11,543	-	-	-
Infrastructure	63,940	59,802	112,076	167,145	162,781	162,781	147,472	197,403	309,294
Community	-	-	-	2,063	1,905	1,905	-	1,000	-
Other assets	6,680	-	43,000	33,857	22,114	22,114	1,174	360	100
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>70,620</b>	<b>59,802</b>	<b>155,076</b>	<b>203,065</b>	<b>186,801</b>	<b>186,801</b>	<b>148,646</b>	<b>198,763</b>	<b>309,394</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
<i>Infrastructure - Electricity</i>			703	945	945	945	1,183	1,351	1,695
<i>Infrastructure - Water</i>	201,229	259,875	322,820	434,086	434,086	434,086	543,212	620,472	778,442
<i>Infrastructure - Sanitation</i>	10,721	9,742	19,638	26,407	26,407	26,407	33,045	37,745	47,355
<i>Infrastructure - Other</i>	24,789	52,373	37,771	50,789	50,789	50,789	63,558	72,597	91,080
Infrastructure	236,739	321,990	380,932	512,227	512,227	512,227	640,998	732,166	918,572
Community									
Other assets	45,132	50,023	70,369						
Intangibles	-	-	357	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>281,871</b>	<b>372,013</b>	<b>451,658</b>	<b>512,227</b>	<b>512,227</b>	<b>512,227</b>	<b>640,998</b>	<b>732,166</b>	<b>918,572</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<u>Depreciation &amp; asset impairment</u>	9,386	10,966	17,978	15,318	15,318	15,318	15,318	15,318	15,318
<u>Repairs and Maintenance by Asset Class</u>	14,615	21,012	27,525	30,412	30,412	30,412	30,748	38,949	45,503
<i>Infrastructure - Road transport</i>	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Electricity</i>	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Water</i>	13,343	19,971	25,934	27,307	27,307	27,307	27,195	35,183	41,512
<i>Infrastructure - Sanitation</i>	-	-	-	-	-	-	60	63	67
<i>Infrastructure - Other</i>	32	27	17	12	12	12	125	133	140
Infrastructure	13,376	19,998	25,951	27,319	27,319	27,319	27,380	35,379	41,719
Community	-	-	-	-	-	-	125	132	140
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	1,240	1,015	1,574	3,093	3,093	3,093	3,243	3,438	3,644
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>24,001</b>	<b>31,978</b>	<b>45,503</b>	<b>45,730</b>	<b>45,730</b>	<b>45,730</b>	<b>46,066</b>	<b>54,267</b>	<b>60,821</b>
<i>% of capital exp on renewal of assets</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of depreciation"</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&amp;M as a % of PPE</i>	5.2%	5.6%	6.1%	5.9%	4.9%	4.9%	4.8%	5.3%	5.0%
<i>Renewal and R&amp;M as a % of PPE</i>	5.0%	6.0%	6.0%	6.0%	6.0%	6.0%	5.0%	5.0%	5.0%

DC28 uThungulu - Table A10 Basic service delivery measurement

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Household service targets (000)</b>									
<i>Water:</i>									
Piped water inside dwelling	20	20	21	21	21	21	21	21	21
Piped water inside yard (but not in dwelling)	16	16	17	18	18	18	19	20	21
Using public tap (at least min.service level)	18	20	20	21	21	21	22	22	23
Other water supply (at least min.service level)									
<i>Minimum Service Level and Above sub-total</i>	54	56	58	59	59	59	61	63	65
Using public tap (< min.service level)	4	5	5	5	5	5	6	6	7
Other water supply (< min.service level)									
No water supply	57	54	53	51	51	51	48	46	44
<i>Below Minimum Service Level sub-total</i>	61	59	57	56	56	56	54	52	51
<b>Total number of households</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>
<i>Sanitation/sewerage:</i>									
Flush toilet (connected to sewerage)	16	16	17	17	17	17	17	17	17
Flush toilet (with septic tank)	4	4	4	4	4	4	4	4	4
Chemical toilet									
Pit toilet (ventilated)	8	14	21	26	26	26	31	36	41
Other toilet provisions (> min.service level)									
<i>Minimum Service Level and Above sub-total</i>	28	35	42	47	47	47	52	57	62
Bucket toilet									
Other toilet provisions (< min.service level)									
No toilet provisions	87	80	73	68	68	68	63	58	53
<i>Below Minimum Service Level sub-total</i>	87	80	73	68	68	68	63	58	53
<b>Total number of households</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)		5	5	8			9	9	10
Sanitation (free minimum level service)									
Electricity/other energy (50kwh per household per month)									
Refuse (removed at least once a week)									
<b>Cost of Free Basic Services provided (R'000)</b>									
Water (6 kilolitres per household per month)									
Sanitation (free sanitation service)									
Electricity/other energy (50kwh per household per month)									
Refuse (removed once a week)									
<b>Total cost of FBS provided (minimum social package)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue cost of free services provided (R'000)</b>									
Property rates (R15 000 threshold rebate)									
Property rates (other exemptions, reductions and rebates)									
Water		112	139	227			241	255	271
Sanitation									
Electricity/other energy									
Refuse									
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
<b>Total revenue cost of free services provided (total social package)</b>	<b>-</b>	<b>112</b>	<b>139</b>	<b>227</b>	<b>-</b>	<b>-</b>	<b>241</b>	<b>255</b>	<b>271</b>



### 14.3 Budget Supporting Tables

Disclosure of Salaries, Allowances & Benefits 1.	No. 10	Salary	Contrib.	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.			2.	3.
<b><u>Councillors</u></b>							
Speaker		500,207	6,997	17,100			524,304
Mayor		625,258	8,248	17,100			650,606
Deputy Mayor		500,207	6,997	17,100			524,304
Executive Committee		2,344,718	33,422	85,500			2,463,640
Total for all other councillors		2,626,108	83,138	292,560			3,001,806
<b>Total Councillors</b>	-	<b>6,596,498</b>	<b>138,802</b>	<b>429,360</b>			<b>7,164,660</b>
<b><u>Senior Managers of the Municipality</u></b>							
Municipal Manager (MM)		1,173,084	17,060		166,002		1,356,146
Chief Finance Officer		1,055,953	15,723		149,427		1,221,103
Deputy Municipal Manager		1,114,519	16,391		157,715		1,288,625
Executive Director – Technical Services		1,031,246	15,441		145,931		1,192,618
Executive Director – Corporate Services		1,055,953	15,723		149,427		1,221,103
<b>Total Senior Managers of the Municipality</b>	-	<b>5,430,755</b>	<b>80,338</b>	-	<b>768,502</b>	-	<b>6,279,595</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	-	<b>12,027,253</b>	<b>219,140</b>	<b>429,360</b>	<b>768,502</b>	-	<b>13,444,255</b>

DC28 uThungulu - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework			
	R thousand	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apl	May	Jun	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Revenue By Source</b>																
Service charges - water revenue	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,746	20,974	23,071	25,379	
Service charges - sanitation revenue	257	257	257	257	257	257	257	257	257	257	257	256	3,078	3,447	3,860	
Service charges - refuse revenue	494	494	494	494	494	494	494	494	494	494	494	498	5,932	7,119	8,543	
Service charges - other	39	39	39	39	39	39	39	39	39	39	39	39	466	559	671	
Interest earned - external investments	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	5,344	23,653	25,420	27,462	
Interest earned - outstanding debtors	18	18	18	18	18	18	18	18	18	18	18	17	211	227	246	
Transfers recognised - operational	98,194	657	657	657	98,194	657	657	657	98,194	657	657	661	300,501	332,797	342,700	
Other revenue	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	4,729	22,382	19,092	19,419	
Gains on disposal of PPE												-	-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>104,019</b>	<b>6,481</b>	<b>6,481</b>	<b>6,481</b>	<b>104,019</b>	<b>6,481</b>	<b>6,481</b>	<b>6,481</b>	<b>104,019</b>	<b>6,481</b>	<b>6,481</b>	<b>13,291</b>	<b>377,197</b>	<b>411,734</b>	<b>428,280</b>	
<b>Expenditure By Type</b>																
Employee related costs	8,256	8,256	8,256	8,256	16,512	8,256	8,256	8,256	8,256	8,256	8,256	8,256	107,329	115,915	125,188	
Remuneration of councillors	602	602	602	602	602	602	602	602	602	602	602	541	7,165	7,738	8,357	
Debt impairment	231	231	231	231	231	231	231	231	231	231	231	231	2,777	3,076	3,408	
Depreciation & asset impairment	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	15,318	15,318	15,318	
Finance charges						7,559							7,558	15,117	15,117	
Bulk purchases	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432	17,189	18,220	19,313	
Other materials													-	-	-	
Contracted services	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	10,305	49,716	53,080	56,350	
Transfers and grants	188	188	188	188	188	188	188	188	188	188	188	188	2,250	2,385	2,528	
Other expenditure	11,700	11,700	11,700	11,700	11,700	11,700	11,700	11,700	11,700	11,700	11,700	7,864	136,563	144,614	146,499	
Loss on disposal of PPE													-	-	-	
<b>Total Expenditure</b>	<b>27,269</b>	<b>27,269</b>	<b>27,269</b>	<b>27,269</b>	<b>35,525</b>	<b>34,827</b>	<b>27,269</b>	<b>27,269</b>	<b>27,269</b>	<b>27,269</b>	<b>27,269</b>	<b>37,651</b>	<b>353,423</b>	<b>375,463</b>	<b>392,079</b>	
<b>Surplus/(Deficit)</b>	<b>76,750</b>	<b>(20,788)</b>	<b>(20,788)</b>	<b>(20,788)</b>	<b>68,494</b>	<b>(28,346)</b>	<b>(20,788)</b>	<b>(20,788)</b>	<b>76,750</b>	<b>(20,788)</b>	<b>(20,788)</b>	<b>(24,361)</b>	<b>23,774</b>	<b>36,270</b>	<b>36,200</b>	
Transfers recognised - capital	36,469	1,719	1,719	1,719	36,469	1,719	1,719	1,719	36,469	1,719	1,719	1,713	124,872	162,493	273,194	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>113,219</b>	<b>(19,069)</b>	<b>(19,069)</b>	<b>(19,069)</b>	<b>104,963</b>	<b>(26,627)</b>	<b>(19,069)</b>	<b>(19,069)</b>	<b>113,219</b>	<b>(19,069)</b>	<b>(19,069)</b>	<b>(22,648)</b>	<b>148,646</b>	<b>198,763</b>	<b>309,395</b>	
<b>Surplus/(Deficit)</b>	<b>113,219</b>	<b>(19,069)</b>	<b>(19,069)</b>	<b>(19,069)</b>	<b>104,963</b>	<b>(26,627)</b>	<b>(19,069)</b>	<b>(19,069)</b>	<b>113,219</b>	<b>(19,069)</b>	<b>(19,069)</b>	<b>(22,648)</b>	<b>148,646</b>	<b>198,763</b>	<b>309,395</b>	

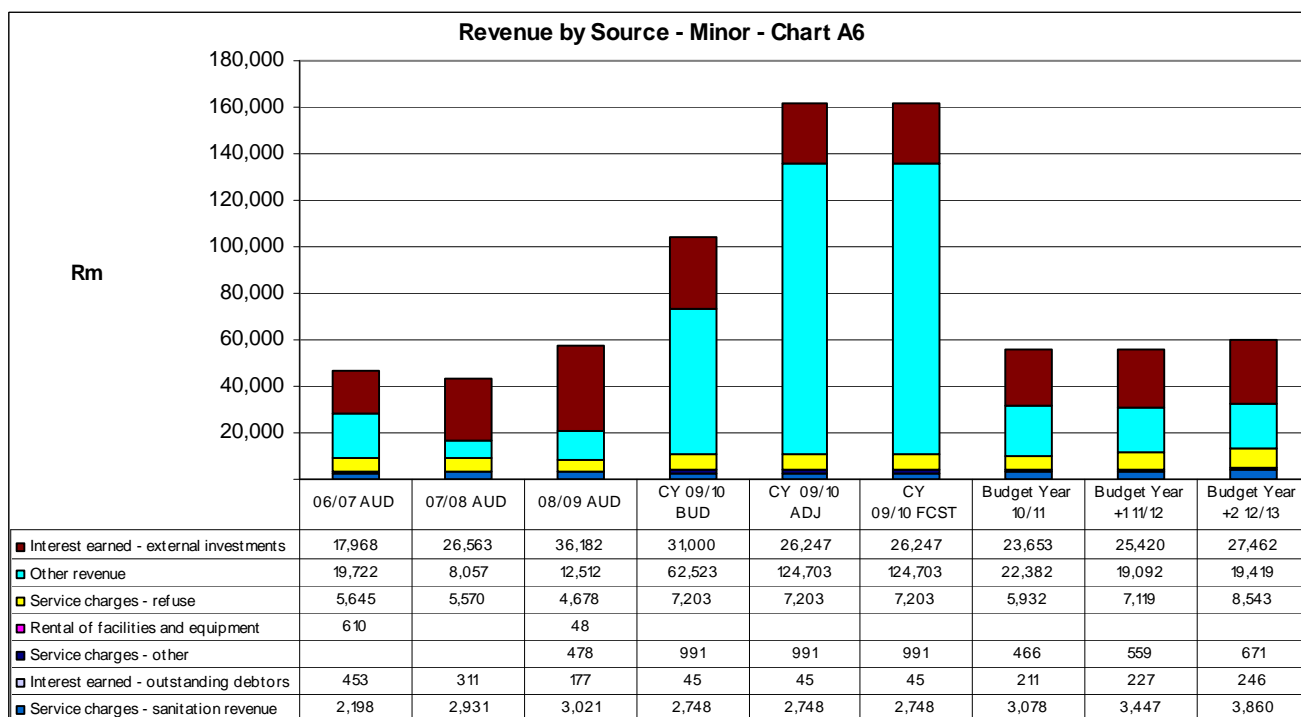
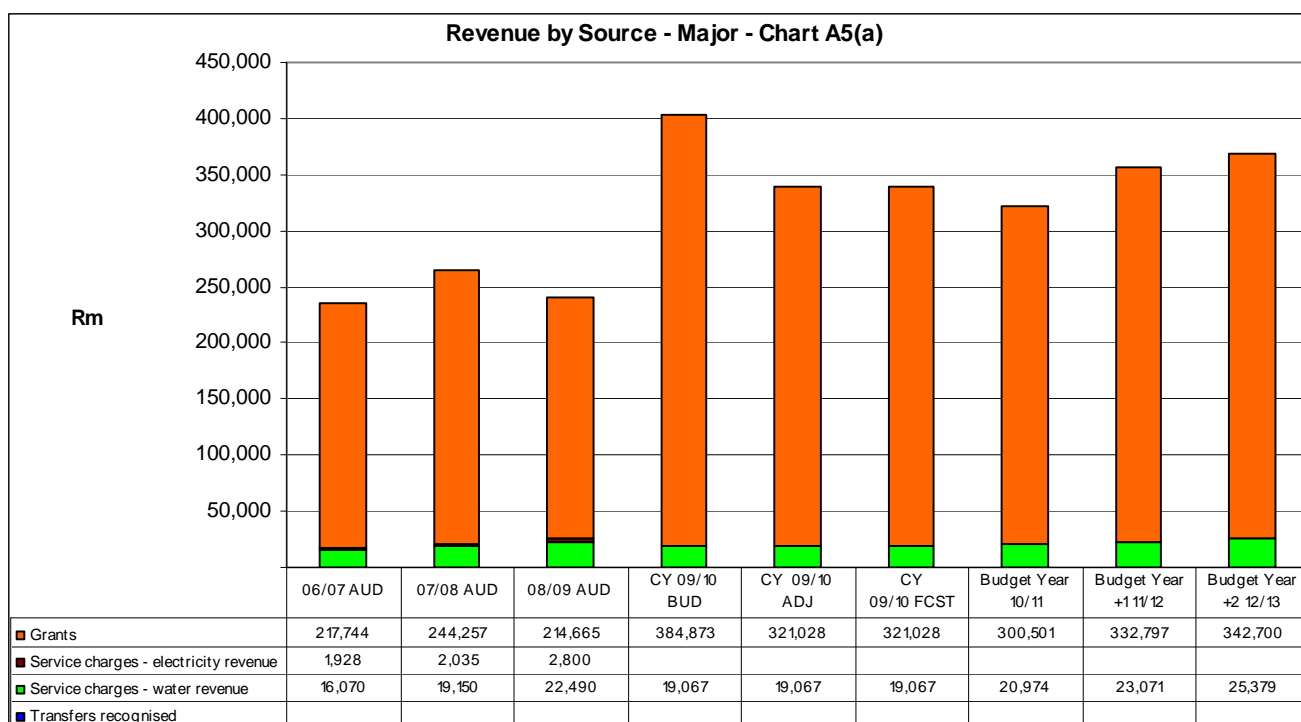
DC28 uThungulu - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

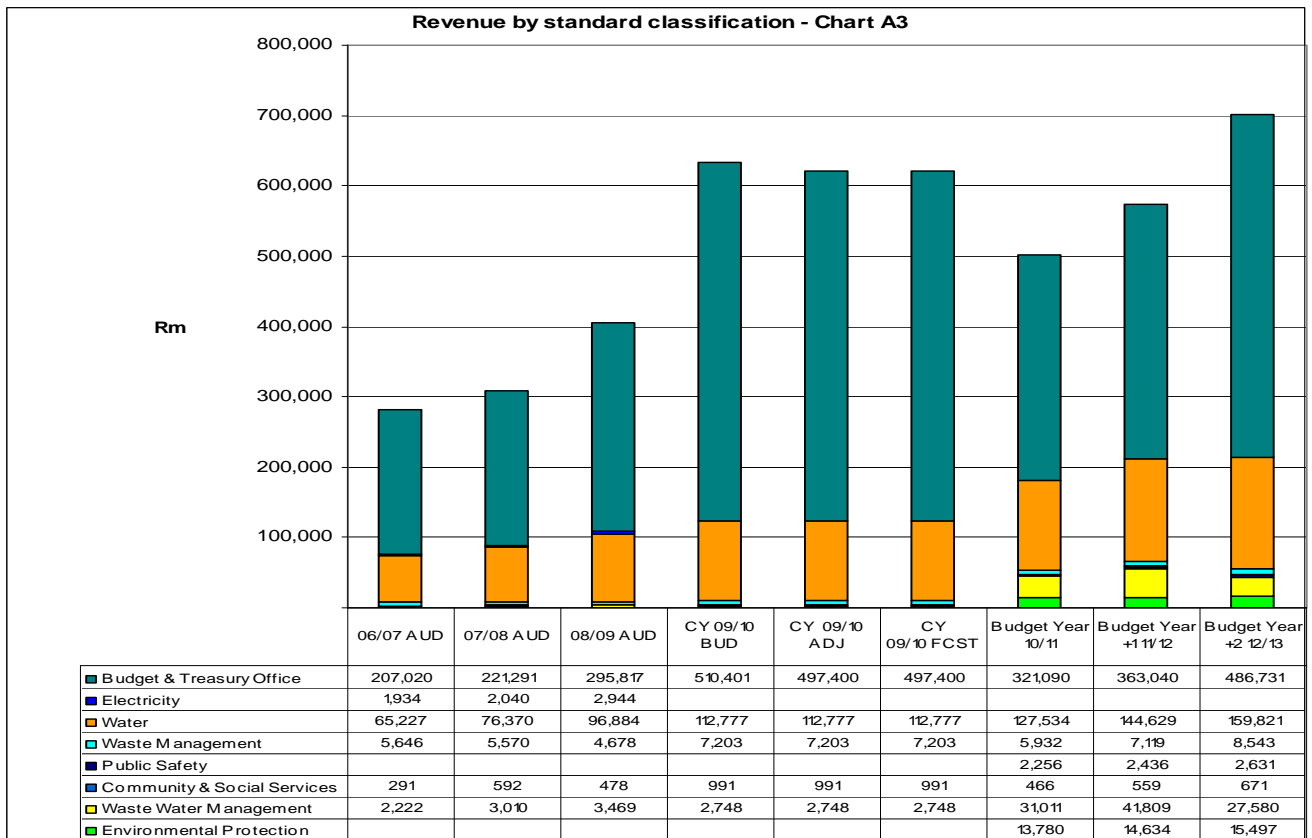
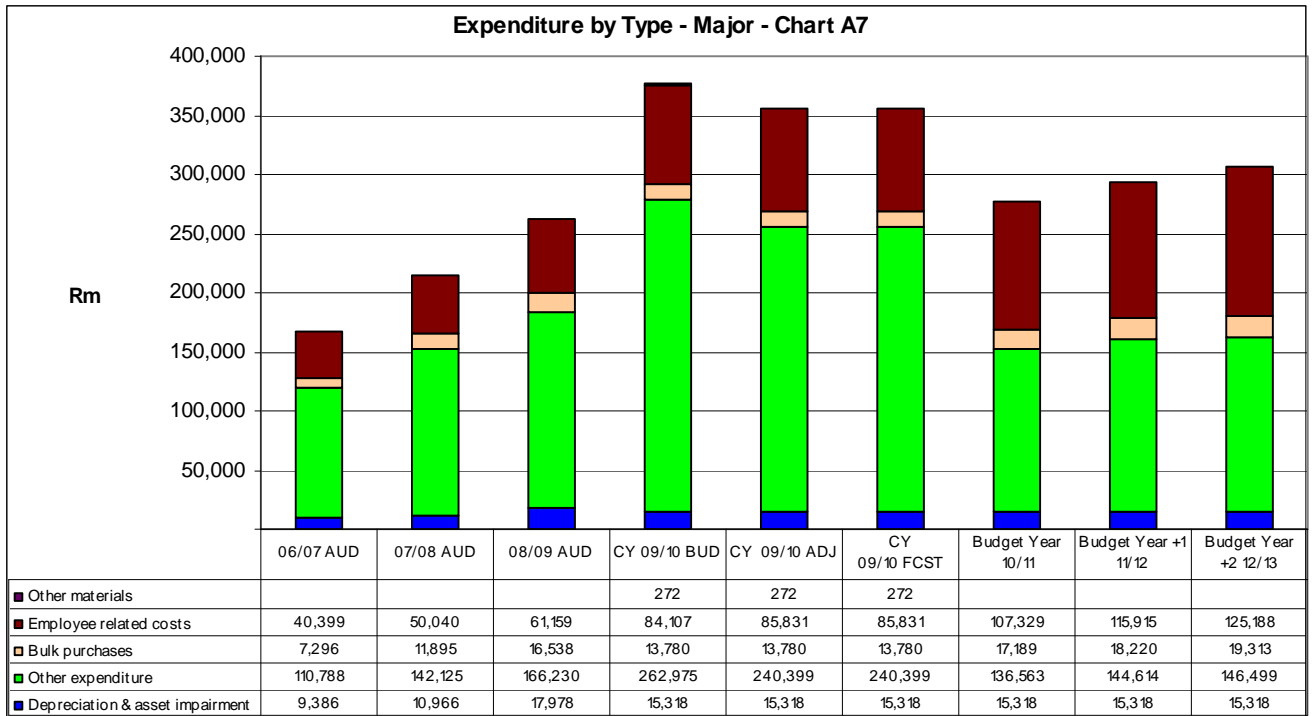
Description	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework			
	R thousand	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Revenue by Vote</b>																
Vote1 - EXECUTIVE AND COUNCIL													-	-	-	-
Vote2 - FINANCE AND ADMINISTRATION	61,667	15,121	15,121	15,121	15,121	61,667	15,121	15,121	15,121	61,667	15,121	15,121	15,121	321,090	363,040	486,731
Vote3 - PLANNING AND DEVELOPMENT													-	-	-	-
Vote4 - COMMUNITY AND SOCIAL SERVICES	39	39	39	39	39	39	39	39	39	39	39	39	39	466	559	671
Vote5 - PUBLIC SAFETY	188	188	188	188	188	188	188	188	188	188	188	188	188	2,256	2,436	2,631
Vote6 - ENVIROMENTAL HEALTH	4,593					4,593			4,593			(0)	13,780	14,634	15,497	
Vote7 - WASTE MANAGEMENT	494	494	494	494	494	494	494	494	494	494	494	495	5,932	7,119	8,543	
Vote8 - ELECTRICITY SERVICES													-	-	-	-
Vote9 - WATER	37,268	1,748	1,748	1,748	37,268	1,748	1,748	1,748	37,268	1,748	1,748	1,746	127,534	144,629	159,821	
Vote10 - WASTE WATER MANAGEMENT	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,585	31,011	41,809	27,580	
<b>Total Revenue by Vote</b>	<b>106,834</b>	<b>20,174</b>	<b>20,174</b>	<b>20,174</b>	<b>106,834</b>	<b>20,174</b>	<b>20,174</b>	<b>20,174</b>	<b>106,834</b>	<b>20,174</b>	<b>20,174</b>	<b>20,172</b>	<b>502,069</b>	<b>574,227</b>	<b>701,474</b>	
<b>Expenditure by Vote to be appropriated</b>																
Vote1 - EXECUTIVE AND COUNCIL	2,217	2,217	2,217	2,217	2,217	2,217	2,217	2,217	2,217	2,217	2,217	2,216	26,599	28,721	30,881	
Vote2 - FINANCE AND ADMINISTRATION	3,376	3,376	3,376	3,376	3,376	6,049	3,376	3,376	3,376	3,376	3,376	3,376	8,723	48,528	44,719	47,489
Vote3 - PLANNING AND DEVELOPMENT	668	668	668	668	668	668	668	668	668	668	668	668	8,017	9,656	9,934	
Vote4 - COMMUNITY AND SOCIAL SERVICES	764	764	764	764	764	764	764	764	764	764	764	764	9,168	9,684	10,208	
Vote5 - PUBLIC SAFETY	819	819	819	819	819	819	819	819	819	819	819	819	9,829	10,468	11,202	
Vote6 - ENVIROMENTAL HEALTH	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	12,996	14,634	15,497	
Vote7 - WASTE MANAGEMENT	1,028	1,028	1,028	1,028	1,028	3,436	1,028	1,028	1,028	1,028	1,028	2,062	15,773	16,422	17,368	
Vote8 - ELECTRICITY SERVICES													-	-	-	
Vote9 - WATER	15,724	15,724	15,724	15,724	15,724	17,173	15,724	15,724	15,724	15,724	15,724	18,622	193,033	201,133	223,964	
Vote10 - WASTE WATER MANAGEMENT	2,457	2,457	2,457	2,457	2,457	2,457	2,457	2,457	2,457	2,457	2,457	2,456	29,481	40,027	25,536	
<b>Total Expenditure by Vote</b>	<b>28,134</b>	<b>28,134</b>	<b>28,134</b>	<b>28,134</b>	<b>28,134</b>	<b>34,665</b>	<b>28,134</b>	<b>28,134</b>	<b>28,134</b>	<b>28,134</b>	<b>28,134</b>	<b>37,413</b>	<b>353,423</b>	<b>375,464</b>	<b>392,079</b>	

DC28 uThungulu - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

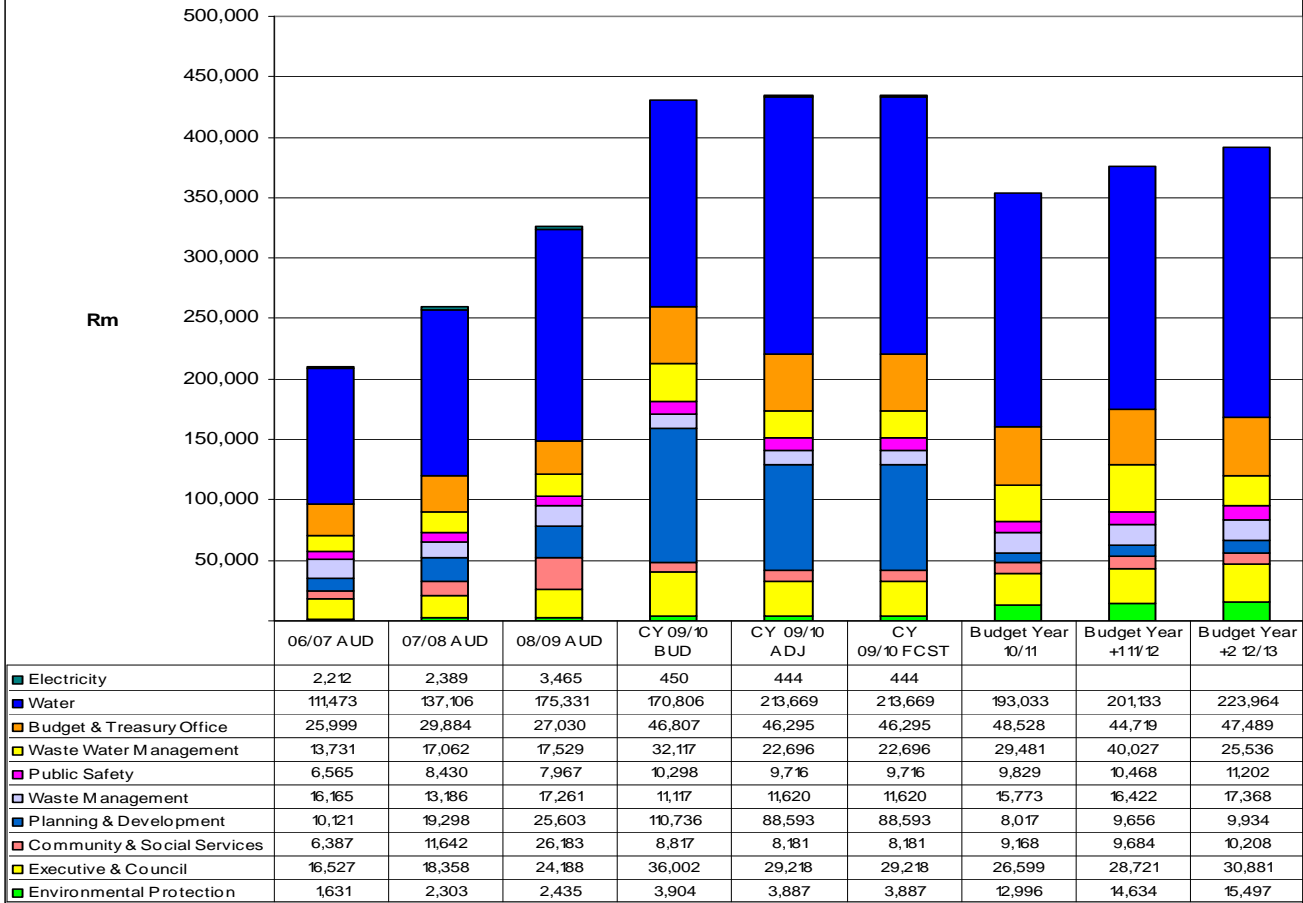
Description	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework			
	R thousand	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Revenue - Standard</b>																
<i>Governance and administration</i>	61,667	15,121	15,121	15,121	15,121	61,667	15,121	15,121	15,121	61,667	15,121	15,121	15,121	321,090	363,040	486,731
Budget and treasury office	61,667	15,121	15,121	15,121	15,121	61,667	15,121	15,121	15,121	61,667	15,121	15,121	15,121	321,090	363,040	486,731
<i>Community and public safety</i>	4,820	227	227	227	227	4,820	227	227	227	4,820	227	227	226	16,501	17,629	18,799
Community and social services	39	39	39	39	39	39	39	39	39	39	39	39	39	466	559	671
Public safety	188	188	188	188	188	188	188	188	188	188	188	188	188	2,256	2,436	2,631
Health	4,593					4,593				4,593			(0)	13,780	14,634	15,497
<i>Trading services</i>	40,347	4,827	4,827	4,827	4,827	40,347	4,827	4,827	4,827	40,347	4,827	4,827	4,825	164,478	193,558	195,944
Water	37,268	1,748	1,748	1,748	1,748	37,268	1,748	1,748	1,748	37,268	1,748	1,748	1,746	127,534	144,629	159,821
Waste water management	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,585	31,011	41,809	27,580	
Waste management	494	494	494	494	494	494	494	494	494	494	494	495	5,932	7,119	8,543	
<b>Total Revenue - Standard</b>	<b>106,834</b>	<b>20,174</b>	<b>20,174</b>	<b>20,174</b>	<b>20,174</b>	<b>106,834</b>	<b>20,174</b>	<b>20,174</b>	<b>20,174</b>	<b>106,834</b>	<b>20,174</b>	<b>20,174</b>	<b>20,172</b>	<b>502,069</b>	<b>574,227</b>	<b>701,474</b>
		20,213	20,213	20,213	106,873	20,213	20,213	20,213	106,873	20,213	20,213	20,213				
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>	6,261	6,261	6,261	6,261	6,261	6,261	6,261	6,261	6,261	6,261	6,261	6,260	75,126	73,440	78,370	
Executive and council	1,395	1,395	1,395	1,395	1,395	1,395	1,395	1,395	1,395	1,395	1,395	1,395	16,740	18,066	19,389	
Budget and treasury office	2,108	2,108	2,108	2,108	2,108	2,108	2,108	2,108	2,108	2,108	2,108	2,108	25,294	22,038	23,746	
Corporate services	2,758	2,758	2,758	2,758	2,758	2,758	2,758	2,758	2,758	2,758	2,758	2,757	33,093	33,336	35,235	
<i>Community and public safety</i>	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666	31,993	34,786	36,907	
Community and social services	764	764	764	764	764	764	764	764	764	764	764	764	9,168	9,684	10,208	
Public safety	819	819	819	819	819	819	819	819	819	819	819	819	9,829	10,468	11,202	
Health	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	12,996	14,634	15,497	
<i>Economic and environmental services</i>	668	668	668	668	668	668	668	668	668	668	668	668	8,017	9,656	9,934	
Planning and development	668	668	668	668	668	668	668	668	668	668	668	668	8,017	9,656	9,934	
<i>Trading services</i>	19,208	19,208	19,208	19,208	19,208	23,065	19,208	19,208	19,208	19,208	19,208	23,141	238,287	257,582	266,868	
Water	15,724	15,724	15,724	15,724	15,724	17,173	15,724	15,724	15,724	15,724	15,724	18,622	193,033	201,133	223,964	
Waste water management	2,457	2,457	2,457	2,457	2,457	2,457	2,457	2,457	2,457	2,457	2,457	2,456	29,481	40,027	25,536	
Waste management	1,028	1,028	1,028	1,028	1,028	3,436	1,028	1,028	1,028	1,028	1,028	2,062	15,773	16,422	17,368	
<b>Total Expenditure - Standard</b>	<b>28,803</b>	<b>28,803</b>	<b>28,803</b>	<b>28,803</b>	<b>28,803</b>	<b>32,660</b>	<b>28,803</b>	<b>28,803</b>	<b>28,803</b>	<b>28,803</b>	<b>28,803</b>	<b>28,803</b>	<b>32,734</b>	<b>353,423</b>	<b>375,464</b>	<b>392,080</b>
Surplus/(Deficit) before assoc.	78,031	(8,628)	(8,628)	(8,628)	78,031	(12,486)	(8,628)	(8,628)	78,031	(8,628)	(8,628)	(12,562)	148,646	198,763	309,394	
Surplus/(Deficit)	78,031	(8,628)	(8,628)	(8,628)	78,031	(12,486)	(8,628)	(8,628)	78,031	(8,628)	(8,628)	(12,562)	148,646	198,763	309,394	

## 14.4 Budget Related Charts

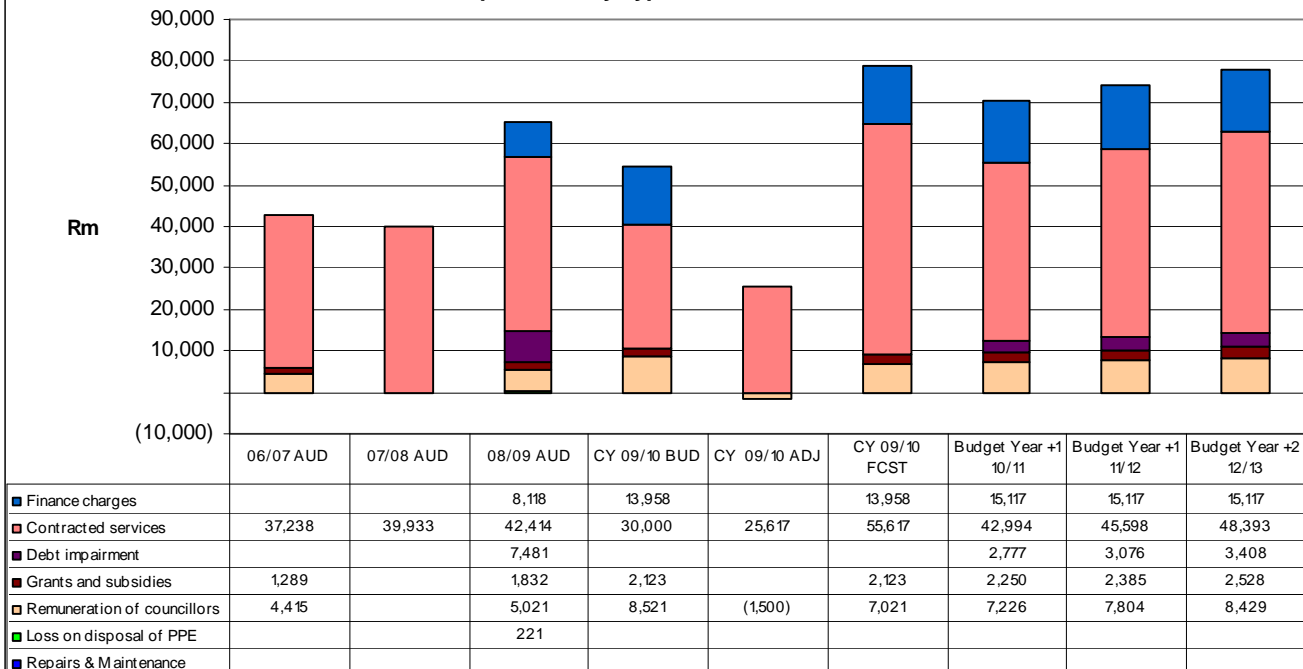




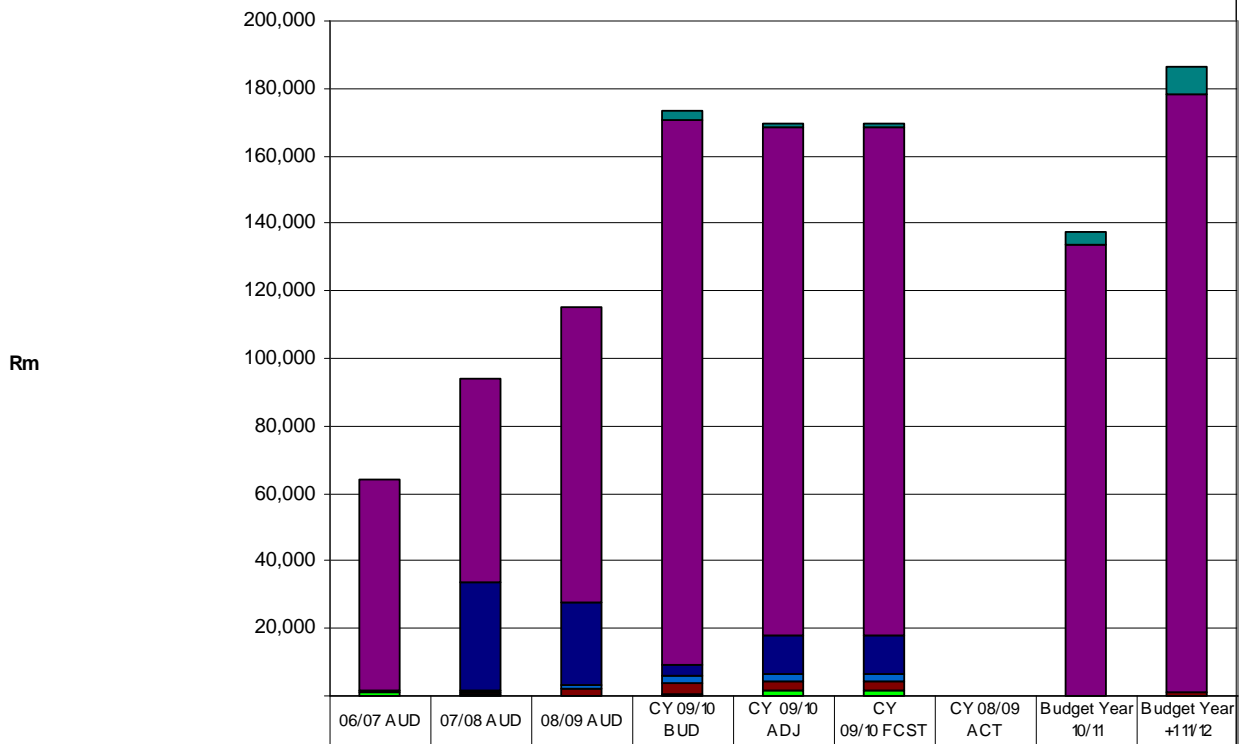
**Expenditure by standard classification - Chart A4**



**Expenditure by Type - Minor - Chart A7**



**Capital expenditure by Standard Classification - Chart A11**



	06/07 AUD	07/08 AUD	08/09 AUD	CY 09/10 BUD	CY 09/10 ADJ	CY 09/10 FCST	CY 08/09 ACT	Budget Year 10/11	Budget Year +11/12
Vote10 - WASTE WATER MANAGEMENT			150	2,618	829	829		4,000	8,000
Vote9 - WATER	62,467	60,114	87,473	161,289	150,454	150,454		133,472	177,403
Vote8 - ELECTRICITY SERVICES				200	200	200			
Vote7 - WASTE MANAGEMENT		32,350	24,453	3,183	11,543	11,543			
Vote6 - ENVIROMENTAL HEALTH				30	30	30			
Vote5 - PUBLIC SAFETY		163	1,320	2,090	1,925	1,925			
Vote4 - COMMUNITY AND SOCIAL SERVICES	776	654	1,866	3,244	2,804	2,804			1,000
Vote3 - PLANNING AND DEVELOPMENT	240	125	126	242	132	132			
Vote1 - EXECUTIVE AND COUNCIL	870	455	10	302	1,522	1,522		-	-



### 14.5 Detailed Operational IDP projects budget

No	PROJECT NAME/DESCRIPTION	VALUE (R'000)
1	Credit Rating	80
2	Crime Prevention Programmes	50
3	District Elimination & Kwanaloga Games	2,000
4	Programmes for the Marginalised	450
5	Cultural Events - Heritage Day	50
6	Implementation of HIV/AIDS Programme	400
7	Integrated Poverty Alleviation Strategy	50
8	Disaster Management Plan (Operational Plans)	300
9	District Advisory Committee	25
10	Disaster Stock Items	150
11	Asset Care Centre	450
12	uThungulu Financing Partnership	4,949
13	Municipal Systems Improvement Grant	150
14	Master Systems Plan	511
15	HR Roadshows	20
16	TASK Job Evaluation Implementation (Est. of payscales)	2,000
17	Employee Assistance Programme	50
18	Implementation of Occupational Health & Safety Act	225
19	Establishment of Environmental Health Section (Air Quality)	300
20	Community Awareness & Education on diseases	150
21	Implementation of Environmental Plans	100
22	Marketing	100
23	Uthungulu Web-site Development	50
24	Organisational Performance Management	230
25	Risk Management Strategy - King III	70
26	Review of LED Framework	350
27	LED Forum	20
28	LED Development Fund	200
29	LED Operational Support Programme	200
30	SMME Support Programme	200
31	SMME Forum Alignment	10
32	Cruise Ship Tourism	75
33	R66 Route Development (Birding)	100
34	Urban Cultural Tourism	40
35	Domestic Family Tourism	40
36	Adventure Tourism	40
37	Forests of Zululand	75
38	Tourism Awareness Programme	45
39	Tourism Marketing: Shows	130

<b>No</b>	<b>PROJECT NAME/DESCRIPTION</b>	<b>VALUE (R'000)</b>
40	Tourism Marketing Tools	200
41	Tourism Media Marketing	50
42	Tourism Events (Zulu Dance)	300
43	Agriculture Indaba	30
44	Agricultural Implementation	200
45	Annual IDP Review	50
46	IDP Roadshows - Izimbizo	300
47	Review of Spatial Development Framework	150
48	District Land Summit	19
49	Coastal Management Programme (Review)	350
50	Municipal Systems Improvement Grant	150
51	Construction of Transfer Stations (Mthonjaneni)	200
52	Ntambanana Solid Waste	3,913
53	281-3 - VIP Sanitation Project	3,500
54	285-3 Sanitation Project	6,500
55	286-3 - VIP Sanitation Project	6,000
56	283-3 - VIP Sanitation Project	5,000
57	284-3 - VIP Sanitation Project	6,934
58	National Sanitation Week	25
59	Water loss management strategy - Implementation	1,250
60	Water Treatment Works & Waste Water TW Registration	750
61	Water Quality Improvement Interventions	750
62	Blue/Green Drop compliance	750
63	Raw water abstraction fee (DWAF)	7,750
64	GIS Operational Budget	250
65	GIS Development & Training	50
66	National Water Week	25
67	Preparation of Water Use Management Plan	500
68	Annual Update of WSDP	250
69	Issue Manager	93
70	Customer Care and Call Centre	200
71	Drought Relief	11,473
72	EPWP Incentive Grant	7,131
73	Water Services Provider Plan	200
	<b>Grand Total</b>	<b>79,728</b>

## 14.6 Detailed Capital Budget

No	PROJECT NAME/DESCRIPTION	VALUE (R'000)
1	Internal Fixed Assets	160
2	Internal Fixed Assets	30
3	Internal Fixed Assets	100
4	Internal Fixed Assets	50
5	Internal Fixed Assets	784
6	Mbonambi Water Phase 2	8,000
7	Mhlana Somopho Phase 3C	4,000
8	Upper Nseleni Phase 1 VO	15,000
9	Upper Nseleni Phase 2	10,079
10	Mbonambi Water SSA2	500
11	Greater Mthonjanej SSA 2	500
12	Vutshini Phase 1	500
13	Vutshini Phase 2	2,608
14	Mvutshini Supply Area SSA5	500
15	Greater Mthonjaneni Phase 1 & 2	48,941
16	Mpungose Phase 1D VO	4,000
17	Middledrift Phase SSA3	500
18	Middledrift SSA5	500
19	KwaHlokohloko SSA 5/uMhlathuze LM	2,500
20	Middledrift Phase 2	2,937
21	Greater Mthonjaneni Ph 1 & 2	19,807
22	Greater Mthonjaneni Phase SSA 4 (Phase 3)	500
23	Greater Mthonjaneni Phase SSA 5	500
24	KwaHlokohloko SSA 1	500
25	Eshowe SSA1	500
26	Melmoth Water Services Network Upgrade	1,000
27	Mtunzini Water Services Network Upgrade	1,000
28	Gingindlovu Water Services Network Upgrade	1,000
29	Eshowe Water Services Network Upgrade	3,000
30	Kwambo Water Services Network Upgrade	1,000
31	Nkandla Water Services Network Upgrade	1,000
32	Health & Safety Compliance - Plants	1,000
33	Eshowe New Industrial Bulk Services	1,000
34	Internal Fixed Assets	50
35	Mtunzini Sewer Plant	4,000
36	Survival Water Programme (Boreholes)	6,000
37	Water metre installation	1,600
38	Water metre installation (RBM)	2,000
39	Existing Projects Extensions	1,000
	<b>Grand Total</b>	<b>148,646</b>

## 15. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Bonginkosi, Bhekizenzo Biyela**, municipal manager of **uThungulu District Municipality**, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act to a certain extent with the budget document as set out in schedule A of the regulations including the main tables (A1 - A10), and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print

Name.....

Municipal Manager

of.....

Signature.....

Date.....







## **CONTACT DETAILS**

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