



*Ugu District Municipality*

**CONSOLIDATED BUDGET 2017/2018**

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## MAYORS REPORT

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FOR APPROVAL

2<sup>nd</sup> Level: COUNCIL (25 May 2017)

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**SUBJECT: UGU DISTRICT MUNICIPALITY-DRAFT BUDGET 2017/2018**

**DATE OF MEETING: 25 MAY 2017**

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### PURPOSE

To seek approval from the Council on the Draft Budget 2017/2018 of the Ugu District Municipality,

### ANNEXURES

Ugu District Municipality Draft Budget 2017-2018.

### LEGISLATIVE PROVISIONS

Municipal Finance Management Act

### BACKGROUND/RATIONALE

Section 16(1) of the Municipal Finance Management Act, No. 56 of 2003 states that the municipality must for each financial year approve an annual budget before the start of that financial year.

On the 25 May 2017 a draft budget 2017/2018 was tabled in council for NOTING, after which the budget was published in various municipal offices libraries and the website for public comments. The budget workshops were also conducted throughout the district to solicit the views of the public.

### IMPLICATIONS

**FINANCIAL** – None.

**LEGAL** – Compliance with Section 28 of the MFMA

**MEDIA/COMMUNICATION** – once adopted, the approved Annual Budget will be published on the website.

### RECOMMENDATION

**IT IS RECOMMENDED THAT:**

- 1 That the Draft Budget of Ugu District Municipality for the financial year 2017/2018 be **APPROVED**, as set out in the following schedules:

- Table A1 –Budget Summary
- Table A2 –Budget Financial Performance (standard classification)
- Table A3 –Budget Financial Performance (revenue & expenditure by Municipal vote)
- Table A4 –Budget Financial Performance (revenue & expenditure)
- Table A5 –Capital Budget by vote and funding
- Table A6 –Budget Financial Position
- Table A7 –Budget Cash Flow
- Table A8 –Cash backed reserves/accumulated surplus reconciliation
- Table A9 –Asset Management
- Table A10 –Basic Service Delivery measurement
- Other Supporting Tables (Table SA1-SA37)
- Detailed Capital Budget

**DATE: 25/05/2017**

**UGU DISTRICT MUNICIPALITY**

**EXTRACT FROM THE DRAFT MINUTES OF THE MEETING OF THE  
UGU DISTRICT MUNICIPAL COUNCIL HELD ON 25 MAY 2017**

**9.3 Ugu District Municipality Draft Budget: 2017/18**

The Manager: Budget took members through the item.

Following which,

It was

**RESOLVED:**

- (a) That the Draft Budget of the Ugu District Municipality for the financial year 2017/2018 be and is hereby **APPROVED**, as set out in the following schedules:

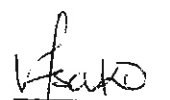
- Table A1 – Budget Summary;
- Table A2 – Budget Financial Performance (Standard Classification);
- Table A3 – Budget Financial Performance (Revenue & Expenditure by Municipal vote);
- Table A4 – Budget Financial Performance (Revenue & Expenditure);
- Table A5 – Capital Budget by Vote and Funding;
- Table A6 – Budget Financial Position;
- Table A7 – Budget Cash Flow;
- Table A8 – Cash Backed Reserves / Accumulated Surplus Reconciliation;
- Table A9 – Asset Management;
- Table A10 – Basic Service Delivery Measurement; and
- Other Supporting Tables (Table SA1- SA37).
- Detailed Capital Budget

- (a) That the proposed increase in the municipal tariffs for the 2017/2018 budget year, as per the Tariff of Charges Schedule be and is hereby **ADOPTED**.

- (b) That the following budget related policies for the budget year 2017/2018 be and is hereby **ADOPTED**:

- Basic Water Service Policy, Credit Control and Debt Collection Policy, Funding and Reserves Policy, Borrowing Policy, Cash, Banking & Investment Management Policy, Asset Management Policy & Asset Disposal Policy, Supply Chain Management Policy, Budget Policy, Virement Policy, Water Services Tariff Policy, Insurance Policy, and Indigent Policy

**CERTIFIED A TRUE COPY OF THE ORIGINAL**



**VP TSAKO**

**GENERAL MANAGER: CORPORATE SERVICES**

## **EXECUTIVE SUMMARY**

### **BACKGROUND**

Ugu District municipality consists of eighty one (81) municipal wards in its (04) Local Municipalities, namely, Ray Nkonyeni, Umzumbe, Umdoni and Umuziwabantu. The municipality also has forty two (42) traditional authorities. It is 5046.88km<sup>2</sup> in extent and is home to 753 336 residents with 84% population residing in rural areas (Household Survey Data, The Local Government Handbook (2016)). About 57,5% of the population is aged between 15 and 64years, which calls for government interventions and support relating to infrastructure for human development such as education, health and employment (State of the population of KZN (2009)).

The municipality has 175 146 households – with Ray Nkonyeni and Umzumbe having the largest number of households of all the local municipalities i.e. 50,650 and 40,579 households respectively. The average household size in Ugu is 4.3 persons per household. (The Local Government Handbook (2016)). There is a rising HIV prevalence rate from 37% to 40.6%, which is the highest in the 11 districts of the province.

The unemployment rate in the Ugu Region is estimated at 26,8% (Global Insights 2010). The districts economically active population is estimated at 21,2% of the total population. Most of the rural households rely solely on state grants. Ugu was identified during Presidential State of the Nation address in 2001 as a poverty nodal area that would be targeted for rural development programs.

Ugu's main functions are Water and Sanitation. The current service delivery backlog is estimated at 30.09% for water and 27, 19% for sanitation which is 46,393 and 41,231 households respectively.

### **UGU'S VISION**

"A place where everyone benefit equally from socio-economic opportunities and services"

### **UGU'S MISSION**

"Create an enabling environment for social and economic development resulting in the provision of quality drinking water and access to decent sanitation. Ensure community participation and coordinate public and private players."

### **UGU DISTRICT MUNICIPALITY'S DEVELOPMENT PRIORITIES**

1. Infrastructure investment
2. Economic and Sector Development
3. Financial Viability
4. Education and Skills development
5. Institutional integration and coordination

6. Centralised planning
7. Reduce HIV & AIDS
8. Clean environment
9. Peace and stability.

#### **ORGANISATIONAL STRATEGIC OBJECTIVES**

1. To create a conducive environment for participatory development.
2. To build and strengthen the administrative and institutional capability of the municipality
3. To develop and maintain a financially viable and sustainable organisation that achieves full compliance with legislation.
4. To develop and promote an integrated sustainable environment
5. To provide access to sustainable quality drinking water and sanitation services.
6. To create a conducive environment for economic growth and job opportunities.

#### **NATIONAL OUTCOMES**

In January 2010, Cabinet adopted the 12 outcomes within which to frame public-service delivery priorities and targets. The following table is a summary of outcomes/priorities which were considered in the compilation of the 2017/2018 Annual Budget.

<b>NATIONAL OUTCOME/OUTPUT</b>	<b>ROLE OF LOCAL GOVERNMENT</b>
1. Improve the quality of basic education	- Facilitate the eradication of municipal service backlogs in schools by extending appropriate bulk infrastructure and installing connections.
2. Improve Health and life expectancy	- Improve community health by providing clean water and sanitation. - TB and HIV and AIDS awareness, prevention and treatment programmes.
3. All people in South Africa protected and feel safe	- Improving collaborations with the SAPS and ensuring rapid response to crime. - Reduce level of crime in the municipality.
4. Decent employment through inclusive economic growth	- Ensure proper implementation of the EPWP. - Design service level processes to be labour-intensive. - Eliminate corruption in procurement processes to ensure value for money
5. A skilled and capable workforce to support inclusive growth	- Develop and extend intern and work experience programmes. - Link procurement to skills development initiatives.
6. An efficient, competitive and responsive economic infrastructure network	- Ring-fence water and electricity functions so as to facilitate cost-reflecting pricing of these services. - Maintain and expand water purification and waste water treatment works in line with growing demand.
7. Vibrant, equitable and sustainable rural communities and food security	- Facilitate the development of local markets for agricultural produce. - Ensure effective spending of grants for funding extensions of access to basic services. - Improve transport links with urban centres to ensure economic



	integration.
8. Sustainable human settlements and improved quality of household life	- Ensure capital budgets are appropriately prioritised to maintain existing services and extend services.
9. A response and accountable, effective and efficient local government system	- Ensure ward committees are representative and fully involved in community consultation processes around IDP, Budget and other strategic service delivery issues. - Improve municipal financial administrative capacity by implementing competency norms and standards and acting against incompetence and corruption.
10. Protection and enhancement of environmental assets and natural resources	- Develop and implement water management plans to reduce water losses. - Ensure effective maintenance and rehabilitation of infrastructure. - Run water saving awareness campaigns - Ensure development does not take place on wetlands.
11. A better South Africa, a better and safer Africa and World	- Create an enabling environment for investment. - Ensure basic infrastructure is in place and properly maintained.
12. A development-orientated public service and inclusive citizenship	- Continue to develop performance monitoring and management systems. - Comply with legal financial reporting requirements. - Review municipal expenditure to eliminate wastage. - Ensure councils behave in ways to restore community trust in local government.

#### **STATE OF THE PROVINCE ADDRESS**

In the State of the Province address on 01<sup>st</sup> March 2017 the Premier Willies Mchunu, reconfirmed the provincial government's commitment to the following Key National Priorities as they have been adopted in the Provincial Growth and Development Plan (PGDP):

1. Creation of more jobs, decent work and sustainable livelihoods for inclusive growth
2. Rural development, land reform and food security
3. Improved quality of basic education
4. Long and healthy life for all South Africans
5. Fighting crime and corruption

In drafting the 2017/2018 Budget, Council continues to support job creation by:

1. Ensuring that service delivery and capital projects are labour intensive;
2. Ensuring that service providers use labour intensive approaches;
3. Supporting labour intensive LED projects;
4. Participating fully in the EPWP;
5. Implementing intern programmes to provide young people with on-the-job training.
6. Implementing poverty alleviation programmes; and



## 7. Implement Mayoral Graduate Programme.

### **NATIONAL DEVELOPMENT PLAN: 2030**

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. South Africa has the potential and capacity to eliminate poverty and reduce inequality over the next two decades. This requires a new approach – one that moves from a passive citizenry receiving services from the State to one that systematically includes the socially and economically excluded, where people are active champions of their own development, and where government works effectively to develop people's capabilities to lead the lives they desire. The achievement of this vision is based on the following priorities:

- I. Creating jobs and livelihoods,
- II. Expanding infrastructure,
- III. Transitioning to a low-carbon economy,
- IV. Transforming urban and rural spaces,
- V. Improving education and training,
- VI. Providing quality health care,
- VII. Building a capable state,
- VIII. Fighting corruption and enhancing accountability,
- IX. Transforming society and uniting the nation,

The municipality has compiled its budget and programmes towards contributing to these priorities.

### **OVERVIEW OF THE 2017/2018 ANNUAL BUDGET PROCESS**

The 2017/2018 Annual Budget preparation process can be illustrated as below:-

**August 2016** - Adoption of Framework Plan and Process Plan by Council and submission to COGTA, National and Provincial Treasury.

**September 2016** - Assessment of IDP Implementation Plan

**October 2016** - Conduct financial sustainability strategy with revenue enhancement focus

**November 2016** - Conduct Community needs Consultation to develop KPIs for 2017 PMS.

**December 2016** - Submit 2016/2017 budget framework to all relevant persons (Budget framework to include salary, operational and capital budget related information)

**January 2017** - Submission of detailed estimates by Office of the Municipal Manager and Heads of Departments to the General Manager: Treasury.

**February 2017** - Internal Consultative process with Departments by means of workshops and meetings to assess financial feasibility of proposed projects.

**March 2017** - Tabling of 2017/2018 Draft Budget (Ugu and the Entity) in Council for noting.

**April – May 2017** – Stakeholder consultation process. Comments, additions, and proposals by stakeholders.

**May 2017** - Special Joint Exco and Finance Portfolio Committee meeting to consider stakeholders input on the 2017/2018 draft budget.

**May 2017** – Mayor tables the 2017/2018 Draft Budget for final adoption by Council.

#### **ANNUAL REVIEW OF POLICIES**

The administration annually reviews all budget related policies during the budget process and these are tabled to Council for Approval with the Annual Budget for that particular financial year.

For the 2017/2018 budget year, the following budget related policies were reviewed:-

1. Budget Policy
2. Virement Policy
3. Funding and Reserves Policy
4. Water Services Policy (Tariff Policy)
5. Credit Control and Debt Collection Policy.
6. Basic Water Services Policy.
7. Indigent Support Policy.
8. Cash Management & Investment Policy.
9. Borrowing Policy
10. Asset Management & Disposal Policy
11. Supply Chain Management Policy

## **ALIGNMENT OF INTEGRATED DEVELOPMENT PLAN AND BUDGET**

Over and above compliance with the MFMA and other legislation, the aim of the Budget is to enable the municipality to achieve its vision and mission through the implementation of all projects and programmes as contained in its Integrated Development Plan. The Integrated Development Plan (IDP) formed basis of the prioritisation of resources as it contains programmes informed by the community needs. All resources have been allocated to priority projects as identified in the IDP.

The alignment of the Integrated Development Plan to the Budget is reflected in the following Schedules:

- Reconciliation of IDP Strategic objectives and Budget (Revenue) – Table SA4
- Reconciliation of IDP Strategic objectives and Budget (Operating Expenditure) – Table SA5
- Reconciliation of IDP Strategic objectives and Budget (Capital Expenditure) – Table SA6

## **BUDGET ASSUMPTIONS**

The budget has been prepared in accordance with MFMA No. 56 of 2003 and Circular 86. The budget for 2017/18 is in compliance mSCOA regulations.

### **1.3.1 OPERATING REVENUE**

The following are Ugu's main revenue sources:-

1. Service charges for water
2. Service charges for sanitation
3. Grants and subsidies
4. Rental of facilities and equipment, and
5. Other income

#### **Service charges for water and sanitation**

The cost of water and sanitation is determined by three factors:

1. The cost of bulk water
2. The capital cost of infrastructure, and
3. The cost of operating and maintaining the infrastructure

For the 2017/2018 Budget, the Council has proposed a **7,00%** (5,70% in 2016/17) increase for water and sanitation charges effective from 01<sup>st</sup> July 2017. The proposed increase is based on Headline CPI Inflation forecast in 2017. The revenues are further affected by

1. % Increase in electricity and fuel costs;

2. % Increase in the cost of bulk water;
3. Realistically anticipated consumption volumes;
4. local economic conditions and affordability level; and
5. the need to ensure sustainability in the provision of services.

No increase has been effected on the basic charge for sanitation.

The collection rate is based on the average collection trend for the past four years (i.e. 70.0%), however this rate has been applied to the Water revenue only as all collections are paid against the Sanitation debt first, then the remaining cash is paid against the Water debt. The municipality is also anticipating a 100% collection on the grant allocations and other revenues that are collectible in advance.

The tariff increase has been set at 7% which is above the recommended rate of 6.4% as per MFMA Circular No.86; because the municipality has plan of refurbishment of aging infrastructure and replacement of old infrastructure. To maintain the existing infrastructure and continue to improve on the provision of water backlog additional sources of income is necessary.

The amount of kilolitres sold for the current period of 2016/2017 has decreased, as a result of drought, people are more informed about water scarcity and households have alternative sources of water from rain water harvesting and others are buying water for cooking and drinking. The decrease in quantity of kilolitres sold has been projected for 2017/18 period and budgeted accordingly.

**See: Tariffs of Charges – it provides a detailed list of all Council tariffs and the proposed increases.**

#### **FREE AND SUBSIDISED SERVICES**

Distribution of water is done via more than 48 000 private household connections and over 4 500 communal stand taps which mainly service the inland rural areas. All households that have access to water receive 6kl a month as *free basic water* which has necessitated an allocation of R24,716,109 to be made in the 2017/2018 Annual Budget to be funded from *Equitable Share*. A further R42,840,966 allocation has been made from *Equitable Share* for water provided through *standpipes*.

A total of 6 696 beneficiaries were recorded on the **Indigent Register** as at 28 February 2017. The municipality has set aside R24,716,109 from *Equitable Share* for Indigent Support. Indigent households will receive 6kl free every month for the 2017/2018 financial year.

The municipality also provides the rebates for sanitation which is calculated based on the 6kl rebate for water. The amount of sanitation charge is based on kilolitres used by the customer less 6kls which represents the free basic service. Then any excess would be charged at sanitation rate.

Therefore all Ugu customers receive free basic services on both water and sanitation.

**OTHER REVENUE**

Other revenue consists of Plans Approval fees, disconnection and reconnection fees, new connection fees, tender deposits, rates certificate fees, rental of facilities and other sundry services provided.

***See: Tariffs of Charges - detailed list of all council tariffs and the proposed increases.***

**GRANTS AND SUBSIDIES**

The municipality will receive operating grants totalling R430,7 million and capital grants totalling R295,9 million from the National and Provincial Equitable distribution of revenues in the 2017/2018 financial year. These receipts have been disclosed in SA18 of the budget.

Schedule SA19 discloses expenditure on operating grants totalling R447,1 million and capital grants expenditure totalling R279,4 million. Regarding Municipal Infrastructure Grant there is R17 million that is allocated to the Operational Budget for the construction of the VIP Toilets.

**1.3.1 OPERATING EXPENDITURE****SALARIES AND WAGES**

The salaries and wages budget have been prepared using the existing Salary Agreement which stipulates a percentage increase equal to the average CPI for the period 01 February 2016 to 31 January 2017 plus 1% for the budget year 2017/2018 (i.e. 6.6% plus 1%). The council had adopted a revised organogram in December 2014 and there are no new positions that have been included in the new organisational structure. During December 2016 the Group benefit for employees was terminated and refunds were made to employees. Hence the total salaries budget, have been decreased compared to the percentage that is specified in the Salary Agreement.

**COUNCILLORS ALLOWANCES**

A maximum 6% increase for the councillors allowance has been considered for approval by the MEC based on an unqualified audit report that was received by the municipality in the 2015/2016 financial year. The gazette on the Public Office Bearers Act was not available at the stage preparing this draft budget. The budget for the councillors allowance include other costs like the travelling claims (km), which are not gazetted on the Remuneration of Public Office Bearers Act.

### **DEPRECIATION AND ASSET IMPAIRMENT**

The Depreciation and Amortisation has been calculated based on the straight line method and the useful life of the assets as per the approved Asset Management Policy. It amounts to R120,757million in 2017/2018. This amount is not fully cash backed. The amount of depreciation has been under budgeted as result of the amount of underground assets that have been brought into the FAR that was never on the FAR. The valuation of the underground asset amounted to almost R3billion as a result depreciation has increased drastically. The municipality is currently updating its FAR and the depreciation amount will be revised based on the completed FAR. However the municipality has a plan to catch-up with budgeting the depreciation that will match actual depreciation.

### **DEBT IMPAIRMENT**

The contributions for debts provision has been budgeted at R3million for 2017/18 financial period. The budget for 2017/18 period has been reduced because municipality has been making contributions towards debts impairment for the prior years and there has been no write-off in the prior year. The balance for Provision for doubtful debts amounts to R266,2million for 2015/17 audited period. Therefore contribution of R3million would be sufficient for any write-off of debtors.

### **REPAIRS AND MAINTENANCE**

The municipality is unable to provide adequate funds for Repairs and Maintenance in the budget, hence the current allocation is below the norm (i.e. 8% of the carrying amount of PPE). The classification of the Chart of Accounts in line with the mSCOA will address the challenges with the current classification of the Salaries and the Contracted Services relating to the maintenance of assets which is currently being accounted for under Salaries and Allowances and, or Contracted Services. Moreover the municipality is currently working on a project to verify all its assets and updating the Asset Register. On completion of this project, the municipality should be able to determine the true value of its assets and therefore plan properly for all the assets related expenditures including, the Repairs and Maintenance, Depreciation and Amortisation as well as the replacements.

### **BULK WATER PURCHASES**

The water supplied by the District is derived from dams, rivers, ground water and bulk purchases from eThekweni / Umgeni Water. The northern coastal strip (i.e. Craighburn, Umzinto and Umtwalume) is serviced by potable water purchased in bulk from Umgeni Water. The cost per kiloliter will increase by 8.10% which necessitated an allocation of R76,034 million for the 2017/2018 financial year. The municipality has not



budgeted for the drought levy as Accounting Officer had correspondence with Umngeni Water that the new levy would not be supported since the drought period has passed.

### **ELECTRICITY EXPENSE**

The electricity cost estimate is based on the 9.4% tariff increase that NERSA has approved for Eskom as well as the consumption trends in our plants for the past four years.

### **OTHER OPERATING EXPENDITURE**

The operating expenditure budget has been prepared in line with the municipality's turnaround strategies as implemented by management, which contains strategies of curbing administrative expenditure to improve the cash flow position of the municipality

Description	2017/18 Budget	2016/17 Adj Budget	Variance
<b>Repairs and Maintenance</b>			
Generators	4 049 755	3 856 905	192 850
Roads Reinstatement	8 411 467	8 010 920	400 547
Vehicles	10 000 000	14 000 000	-4 000 000
After Hours Emergency work	4 725 000	4 500 000	225 000
Cleaning of Reservoirs	599 499	570 952	28 547
Other Repairs and maintenance	39 053 459	37 696 932	1 356 526
<b>Grants &amp; Subsidies</b>			
Disability	500 000	415 000	85 000
Drought Relief	6 500 000	8 154 457	-1 654 457
Education and Training	2 000 000	1 875 000	125 000
Elderly	329 000	340 000	-11 000
Hibiscus Coast VIP's	15 000 000	13 111 423	1 888 577
HIV/Aids	500 000	550 000	-50 000
Mayoral Bursary Fund	500 000	490 000	10 000
Pauper Burial	180 000	180 000	-
Community Initiative Support	500 000	350 000	150 000
LED	2 104 949	2 004 713	100 236
Operation Sukuma Sakhe	47 000	70 000	-23 000
Rights of a Child	235 000	300 000	-65 000
Response and Recovery	4 000 000	3 226 948	773 052
South Coast Development Agency	5 788 125	5 512 500	275 625
Tourism Development	5 682 006	5 411 434	270 572
Tourism Marketing	6 840 007	6 514 292	325 714



Gender Programmes	382 000	395 000	-13 000
Youth	2 036 500	1 812 597	223 903
Other Grants	16 307 660	8 285 000	8 022 660
Rollovers expenditure	-	-	-
Accommodation	912 910	1 342 333	-429 423
Advertising	412 366	396 530	15 836
Audit Fees	3 800 000	3 200 000	600 000
Bank Charges	560 000	480 000	80 000
Protection of Crops/ Bush pig hunting	500 000	200 000	300 000
Caucus Fund	250 000	250 000	-
Cellphones	800 000	880 000	-80 000
Climate Change Vulnerability	150 000	120 000	30 000
Electricity	68 294 783	65 132 552	3 162 231
EAP	125 000	146 740	-21 740
Events/ Munimec	705 000	1 050 000	-345 000
External Newsletter	145 500	166 000	-20 500
Fuel & Oil	15 547 013	17 025 727	-1 478 714
Gardening Services	955 205	932 138	23 066
Insurance	2 910 000	3 000 000	-90 000
SALGA Subscription	3 000 000	2 933 860	66 140
Labour Relations	50 000	239 200	-189 200
Lease of Computers & Laptops	2 050 000	1 254 400	795 600
Legal Fees	789 000	1 150 000	-361 000
Laboratory Consumables	177 338	168 894	8 444
Licences – Computer	9 050 000	4 508 000	4 542 000
Licences	912 000	912 000	-
Loose Tools	1 032 534	980 000	52 534
Marketing & Communication	514 000	500 000	14 000
Materials Connections	1 093 219	1 041 163	52 056
Materials Purification	7 868 874	7 494 174	374 700
Meter Audit and Reading	2 369 568	2 256 731	112 837
Mobile Chemical Toilets	879 884	837 985	41 899
Postage Nicor	1 567 499	1 442 560	124 939
Printing and Stationery Copiers	400 000	388 000	12 000
Printing and Stationery	1 125 795	930 865	194 930
Printing and Stationery Nicor	750 000	1 514 688	-764 688
Property Rates	1 150 000	1 134 800	15 200
Public Participation	1 900 000	2 000 000	-100 000
Refreshments	63 234	95 766	-32 532
Registry Fees	150 000	418 360	-268 360
Rent Bazley	1 200 000	1 160 000	40 000
Rent Office Equipment	1 300 000	1 150 000	150 000
Rent Ingonyama Trust	110 000	117 600	-7 600

Staff Training (Youth Graduates)	3 150 000	2 600 000	550 000
Sports & Recreation	3 100 000	2 900 000	200 000
Telephones	1 250 000	1 015 600	234 400
Telephone Communications	150 000	190 000	-40 000
Trade Effluent Management	-	-	-
Uniform and Protective Clothing	3 288 634	3 009 086	279 548
Vehicle Tracking	1 400 000	1 174 000	226 000
Water Research Fund	810 358	771 770	38 588
Website, Internet & Intranet	50 000	274 400	-224 400
WEB MPLs	1 400 000	1 274 000	126 000
Workman Compensation	1 450 000	1 400 000	50 000
Other General Expenses	12 775 258	10 449 532	2 325 725
<b>Total</b>	<b>300 666 398</b>	<b>281 643 528</b>	

### 1.3.3 CAPITAL EXPENDITURE

Zero-based budgeting method has been used in compiling the capital budget. Council has approved to total capital budget of R362,3million to be spent in 2017/2018 which is a 2,4% decrease from the final capital budget of R369,1 million in 2016/2017.

Council has embarked on a number of initiatives in order to fast track capital projects. These include:-

- Explore leveraging MIG funding using private sector funds (loans) to bring projects forward, i.e. bridge funding;
- Target quick wins to eradicate backlog in selected municipalities;
- Mobilising additional funding from DWAF to address bulk systems;
- Strategic partnerships with other water utilities, e.g. Umngeni water.
- BOT options are also being considered.

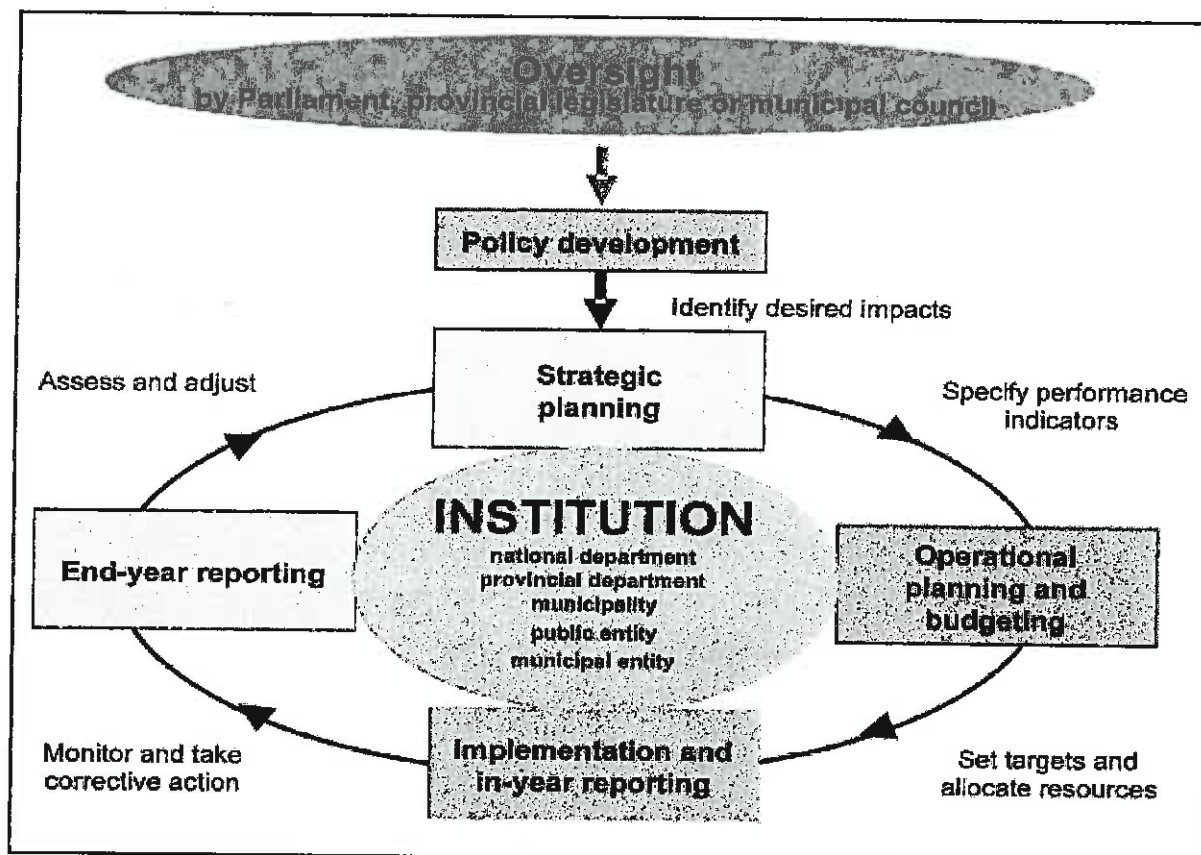
The following sources will be used to fund capital expenditure in the 2017/2018 financial year.

1. Grants and subsidies
2. Internal funds

### Measurable performance objectives and indicators

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

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



**Figure 1 Planning, budgeting and reporting cycle**

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

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

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

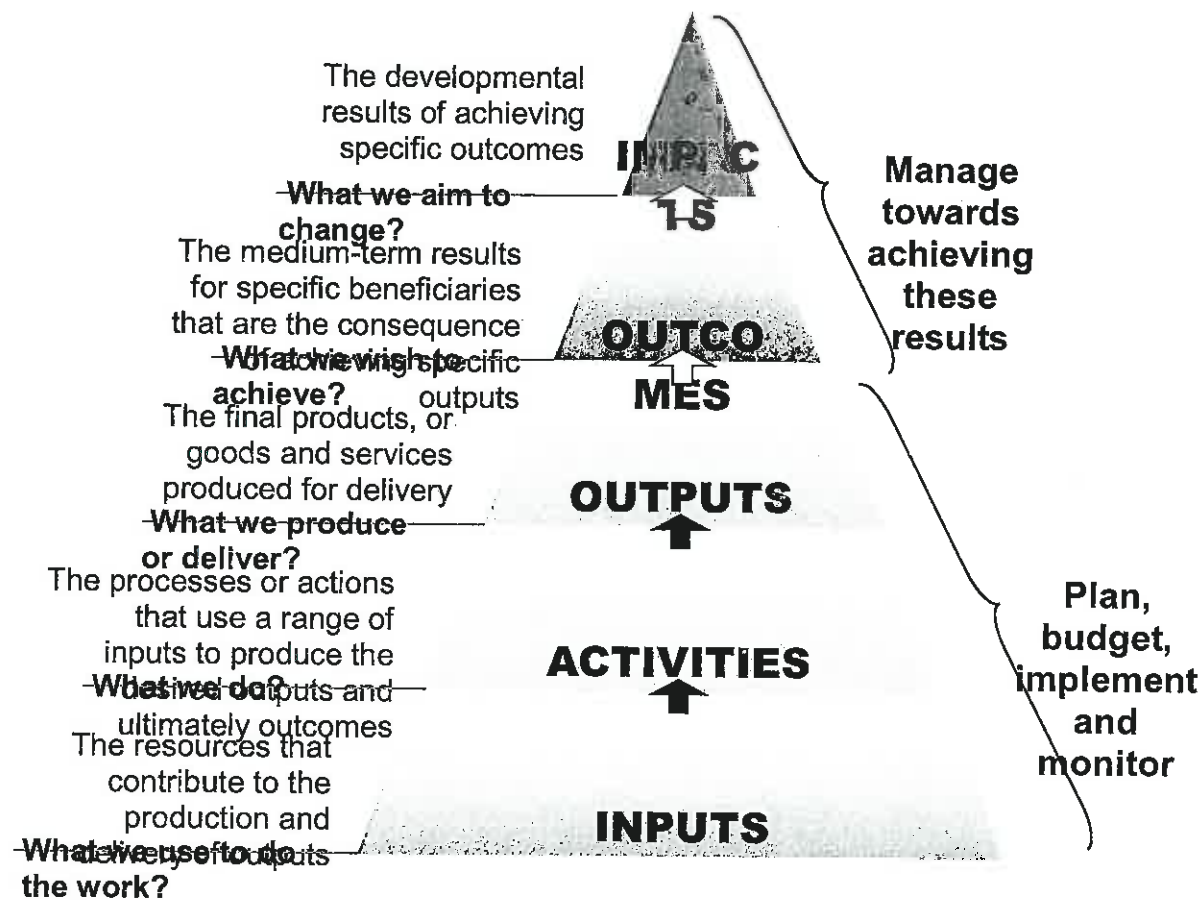


Figure 2 Definition of performance information concept

## Performance indicators and benchmarks

### Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. Ugu District Municipality has no plans to borrow any funds to fund the development of infrastructure.

### Liquidity

*Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the City has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2017/18 MTREF the current ratio is 1.3 in the 2017/18 financial year and 1.2 and 1.1 for the two outer years of the MTREF respectively. Going forward it will be necessary to maintain these levels.

*The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2015/16 financial year the ratio was 1.1 and as results of decrease in the collection it has decreased to 1.0 in the 2016/17 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

### Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

### Creditors Management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the City's business.

### Other Indicators

The water distribution losses have been significantly reduced from 27.6 per cent in 2014/15 to 20 per cent in 2015/16. This has been achieved with the introduction of a war on leaks campaign and appointment of JOAT as service provider to deals with leaks.

Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.

Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the municipality's strategy to ensure the management of its asset base.

REFERENCE TO LAST YEAR COMMENTS FROM PROVINCIAL TREASURY AND CORRECTIVE MEASURES UNDERTAKEN BY THE MUNICIPALITY

<u>Provincial Treasury's Comments on the 2016/2017 Budget</u>	<u>The Municipality's Responses and Corrective Actions</u>
Misalignment between the provision for debt impairment and the debt collection rates applied on the service revenues.	The Budgeted Revenue has been estimated more precisely and as result a reduction in revenue. Although the municipality is anticipating an 70% collection rate in 2017/2018 financial year, this rate only applies to water incomes and the other services incomes are collectible in full. Also the municipality has implemented an improved debt collection strategy which has improved the collection of old outstanding debt.
Misalignment between the asset depreciation rate and the rate of increase in municipal assets.	The municipality has established a new Asset Management unit that is updating and correcting errors on the FAR. This project should provide a credible FAR in 2017/18 upon which the depreciation cost estimate is based.
Misalignment between the balance of the Non-Current Provisions in the Statement of Financial Position and the current contributions in the Statement of Financial Performance.	This discrepancy has been addresses in the draft budget 2017/2018.
The major differences in the Capital budgets of the two departments (i.e. Waste Water Management and the Corporate Services) were not explained in the budget documents.	A restructuring process that took place in 2016/2017 moved some units (e.g. the fleet unit) from Water Services to the Corporate Services department, hence the related capital budget was moved between the two departments.
The major differences in the Capital budgets of the two departments (i.e. Water Services and the Corporate Services) were not explained in the budget documents	A restructuring process that took place in 2016/2017 moved some units (e.g. the fleet unit) from Water Services to the Corporate Services department, hence the related capital budget was moved between the two departments.
The discrepancy between the disclosure of the Equitable Share (operational and capital transfers recognised) in the A Schedules.	These discrepancies have been corrected in the draft budget 2017/2018.
The differences between the SA18 (Transfers and Grants Receipts) and A7 (Budgeted Cash Flow).	This discrepancy has been corrected in 2017/2018.
The differences between the SA21 (Transfers and Grants made by the municipality) and A7(Budgeted Cash Flow), re: Non-Cash Transfers.	This discrepancy has been corrected in 2017/2018.



The item: Cash and Cash Equivalents at year end the previous year 2014/2015 did not agree to the opening balance for the 2015/2016 budget year.	This discrepancy has been corrected in 2017/2018.
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### Legislation compliance status

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

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Ugu's website.
2. Internship programme  
Ugu District Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Budget and Treasury Department.
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee  
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2017/18 MTREF in May 2017 directly aligned and informed by the 2017/18 MTREF.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training  
The MFMA training module in electronic format is presented at the Ugu's internal centre and training is ongoing.

### UGU SOUTH COAST TOURISM ENTITY

Ugu controls 100% of the Ugu South Coast Tourism Entity. This Board is entrusted with delivering innovative and cost effective strategies that will ensure a growing, quality tourism economy that creates sustainable jobs and alleviates poverty. Its core functions are Tourism Development and Tourism Marketing, for which Ugu District Municipality has allocated R5,682,006 and R6,840,007 respectively. Other Local Municipalities also make grant contributions to the Entity.

The Board has adopted a total budget of R21,533,640 for the 2017/2018 financial year which is made up of an operating budget of R21,068,311 and a capital budget of R165,329.



### **SOUTH COAST DEVELOPMENT AGENCY**

Ugu controls 100% of the South Coast Development Agency. This entity is an economic development implementing agency of the municipality. Its core functions is to engage in economic development projects that grow the economic development footprint of the municipality. To enable the entity to perform its function, the municipality has allocated an amount of R5,788,125 for the financial year 2016/2018. The other Local Municipalities also make grant contributions to the Agency.

The Board has adopted a total budget of R13,307,573 for the 2017/2018 financial year which is made up of an operating budget of R13,207,573 and a capital budget of R100, 000.

### **SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

The Service Delivery and Budget Implementation plan is currently being reviewed to include changes made to the Draft Budget. After the consultation process, the Draft will be submitted to the Mayor, within 14 days from the date of the approval of the council.

### **DRINKING WATER QUALITY AND WASTE WATER MANAGEMENT**

**Water Service Authority:** Ugu District Municipality  
**Water Service Provider:** Ugu District Municipality (with bulk purchases from Umgeni Water and eThekweni Metro in the northern part of the district. Bulk water is also sold to Sisonke District Municipality)

#### **Blue Drop Ratings**

The municipality water supply systems were awarded a 93.5% score in May 2009, which means that it has very good Drinking Water Quality Management (DWQM) and effectively manages the quality of drinking water in its supply zone. The following are the challenges that led to the non - award of the Blue Drop Classification

Criteria	Requirement	Management Response
Process Controlling	Registration of process controllers (Operators)	Applications for all operators were submitted to DWAF in Feb 2009 and DWA is still working on them. It is anticipated that these will be available by the next review
Credibility of Sample Analysis	Proof that analyses results are used to improve process controlling	The analysis failed to capture that the municipality has an Incident Management Protocol and Register that are used to address and record all deviations and improvements. In addition, the monthly submissions to DWAF have functionality of reporting on what has been done to attend to deviations, which has always been done consistently. It is hoped this will be addressed by the next review.

As part of the Drinking Water Quality Management initiatives, the municipality developed and adopted a **Water Safety Plan** in July 2009, which has guided the management of water services in general. As part of the Safety Plan the following are some of the activities that are already in progress or due for implementation within the next three years;

- Online drinking water monitoring for all water treatment plants and the associated reporting at the operation, tactical and strategic levels
- Establishment of a Control Centre that will drive operations and assist in moving from reactive maintenance to proactive maintenance and to be the key business reporting centre
- Establishment of ISO based quality management systems in a phased manner for water and sanitation services
- Establishing an Asset Management Plan that will drive all maintenance work within the municipality
- Contracting professional and independent persons to undertake process audits for all treatment plants
- Establishing a treatment/process section within the municipality to ensure that the right level of attention and staffing is in place for all treatment plants
- Establishment of a scarce skills allowance to be able to attract and retain suitably qualified personnel

#### **Green Drop Rating**

Applications have also been made for all treatment systems within the district and are awaiting the classification results.

#### **Challenges in the management of drinking water and sewerage:**

The following are some of the challenges faced in the provision of water and sanitation services in the district and the proposed solution for each challenge.

<b>Issue</b>	<b>Challenge</b>	<b>Recommendation</b>
Pipeline Replacement Program	Majority of pipelines in the urban areas are old AC pipes. Current budget provisions of R10m/yr are inadequate	Allocated funding for a massive AC renewal program and also apply for grant funding
Non-Revenue Water Programme	Budget provisions limit the current program to part of the network at a time which is inadequate.	Seek grant funding to fast track the implementation of the NRW Programmes
Supply and Treatment Constraints	A number of WTW and WWTW are functioning at capacity and certain areas do not have the required 48hr storage	Update Water and Sanitation Master Plans; Upgrade of WTW and WWTW and implementation of Phase 2 of the South Coast Bulk Pipeline
Supply to higher lying areas and consumers along bulk mains	Majority of higher lying areas are connected on bulk mains which do not offer the necessary buffer for maintenance purposes and adequate pressures during high demand periods	Planning and design of supply alternatives to higher lying areas such as elevated towers and network modifications
Telemetry	The telemetry system outdated	SCADA System Review and Master Planning in progress
Rural WTW monitoring	There are currently no staff to man remote rural plants	Online Drinking Water Quality Monitoring and Automation Project in progress
Skills Development	The majority of plumbing staff is not suitable qualified while others are illiterate. This has a great effect on operations.	Conclude the RPL process and establish routine training program for all staff
Utility Mapping	The majority of the pipelines and other drawings for the municipality are old and	Develop a GIS Strategy to influence utility mapping as a whole and then implement

Issue	Challenge	Recommendation
	outdated and in certain places are none existent.	map update and utility books for the different operational areas
Dedicated maintenance crews	With current staffing levels most of the work done is reactive in nature with limited proactive maintenance	Implementation of Shift System and build maintenance crews from the day teams

Preparation Instructions	
Municipality Name:	DC21 Upu
CFO Name:	S. Nallanda
Tel:	030 688 6703
Fax:	030 682 6740
E-Mail:	sihonnala.mhili@upu.gov.za
Budget for MTREF starting:	2017
Budget Year:	2017/18
Does this municipality have Entities?	Yes
If YES: Identify type of report:	Consolidated Information
Name Votes & Sub-Votes	
<b>Printing Instructions</b>	<b>Important documents which provide essential assistance</b>
<u>Showing / Hiding Columns</u>	<u>MFMA Budget Circulars</u> <a href="#">Click to view</a>
<input type="button" value="Hide Pre-audit columns on all"/>	<u>MBRR Budget Formats Guide</u> <a href="#">Click to view</a>
<input type="button" value="Hide Reference columns on all"/>	<u>Dummy Budget Guide</u> <a href="#">Click to view</a>
<u>Showing / Clearing Highlights</u>	<u>Funding Compliance Guide</u> <a href="#">Click to view</a>
<input type="button" value="Clear Highlights on all sheets"/>	<u>MFMA Return Forms</u> <a href="#">Click to view</a>

DC21 Ugu - Contact Information

A. GENERAL INFORMATION		1 Grade in terms of the Remuneration of Public Office Bearers Act.	
Municipality	DC21 Ugu		
Grade	5		
Province	KZN KWAZULU-NATAL		
Web Address	<a href="http://www.ugu.gov.za">www.ugu.gov.za</a>		
e-mail Address	<a href="mailto:info@ugu.gov.za">info@ugu.gov.za</a>		
B. CONTACT INFORMATION			
Postal address:			
P.O. Box	33		
City / Town	Port Shepstone		
Postal Code	4240		
Street address			
Building	Aqua House		
Street No. & Name	27 Connor Street		
City / Town	Port Shepstone		
Postal Code	4240		
General Contacts			
Telephone number	039 686 5700		
Fax number	039 682 4820		
C. POLITICAL LEADERSHIP			
Speaker:		Secretary/PA to the Speaker:	
Name	Cdr N.H. Gumede	Name	K. Mantanzima
Telephone number	039 686 5721	Telephone number	039 686 5721
Cell number	082 820 8842	Cell number	082 042 0951
Fax number	039 682 1720	Fax number	039 682 1720
E-mail address	<a href="mailto:khaya.mantanzime@ugu.gov.za">khaya.mantanzime@ugu.gov.za</a>	E-mail address	<a href="mailto:khaya.mantanzime@ugu.gov.za">khaya.mantanzime@ugu.gov.za</a>
Mayor/Executive Mayor:		Secretary/PA to the Mayor/Executive Mayor:	
Name	Cdr M.A. Chelima	Name	S. Sheu
Telephone number	039 686 5746	Telephone number	039 686 5746
Cell number	082 740 9155	Cell number	Not yet available
Fax number	039 682 1720	Fax number	039 682 1720
E-mail address	<a href="mailto:sithembile.memela@ugu.gov.za">sithembile.memela@ugu.gov.za</a>	E-mail address	<a href="mailto:sithembile.memela@ugu.gov.za">sithembile.memela@ugu.gov.za</a>
Deputy Mayor/Executive Mayor:		Secretary/PA to the Deputy Mayor/Executive Mayor:	
Name		Name	S. Memela
Telephone number	039 686 3355	Telephone number	039 686 3355
Cell number		Cell number	073 143 9272
Fax number	039 682 1720	Fax number	039 682 1720
E-mail address	<a href="mailto:sithembile.memela@ugu.gov.za">sithembile.memela@ugu.gov.za</a>	E-mail address	<a href="mailto:sithembile.memela@ugu.gov.za">sithembile.memela@ugu.gov.za</a>
D. MANAGEMENT LEADERSHIP		Secretary/PA to the Municipal Manager:	
Municipal Manager:		Secretary/PA to the Chief Financial Officer	
Name	D.D. Naidoo	Name	P. Moodley
Telephone number	039 686 5704	Telephone number	039 686 5704
Cell number	082 821 0477	Cell number	082 302 5097
Fax number	039 682 1720	Fax number	039 682 1720
E-mail address	<a href="mailto:dd.naidoo@ugu.gov.za">dd.naidoo@ugu.gov.za</a>	E-mail address	<a href="mailto:peroshnee.moodley@ugu.gov.za">peroshnee.moodley@ugu.gov.za</a>
Chief Financial Officer		Secretary/PA to the Chief Financial Officer	
Name	S. Nglando	Name	M. Zeka
Telephone number	039 686 5703	Telephone number	039 686 5703
Cell number	071 672 0600	Cell number	072 650 6210
Fax number	039 682 6740	Fax number	039 682 6740
E-mail address	<a href="mailto:sibonile.mbili@ugu.gov.za">sibonile.mbili@ugu.gov.za</a>	E-mail address	<a href="mailto:mtshali.zeka@ugu.gov.za">mtshali.zeka@ugu.gov.za</a>
Official responsible for submitting financial information			
Name	M. Khumalo		
Telephone number	039 686 5749		
Cell number	078 543 2832		
Fax number	019 682 5740		
E-mail address	<a href="mailto:mlungisi.khumalo@ugu.gov.za">mlungisi.khumalo@ugu.gov.za</a>		
Official responsible for submitting financial information			
Name	X. Gqibhagwu		
Telephone number	039 686 5748		
Cell number	082 825 6866		
Fax number	039 682 5662		
E-mail address	<a href="mailto:xoliswa.gqibhagwu@ugu.gov.za">xoliswa.gqibhagwu@ugu.gov.za</a>		
Official responsible for submitting financial information			
Name	J. Kofi		
Telephone number	390 886 718		
Cell number	0834581827		
Fax number	039 682 6740		
E-mail address	<a href="mailto:luleo.kofi@ugu.gov.za">luleo.kofi@ugu.gov.za</a>		



DC21 Ugu - Table A1 Consolidated Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
<b>Financial Performance</b>										
Property rates	—	—	—	—	—	—	—	—	—	—
Service charges	277 995	295 020	316 108	473 667	473 668	449 985	387 761	429 071	450 525	473 051
Investment revenue	10 970	16 025	26 609	15 568	16 433	15 611	15 611	20 813	21 853	22 946
Transfers recognised - operational	229 567	341 189	382 648	408 662	421 978	400 879	400 879	445 808	470 692	469 106
Other own revenue	14 504	23 746	22 551	16 509	20 267	19 253	19 253	16 986	17 835	18 727
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>533 037</b>	<b>675 991</b>	<b>747 915</b>	<b>914 506</b>	<b>932 346</b>	<b>885 729</b>	<b>823 505</b>	<b>912 678</b>	<b>960 905</b>	<b>1 013 830</b>
Employee costs	246 106	274 840	302 629	332 850	338 926	321 979	321 979	350 373	367 891	386 286
Remuneration of councillors	7 938	9 146	9 544	11 874	11 054	10 502	10 502	13 306	13 972	14 670
Depreciation & asset impairment	198 475	337 860	195 103	123 604	128 645	122 213	122 213	121 047	127 100	133 455
Finance charges	15 818	12 813	13 556	15 776	11 001	10 450	10 450	9 771	10 260	10 773
Materials and bulk purchases	52 775	56 290	79 151	90 168	67 394	83 024	83 024	84 996	89 245	93 708
Transfers and grants	55 526	29 478	20 327	40 028	17 438	16 566	16 566	18 310	19 226	20 187
Other expenditure	145 847	189 912	308 634	297 963	333 763	317 075	317 075	315 628	331 410	347 980
<b>Total Expenditure</b>	<b>722 885</b>	<b>910 339</b>	<b>928 944</b>	<b>912 263</b>	<b>928 221</b>	<b>881 810</b>	<b>881 810</b>	<b>913 432</b>	<b>959 103</b>	<b>1 007 058</b>
<b>Surplus/(Deficit)</b>	<b>(189 848)</b>	<b>(234 348)</b>	<b>(181 029)</b>	<b>2 243</b>	<b>4 125</b>	<b>3 918</b>	<b>(58 305)</b>	<b>(753)</b>	<b>1 802</b>	<b>6 772</b>
Transfers recognised - capital	437 602	385 804	355 696	310 862	299 108	284 152	284 152	279 116	317 815	352 668
Contributions recognised - capital & contributed assets	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>247 754</b>	<b>151 455</b>	<b>174 667</b>	<b>313 105</b>	<b>303 232</b>	<b>288 071</b>	<b>225 847</b>	<b>278 363</b>	<b>319 616</b>	<b>359 440</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>247 754</b>	<b>151 455</b>	<b>174 667</b>	<b>313 105</b>	<b>303 232</b>	<b>288 071</b>	<b>225 847</b>	<b>278 363</b>	<b>319 616</b>	<b>359 440</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	306 216	325 786	364 251	369 147	349 233	331 772	331 772	362 325	317 815	352 668
Transfers recognised - capital	294 998	313 934	355 430	310 862	299 108	284 152	284 152	278 851	317 536	352 376
Public contributions & donations	—	—	—	—	—	—	—	—	—	—
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	11 219	11 853	8 821	58 285	50 126	47 619	47 619	83 474	279	293
<b>Total sources of capital funds</b>	<b>306 216</b>	<b>325 786</b>	<b>364 251</b>	<b>369 147</b>	<b>349 233</b>	<b>331 772</b>	<b>331 772</b>	<b>362 325</b>	<b>317 815</b>	<b>352 668</b>
<b>Financial position</b>										
Total current assets	330 991	434 431	412 749	585 707	545 713	518 428	518 428	353 727	337 557	325 458
Total non current assets	3 555 457	3 629 010	4 037 501	4 055 021	4 298 332	4 084 365	4 084 365	4 082 543	4 286 673	4 501 003
Total current liabilities	216 990	259 747	254 342	236 476	271 693	258 108	258 108	274 314	288 029	302 431
Total non current liabilities	189 965	173 016	155 407	141 098	140 398	133 379	133 379	115 752	95 623	74 488
Community wealth/Equity	3 479 494	3 630 949	4 040 501	4 263 154	4 432 954	4 211 306	4 211 306	4 046 204	4 240 574	4 449 542
<b>Cash flows</b>										
Net cash from (used) operating	422 933	433 798	414 183	490 109	370 798	352 258	352 258	272 534	313 496	353 014
Net cash from (used) investing	(306 059)	(324 401)	(364 087)	(369 052)	(349 233)	(331 772)	(331 772)	(362 636)	(318 141)	(353 010)
Net cash from (used) financing	(23 135)	(20 175)	(20 385)	(17 857)	(16 029)	(15 227)	(15 227)	(19 628)	(20 609)	(21 639)
<b>Cash/cash equivalents at the year end</b>	<b>168 625</b>	<b>246 549</b>	<b>276 261</b>	<b>366 909</b>	<b>281 797</b>	<b>281 520</b>	<b>281 520</b>	<b>172 068</b>	<b>146 815</b>	<b>125 179</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	168 625	246 549	276 261	380 102	280 297	266 282	266 282	172 068	146 815	125 179
Application of cash and investments	7 598	16 933	64 698	14 959	5 924	5 628	(23 697)	93 736	98 423	103 344
<b>Balance - surplus (shortfall)</b>	<b>161 027</b>	<b>229 616</b>	<b>211 563</b>	<b>365 142</b>	<b>274 374</b>	<b>260 655</b>	<b>289 980</b>	<b>78 332</b>	<b>48 392</b>	<b>21 834</b>
<b>Asset management</b>										
Asset register summary (WDV)	3 555 450	3 629 010	4 037 400	4 054 831	4 298 992	4 084 042	4 081 893	4 081 893	4 285 987	4 500 287
Depreciation & asset impairment	198 475	337 860	195 103	123 604	128 645	122 213	121 047	121 047	127 100	133 455
Renewal of Existing Assets	61 320	—	—	33 559	—	—	—	278 851	292 794	307 433
Repairs and Maintenance	17 173	52 638	53 151	70 636	68 636	65 204	66 839	66 839	70 181	73 690
<b>Free services</b>										
Cost of Free Basic Services provided	55 566	25 214	54 480	65 498	65 498	62 223	70 037	70 037	73 539	77 216
Revenue cost of free services provided	3 593	22 983	17 631	32 618	32 618	30 987	32 618	32 618	34 249	35 961
<b>Households below minimum service level</b>										
Water:	0	0	0	0	0	0	0	0	0	0
Sanitation/sewerage:	0	0	0	0	0	0	0	0	0	0
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—

DC21 Ugu - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Revenue - Standard										
Governance and administration		192 751	234 151	393 772	182 024	182 624	173 493	203 851	197 939	212 696
Executive and council		2 460	2 624	2 083	2 188	2 188	2 079	2 356	500	600
Budget and treasury office		189 772	231 525	390 746	178 787	179 387	170 418	201 488	197 431	212 088
Corporate services		518	2	944	1 048	1 049	996	8	8	8
Community and public safety		6 668	7 586	329	7 354	12 354	11 737	7 767	8 156	8 563
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		468	309	220	254	254	242	241	253	266
Public safety		6 201	7 277	109	7 100	12 100	11 495	7 526	7 902	8 297
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		287 860	287 228	257 398	60 970	74 580	70 851	73 067	76 720	80 556
Planning and development		284 122	277 022	256 450	43 180	56 790	53 950	54 239	56 951	58 799
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		3 738	10 206	948	17 790	17 790	16 900	18 827	19 769	20 757
Trading services		481 634	531 545	451 251	974 770	961 746	913 658	906 945	995 732	1 064 501
Electricity		-	-	-	-	-	-	-	-	-
Water		377 277	424 952	343 848	855 299	842 274	800 160	786 053	850 104	911 592
Waste water management		104 357	106 593	107 403	119 472	119 472	113 498	120 891	145 628	152 909
Waste management		-	-	-	-	-	-	-	-	-
Other	4	1 726	1 284	862	250	150	143	165	173	182
Total Revenue - Standard	2	970 639	1 061 794	1 103 611	1 225 368	1 231 453	1 169 881	1 191 795	1 278 719	1 366 498
Expenditure - Standard										
Governance and administration		128 946	133 375	193 779	218 900	226 152	216 745	250 771	263 310	276 475
Executive and council		43 193	38 639	55 583	64 170	62 748	59 611	78 645	82 577	86 706
Budget and treasury office		30 199	30 963	34 984	44 042	49 650	47 167	51 368	53 936	56 633
Corporate services		55 554	63 873	103 212	110 689	115 755	109 967	120 756	126 796	133 136
Community and public safety		8 912	81 581	2 981	6 100	6 100	5 795	8 824	9 265	9 729
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		1 549	77 214	465	-	-	-	390	410	430
Public safety		7 364	4 367	2 515	6 100	6 100	5 795	8 434	8 856	9 299
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		66 336	70 460	44 031	81 468	95 825	91 034	91 966	96 565	101 393
Planning and development		60 399	56 054	27 825	63 009	77 225	73 364	73 364	77 032	80 884
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		8 938	14 406	16 207	18 456	18 600	17 670	18 602	19 532	20 509
Trading services		514 866	624 139	687 108	604 635	596 983	567 134	560 419	588 440	617 862
Electricity		-	-	-	-	-	-	-	-	-
Water		472 105	555 936	595 005	516 772	506 945	481 597	469 062	492 516	517 141
Waste water management		42 761	68 203	92 103	87 863	90 039	85 537	91 356	95 924	100 720
Waste management		-	-	-	-	-	-	-	-	-
Other	4	825	784	1 045	1 160	1 160	1 102	1 451	1 523	1 600
Total Expenditure - Standard	3	722 885	910 339	928 944	912 263	928 221	881 810	913 432	958 103	1 007 058
Surplus/(Deficit) for the year		247 754	151 455	174 667	313 105	303 232	288 071	278 363	319 616	359 440

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification



DC21 Ugu - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Revenue by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		2 460	2 624	2 083	2 188	2 188	2 079	2 356	500	600
Vote 2 - FINANCE & ADMINISTRATION		190 291	231 527	391 689	179 836	180 436	171 414	201 495	197 439	212 096
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT		284 122	277 022	256 450	43 180	56 790	53 950	54 239	56 951	59 799
Vote 4 - WATER		377 277	424 952	343 848	855 299	842 274	800 160	786 053	850 104	911 592
Vote 5 - WASTE WATER MANAGEMENT		104 357	106 593	107 403	119 472	119 472	113 498	120 891	145 628	152 909
Vote 6 - PUBLIC SAFETY		6 201	7 277	109	7 100	12 100	11 495	7 526	7 902	8 297
Vote 7 - ENVIRONMENTAL PROTECTION		3 738	10 206	948	17 790	17 790	16 900	18 827	19 769	20 757
Vote 8 - OTHER: MARKET		1 726	1 284	862	250	150	143	165	173	182
Vote 9 - SPORTS & RECREATION		468	309	220	254	254	242	241	253	266
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	970 639	1 061 794	1 103 611	1 225 368	1 231 453	1 169 881	1 191 795	1 278 719	1 366 498
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE & COUNCIL		43 193	38 539	55 583	64 170	62 748	59 611	78 645	82 577	86 705
Vote 2 - FINANCE & ADMINISTRATION		85 753	94 836	138 196	154 731	165 404	157 134	172 126	180 733	189 769
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT		60 399	56 054	27 825	63 009	77 225	73 364	73 364	77 032	80 884
Vote 4 - WATER		472 105	555 936	595 005	516 772	506 945	481 597	469 062	492 516	517 141
Vote 5 - WASTE WATER MANAGEMENT		42 761	68 203	92 103	87 863	90 039	85 537	91 356	95 924	100 720
Vote 6 - PUBLIC SAFETY		7 364	4 367	2 515	6 100	6 100	5 795	8 434	8 856	9 299
Vote 7 - ENVIRONMENTAL PROTECTION		8 938	14 406	16 207	18 458	18 600	17 670	18 602	19 532	20 509
Vote 8 - OTHER: MARKET		825	784	1 045	1 160	1 160	1 102	1 451	1 523	1 600
Vote 9 - SPORTS & RECREATION		1 549	77 214	465	-	-	-	390	410	430
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	722 885	910 338	928 944	912 263	928 221	881 810	913 432	959 103	1 007 058
Surplus/(Deficit) for the year	2	247 754	151 455	174 667	313 105	303 232	288 071	278 363	319 616	359 440

References

- 1. Insert 'Vote'; e.g. department, if different to standard classification structure
- 2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
- 3. Assign share in 'associate' to relevant Vote

DC21 Ugu - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	184 218	192 674	208 858	361 387	361 387	343 318	281 094	315 836	331 627	348 209
Service charges - sanitation revenue	2	93 777	102 346	107 250	112 281	112 281	106 667	106 667	113 236	118 898	124 843
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment		2 194	2 430	1 086	1 249	1 149	1 092	1 092	1 160	1 218	1 279
Interest earned - external investments		10 970	16 025	26 609	15 568	16 433	15 611	15 611	20 813	21 853	22 946
Interest earned - outstanding debtors		3 192	3 490	4 019	3 802	3 802	3 612	3 612	3 848	4 041	4 243
Dividends received											
Fines											
Licences and permits											
Agency services											
Transfers recognised - operational		229 567	341 199	382 648	408 662	421 978	400 879	400 879	445 808	470 692	499 106
Other revenue	2	9 118	16 964	16 630	11 558	15 316	14 550	14 550	11 977	12 576	13 205
Gains on disposal of PPE			862	813							
Total Revenue (excluding capital transfers and contributions)		533 037	675 991	747 915	914 506	932 346	885 729	823 505	912 678	965 905	1 013 830
Expenditure By Type											
Employee related costs	2	246 106	274 840	302 629	332 850	338 926	321 979	321 979	350 373	367 891	386 286
Remuneration of councillors		7 938	9 146	9 544	11 874	11 054	10 502	10 502	13 306	13 972	14 670
Debt impairment	3	26	18	97 093	38 159	33 609	31 928	31 928	3 000	3 150	3 308
Depreciation & asset impairment	2	198 475	337 860	195 103	123 604	128 646	122 213	122 213	121 047	127 100	133 455
Finance charges		15 816	12 813	13 556	15 776	11 001	10 450	10 450	9 771	10 260	10 773
Bulk purchases	2	46 954	52 626	66 091	81 468	78 859	74 916	74 916	76 034	79 835	83 827
Other materials	8	5 821	3 664	13 060	8 700	8 535	8 109	8 109	8 962	9 410	9 881
Contracted services		19 680	19 964	22 808	29 683	36 965	35 117	35 117	35 558	37 336	39 203
Transfers and grants		55 826	29 478	20 327	40 028	17 438	16 566	16 566	18 310	19 226	20 187
Other expenditure	4, 5	124 763	169 930	188 732	230 121	263 189	250 029	250 029	277 070	290 824	305 470
Loss on disposal of PPE		1 378	-	-							
Total Expenditure		722 885	910 339	928 944	912 263	928 221	881 810	881 810	913 432	959 103	1 007 058
Surplus/(Deficit)		(189 848)	(234 348)	(181 029)	2 243	4 125	3 918	(58 305)	(753)	1 802	6 772
Transfers recognised - capital		437 602	385 804	355 696	310 862	299 108	284 152	284 152	279 116	317 815	352 668
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		247 754	151 455	174 667	313 105	303 232	288 071	225 847	278 363	319 616	359 440
Taxation											
Surplus/(Deficit) after taxation		247 754	151 455	174 667	313 105	303 232	288 071	225 847	278 363	319 616	359 440
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		247 754	151 455	174 667	313 105	303 232	288 071	225 847	278 363	319 616	359 440
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		247 754	151 455	174 667	313 105	303 232	288 071	225 847	278 363	319 616	359 440

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method

DC21 Ugu - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 4 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 5 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 7 - ENVIRONMENTAL PROTECTION		-	-	-	-	-	-	-	-	-	-
Vote 8 - OTHER: MARKET		-	-	-	-	-	-	-	-	-	-
Vote 9 - SPORTS & RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE & COUNCIL		-	599	129	2 640	2 453	2 331	2 331	1 000	-	-
Vote 2 - FINANCE & ADMINISTRATION		1 881	11 766	10 720	44 055	39 522	37 546	37 546	50 159	-	-
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT		202	-	-	590	355	337	337	265	279	293
Vote 4 - WATER		278 094	289 821	348 608	238 418	252 175	239 567	239 567	228 751	231 961	262 522
Vote 5 - WASTE WATER MANAGEMENT		22 459	23 600	4 631	82 444	48 432	46 011	46 011	81 500	85 575	89 854
Vote 6 - PUBLIC SAFETY		3 555	-	163	1 000	6 000	5 700	5 700	-	-	-
Vote 7 - ENVIRONMENTAL PROTECTION		-	-	-	-	295	280	280	650	-	-
Vote 8 - OTHER: MARKET		-	-	-	-	-	-	-	-	-	-
Vote 9 - SPORTS & RECREATION		25	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		308 216	325 786	364 251	369 147	349 233	331 772	331 772	362 325	317 815	352 668
<b>Total Capital Expenditure - Vote</b>		308 216	325 786	364 251	369 147	349 233	331 772	331 772	362 325	317 815	352 668
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		1 881	12 365	10 849	46 695	41 976	39 877	39 877	51 159	-	-
Executive and council		-	599	129	2 640	2 453	2 331	2 331	1 000	-	-
Budget and treasury office		-	-	73	15 000	7 085	6 731	6 731	4 039	-	-
Corporate services		1 881	11 766	10 647	29 055	32 437	30 815	30 815	46 150	-	-
<b>Community and public safety</b>		3 581	-	163	1 000	6 000	5 700	5 700	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		25	-	-	-	-	-	-	-	-	-
Public safety		3 555	-	163	1 000	6 000	5 700	5 700	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		202	-	-	590	650	618	618	915	279	293
Planning and development		202	-	-	590	355	337	337	265	279	293
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	295	280	280	650	-	-
<b>Trading services</b>		300 553	313 421	353 239	329 862	360 608	285 577	285 577	310 251	317 536	352 376
Electricity		-	-	-	-	-	-	-	-	-	-
Water		278 094	289 821	348 608	238 418	252 175	239 567	239 567	228 751	231 961	262 522
Waste water management		22 459	23 600	4 631	82 444	48 432	46 011	46 011	81 500	85 575	89 854
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	306 216	325 786	364 251	369 147	349 233	331 772	331 772	362 325	317 815	352 668
<b>Funded by:</b>											
National Government		294 998	297 015	307 058	310 862	299 108	284 152	284 152	278 851	317 536	352 376
Provincial Government		-	16 918	48 373	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	294 998	313 934	355 430	310 862	299 108	284 152	284 152	278 851	317 536	352 376
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		11 219	11 853	8 821	58 285	50 126	47 619	47 619	83 474	279	293
<b>Total Capital Funding</b>	7	306 216	325 786	364 251	369 147	349 233	331 772	331 772	362 325	317 815	352 668

References

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
- Capital expenditure by standard classification must reconcile to the appropriations by vote
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
- Must reconcile to Budgeted Financial Performance (revenue and expenditure)
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
- Total Capital Funding must balance with Total Capital Expenditure
- Include any capitalised interest (MFMA section 46) as part of relevant capital budget

DC21 Ugu - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year: 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Current assets											
Cash		163 675	50 622	63 364	146 918	48 614	46 183	46 183	31 844	46 815	25 179
Call investment deposits	1	8 293	222 080	215 203	233 184	233 184	221 524	221 524	140 224	100 000	100 000
Consumer debtors	1	130 849	96 262	59 351	127 573	202 165	192 056	192 056	138 306	145 221	152 482
Other debtors		20 072	50 989	63 295	56 215	30 215	28 704	28 704	22 661	23 794	24 984
Current portion of long-term receivables		32	52	12	36	36	34	34	217	228	239
Inventory	2	8 069	14 426	11 524	21 781	31 500	29 925	29 925	20 475	21 499	22 574
Total current assets		330 991	434 431	412 749	585 707	545 713	518 428	518 428	353 727	337 557	325 458
Non current assets											
Long-term receivables		7	271	101	189	339	322	322	650	683	717
Investments					-	-	-	-	-	-	-
Investment property		14 600	29 403	29 500	32 417	29 500	28 025	28 025	30 000	31 500	33 075
Investment in Associate					-	-	-	-	-	-	-
Property, plant and equipment	3	3 531 226	3 590 626	3 996 396	4 015 300	4 257 988	4 045 089	4 045 089	4 042 114	4 244 220	4 456 431
Agricultural					-	-	-	-	-	-	-
Biological					-	-	-	-	-	-	-
Intangible		9 624	8 981	11 504	7 114	11 504	10 929	10 929	9 779	10 267	10 781
Other non-current assets					-	-	-	-	-	-	-
Total non current assets		3 555 457	3 629 281	4 037 501	4 055 021	4 299 332	4 084 365	4 084 365	4 082 543	4 286 670	4 501 003
TOTAL ASSETS		3 886 448	4 063 711	4 450 251	4 640 728	4 845 045	4 602 793	4 602 793	4 436 270	4 624 226	4 826 461
LIABILITIES											
Current liabilities											
Bank overdraft	1	3 343	26 152	2 306	-	1 500	1 425	1 425	-	-	-
Borrowing	4	21 630	21 979	19 728	18 277	18 277	17 363	17 363	20 714	21 750	22 837
Consumer deposits		19 725	20 034	20 607	21 456	21 730	20 643	20 643	22 816	23 957	25 155
Trade and other payables	4	155 558	171 312	185 986	174 395	207 840	197 448	197 448	207 320	217 686	228 570
Provisions		16 733	20 269	25 716	22 346	22 346	21 229	21 229	23 464	24 637	25 869
Total current liabilities		216 990	259 747	254 342	236 476	271 693	258 108	258 108	274 314	288 029	302 431
Non current liabilities											
Borrowing		165 364	144 531	125 826	109 524	109 524	104 048	104 048	83 333	61 584	38 746
Provisions		24 600	28 484	29 582	31 575	30 875	29 331	29 331	32 419	34 039	35 741
Total non current liabilities		189 965	173 016	155 407	141 098	140 398	133 379	133 379	115 752	95 623	74 488
TOTAL LIABILITIES		406 954	432 762	409 749	377 574	412 091	391 487	391 487	390 066	383 653	376 919
NET ASSETS	5	3 479 494	3 630 949	4 040 501	4 263 154	4 432 954	4 211 306	4 211 306	4 046 204	4 240 574	4 449 542
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		3 479 494	3 630 949	4 040 501	4 263 154	4 432 954	4 211 306	4 211 306	4 046 204	4 240 574	4 449 542
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	3 479 494	3 630 949	4 040 501	4 263 154	4 432 954	4 211 306	4 211 306	4 046 204	4 240 574	4 449 542

References

- 1. Detail to be provided in Table SA3
- 2. Include completed low cost housing to be transferred to beneficiaries within 12 months
- 3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
- 4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
- 5. Net assets must balance with Total Community Wealth/Equity

DC21 Ugu - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges					-	-	-	-	-	-	-
Service charges		286 747	331 609	316 108	412 091	412 091	391 486	391 486	300 350	315 368	331 136
Other revenue				17 719	12 785	16 465	15 642	15 642	13 137	13 794	14 484
Government - operating	1	432 690	321 618	321 618	408 662	421 978	400 879	400 879	445 808	470 692	499 106
Government - capital	1	234 306	384 636	416 726	310 862	299 462	284 489	284 489	279 116	317 815	352 668
Interest		14 163	19 515	30 628	19 356	20 234	19 223	19 223	23 507	24 682	25 916
Dividends					-	-	-	-	-	-	-
Payments											
Suppliers and employees		(254 390)	(283 986)	(654 732)	(620 842)	(770 994)	(732 444)	(732 444)	(761 303)	(799 368)	(839 336)
Finance charges		(15 818)	(12 813)	(13 558)	(15 776)	(11 001)	(10 450)	(10 450)	(9 771)	(10 260)	(10 773)
Transfers and Grants	1	(274 766)	(326 781)	(20 327)	(37 028)	(17 438)	(16 566)	(16 566)	(18 310)	(19 226)	(20 187)
NET CASH FROM/(USED) OPERATING ACTIVITIES		422 933	433 798	414 183	490 109	370 798	352 258	352 258	272 534	313 496	353 014
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		75	885	963	-	150	143	143	-	-	-
Decrease (increase) in non-current debtors		63	(263)	210	-	-	-	-	(311)	(326)	(342)
Decrease (increase) other non-current receivables		19	(20)	-	95	(150)	(143)	(143)	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(306 216)	(325 004)	(365 260)	(369 147)	(349 233)	(331 772)	(331 772)	(362 325)	(317 815)	(352 668)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(306 059)	(324 401)	(364 087)	(369 052)	(349 233)	(331 772)	(331 772)	(362 636)	(318 141)	(353 010)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		346	309	573	421	273	269	259	1 086	1 141	1 198
Payments											
Repayment of borrowing		(23 480)	(20 484)	(20 957)	(18 277)	(16 302)	(15 487)	(15 487)	(20 714)	(21 750)	(22 837)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(23 135)	(20 175)	(20 385)	(17 857)	(16 029)	(15 227)	(15 227)	(19 628)	(20 609)	(21 639)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	93 739	89 222	29 711	103 200	5 536	5 260	5 260	(109 729)	(25 253)	(21 636)
Cash/cash equivalents at the year end:	2	74 886	157 328	246 549	263 709	276 261	276 261	276 261	281 797	172 068	146 815
	2	168 625	246 549	276 261	366 909	281 797	281 520	281 520	172 068	146 815	125 179

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities

2. Cash equivalents includes investments with maturities of 3 months or less

DC21 Ugu - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description:	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	168 625	246 549	276 261	366 909	281 797	281 520	281 520	172 068	146 815	125 179
Other current investments > 90 days		0	—	—	13 193	(1 500)	(15 238)	(15 238)	—	—	—
Non current assets - Investments	1	—	—	—	—	—	—	—	—	—	—
Cash and investments available:		168 625	246 549	276 261	380 102	280 297	266 282	266 282	172 068	146 815	125 179
Application of cash and investments											
Unspent conditional transfers		48 333	21 366	8 730	23 556	—	—	—	—	—	—
Unspent borrowing		—	—	—	—	—	—	—	—	—	—
Statutory requirements	2	—	—	—	—	—	—	—	—	—	—
Other working capital requirements	3	(40 736)	(4 433)	55 968	(8 596)	5 924	5 628	(23 697)	93 736	98 423	103 344
Other provisions		—	—	—	—	—	—	—	—	—	—
Long term investments committed	4	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments	5	—	—	—	—	—	—	—	—	—	—
Total Application of cash and investments:		7 598	16 933	64 698	14 959	5 924	5 628	(23 697)	93 736	98 423	103 344
Surplus(shortfall)		161 027	229 616	211 563	365 142	274 374	260 655	289 980	78 332	48 392	21 834

References

- 1. Must reconcile with Budgeted Cash Flows
- 2. For example: VAT, taxation
- 3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
- 4. For example: sinking fund requirements for borrowing
- 5. Council approval required for each reserve created and basis of cash backing of reserves

DC21 Ugu - Table A9 Consolidated Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	244 897	325 786	364 251	335 588	349 233	331 772	83 474	25 021	45 235
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		225 028	281 738	280 883	237 597	251 175	238 617	10 400	24 742	44 942
Infrastructure - Sanitation		4 063	20 858	47 805	47 206	48 432	48 011	20 000	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		229 091	302 596	328 688	284 803	299 608	284 627	30 400	24 742	44 942
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	13 323	20 704	30 661	50 785	49 626	47 144	53 074	279	293
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		2 483	2 487	4 902	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	61 320	-	-	33 559	-	-	278 851	292 794	307 433
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		39 858	-	-	6 000	-	-	217 351	228 219	238 628
Infrastructure - Sanitation		18 396	-	-	25 559	-	-	61 500	64 575	67 804
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		58 254	-	-	33 559	-	-	278 851	292 794	307 433
Community		3 066	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		264 886	281 738	280 883	245 597	251 175	238 617	227 751	252 961	284 572
Infrastructure - Sanitation		22 459	20 858	47 805	72 765	48 432	48 011	61 500	64 575	67 804
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		287 344	302 596	328 688	318 362	299 608	284 627	309 251	317 536	352 376
Community		3 066	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	13 323	20 704	30 661	50 785	49 626	47 144	53 074	279	293
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		2 483	2 487	4 902	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	306 216	325 786	364 251	369 147	349 233	331 772	362 325	317 815	352 668
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		2 239 312	2 791 080	2 503 893	3 059 369	2 754 423	2 616 702	2 498 119	2 623 025	2 754 176
Infrastructure - Sanitation		675 586	604 238	1 294 172	703 541	1 342 604	1 275 474	1 343 041	1 410 193	1 480 703
Infrastructure - Other		2 444	5 092	-	5 368	-	-	-	-	-
Infrastructure		2 917 342	3 400 410	3 797 865	3 768 267	4 097 027	3 892 175	3 841 160	4 033 218	4 234 879
Community		98 501	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		14 800	29 403	29 500	32 417	29 500	28 025	30 000	31 500	33 075
Other assets		517 382	190 216	198 530	247 033	160 961	152 913	200 954	211 002	221 552
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		8 624	8 981	11 504	7 114	11 504	10 929	9 779	10 267	10 781
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	3 555 450	3 629 010	4 037 400	4 054 831	4 298 992	4 084 042	4 081 693	4 285 987	4 500 267
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>	3	198 475	337 860	195 103	123 804	128 645	122 213	121 047	127 100	133 455
<b>Repairs and Maintenance by Asset Class</b>		17 173	52 638	63 151	70 636	68 638	65 204	66 839	70 181	73 690
Infrastructure - Road transport		1 463	954	1 145	5 789	5 634	5 353	5 487	5 761	6 049
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		8 317	15 057	18 064	20 695	20 109	19 104	19 583	20 562	21 590
Infrastructure - Sanitation		899	4 342	5 210	3 300	3 206	3 046	3 122	3 279	3 443
Infrastructure - Other		-	-	-	3 063	2 976	2 827	2 888	3 043	3 195
Infrastructure		10 480	20 354	24 419	32 857	31 926	30 330	31 091	32 645	34 278
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	6 893	32 284	38 732	37 779	36 709	34 874	35 748	37 536	39 413
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		215 648	390 498	258 254	194 240	197 281	187 417	187 887	197 281	207 145
<b>Renewal of Existing Assets as % of total capex</b>		20.0%	0.0%	0.0%	8.1%	0.0%	0.0%	77.0%	92.1%	87.2%
<b>Renewal of Existing Assets as % of deprcn"</b>		30.9%	0.0%	0.0%	27.2%	0.0%	0.0%	230.4%	230.4%	230.4%
<b>R&amp;M as a % of PPE</b>		0.5%	1.5%	1.6%	1.8%	1.6%	1.6%	1.7%	1.7%	1.7%
<b>Renewal and R&amp;M as a % of PPE</b>		2.0%	1.0%	2.0%	3.0%	2.0%	2.0%	8.0%	8.0%	8.0%

## References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category



DC21 Ugu - Table A10 Consolidated basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		48	30	32	33	33	33	35	36	38
Piped water inside yard (out not in dwelling)		22	14	15	15	15	15	16	17	18
Using public tap (at least min.service level)	2	60	58	61	64	64	64	67	70	74
Other water supply (at least min.service level)	4	26	28	29	31	31	31	32	34	36
<i>Minimum Service Level and Above sub-total</i>		154	130	137	143	143	143	150	156	166
Using public tap (< min.service level)	3	5	25	26	28	28	28	29	30	32
Other water supply (< min.service level)	4	26	28	27	29	29	29	30	32	33
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		31	51	54	56	56	56	59	62	65
Total number of households	5	185	181	190	200	200	200	210	220	231
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		34	35	37	39	39	39	41	43	45
Flush toilet (with septic tank)		14	15	16	17	17	17	17	18	19
Chemical toilet		15	18	19	20	20	20	21	22	23
Pit toilet (ventilated)		53	56	61	64	64	64	67	70	74
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		116	124	132	139	139	139	145	153	161
Bucket toilet		3	3	3	3	3	3	3	4	4
Other toilet provisions (< min.service level)		54	49	51	54	54	54	57	60	63
No toilet provisions		8	8	8	9	9	9	9	10	10
<i>Below Minimum Service Level sub-total</i>		65	60	63	66	66	66	69	73	77
Total number of households	5	181	185	195	205	205	205	215	226	237
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		55 566	25 214	54 480	65 498	65 498	62 223	70 037	73 539	77 216
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
Total cost of FBS provided		55 566	25 214	54 480	65 498	65 498	62 223	70 037	73 539	77 216
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	6	6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissable values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)	3 593	22 983	17 831	32 618	32 618	30 987	32 618	34 249	35 961	
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	3 593	22 983	17 831	32 618	32 618	30 987	32 618	34 249	35 961

**References**

1. Include services provided by another entity; e.g. Eskom

2. Stand distance <= 200m from dwelling

3. Stand distance > 200m from dwelling

4. Borehole, spring, rain-water tank etc.

5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)

6. Include value of subsidy provided by municipality above provincial subsidy level

7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)

8. Must reflect the cost to the municipality of providing the Free Basic Service

† Most reconcile with Targeted Financial Performance (Revenue and Expenditure).



**C21 Ugu - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
thousand											
<b>SSETS</b>											
<b>all investment deposits</b>											
Call deposits < 90 days		8 293	222 080	215 203	233 184	233 184	221 524	221 524	140 224	100 000	100 000
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
<b>all Call investment deposits</b>	2	8 293	222 080	215 203	233 184	233 184	221 524	221 524	140 224	100 000	100 000
<b>consumer debtors</b>											
Consumer debtors		225 499	266 640	325 628	335 634	405 726	385 439	385 439	344 867	362 110	380 216
Less: Provision for debt impairment		(94 650)	(170 378)	(266 277)	(208 061)	(203 561)	(193 383)	(193 383)	(206 561)	(216 889)	(227 734)
<b>all Consumer debtors</b>	2	130 849	96 262	59 351	127 573	202 165	192 056	192 056	138 306	145 221	152 482
<b>debt impairment provision</b>											
Balance at the beginning of the year		91 462	94 288	170 378	169 952	169 952	161 455	161 455	203 561	212 739	224 426
Contributions to the provision		3 198	76 090	95 899	38 109	33 609	31 928	31 928	3 000	3 150	3 308
Bad debts written off		(10)	-	-	-	-	-	-	-	-	-
<b>Balance at end of year</b>		94 650	170 378	266 277	208 061	203 561	193 383	193 383	206 561	216 889	227 734
<b>property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		7 730 041	7 935 500	8 721 097	8 701 022	9 139 344	8 682 376	8 682 376	9 042 527	9 494 654	9 969 386
Leases recognised as PPE		-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	3	4 198 815	4 344 874	4 724 701	4 685 722	4 881 356	4 637 288	4 637 288	5 000 413	5 250 434	5 512 956
<b>all Property, plant and equipment (PPE)</b>	2	3 531 226	3 590 626	3 996 396	4 015 300	4 257 988	4 045 088	4 045 088	4 042 114	4 244 220	4 456 430
<b>LIABILITIES</b>											
<b>current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		21 630	21 979	19 728	18 277	18 277	17 363	17 363	20 714	21 750	22 837
<b>all Current liabilities - Borrowing</b>		21 630	21 979	19 728	18 277	18 277	17 363	17 363	20 714	21 750	22 837
<b>trade and other payables</b>											
Trade and other creditors		107 224	149 448	177 256	150 840	207 840	197 448	197 448	207 320	217 686	228 570
Unspent conditional transfers		48 333	21 366	8 730	23 556	-	-	-	-	-	-
VAT		-	498	-	-	-	-	-	-	-	-
<b>all Trade and other payables</b>	2	155 558	171 312	185 986	174 395	207 840	197 448	197 448	207 320	217 686	228 570
<b>current liabilities - Borrowing</b>											
Borrowing	4	165 364	144 531	125 826	109 524	109 524	104 048	104 048	83 333	61 584	38 746
Finance leases (including PPP asset element)		-	-	-	-	-	-	-	-	-	-
<b>all Non current liabilities - Borrowing</b>		165 364	144 531	125 826	109 524	109 524	104 048	104 048	83 333	61 584	38 746
<b>provisions - non-current</b>											
Retirement benefits		13 524	15 250	15 572	16 845	16 145	15 338	15 338	16 953	17 800	18 690
List other major provision items		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-
Other		11 076	13 234	14 010	14 730	14 730	13 993	13 993	15 466	16 239	17 051
<b>all Provisions - non-current</b>		24 600	28 484	29 582	31 575	30 875	29 331	29 331	32 419	34 039	35 741
<b>ANGES IN NET ASSETS</b>											
<b>unmutated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		3 231 740	3 479 494	3 865 835	3 950 049	4 129 721	3 923 235	3 985 459	3 767 841	3 920 958	4 090 102
RAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		3 231 740	3 479 494	3 865 835	3 950 049	4 129 721	3 923 235	3 985 459	3 767 841	3 920 958	4 090 102
Surplus/(Deficit)		247 754	151 455	174 667	313 105	303 232	288 071	225 847	278 363	319 616	359 440
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	-	-	-
<b>unmutated Surplus/(Deficit)</b>	1	3 479 494	3 630 949	4 040 501	4 263 154	4 432 954	4 211 306	4 211 306	4 046 204	4 240 574	4 449 542
<b>Reserves</b>											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Evaluation		-	-	-	-	-	-	-	-	-	-
<b>all Reserves</b>	2	-	-	-	-	-	-	-	-	-	-
<b>all COMMUNITY WEALTH/EQUITY</b>	2	3 479 494	3 630 949	4 040 501	4 263 154	4 432 954	4 211 306	4 211 306	4 046 204	4 240 574	4 449 542
<b>all capital expenditure includes expenditure on nationally significant priorities:</b>											
tion of basic services											

thousand

ferences

*Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)*

DC21 Ugu - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand													
Financial Viability	Financial Management			30 199	31 035	34 584	42 873	42 873	40 730	46 754	49 091	51 546	
Good Governance	Human Resources Management			254 044	267 421	302 625	333 450	326 015	312 585	348 245	365 857	383 940	
Good Governance	Communication Services								-		-	-	
Good Governance	Public Participation			1 802	223	538	1 500	2 000	1 900	1 410	1 481	1 555	
Good Governance	Support Services						1 041		-		-	-	
Good Governance	Strategic Planning			868	850	150	400	400	380	400	420	441	
Good Governance	Shared Services Strategy								-		-	-	
Institutional Transformation	Skills Training & Development			1 615	2 806	2 606	3 000	2 600	2 470	3 000	3 150	3 308	
Institutional Transformation	Employee Assistance Programmes			49	93	66	150	147	138	125	131	138	
Institutional Transformation	Occupational Health & Safety				83	80	860	841	804	500	525	551	
Social Development	Special Programmes			488		1 057	4 680	5 383	5 113	5 752	6 099	6 341	
Social Development	Culture								-		-	-	
Social Development	Sports Development			1 549	1 351	131	4 000	2 900	2 755	1 500	1 575	1 654	
Economic Development	Agricultural Market			277		1 045	1 180	1 189	1 102	380	410	430	
Economic Development	Local Economic Development			1 423	554	2 549	1 267	2 005	1 904	2 105	2 218	2 321	
Economic Development	Tourism Marketing			4 875	6 442	5 154	6 764	6 514	6 188	6 840	7 182	7 541	
Economic Development	Tourism Development			5 843	4 802	5 250	5 411	5 411	5 141	5 682	5 856	6 264	
Environmental Protection	Climate Change Vulnerability Assessment			-	-		110	120	114	150	158	185	
Environmental Protection	Environmental Services			8 938		1 273	2 195	19 800	17 870	19 855	20 848	21 580	
Environmental Protection	Waste Management			144	-				-	100	105	110	
Environmental Protection	Coastal Management			1	-	2	7	2	2	10	11	11	
Environmental Protection	Air Quality Management			2	-	62	284	6	5	300	315	331	
Safety & Security	Fire Fighting			3 458	1 805	-	836	436	414	1 734	1 821	1 912	
Safety & Security	Disaster Management			7 682	1 509	2 515	6 464	5 664	5 381	6 700	7 035	7 387	
Safety & Security	Security Measures			10 190	19 436	11 255	10 000	14 210	13 500	16 000	16 800	17 640	
Safety & Security	Crime Prevention Programmes			-	-				-		-	-	
Sustainable Services	Sanitation			42 781	40 185	62 770	57 227	80 038	85 537	86 139	80 448	84 989	
Sustainable Services	VIP Toilets			31 004	11 835	-	10 000	13 111	12 468	15 000	15 750	16 538	
Sustainable Services	Water Distribution			315 887	529 732	454 828	419 772	384 684	365 450	344 741	361 978	350 077	
Allocations to other priorities													
Total Expenditure				1	722 855	910 339	928 944	912 283	928 221	881 810	913 432	958 103	1 007 058





DC21 Ugu - Supporting Table SA8 Performance indicators and benchmarks

Description of financial Indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b><u>Borrowing Management</u></b>											
Credit Rating		15.1%	33.3%	17.5%	16.7%	16.7%	16.7%	16.7%			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	5.4%	3.7%	3.7%	3.7%	2.9%	2.9%	2.9%	3.3%	3.3%	3.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	12.8%	9.9%	8.4%	8.7%	5.3%	5.3%	6.1%	6.5%	6.5%	6.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	1.5	1.7	1.6	2.5	2.0	2.0	2.0	1.3	1.2	1.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.5	1.7	1.6	2.5	2.0	2.0	2.0	1.3	1.2	1.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8	1.0	1.1	1.6	1.0	1.0	1.0	0.6	0.5	0.4
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		103.2%	112.3%	100.1%	87.0%	87.0%	87.0%	100.9%	69.9%	69.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		103.1%	112.4%	100.0%	87.0%	87.0%	87.2%	101.0%	70.0%	70.0%	70.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	28.3%	21.8%	18.4%	20.1%	25.0%	25.0%	26.9%	17.7%	17.7%	17.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	87.0%	90.0%	90.0%	93.0%	93.0%	93.0%	93.0%	95.0%	96.0%	96.0%
Creditors to Cash and Investments		63.6%	60.6%	64.2%	41.1%	73.8%	70.1%	70.1%	120.5%	146.3%	182.8%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kl)	6477.0%	8423.0%	7450.0%							
	Total Cost of Losses (Rand '000)	20 333	28 211	27 141							
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	46.2%	40.7%	40.5%	36.4%	36.4%	36.4%	39.1%	38.4%	38.3%	38.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	47.7%	42.0%	41.7%	37.7%	37.5%	37.5%		39.8%	39.7%	39.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.2%	7.8%	8.4%	7.7%	7.4%	7.4%		7.3%	7.3%	7.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	40.2%	51.9%	27.8%	15.2%	15.0%	15.0%	16.1%	14.3%	14.3%	14.2%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	7.6	6.5	9.7	13.8	13.8	13.8	9.6	10.1	10.1	10.6
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	53.9%	49.5%	38.7%	38.7%	48.9%	48.9%	56.8%	37.5%	37.5%	37.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.5	6.8	5.6	7.0	5.5	5.7	5.7	3.4	2.8	2.3

References

1. Consumer debtors > 12 months old are excluded from current assets

2. Only include if services provided by the municipality

C21 Ugu Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>ending measures</u>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	168 625	246 549	276 261	366 909	281 797	281 520	281 520	172 068	146 815	125 179
Cash + investments at the yr end less applications - R'000	18(1)b	2	161 027	229 616	211 563	365 142	274 374	260 655	289 980	78 332	48 392	21 634
Cash year end/monthly employee/supplier payments	18(1)b	3	5.5	6.6	5.6	7.0	5.5	5.7	5.7	3.4	2.8	2.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	247 754	151 455	174 667	313 105	303 232	288 071	225 847	278 363	319 616	359 440
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	0.1%	1.1%	43.8%	(6.0%)	(11.0%)	(19.8%)	(15.4%)	(1.0%)	(1.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	98.0%	104.3%	98.8%	86.7%	86.8%	86.8%	100.0%	70.3%	70.3%	70.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	30.7%	8.1%	7.1%	7.1%	8.2%	0.7%	0.7%	0.7%
Capital payments % of capital expenditure	18(1)c,19	8	100.0%	99.8%	100.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(2.4%)	(16.7%)	49.5%	26.4%	(5.0%)	0.0%	(30.6%)	5.0%	5.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	3555.4%	(62.5%)	86.9%	79.2%	(5.0%)	0.0%	91.5%	5.0%	5.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.5%	1.5%	1.6%	1.8%	1.6%	1.6%	1.7%	1.7%	1.7%	1.7%
Asset renewal % of capital budget	20(1)(vi)	14	20.0%	0.0%	0.0%	9.1%	0.0%	0.0%	0.0%	77.0%	92.1%	87.2%
<u>references</u>												

References

Positive cash balances indicative of minimum compliance - subject to 2

Deduct cash and investment applications (defined) from cash balances

Indicative of sufficient liquidity to meet average monthly operating payments

Indicative of funded operational requirements

Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

Realistic average cash collection forecasts as % of annual billed revenue

Realistic average increase in debt impairment (doubtful debt) provision

Indicative of planned capital expenditure level & cash payment timing

Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing

Substantiation of National/Province allocations included in budget

Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection

Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2013/14		2014/15		2015/16		Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework	
						Outcome	Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome	Outcome	Outcome
<b>Demographics</b>															
Population															
Females aged 5 - 14			843	704	710	710	710	710	745	763	821	863	895		
Males aged 5 - 14			130	93	133	133	133	133	139	146	154	161	169		
Females aged 15 - 34			114	92	121	121	121	121	127	133	140	147	154		
Males aged 15 - 34			101	129	216	216	216	218	227	233	250	262	275		
Unemployment			92	111	195	195	195	195	205	215	228	237	249		
			320	94	190	190	190	190	200	210	220	231	243		
<b>Monthly household income (no. of households)</b>	1, 12														
No income			41 247	41 247	41 247	41 247	41 247	41 247	41 247	43 309	46 475	47 749	50 136		
R1 - R1 600			18 449	18 449	18 449	18 449	18 449	18 449	18 449	19 371	20 340	21 357	22 425		
R1 601 - R3 200			38 547	38 547	38 547	38 547	38 547	38 547	38 547	40 474	42 468	44 523	46 654		
R3 201 - R6 400			21 760	21 760	21 760	21 760	21 760	21 760	21 760	22 848	23 980	25 190	26 449		
R6 401 - R12 800			10 995	10 995	10 995	10 995	10 995	10 995	10 995	11 945	12 122	12 728	13 364		
R12 801 - R25 600			4 858	4 858	4 858	4 858	4 858	4 858	4 858	5 206	5 465	5 740	6 026		
R25 601 - R51 200			1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 802	1 997	2 086	2 201		
R51 201 - R102 400			532	532	532	532	532	532	532	559	587	618	647		
R102 401 - R204 800			156	156	156	156	156	156	156	164	172	181	190		
R204 801 - R409 600			74	74	74	74	74	74	74	78	82	86	90		
R409 601 - R819 200			188	188	188	188	188	188	188	195	205	215	226		
> R819 200			55	55	55	55	55	55	55	58	61	64	67		
<b>Poverty profiles (no. of households)</b>															
< R2 060 per household per month	13														
Insert description	2														
<b>Household characteristics (R00)</b>															
Number of people in municipal area			709 918	704 020	710	710	710	710	710	745	783	822	863		
Number of poor people in municipal area			151 455	150 610	152	152	152	152	152	169	185	195	204		
Number of households in municipal area			2 020	2 020	2 020	2 020	2 020	2 020	2 020	2 121	2 227	2 338	2 455		
Definition of poor household (R per month)															
<b>Housing statistics</b>	3														
Formal															
Informal															
Total number of households	4														
Dwellings provided by municipality															
Dwellings provided by provinces															
Dwellings provided by private sector															
Total new housing dwellings	5														
<b>Economic</b>	6														
Infant/mortality outlook (CPI)															
Interest rate - borrowing															
Interest rate - investment															
Remuneration increases															
Consumption growth (electricity)															
Consumption growth (water)															
<b>Collection rates</b>	7														
Property tax/service charges															
Rental of facilities & equipment															
Interest - external investments															
Interest - debtors															
Revenue from agency services															

Total municipal services		2013/14	2014/15	2015/16	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework				
Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
	Household service targets (000)										
	Water:										
8	Piped water inside dwelling	46	30	32	33	33	33	35	36	38	
10	Piped water inside yard (but not in dwelling)	22	14	15	15	15	15	16	17	18	
	Using public tap (at least min service level)	60	58	61	64	64	64	67	70	74	
	Other water supply (at least min service level)	26	28	28	31	31	31	32	34	35	
9	Minimum Service Level and Above sub-total	154	130	137	143	143	143	150	158	168	
10	Using public tap (< min service level)	5	25	26	28	28	28	29	30	32	
	Other water supply (< min service level)	25	26	27	29	29	29	30	32	33	
	No water supply	31	51	54	56	56	56	58	62	65	
	Below Minimum Service Level sub-total	185	181	190	200	200	200	210	228	231	
	Sanitation/sewerage:										
	Flush toilet (connected to sewerage)	34	35	37	39	39	39	41	43	46	
	Flush toilet (with septic tank)	14	15	16	17	17	17	17	18	19	
	Chemical toilet	15	18	19	20	20	20	21	22	23	
	Pit toilet (ventilated)	53	58	61	64	64	64	67	70	74	
	Other toilet provisions (> min service level)	—	—	—	—	—	—	—	—	—	
	Minimum Service Level and Above sub-total	116	126	132	139	139	139	146	153	161	
	Bucket toilet	3	3	3	3	3	3	3	4	4	
	Other toilet provisions (< min service level)	54	49	51	54	54	54	57	60	63	
	No toilet provisions	8	8	8	9	9	9	9	10	10	
	Below Minimum Service Level sub-total	65	60	63	66	66	66	68	73	77	
	Total number of households	181	186	195	205	205	205	215	226	237	
	Electricity:										
	Electricity (at least min service level)	—	—	—	—	—	—	—	—	—	
	Electricity - prepaid (min service level)	—	—	—	—	—	—	—	—	—	
	Minimum Service Level and Above sub-total	—	—	—	—	—	—	—	—	—	
	Electricity (< min service level)	—	—	—	—	—	—	—	—	—	
	Electricity - prepaid (< min service level)	—	—	—	—	—	—	—	—	—	
	Other energy sources	—	—	—	—	—	—	—	—	—	
	Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—	
	Total number of households	—	—	—	—	—	—	—	—	—	
	Rubbish:										
	Removed at least once a week	—	—	—	—	—	—	—	—	—	
	Minimum Service Level and Above sub-total	—	—	—	—	—	—	—	—	—	
	Removed less frequently than once a week	—	—	—	—	—	—	—	—	—	
	Using communal refuse dump	—	—	—	—	—	—	—	—	—	
	Using own refuse dump	—	—	—	—	—	—	—	—	—	
	Other rubbish disposal	—	—	—	—	—	—	—	—	—	
	No rubbish disposal	—	—	—	—	—	—	—	—	—	
	Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—	
	Total number of households	—	—	—	—	—	—	—	—	—	
	Municipal in-house services										
	Household service targets (000)										
	Water:										
8	Piped water inside dwelling	46	30	32	33	33	33	35	36	38	
10	Piped water inside yard (but not in dwelling)	22	14	15	15	15	15	16	17	18	
	Using public tap (at least min service level)	60	58	61	64	64	64	67	70	74	
	Other water supply (at least min service level)	26	28	28	31	31	31	32	34	35	
9	Minimum Service Level and Above sub-total	154	130	137	143	143	143	150	158	168	
10	Using public tap (< min service level)	5	25	26	28	28	28	29	30	32	
	Other water supply (< min service level)	25	26	27	29	29	29	30	32	33	
	No water supply	31	51	54	56	56	56	58	62	65	
	Below Minimum Service Level sub-total	185	181	190	200	200	200	210	228	231	
	Sanitation/sewerage:										
	Flush toilet (connected to sewerage)	34	35	37	39	39	39	41	43	46	
	Flush toilet (with septic tank)	14	15	16	17	17	17	17	18	19	
	Chemical toilet	15	18	19	20	20	20	21	22	23	
	Pit toilet (ventilated)	53	58	61	64	64	64	67	70	74	
	Other toilet provisions (> min service level)	—	—	—	—	—	—	—	—	—	
	Minimum Service Level and Above sub-total	116	126	132	139	139	139	146	153	161	



[illegible]

Names of service providers		No later provisions Below Minimum Service Level sub-total									
Names of service providers		Below Minimum Service Level sub-total									
Names of service providers		Below Minimum Service Level sub-total									
Electricity		Electricity (at least min. service level) Electricity - prepaid (min. service level) Minimum Service Level and Above sub-total Electricity (< min. service level) Electricity - prepaid (< min. service level) Other energy sources Below Minimum Service Level sub-total									
Water		Formal settlements - (50 lakh per indigent household per month R000) Number of HH receiving this type of FBS Informal settlements (R000) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (R000) Number of HH receiving this type of FBS Living in informal backyard rental agreement (R000) Number of HH receiving this type of FBS Other (R000) Number of HH receiving this type of FBS									
Sanitation		Formal settlements - (free sanitation service to indigent households) Number of HH receiving this type of FBS Informal settlements (R000) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (R000) Number of HH receiving this type of FBS Living in informal backyard rental agreement (R000) Number of HH receiving this type of FBS Other (R000) Number of HH receiving this type of FBS									



Refuse Removal		Ref.	Location of households for each type of FBS									
Lia type of FBS service			Formal settlements - (removed once a week to indigent households)									
			Number of HH receiving this type of FBS									
			Informal settlements (R000)									
			Number of HH receiving this type of FBS									
			Informal settlements targeted for upgrading (R000)									
			Number of HH receiving this type of FBS									
			Living in informal backyard rental agreement (R000)									
			Number of HH receiving this type of FBS									
			Other (R000)									
			Number of HH receiving this type of FBS									
			Total cost of FBS - Refuse Removal for informal settlements									
References												
		1. Monthly Household income threshold. Should include all sources of income.										
		2. Show the poverty analysis the municipality uses to determine its indigents policy and the provision of services										
		3. Include total of all housing units within the municipality										
		4. Number of subsidised dwellings to be constructed by the municipality under agency agreement with province										
		5. Provide estimate based on building approval information. Include any non-subsidised dwellings constructed by the municipality										
		6. Insert actual or estimated % increases assumed as a basis for budget calculations										
		7. Insert actual or estimated % collection rate assumed as a basis for budget calculations for each revenue group										
		8. Stand distance < 200m from dwelling										
		9. Stand distance > 200m from dwelling										

21 Ugi - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Property rates (Rate in the Rand)</b>	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used									
Farm properties - not used									
Industrial properties									
Business and commercial properties									
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties									
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
<b>Motions, reductions and rebates (Rands)</b>									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
<b>Water tariffs</b>									
Domestic									
Basic charge/used fee (Rands/month)			123	130	130	141	150	158	165
Service point - vacant land (Rands/month)			1 475	1 552	1 604	1 764	1 887	1 981	2 081
Water usage - flat rate tariff (c/k)									
Water usage - life line tariff (describe structure)			10	10	11	11	12	13	14
Water usage - Block 1 (c/k) (I) in thresholds			15	16	17	18	20	21	22
Water usage - Block 2 (c/k) (II) in thresholds			19	20	22	23	25	26	27
Water usage - Block 3 (c/k) (III) in thresholds									
Water usage - Block 4 (c/k) (IV) in thresholds									
Other									
<b>Water tariffs</b>									
Domestic									
Basic charge/used fee (Rands/month)			208	208	208	208	208	208	208
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/k)									
Volumetric charge - Block 1 (c/k) (I) in structure			3	3	3	4	4	4	4
Volumetric charge - Block 2 (c/k) (II) in structure									
Volumetric charge - Block 3 (c/k) (III) in structure									
Volumetric charge - Block 4 (c/k) (IV) in structure									
Other									
<b>City tariffs</b>									
Domestic									
Basic charge/used fee (Rands/month)									
Service point - vacant land (Rands/month)									
FBE (how is this targeted?)									
Life-line tariff - meter (describe structure)									
Life-line tariff - prepaid (describe structure)									
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid (c/kwh)									
Meter - IBT Block 1 (c/kwh) (I) in thresholds									
Meter - IBT Block 2 (c/kwh) (II) in thresholds									
Meter - IBT Block 3 (c/kwh) (III) in thresholds									
Meter - IBT Block 4 (c/kwh) (IV) in thresholds									
Meter - IBT Block 5 (c/kwh) (V) in thresholds									
Prepaid - IBT Block 1 (c/kwh) (I) in thresholds									
Prepaid - IBT Block 2 (c/kwh) (II) in thresholds									
Prepaid - IBT Block 3 (c/kwh) (III) in thresholds									
Prepaid - IBT Block 4 (c/kwh) (IV) in thresholds									
Prepaid - IBT Block 5 (c/kwh) (V) in thresholds									
Other									
<b>Management tariffs</b>									
Domestic									
Street cleaning charge									
Basic charge/used fee									
80l bin - once a week									
250l bin - once a week									

000  
tariffs are not rated or zero rated this must be indicated as such  
provide detailed descriptions on Sheet SA13b

Description	Ref	Provide description of tariff structure where appropriate	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Exemptions, reductions and rebates (Rends)</b> <i>(Insert lines as applicable)</i>									
<b>Water tariffs</b>									
Water Basic charge		fixed charge per 1000kls	123.40	130.19	138.65	140.80	150.44	157.96	165.86
Charge per kl		from 6.1kl to 39kl	9.65	10.19	10.85	11.47	12.27	12.89	13.53
Charge per kl		from 39 - 50kl	15.46	18.35	17.38	18.42	19.71	20.70	21.73
Charge per kl		greater than 51kl	19.32	20.38	21.70	23.01	24.62	25.85	27.14
<b>Waste water tariffs</b>									
Sanitation basic charge		fixed charge per 1000kls	269.16	269.16	269.16	269.16	269.16	269.16	269.16
charge per kl		per kl	3.00	3.17	3.38	3.58	3.83	4.02	4.22
conservancy tank draws		additional draws requested	427.69	451.46	480.53	510.60	546.34	573.65	602.34
<b>Electricity tariffs</b>									
<i>(Insert blocks as applicable)</i>									
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							

C21 Ugu - Supporting Table SA14 Household bills

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
and/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Costs and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		123.40	130.19	138.65	146.56	146.56	146.56	7.0%	156.81	164.66	172.89
Water: Consumption		289.66	305.70	325.57	344.13	344.13	344.13	7.0%	368.22	386.63	405.96
Sanitation		359.23	364.26	387.94	410.05	410.05	410.05	7.0%	438.75	460.69	483.72
Refuse removal											
Other											
sub-total		772.29	800.15	852.16	900.73	900.73	900.73	7.0%	963.78	1 011.97	1 062.57
VAT on Services											
Total large household bill:		772.29	800.15	852.16	900.73	900.73	900.73	7.0%	963.78	1 011.97	1 062.57
% increase/decrease			3.6%	6.5%	5.7%	-	-		7.0%	5.0%	5.0%
Monthly Account for Household - 'Affordable Range'	2										
Costs and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		116.41	130.19	138.65	146.56	146.56	146.56	7.0%	156.81	164.66	172.89
Water: Consumption		227.61	254.75	271.31	286.77	286.77	286.77	7.0%	306.85	322.19	338.30
Sanitation		324.93	348.41	371.06	392.21	392.21	392.21	7.0%	419.66	440.64	462.68
Refuse removal											
Other											
sub-total		668.95	733.35	781.02	825.54	825.54	825.54	7.0%	883.32	927.49	973.86
VAT on Services											
Total small household bill:		668.95	733.35	781.02	825.54	825.54	825.54	7.0%	883.32	927.49	973.86
% increase/decrease			9.6%	6.5%	5.7%	-	-		7.0%	5.0%	5.0%
Monthly Account for Household - 'Indigent' household receiving free basic services	3										
Costs and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		116.41	130.19	138.65	146.56	146.56	146.56	7.0%	156.81	164.66	172.89
Water: Consumption		127.46	163.04	173.64	183.53	183.53	183.53	7.0%	196.38	206.20	216.51
Sanitation		293.66	319.88	340.67	360.09	360.09	360.09	7.0%	385.30	404.56	424.79
Refuse removal											
Other											
sub-total		537.56	613.11	652.96	690.18	690.18	690.18	7.0%	738.49	775.42	814.19
VAT on Services											
Total small household bill:		537.56	613.11	652.96	690.18	690.18	690.18	7.0%	738.49	775.42	814.19
% increase/decrease			14.1%	6.5%	5.7%	-	-		7.0%	5.0%	5.0%

References

1. Based on basis property value of R700 000, 1 000 kWh electricity and 30kl water

2. Based on basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water

3. Based on basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

DC21 Ugu - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
in thousands										
<b>Current municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		8 293	222 080	215 203	233 184	233 184	221 524	140 224	100 000	100 000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
<b>municipality sub-total</b>	1	8 293	222 080	215 203	233 184	233 184	221 524	140 224	100 000	100 000
<b>Non-current investments</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
<b>Non-current investments sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		8 293	222 080	215 203	233 184	233 184	221 524	140 224	100 000	100 000

References  
Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

2021 Ugu - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment
Name of Institution & Investment ID	1	Yrs/Months							
<b>arent municipality</b>									
First National Bank		Daily Call	Notice Deposit	no	variable	9.45	0	n/a	Daily Call Account
ABSA Bank CALL		3 Months	Notice Deposit	no	variable	8	0	n/a	Daily Call Account
ithala Bank		Daily Call	Notice Deposit	no	variable	9.5	0	n/a	Daily Call Account
Nedbank		Daily Call	Notice Deposit	no	variable	7.87	1	n/a	Daily Call Account
Standard Bank		Daily Call	Notice Deposit	no	variable	7.75	2	n/a	Daily Call Account
Investec Bank		Daily Call	Notice Deposit	no	variable	8.59	0	n/a	Daily Call Account
<b>municipality sub-total</b>									
<b>titles</b>									
South Coast Development Agency NPC		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ugu South Coast Tourism (Pty) Ltd		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>titles sub-total</b>									
<b>TOTAL INVESTMENTS AND INTEREST</b>	1								

**ferences**  
Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)  
List investments in expiry date order

DC21 Ugu - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
in thousand										
<b>arent municipality</b>										
Long-Term Loans (annuity/reducing balance)		158 796	144 531	125 826	109 524	109 524	104 048	83 333	61 584	38 746
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		6 568	-							
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>municipality sub-total</b>	1	165 364	144 531	125 826	109 524	109 524	104 048	83 333	61 584	38 746
<b>ntities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>ntities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>total Borrowing</b>	1	165 364	144 531	125 826	109 524	109 524	104 048	83 333	61 584	38 746

nspent Borrowing - Categorised by type										
<b>arent municipality</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>ntities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>ntities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>total Unspent Borrowing</b>	1	-	-	-	-	-	-	-	-	-



DC21 Ugu - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		356 024	325 546	364 032	400 528	389 487	389 487	418 085	441 502	468 382
Local Government Equitable Share		236 862	264 748	300 886	319 856	319 856	319 856	342 776	361 451	381 540
RSC Levy Replacement		50 290	54 816	52 960	63 873	63 873	63 873	68 900	75 204	81 836
Finance Management		1 234	1 250	1 325	1 460	1 460	1 460	1 795	2 050	2 050
Municipal Systems Improvement		890	934	940	1 041	-	-	-	-	-
Water Services Operating Subsidy		589	-	3 650	10 000	-	-	-	-	-
EPWP Incentive		-	1 388	1 826	1 788	1 788	1 788	1 956	-	-
Infrastructure Skills Development Grant		165	-	-	-	2 510	2 510	-	-	-
Rural Roads Asset Management Systems Grant		2 089	2 430	2 446	2 510	-	-	2 658	2 797	2 956
Rural Household Sanitation		4 000	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		59 935	-	-	-	-	-	-	-	-
Other transfers/grants (insert description)										
Provincial Government:		9 607	250	250	400	400	400	400	500	600
Development Planning Shared Services		1 000	250	250	400	400	400	-	500	600
Cogta Massification		1 969	-	-	-	-	-	-	-	-
EPWP Incentive		883	-	-	-	-	-	-	-	-
Department of Transport Grant		1 765	-	-	-	-	-	-	-	-
Department of Human Settlement		4 000	-	-	-	-	-	-	-	-
Spatial Development Framework Support		-	-	-	-	-	-	400	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
(insert description)										
Other grant providers:		4 386	4 865	4 885	7 734	13 939	13 939	10 589	11 118	11 674
Grants from LM's to Entities		2 654	4 865	4 885	7 734	13 939	13 939	7 422	7 793	8 183
DBSA		709	-	-	-	-	-	-	-	-
South Coast Bike Festival: EDTEA/RNM		-	-	-	-	-	-	3 167	3 325	3 491
National Lottery		1 022	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	370 017	330 681	369 167	408 662	403 826	403 826	429 074	453 120	480 656
Capital Transfers and Grants										
National Government:		277 607	355 135	358 245	310 862	297 864	297 864	295 851	335 386	371 118
Municipal Infrastructure Grant (MIG)		215 399	266 189	249 316	223 873	233 873	233 873	245 479	260 385	276 118
Regional Bulk Infrastructure		55 740	45 015	8 834	12 776	12 776	12 776	-	-	-
Rural Households Infrastructure		-	-	-	1 000	1 000	1 000	-	-	-
Municipal Disaster Recovery		-	4 999	-	-	-	-	-	-	-
Finance Management Grant		-	-	-	-	-	-	-	-	-
Other capital transfers/grants (insert description)		-	12 436	-	-	-	-	-	-	-
Water Services Infrastructure Grant		6 458	27 503	100 095	73 213	50 215	50 215	50 372	75 000	95 000
Other capital transfers/grants (insert desc)										
Provincial Government:		19 425	4 080	11 504	-	5 000	5 000	-	-	-
Massification - Cogta		19 425	4 080	5 000	-	5 000	5 000	-	-	-
Disaster Management Centre		-	-	6 504	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
(insert description)										
Other grant providers:		120	-	-	-	-	-	-	-	-
Grants from LM's to En		-	-	-	-	-	-	-	-	-
DBSA		120	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	297 152	359 199	369 749	310 862	302 864	302 864	295 851	335 386	371 118
TOTAL RECEIPTS OF TRANSFERS & GRANTS		667 169	689 880	738 916	719 524	706 690	706 690	724 925	788 506	851 774

References

1. Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation

2. Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)

3. Replacement of RSC levies

4. Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality

IC21 Ugu - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
thousand										
<b>EXPENDITURE:</b>	1									
<b>operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		356 024	330 558	361 725	391 528	389 487	370 013	435 085	459 352	487 125
Local Government Equitable Share		236 862	264 748	300 885	320 856	319 856	303 863	342 776	361 451	381 540
RSC Levy Replacement		50 290	54 816	52 960	63 873	63 873	60 679	68 900	75 204	81 836
Finance Management		1 234	1 251	1 325	1 460	1 460	1 387	1 795	2 050	2 050
Municipal Systems Improvement		890	727	940	1 041	-	-	-	-	-
Water Services Operating Subsidy		589	-	1 343	-	-	-	-	-	-
EPWP Incentive		-	1 042	1 826	1 788	1 788	1 699	1 956	-	-
Infrastructure Skills Development Grant		165	-	-	-	-	-	-	-	-
Rural Transport Service Grant		2 089	2 944	2 446	2 510	2 510	2 365	2 658	2 797	2 956
Rural Household Sanitation		4 000	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		59 905	5 030	-	-	-	-	17 000	17 850	18 743
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		9 607	1 441	250	400	400	380	400	500	600
Development Planning Shared Services		1 000	250	250	400	400	380	-	500	600
Cogta Massification		1 959	897	-	-	-	-	-	-	-
EPWP incentive		883	-	-	-	-	-	-	-	-
Department of Transport Grant		1 765	-	-	-	-	-	-	-	-
Africa Bike Week Event		4 000	-	-	-	-	-	-	-	-
District GDS		-	494	-	-	-	-	-	-	-
Spatial Development Framework Support		-	-	-	-	-	-	400	-	-
Disaster Management Centre		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		4 386	2 035	4 885	7 734	13 939	13 242	10 323	10 840	11 382
Grants from LM's to Entities		2 654	-	4 885	7 734	13 939	13 242	7 157	7 515	7 890
DBSA		709	524	-	-	-	-	-	-	-
IDC		-	45	-	-	-	-	-	-	-
South Coast Bike Festival; EDTEA/RNM		-	-	-	-	-	-	3 167	3 325	3 491
National Lottery		1 022	1 466	-	-	-	-	-	-	-
<b>al operating expenditure of Transfers and Grants:</b>		370 017	334 034	366 860	399 662	403 826	383 634	445 808	470 692	499 106
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		277 607	349 993	358 245	319 862	297 864	282 971	278 851	317 536	352 376
Municipal Infrastructure Grant (MIG)		215 399	260 159	249 316	233 873	233 873	222 179	228 479	242 536	257 376
Regional Bulk Infrastructure		55 740	34 827	8 834	12 776	12 776	12 137	-	-	-
Rural Households Infrastructure		-	-	-	-	1 000	950	-	-	-
Municipal Disaster Recovery		-	-	-	-	-	-	-	-	-
Finance Management Grant		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]		-	12 718	-	-	-	-	-	-	-
Water Services Infrastructure Grant		6 468	42 289	100 095	73 213	50 215	47 704	50 372	75 000	95 000
<b>Provincial Government:</b>		19 425	24 985	11 504	-	5 000	4 750	-	-	-
Disaster Management Centre		19 425	20 377	6 504	-	-	-	-	-	-
Massification - Cogta		-	4 608	5 000	-	5 000	4 750	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		120	-	-	-	-	-	265	279	293
Grants from LM's to En		-	-	-	-	-	-	265	279	293
DBSA		120	-	-	-	-	-	-	-	-
<b>Capital expenditure of Transfers and Grants</b>		297 152	374 978	369 749	319 862	302 864	287 721	279 116	317 815	352 668
<b>AL EXPENDITURE OF TRANSFERS AND GRANTS</b>		667 169	709 012	736 609	719 524	706 690	671 355	724 925	788 506	851 774

ences  
penditure must be separately listed for each transfer or grant received or recognised

SA20 Ugu - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
in thousand										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		4 044	16 095	430						
Current year receipts		216 392	314 894	364 032	400 528	389 487	389 487	435 085	459 352	487 125
<b>Conditions met - transferred to revenue</b>		<b>204 341</b>	<b>330 558</b>	<b>359 382</b>	<b>400 528</b>	<b>389 487</b>	<b>389 487</b>	<b>435 085</b>	<b>459 352</b>	<b>487 125</b>
Conditions still to be met - transferred to liabilities		16 095	430	5 080						
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		19 328	12 265	326						
Current year receipts		17 412		250	400	400	400	400	500	600
<b>Conditions met - transferred to revenue</b>		<b>24 475</b>	<b>11 939</b>	<b>576</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>500</b>	<b>600</b>
Conditions still to be met - transferred to liabilities		12 265	326	-						
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		1 806	1 054	-						
Current year receipts		-	1 155	4 885	7 734	13 939	13 939	10 323	10 840	11 382
<b>Conditions met - transferred to revenue</b>		<b>1 806</b>	<b>2 209</b>	<b>4 885</b>	<b>7 734</b>	<b>13 939</b>	<b>13 939</b>	<b>10 323</b>	<b>10 840</b>	<b>11 382</b>
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		<b>230 622</b>	<b>344 706</b>	<b>364 844</b>	<b>408 682</b>	<b>403 826</b>	<b>403 826</b>	<b>445 808</b>	<b>470 692</b>	<b>499 106</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>28 360</b>	<b>757</b>	<b>5 080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		17 098	24 143	17 085						
Current year receipts		216 519	302 448	358 245	310 862	297 864	297 864	278 851	317 536	352 376
<b>Conditions met - transferred to revenue</b>		<b>209 475</b>	<b>309 506</b>	<b>371 680</b>	<b>310 862</b>	<b>297 864</b>	<b>297 864</b>	<b>278 851</b>	<b>317 536</b>	<b>352 376</b>
Conditions still to be met - transferred to liabilities		24 143	17 085	3 650						
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		64 846	18 398	3 677						
Current year receipts		29 673	22 034	11 504	-	5 000	5 000	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>76 121</b>	<b>36 755</b>	<b>15 180</b>	<b>-</b>	<b>5 000</b>	<b>5 000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		18 398	3 677	-						
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		10 983	1 581	-						
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>9 402</b>	<b>1 581</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		1 581	-	-						
<b>Total capital transfers and grants revenue</b>		<b>294 998</b>	<b>347 843</b>	<b>386 860</b>	<b>310 862</b>	<b>302 864</b>	<b>302 864</b>	<b>278 851</b>	<b>317 536</b>	<b>352 376</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>44 122</b>	<b>20 761</b>	<b>3 650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>525 620</b>	<b>692 549</b>	<b>751 704</b>	<b>719 524</b>	<b>706 690</b>	<b>706 690</b>	<b>724 659</b>	<b>788 228</b>	<b>851 482</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>72 482</b>	<b>21 518</b>	<b>8 730</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
References										

Notes

Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance

CTBM = conditions to be met

National Treasury database will require this reconciliation for each transfer/grant

DC21 Ugu - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash Transfers to other municipalities											
Fire fighting contribution to LMs	1	3 448	1 136								
Total Cash Transfers To Municipalities:		3 448	1 136	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
VIP Toilets	2		11 835		10 000						
Dessier Management			240		87						
PURAL TRANSPORT SERVICES GRANT			2 703		2 510						
PUBLIC WORKS EXPANDED PROGRAMME			732		1 788						
DROUGHT RELIEF			1 604		10 321						
RESPONSE AND RECOVERY			1 396		2 227						
Other grant expenditure			9 277		11 340						
South Coast Development Agency				3 481		5 513	5 237	5 237	5 788	8 078	6 381
Tourism Development				5 154		5 411	5 141	5 141	5 682	5 966	6 264
Tourism Marketing				6 442		6 514	6 188	6 189	6 840	7 182	7 541
Local Economic Development			554		1 755						
Total Cash Transfers To Entities/Em's		-	28 342	20 327	40 028	17 438	16 566	16 566	18 310	19 226	20 187
Cash Transfers to other Organs of State											
Fire fighting contribution to LMs	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
Fire fighting contribution to LMs											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
Fire fighting contribution to LMs											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	3 448	29 478	20 327	40 028	17 438	16 566	16 566	18 310	19 226	20 187
Non-Cash Transfers to other municipalities											
VIP Toilets	1	31 004									
Dessier Management		641									
Corridor Development		8									
KWALEMBE REGIONAL BULK WATER SUPPLY SCHEME		-									
RURAL TRANSPORT SERVICES GRANT		1 438									
PUBLIC WORKS EXPANDED PROGRAMME		-									
DROUGHT RELIEF		2 267									
RESPONSE AND RECOVERY		191									
Other grant expenditure		16 548									
Local Economic Development		381									
Total Non-Cash Transfers To Municipalities:		52 478	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
Fire fighting contribution to LMs	2										
Total Non-Cash Transfers To Entities/Em's		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
Fire fighting contribution to LMs	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
Fire fighting contribution to LMs	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Groups of Individuals											
Fire fighting contribution to LMs	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		52 478	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	55 926	29 478	20 327	40 028	17 438	16 566	16 566	18 310	19 226	20 187

Insert description listed by municipal name and demarcation code of recipient  
Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of services)  
Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)  
Insert description of each other organisation (e.g. charity)

DC21 Ugu - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages	1	3 547	4 105	4 120	4 385	3 993	3 784	4 848	4 890	5 124
Pension and UIF Contributions		240	241	149	225	205	194	238	250	283
Medical Aid Contributions		172	191	125	161	174	165	203	213	224
Motor Vehicle Allowance		2 049	2 269	2 215	4 073	3 769	3 524	4 258	4 470	4 894
Cellphone Allowance		297	346	342	346	315	289	367	385	405
Housing Allowance		1 411	1 457	1 628	1 937	1 784	1 675	2 053	2 155	2 283
Other benefits and allowances		87	74	78	44	40	38	46	49	51
Sub Total - Councillors		7 784	8 650	8 557	11 200	10 200	9 990	11 812	12 403	13 023
% Increase	4		11.6%	3.1%	25.0%	(8.9%)	(5.0%)	21.9%	5.0%	5.0%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages	2	2 655	3 307	3 694	3 620	3 620	3 439	3 837	4 029	4 230
Pension and UIF Contributions		152	300		255	258	245	274	287	302
Medical Aid Contributions		67	123		124	124	117	131	138	145
Overtime										
Performance Bonus			362	705	627	627	595	694	698	732
Motor Vehicle Allowance	3	859	1 383	1 502	1 506	1 509	1 491	1 664	1 747	1 834
Cellphone Allowance	3		76	84	82	82	78	87	91	95
Housing Allowance	3	180	633	672	708	708	673	751	788	828
Other benefits and allowances	3	75	131	48	200	200	190	212	223	234
Payments in lieu of leave					196	198	186	208	216	228
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		3 988	6 314	6 295	7 384	7 384	7 015	7 827	8 219	8 629
% Increase	4		57.9%	(0.3%)	17.3%	-	(5.0%)	11.8%	5.0%	5.0%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		147 324	161 479	177 128	188 606	188 506	188 581	208 201	218 611	229 541
Pension and UIF Contributions		26 260	28 034	31 487	32 826	32 826	30 866	35 595	37 375	39 244
Medical Aid Contributions		10 421	11 613	12 970	18 913	18 913	18 917	21 463	22 530	23 863
Overtime		20 611	23 712	26 471	24 000	23 500	22 529	22 454	23 577	24 758
Performance Bonus										
Motor Vehicle Allowance	3	10 824	10 947	11 113	12 910	12 910	12 284	10 513	11 038	11 591
Cellphone Allowance	3	900	1 404	1 486	1 595	1 595	1 515	1 410	1 480	1 554
Housing Allowance	3	565	846	894	1 225	1 225	1 184	485	510	535
Other benefits and allowances	3	15 575	14 607	15 525	15 443	23 048	21 697	10 945	11 492	12 067
Payments in lieu of leave	3		2 431	4 589	6 881	5 777	5 777	19 229	19 140	20 097
Long service awards		3 258	3 550	3 456	2 223	2 273	2 112	1 488	1 565	1 641
Post-retirement benefit obligations	6	3 106	1 785	104						
Sub Total - Other Municipal Staff		238 289	261 110	288 373	314 525	321 631	305 560	336 763	347 322	364 682
% Increase	4		9.6%	10.4%	8.1%	2.3%	(5.0%)	8.3%	5.0%	5.0%
<b>Total Parent Municipality</b>		<b>250 071</b>	<b>276 114</b>	<b>303 625</b>	<b>333 106</b>	<b>339 215</b>	<b>322 285</b>	<b>350 422</b>	<b>367 944</b>	<b>386 341</b>
			10.4%	10.0%	8.7%	1.8%	(5.0%)	8.7%	5.0%	5.0%
<b>Board Members of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3				25	25	24			
Cellphone Allowance	3									
Housing Allowance	3									
Other benefits and allowances	3	2	?		2	2	2	40	42	44
Board Fees		154	456	586	647	620	368	1 454	1 526	1 603
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		155	458	586	674	647	615	1 484	1 568	1 647
% Increase	4		194.4%	28.2%	14.9%	(4.2%)	(5.0%)	143.0%	5.0%	5.0%
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		1 613	2 091	3 816	6 428	4 821	4 580	6 694	7 229	7 901
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus		117		185	22	162	153	309	325	341
Motor Vehicle Allowance	3		426		33					
Cellphone Allowance	3	48	38	38	33	45	47	65	68	72
Housing Allowance	3									
Other benefits and allowances	3	141	353	21	164	34	32	42	44	46
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		1 917	3 795	4 059	6 547	5 065	4 812	7 311	7 676	8 060
% Increase	4		98.0%	6.9%	39.1%	(10.3%)	(5.0%)	31.9%	5.0%	5.0%
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		1 415	2 115	3 010	4 324	4 278	4 084	3 427	3 599	3 779
Pension and UIF Contributions		56	83	111	111	102	97	184	203	213
Medical Aid Contributions		129	171	194	244	207	167	233	308	323
Overtime		167	201	214	355	204	194			
Performance Bonus		35	122	149	172	189	151	24	25	26
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowance	3	16	23	25	16	16	15	234	245	258
Other benefits and allowances	3	31	1 012	82	44	61	58	198	208	218
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		1 902	3 726	3 757	5 205	5 052	4 800	4 452	4 675	4 909
% Increase	4		95.9%	0.8%	40.9%	(4.8%)	(5.0%)	(7.2%)	5.0%	5.0%
<b>Total Municipal Entities</b>		<b>3 975</b>	<b>7 979</b>	<b>8 403</b>	<b>11 916</b>	<b>10 785</b>	<b>10 226</b>	<b>13 257</b>	<b>13 919</b>	<b>14 615</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>254 045</b>	<b>284 294</b>	<b>312 028</b>	<b>344 725</b>	<b>349 680</b>	<b>332 481</b>	<b>363 670</b>	<b>381 863</b>	<b>400 856</b>
% Increase	4		11.8%	9.8%	10.9%	1.3%	(5.0%)	9.4%	5.0%	5.0%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>248 106</b>	<b>274 946</b>	<b>302 484</b>	<b>332 850</b>	<b>339 133</b>	<b>322 176</b>	<b>350 373</b>	<b>367 661</b>	<b>386 296</b>

1. Include 'loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved

2. s57 of the Systems Act

3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance

4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D

5. Must agree to the sub-total appearing on Table A1 (Employee costs)

6. Includes pension payments and employer contributions to medical aid

7. Correct as at 30 June

Column Definitions:

A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited

D. The original budget approved by council for the budget year.

E. The budget for the budget year as adjusted by council resolution in terms of section 56 of the MFMA

[illegible]

1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to table above for the budget year of Table SA22



DC21 Ugu - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			40	8	32			35			35
Board Members of municipal entities	4		19		17			8			8
Municipal employees	5										
Municipal Manager and Senior Managers	3		10	5	5	5	—	5	5	—	5
Other Managers	7		20	19	1	28	28	—	28	28	—
Professionals			65	56	10	617	501	20	617	501	20
Finance			19	11	8	18	12	6	18	12	6
Spatial/town planning											
Information Technology			10	8	2	13	8	1	13	8	1
Roads											
Electricity											
Water						586	481	13	586	481	13
Sanitation											
Refuse											
Other			37	37							
Technicians			597	576	21	61	61	3	61	61	3
Finance						61	61	3	61	61	3
Spatial/town planning						61	61	3	61	61	3
Information Technology			2	2							
Roads											
Electricity			75	74	1						
Water			310	290	20						
Sanitation			147	147							
Refuse											
Other			63	63							
Clerks (Clerical and administrative)			105	105		173	173	10	173	173	10
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators			62	62							
Elementary Occupations											
TOTAL PERSONNEL NUMBERS	9		919	831	86	884	763	81	884	763	81
% Increase						(3.8%)	(8.2%)	(5.8%)	—	—	—
Total municipal employees headcount	8, 10										
Finance personnel headcount	8, 10		112	110	2	112	110	2	112	110	2
Human Resources personnel headcount	8, 10		21	20	1	21	20	1	21	20	1

References

1. Positions must be funded and aligned to the municipality's current organisational structure

2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.

3. s57 of the Systems Act

4. Include only in Consolidated Statements

5. Include municipal entity employees in Consolidated Statements

6. Include headcount (number fo persons, Not FTE) of managers and staff only (exclude councillors)

7. Managers who provide the direction of a critical technical function

8. Total number of employees working on these functions



R thousand	Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2	
<b>Revenue By Source</b>																		
	Property rates																	
	Property rates - penalties & collection charges																	
	Service charges - electricity revenue																	
	Service charges - water revenue																	
	Service charges - sanitation revenue																	
	Service charges - refuse revenue																	
	Service charges - other																	
	Rent of facilities and equipment																	
	Interest earned - external investments																	
	Interest earned - outstanding debtors																	
	Dividends received																	
	Fines																	
	Licences and permits																	
	Agency services																	
	Transfers recognised - operational																	
	Other revenue																	
	Gains on disposal of PPE																	
	<b>Total Revenue (excluding capital transfers and contribution)</b>																	
	<b>Expenditure By Type</b>																	
	Employee related costs																	
	Remuneration of councillors																	
	Debt impairment																	
	Depreciation & asset impairment																	
	Finance charges																	
	Bulk purchases																	
	Other materials																	
	Contracted services																	
	Transfers and grants																	
	Other expenditure																	
	Loss on disposal of PPE																	
	<b>Total Expenditure</b>																	
	<b>Surplus/(Deficit)</b>																	
	Transfers recognised - capital																	
	Contributions recognised - capital																	
	Contributed assets																	
	<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>																	
	Taxation																	
	Attributable to minorities																	
	Share of surplus/(deficit) of associate																	
	<b>Surplus/(Deficit)</b>																	
	<b>References</b>																	

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

Description			Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework	
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19			
Revenue by Vote																	
Vote 1 - EXECUTIVE & COUNCIL	-	368	140	30	391	196	208	158	165	225	158	318	2 356	500			
Vote 2 - FINANCE & ADMINISTRATION	46 589	2 346	1 530	4 069	1 413	38 601	1 387	2 336	2 506	7 589	92 428	700	201 495	197 439			
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT	8 978	2 137	6 799	13 677	10 552	2 686	2 425	64	2 073	2 991	84	1 785	54 239	56 951			
Vote 4 - WATER	41 113	47 822	24 412	20 248	92 288	142 977	30 240	25 280	195 810	24 641	80 807	60 417	786 053	850 104			
Vote 5 - WASTE WATER MANAGEMENT	10 405	8 782	9 941	8 111	9 704	11 871	9 413	8 937	8 937	8 895	8 937	16 958	120 891	145 628			
Vote 6 - PUBLIC SAFETY	5 196	-	-	-	108	691	-	238	238	28	238	790	7 526	7 902			
Vote 7 - ENVIRONMENTAL PROTECTION	2 134	-	-	-	-	3 652	28	-	-	1 976	-	11 037	18 827	19 769			
Vote 8 - OTHER: MARKET	14	-	-	15	-	23	13	-	23	56	-	21	165	173			
Vote 9 - SPORTS & RECREATION	18	12	18	20	18	18	18	20	20	20	20	41	241	253			
Vote 10 - [NAME OF VOTE 10]												-	-	-			
Vote 11 - [NAME OF VOTE 11]												-	-	-			
Vote 12 - [NAME OF VOTE 12]												-	-	-			
Vote 13 - [NAME OF VOTE 13]												-	-	-			
Vote 14 - [NAME OF VOTE 14]												-	-	-			
Vote 15 - [NAME OF VOTE 15]												-	-	-			
Total Revenue by Vote	114 446	61 467	42 838	46 169	114 473	200 725	43 733	37 033	209 771	46 421	182 651	92 068	1 191 795	1 278 719			
Expenditure by Vote to be appropriated																	
Vote 1 - EXECUTIVE & COUNCIL	3 399	4 100	5 867	4 638	4 375	5 604	3 580	3 451	3 457	17 902	3 451	18 821	78 645	82 577			
Vote 2 - FINANCE & ADMINISTRATION	10 985	15 489	13 108	12 042	10 739	11 504	12 656	10 327	10 343	7 796	32 789	24 349	172 126	180 733			
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT	2 944	5 247	6 613	9 846	6 629	14 951	6 167	5 323	5 143	4 022	5 323	1 154	73 364	77 032			
Vote 4 - WATER	40 240	53 825	39 646	36 734	57 958	45 784	42 186	37 060	39 264	41 510	19 167	15 689	469 052	492 516			
Vote 5 - WASTE WATER MANAGEMENT	4 906	7 201	8 738	5 327	7 183	6 456	7 316	5 686	16 648	5 403	5 686	10 808	91 356	95 924			
Vote 6 - PUBLIC SAFETY	56	9	321	207	261	1 077	685	639	739	541	839	3 059	8 434	8 856			
Vote 7 - ENVIRONMENTAL PROTECTION	56	9	321	207	261	1 234	1 176	1 416	1 418	371	1 416	10 718	18 602	19 532			
Vote 8 - OTHER: MARKET	91	94	94	72	74	34	76	75	75	101	75	588	1 451	1 523			
Vote 9 - SPORTS & RECREATION												390	390	410			
Vote 10 - [NAME OF VOTE 10]												-	-	-			
Vote 11 - [NAME OF VOTE 11]												-	-	-			
Vote 12 - [NAME OF VOTE 12]												-	-	-			
Vote 13 - [NAME OF VOTE 13]												-	-	-			
Vote 14 - [NAME OF VOTE 14]												-	-	-			
Vote 15 - [NAME OF VOTE 15]												-	-	-			
Total Expenditure by Vote	62 678	85 974	74 706	69 072	87 481	86 644	73 843	63 977	77 088	77 646	68 746	85 576	913 432	959 103			
Surplus/(Deficit) before assoc.	51 768	(24 507)	(31 868)	(22 902)	26 992	114 081	(30 110)	(26 944)	132 684	(31 226)	113 904	6 492	278 363	319 616			
Taxation												-	-	-			
Attributable to minorities												-	-	-			
Share of surplus/ (deficit) of associate												-	-	-			
Surplus/(Deficit)	51 768	(24 507)	(31 868)	(22 902)	26 992	114 081	(30 110)	(26 944)	132 684	(31 226)	113 904	6 492	278 363	319 616			
References	1											-	-	-			

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

Description		Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue - Standard</b>																	
<b>Governance and administration</b>																	
Executive and council			46 589	2 714	1 670	4 100	1 804	38 797	1 596	2 495	2 672	7 815	92 566	1 012	203 851	197 939	212 696
Budget and treasury office			—	368	140	30	391	196	208	158	165	225	158	318	2 356	500	600
Corporate services			46 589	2 346	1 530	4 069	1 413	38 601	1 387	2 336	2 506	7 589	92 428	663	201 488	197 431	212 088
<b>Community and public safety</b>																	
Community and social services			2 151	12	18	20	18	2 670	18	20	20	1	1	2	8	8	8
Sport and recreation			—	—	—	—	—	—	—	—	—	—	—	—	7 767	8 156	8 563
Public safety			18	12	18	20	18	18	18	20	20	20	20	—	241	253	266
Housing			2 134	—	—	—	—	2 652	—	—	—	—	—	2 740	7 526	7 902	8 297
<b>Health</b>																	
<b>Economic and environmental services</b>																	
Planning and development			14 174	2 137	6 799	13 877	12 659	8 787	2 453	301	2 311	7 019	301	2 448	73 067	76 720	80 556
Road transport			8 978	2 137	6 799	13 877	12 552	2 096	2 425	64	2 073	2 991	64	385	54 239	56 951	59 799
<b>Environmental protection</b>																	
Trading services			5 196	—	—	—	108	6 691	28	238	238	4 028	238	2 063	18 827	19 769	20 757
Electricity			51 518	56 603	34 353	28 359	101 992	154 848	39 654	34 217	204 746	33 536	89 744	77 375	906 945	995 732	1 084 501
Water			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management			41 113	47 822	24 412	20 248	92 288	142 977	30 240	25 280	195 810	24 641	80 807	60 417	786 053	850 104	911 592
Waste management			10 405	8 762	9 941	8 111	9 704	11 871	9 413	8 937	8 937	8 895	8 937	16 958	120 891	145 628	152 909
<b>Other</b>			14	—	—	15	—	23	13	—	23	56	—	21	165	173	182
<b>Total Revenue - Standard</b>			114 446	61 467	42 839	46 170	116 473	205 126	43 734	37 033	209 772	48 445	182 651	83 638	1 191 795	1 278 719	1 366 498
<b>Expenditure - Standard</b>																	
<b>Governance and administration</b>																	
Executive and council			14 385	19 289	19 973	17 480	15 114	18 108	16 236	14 778	14 800	50 974	14 778	34 856	250 771	263 310	276 475
Budget and treasury office			3 399	4 100	5 867	4 638	4 375	5 604	3 580	3 451	3 457	17 902	3 451	18 821	78 645	82 577	86 706
Corporate services			3 950	3 920	3 573	3 990	3 485	3 898	4 521	3 812	3 814	4 371	3 812	8 273	51 368	53 936	56 633
<b>Community and public safety</b>																	
Community and social services			7 035	11 270	10 533	8 852	7 254	8 606	8 135	7 515	7 530	28 702	7 515	7 812	120 758	126 796	133 136
Sport and recreation			56	9	321	207	261	1 077	685	639	739	541	839	3 449	8 824	9 265	9 729
Public safety			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing			56	9	321	207	261	1 077	685	639	739	541	839	3 059	8 434	8 856	9 299
<b>Health</b>																	
<b>Economic and environmental services</b>																	
Planning and development			3 000	5 256	6 935	10 053	6 890	15 186	7 344	6 739	6 561	13 393	6 739	3 872	91 966	96 565	101 383
Road transport			2 944	5 247	6 613	9 846	6 629	13 951	6 167	5 323	5 143	4 022	5 323	2 154	73 364	77 032	80 884
<b>Environmental protection</b>																	
Trading services			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Electricity			56	9	321	207	261	1 234	1 176	1 416	1 418	9 371	1 416	1 718	18 602	19 532	20 509
Water			47 146	61 626	47 045	46 239	46 983	51 330	56 701	45 853	46 022	38 413	45 853	27 239	550 419	588 440	617 862
Waste water management			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management			40 240	53 825	39 646	39 412	39 000	43 874	48 785	39 167	39 264	31 510	39 167	15 172	469 062	492 516	517 141
Other			6 906	7 801	7 369	6 827	7 983	7 456	7 916	6 686	6 757	6 903	6 686	12 067	91 356	96 924	100 720
<b>Total Expenditure - Standard</b>			64 678	86 274	74 338	74 051	69 323	85 735	81 042	68 084	68 197	103 422	68 284	70 004	913 432	959 103	1 007 058
<b>Surplus/(Deficit) before assoc.</b>			49 768	(24 807)	(31 499)	(27 881)	47 150	119 391	(37 308)	(31 051)	141 575	(54 977)	114 367	13 634	278 363	319 616	359 440
<b>Share of surplus/(deficit) of associate</b>			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit)</b>			1	49 768	(31 499)	(27 881)	47 150	119 391	(37 308)	(31 051)	141 575	(54 977)	114 367	13 634	278 363	319 616	359 440

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

DC21 Ugu - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class

Description	Ref	Current Year 2016/17					2017/18 Medium Term Revenue & Expenditure Framework			
		2013/14	2014/15	2015/16	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome						
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		58 254	-	-	33 559	-	-	278 851	292 794	307 433
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Redistribution		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		39 856	-	-	8 000	-	-	217 351	228 219	238 829
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Retreatment		29 858	-	-	8 000	-	-	217 351	228 219	238 829
Infrastructure - Sanitation		18 396	-	-	25 559	-	-	61 500	64 575	67 804
Retreatment		-	-	-	-	-	-	-	-	-
Sewerage purification		18 396	-	-	25 559	-	-	61 500	64 575	67 804
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		3 066	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadium		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other	8	3 066	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other	10	-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	61 320	-	-	33 559	-	-	278 851	292 794	307 433
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex		20.0%	0.0%	0.0%	9.1%	0.0%	0.0%	77.0%	92.1%	87.2%
Renewal of Existing Assets as % of deprecn*		30.9%	0.0%	0.0%	27.2%	0.0%	0.0%	230.4%	230.4%	230.4%
References										

2021 Ugu - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		10 466	20 354	24 419	32 857	31 926	30 330	31 091	32 645	34 278
Infrastructure - Road Transport		1 463	954	1 145	5 799	5 634	5 353	5 487	5 761	6 049
Roads, Pavements & Bridges		1 463	954	1 145	5 799	5 634	5 353	5 487	5 761	6 049
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		8 317	15 067	18 064	20 695	20 109	19 104	19 583	20 562	21 590
Dams & Reservoirs		263	2 219	2 662	3 414	3 317	3 151	3 230	3 392	3 561
Water purification		111	2 332	2 797	4 854	4 716	4 480	4 693	4 822	5 063
Reticulation		7 943	10 607	12 605	12 428	12 076	11 472	11 760	12 348	12 965
Infrastructure - Sanitation		699	4 342	5 210	3 300	3 206	3 046	3 122	3 279	3 443
Reticulation		686	3 146	3 774	1 515	1 473	1 369	1 434	1 506	1 581
Sewerage purification		14	1 197	1 436	1 784	1 734	1 647	1 688	1 773	1 862
Infrastructure - Other		-	-	-	3 063	2 976	2 827	2 898	3 043	3 195
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
State assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Retirement properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Plant assets		6 237	31 284	37 632	36 619	35 582	33 803	34 651	36 383	38 282
General vehicles		-	-	-	16 000	15 547	14 770	15 140	15 897	16 692
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		5 095	14 952	17 936	12 234	11 886	11 293	11 577	12 156	12 763
Computers - hardware/equipment		126	58	70	215	209	198	203	214	224
Furniture and other office equipment		-	-	-	107	104	99	101	106	112
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Chic Land and Buildings		1 026	2 519	3 022	6 221	6 045	5 743	5 867	6 181	6 490
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	13 755	16 502	1 841	1 769	1 700	1 742	1 829	1 921
Cultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Natural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangible assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Software		456	1 000	1 200	1 160	1 127	1 071	1 098	1 153	1 210
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		456	1 000	1 200	1 160	1 127	1 071	1 098	1 153	1 210
Repairs and Maintenance Expenditure	1	17 173	52 638	63 151	70 636	68 636	65 204	66 839	70 181	73 690
Leased vehicles		-	-	-	-	-	-	-	-	-
Lease		-	-	-	-	-	-	-	-	-
Lease		-	-	-	-	-	-	-	-	-
Lease		-	-	-	-	-	-	-	-	-
Lease		-	-	-	-	-	-	-	-	-
as a % of PPE		0.5%	1.6%	1.6%	1.8%	1.6%	1.6%	1.7%	1.7%	1.7%
as % Operating Expenditure		2.4%	5.6%	6.8%	7.7%	7.4%	7.4%	7.3%	7.3%	7.3%

Notes

1. Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1

2. Includes: Car Parks, Bus Terminals and Taxi Ranks

3. Example - technology backbones (e.g. fibre optic, WiFi infrastructure) for economic development purposes

4. In-progress/under construction to be budgeted under the respective item

5. Infrastructure includes land and buildings required by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure

6. Leased/contributed & leased assets to be included within the respective sub-class

7. Assets used to provide a service to the community

8. Municipal contributions to the 'top structure' being built using the housing subsidies

9. Includes: art collections, medals etc.

10. Includes: fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>thousand</b>	<b>1</b>									
<b>spans and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		10 480	20 354	24 419	32 857	31 928	30 330	31 091	32 645	34 278
Infrastructure - Road transport		1 463	954	1 145	5 799	5 634	5 353	5 487	5 761	6 049
Roads, Pavements & Bridges		1 463	954	1 145	5 799	5 634	5 353	5 467	5 761	6 049
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reti culation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		5 317	15 057	18 064	20 695	20 109	19 104	19 583	20 562	21 580
Dams & Reservoirs		263	2 219	2 862	3 414	3 317	3 151	3 230	3 392	3 561
Water purification		111	2 332	2 797	4 854	4 716	4 480	4 593	4 822	5 063
Reti culation		7 943	10 507	12 605	12 428	12 076	11 472	11 760	12 348	12 965
Infrastructure - Sanitation		699	4 342	5 210	3 300	3 205	3 046	3 122	3 279	3 443
Reti culation		666	3 146	3 774	1 515	1 473	1 399	1 434	1 506	1 581
Sewerage purification		14	1 197	1 436	1 784	1 734	1 647	1 688	1 773	1 862
Infrastructure - Other		-	-	-	3 063	2 976	2 827	2 898	3 043	3 195
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sporti cfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Fixed assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Capital assets</b>		6 237	31 284	37 532	38 619	35 582	33 803	34 651	36 383	38 202
General vehicles		-	-	-	16 000	15 547	14 770	15 140	15 697	16 692
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		5 085	14 952	17 936	12 234	11 888	11 293	11 577	12 156	12 763
Computers - hardware/equipment		125	58	70	215	209	195	203	214	224
Furniture and other office equipment		-	-	-	107	104	99	101	106	112
Abattoirs		-	-	-	-					

If Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1  
 Arts, Car Parks, Bus Terminals and Taxi Ranks  
 example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes  
 k-in-progress/under construction to be budgeted under the respective item  
 structure includes 'land and buildings required' by that infrastructure and vehicles/equipment used by the service generated by that infrastructure  
 sited/contributed & leased assets to be included within the respective sub-class  
 ses used to provide a service to the community  
 municipal contributions to the 'top structure' being built using the housing subsidies  
 ses, art collections, medals etc.  
 buses, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'



DC21 Ugu - Supporting Table SA34d Consolidated Depreciation by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Depreciation by Asset Class/Sub-class</b>	<b>1</b>									
<b>Infrastructure</b>		172 596	239 300	179 832	112 965	117 572	111 694	110 360	115 876	121 672
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Retention		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		168 447	223 731	161 655	101 542	105 684	100 398	99 200	104 160	109 358
Dams & Reservoirs		153 604	199 978	96 633	60 462	82 826	59 782	59 068	62 021	65 122
Water purification		7 658	33 751	34 423	21 851	22 742	21 605	21 347	22 114	23 535
Retreatment		6 985	30 002	30 564	19 229	20 013	19 013	18 795	19 725	20 711
Infrastructure - Sanitation		4 149	15 569	18 177	11 423	11 689	11 284	11 159	11 717	12 303
Retreatment		98	367	429	269	280	265	262	276	280
Sewerage purification		1 052	15 202	17 748	11 153	11 608	11 028	10 896	11 441	12 013
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Community</b>		8 377	79 860	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		604	337	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	4 200	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	4 200	-	-	-	-	-	-	-
<b>Other assets</b>		14 867	11 345	12 821	8 324	8 683	8 230	8 426	8 847	9 288
General vehicles		6 699	5 186	6 086	3 812	3 988	3 769	3 724	3 911	4 106
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		1 834	1 268	1 055	830	968	920	1 202	1 263	1 326
Computers - hardware/equipment		2 314	1 785	2 096	1 317	1 371	1 302	1 287	1 351	1 419
Furniture and other office equipment		953	739	863	542	565	536	530	556	584
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		3 120	2 233	2 807	1 636	1 705	1 620	1 601	1 581	1 765
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		148	113	132	63	87	82	81	65	90
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		4 635	3 158	2 451	2 316	2 410	2 289	2 262	2 375	2 494
Computers - software & programming		4 635	3 158	2 451	2 316	2 410	2 289	2 262	2 375	2 494
Other (Net sub-class)		-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	<b>1</b>	<b>198 476</b>	<b>337 860</b>	<b>195 103</b>	<b>123 604</b>	<b>128 645</b>	<b>122 213</b>	<b>121 047</b>	<b>127 100</b>	<b>133 455</b>
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

## References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WiFi infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Buses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

DC21 Ugu - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
R thousand								
<b>Capital expenditure</b>	1							
Vote 1 - EXECUTIVE & COUNCIL		1 000	-	-				
Vote 2 - FINANCE & ADMINISTRATION		50 159	-	-				
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT		265	279	293				
Vote 4 - WATER		228 751	231 961	262 522				
Vote 5 - WASTE WATER MANAGEMENT		81 500	85 575	89 854				
Vote 6 - PUBLIC SAFETY		-	-	-				
Vote 7 - ENVIRONMENTAL PROTECTION		650	-	-				
Vote 8 - OTHER: MARKET		-	-	-				
Vote 9 - SPORTS & RECREATION		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
<b>Total Capital Expenditure</b>		362 325	317 815	352 668	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - EXECUTIVE & COUNCIL								
Vote 2 - FINANCE & ADMINISTRATION								
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT								
Vote 4 - WATER								
Vote 5 - WASTE WATER MANAGEMENT								
Vote 6 - PUBLIC SAFETY								
Vote 7 - ENVIRONMENTAL PROTECTION								
Vote 8 - OTHER: MARKET								
Vote 9 - SPORTS & RECREATION								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		362 325	317 815	352 668	-	-	-	-
<b>References</b>								

. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))  
. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))  
. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

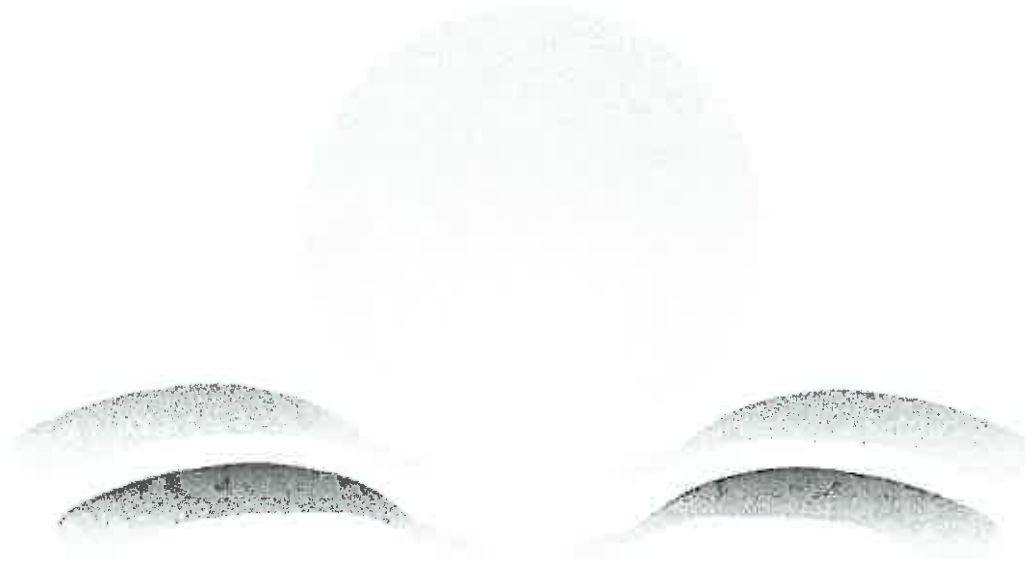


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# UGU DISTRICT MUNICIPALITY

## IDP, FMS AND BUDGET PROCESS & FRAMEWORK PLAN

2017/2018



Prepared In-house by:

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## GLOSSARY

<b>AG</b>	Auditor General
<b>AIDS</b>	Acquired Immune Deficiency Syndrome
<b>ART</b>	Antiretroviral therapy
<b>ARV</b>	Antiretroviral
<b>BBBEE</b>	Broad Based Black economic Empowerment
<b>CDWs</b>	Community Development Workers
<b>DBSA</b>	Development Bank of Southern Africa
<b>DAEA</b>	Department of Agriculture and Environmental Affairs
<b>DEAT</b>	Department of Environmental Affairs and Tourism
<b>DFA</b>	Development Facilitation Act
<b>CoGTA</b>	Department of Cooperative Government and Traditional Affairs
<b>DM</b>	District Municipality
<b>DoHS</b>	Department of Human Settlement
<b>DWAF</b>	Department of Water Affairs & Forestry
<b>EIA</b>	Environmental Impact Assessment
<b>EKZNW</b>	Ezemvelo Wildlife
<b>EMF</b>	Environmental Management Framework
<b>EMP</b>	Environmental Management Plan
<b>EPWP</b>	Expanded Public Works Programme
<b>FBS</b>	Free Basic Services
<b>FET</b>	Further Education and Training
<b>HH</b>	Households
<b>HIV</b>	Human Immune-deficiency Virus
<b>HR</b>	Human Resources
<b>ICMA</b>	Integrated Coastal Management Act
<b>ICT</b>	Information Communications Technologies

<b>IDP</b>	Integrated Development Plan
<b>IDPRF</b>	Integrated Development Plan Representative Forum
<b>IGR</b>	Inter Governmental Relations
<b>ISRDP</b>	Integrated Sustainable Rural Development Programme
<b>IWMP</b>	Integrated Waste Management Plan
<b>LED</b>	Local Economic Development
<b>LGSETA</b>	Local Government SETA
<b>LM</b>	Local Municipality
<b>LRAD</b>	Land Redistribution Programme
<b>LUMS</b>	Land Use Management System
<b>GDS</b>	Growth and Development Strategy
<b>LUMF</b>	Land Use Management Framework
<b>MDG</b>	Millennium Development Goals
<b>MIG</b>	Municipal Improvement Grant
<b>MSIG</b>	Municipal Systems Improvement Grant
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NEMA</b>	National Environmental Management Act
<b>NSDP</b>	National Spatial Development Perspective
<b>PGDS</b>	Provincial Growth and Development Strategy
<b>PMS</b>	Performance Management System
<b>PSEDS</b>	Provincial Spatial Economic Development Strategy
<b>SANRAL</b>	South African National Roads Agency Limited
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>SEA</b>	Strategic Environmental Assessment
<b>STATSSA</b>	Statistics South Africa
<b>VCT</b>	Voluntary Counselling and Testing

#### GLOSSARY OF LEGISLATIVE ENACTMENTS

<b>The Constitution</b>	Republic of South Africa's Constitution, Act 108 of 1996
<b>The Systems Act</b>	Municipal Systems Act, No 32 of 2000
<b>The Structures Act</b>	Municipal Structures Act, No 117 of 1998
<b>SPLUMA</b>	Spatial Planning and Land Use Management Act, No 16 of 2013
<b>MFMA</b>	Municipal Finance Management Act, No 56 of 2003

## SECTION A: FRAMEWORK PLAN

### 1. Introduction and Background

An IDP is one of the key tools for Local Government to achieve its developmental role and seeks to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development, and institutional transformation in a consultative, systematic and strategic manner. The Ugu District Municipality is in a process of developing a comprehensive 5 year Integrated Development Plan (IDP) in terms of Chapter 5 of the Municipal Systems Act, 2000.

#### 1.1. Legislative Requirement

In terms of Chapter 5, Section 34 of the Municipal Systems Act, 2000 it requires that all municipalities to annually review and amend its IDP in accordance with an assessment of its performance measurements, Section 41 of the Act requests the inclusion in to the extent that changing circumstances to demand. Section 26 of the Act also describes the core components of integrated development plans. Section 28 stipulates that the Municipal Council must adopt a process to guide the planning, drafting, adoption and review of its IDP. The Municipal Finance Management Act, No.56 of 2003 (MFMA), Section 21 (1) (b) prescribes that the Mayor must table in the Municipal Council a time schedule outlining the key deadlines for the preparation, tabling and approval of the annual budget, annual review of the IDP as well as the budget related policies and related consultative processes, approval of the annual budget, annual review of the IDP as well as the budget related policies and related consultative processes.

The Process Plan of the District and its Local Municipalities need to be prepared in line with this IDP development Framework Plan as agreed to by all the Municipalities in the District. The IDP Process Plan provides guidance with respect to the programme of action that has to be followed during the IDP development process. The purpose of this process plan is to identify and detail the elements identified in the Framework Plan and set out the specific time frames in which all activities should be achieved.

Ugu District Municipality (DC 21) has four category B municipalities under its jurisdiction. The four local municipalities are:

- KZ212 Umdoni
- KZ213 Umzumbe
- KZ214 Umuziwabantu
- KZ216 Ray Nkonyeni

The Framework Plan and Process Plan are two distinct documents which talk to each other.

## 1.2. What is a District Framework Plan?

The objective of a Framework Plan is to ensure that the processes of both the District and Local Municipalities IDP development and reviews are mutually linked and do inform each other. The Framework Plan is to be used by all municipalities in the district as a basis for drafting their process plans; the framework plan has to be agreed by all local municipalities. The Framework Plan binds the District and Local Municipalities.

The Framework Plan specifies the roles of different role players in the IDP process and determines procedures for coordination, consultation and alignment between the district and the local municipalities. The Framework Plan guides each municipality in preparing its Process Plan.

## 1.3. Underlying Approach to the Framework Plan

The Framework Plan as stipulated in Section 27 (2) of the Municipal Systems Act of 2000 identifies the following:

- Identify plans and planning requirements that bind the District and Local Municipalities in terms of national and provincial legislation.
- Identify matters that require alignment between the District and Local Municipalities.
- Specify the principles to be applied and coordinate the approach to be adopted in respect of the matters identified.
- Determine procedures for consultation between the municipalities during the process of drafting their respective IDPs and to effect essential amendments to the framework.

## 1.4. What is the Process Plan?

The Process Plan fulfils the function of a "business plan", it therefore details and sets out timeframes to the processes that will be followed during the IDP development stages ensuring that all aspects are covered on time for adoption. The Process Plan must also consider and include amongst others what has been set out in the Framework Plan, the MEC comments, Council priorities, Draft IDP Assessments and Self Assessments, community input etc.

In terms of Section 34 of the MSA:

A municipal council-

- (a) must review its integrated development plan-
  - (i) annually in accordance with an assessment of its performance measurements in terms of section 4i; and
  - (ii) to the extent that changing circumstances so demand; and
- (b) may amend its IDP in accordance with a prescribed process



In order to ensure effective IDP development during this new 5 year plan, the municipality must prepare and adopt an IDP Process Plan which must be reviewed annually. The preparation of a Process Plan for the annual review is referred to in chapter 5, Section 28 of the MSA as follows:

Adoption of a process-

- (1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting and *adoption and review of its integrated development plan*.

In all the Process Plan must indicate what has to happen, when, by whom, with whom and where, and it should include cost estimates.

### 1.5. Alignment of Government Policies and Plans

Alignment of government policies and plans is crucial in strategic planning. Therefore the relevant binding and non-binding national and provincial policies including, programmes and strategies need to be considered in the municipal development planning process and interventions. The key mandates relevant to the municipal context in co-operative governance will be considered and addressed. These includes amongst others, Provincial Growth and Development Strategy, the New Growth Path, the MTSF as stipulated bellow.

## 2. Institutional Arrangements for the IDP

This institutional arrangement is set out to ensure the following:

- Institutionalization of the participation process
- Effective management in the drafting of objectives and
- To give affected parties access to contribute to the decision-making process.

Organizational structure of the Ugu District Municipality IDP development process is illustrated in Figure 1.

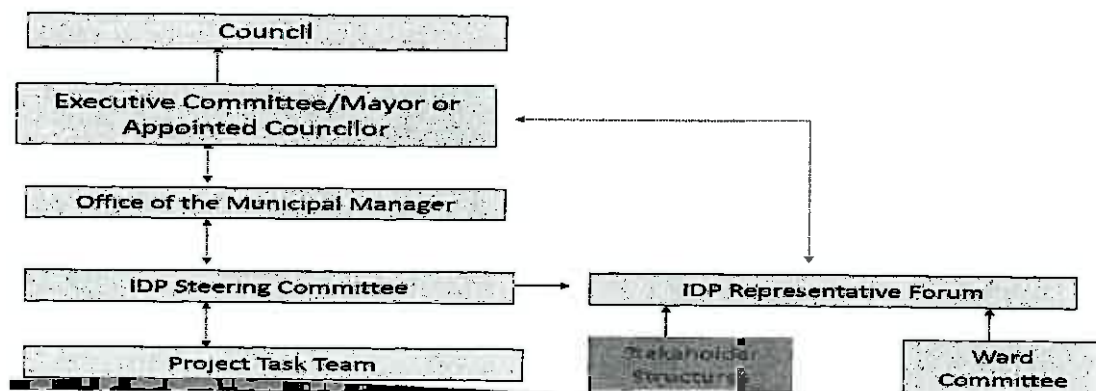


Fig 1: Organisational Arrangements



**2.1. Council**

The Council is the political decision-making body of the municipality and with regard to the 2017/2018 IDP will:

- Consider comments made in the 2016/2017 IDP Review Process and adopts a new Framework / Process Plan (FP / PP);
- Ensures the consideration of the national and provincial budgeting processes as well as inform the municipal budgeting process;
- Adopts the final IDP or IDP Review by the end of June annually; and
- Approves Sector Plans upon their completion

The Council follows the following critical generic dates annually:

- Finalisation & adoption of FP's and or PP's between **July and Sept**;
- Submission of draft IDP & budget to COGTA & Provincial Treasury in March;
- Finalisation and adopts IDP / IDP Review in June.

**2.2. EXCO**

- Responsible for overseeing the IDP Development/ Review process;
- Political responsibility and accountability regarding the IDP Development/ Review process.

**2.3. Mayor**

- Responsible for overseeing the IDP Development/ Review process, tabling and approval of the IDP process;
- Political responsibility and accountability regarding the IDP Development/ Review process.

**2.4. Office of the Municipal Manager**

The Municipal Manager or IDP Manager on his behalf is the responsible person for championing the Integrated Development Planning process.

IDP Manager falls under the office of the Municipal Manager and:

- Chair IDP Steering Committee meetings;
- Prepare FP and/or PP;
- Are responsible for management and co-ordination of IDP process;
- Respond to comments on the IDP;
- Avails documents to inform the IDP process;
- Promote involvement of all stakeholders; and
- Adjust the IDP according to the MEC's proposals.

## 2.5. IDP STEERING COMMITTEE

The Ugu District Municipality took a decision that the Management Committee and extended Management Committee will fulfill the role of IDP Steering Committee.

The composition of the IDP Technical Committee will have to take the manageability of a working committee into consideration and should preferably be chaired by the accountable or responsible official for IDP (Municipal Manager or IDP Manager).

### 2.5.1. Terms of Reference for the IDP Steering Committee

The technical committee will be an internal committee made up of the full management component of the municipality. It also serves to improve the participation of internal staff members in the IDP process and should result in better understanding and buy-in in the process. The committee will be responsible for, amongst other things, to;

- Consider all work and documentation that needs to be submitted to the IDP Steering Committee;
- Ensure the validity and technical correctness of the information presented to the other important IDP stakeholders; and
- Ensure the integration of the IDP policies, objectives, strategies and projects into the daily functioning and planning of the municipality.

### 2.5.2. Schedule of Steering Committee Meetings

The meetings of the IDP Steering Committee will sit as per the schedule of MANCO and extended MANCO as and when IDP issues needs to be addressed.

## 2.6. IDP Representative Forum

The IDP Representative Forum (IDP Rep Forum) is constituted as part of the preparation phase of the IDP and continues its functions throughout the annual IDP Review process. The proposed composition of the IDP Rep Forum is as follows:

- Councillors
- Traditional leaders
- Ward Committee Chairperson
- Senior municipal officials
- Stakeholder representatives of organised groups
- NGO's
- Advocates of unorganised groups
- Resource persons
- Other community representatives

- National and Provincial Departments regional representatives
- Parastatal organisations

#### 2.6.1. Terms of Reference for the IDP Representative Forum

The summarised terms of reference for the IDP Representative Forum could be based on the composition of the constituency's interests in the IDP process, and is proposed to be as follows:

- Represent the interest of the municipality's constituency in the IDP process
- Provide an organisational mechanism for discussion, negotiation and decision making between the stakeholders inclusive of municipal government
- Ensure communication between all the stakeholder representatives inclusive of municipal government
- Monitor the performance of the planning and implementation process

#### 2.6.2. Schedule of IDP RF Meetings

The IDP RF meetings are scheduled to sit bi-monthly as follows

2016			2017		
AUGUST	OCTOBER	NOVEMBER	FEBRUARY	APRIL	JUNE
-	-	22	TBC	TBC	TBC

#### 2.7. Project Task Team

- Acts as support to the IDPRF
- Effective management in the drafting of objectives and
- To give affected parties access to contribute to the decision-making process.
- Ensure vertical and horizontal alignment of programs and projects
- Monitoring and evaluation of programs and projects

#### 2.8. UGU District Development Planning FORUM (UDDPF)

- Provide relevant technical, sector and financial information regarding their municipality;
- Facilitate vertical alignment between DMs and LMs;
- Facilitate horizontal alignment with sector department and public utilities.

**2.8.1. Schedule of UDDPF Meetings**

The UDDPF meetings are scheduled to sit bi-monthly as follows

2016			2017		
JULY	AUGUST	NOVEMBER	FEBRUARY	APRIL	JUNE
-	19	TBC	TBC	TBC	TBC

**2.9. Development Planning Unit**

- Responsible for the compilation on overseeing on the IDP document
- Monitoring and evaluation

**3. Roles and Responsibilities****3.1. Role Players**

Table 1 & 2 captures the internal and external role players that have been identified to ensure a successful and useful IDP Process within the municipality. Each of these role players will contribute immensely to the success of the 5 year IDP.

**3.2. Internal Role-players**

- Council and the Executive Committee;
- Mayor;
- IDP Representative Forum;
- IDP Cluster;
- IDP Steering Committee;
- Extended Management Committee;
- Management Committee;
- IDP Manager.

**3.3. External Role-players**

- National, Provincial Government Departments and Local Municipalities;
- State Owned Enterprises;
- Planning professionals/facilitators;
- Civil Society Organisations;
- Traditional Leadership;
- IDP Clusters.
- Neighbouring District Municipalities

### 3.4. ROLES AND RESPONSIBILITIES

As with the preparation of the IDP the main roles and responsibilities allocated to each of the internal and external role players are set out in table 1 and table 2 respectively. The tables provide an indication of the various roles and responsibilities of the different groupings relating to specifically the IDP, PMS and Budgeting processes.

**Table 1: Internal Roles and Responsibilities**

Role Player	Roles and Responsibilities	Function
Council	<ul style="list-style-type: none"> <li>✓ Final decision making.</li> <li>✓ Approval of the IDP documentation.</li> <li>✓ Coordination roles for local municipalities.</li> <li>✓ Ensuring horizontal alignment of the IDP's of the municipalities in the district council area.</li> <li>✓ Ensuring vertical alignment between the district and local planning.</li> <li>✓ Facilitation of vertical alignment of IDP's with other spheres of government and sector departments.</li> <li>✓ Provide events for joint strategy workshops with local municipalities, provincial and national role players and other subject matter specialists.</li> <li>✓ Linking the IDP process with their constituencies</li> <li>✓ Organising public participation.</li> </ul>	IDP
	<ul style="list-style-type: none"> <li>✓ Final decision making.</li> <li>✓ Consider and adopt final report.</li> <li>✓ Consider and approve the performance agreement of the MM.</li> <li>✓ Popularising PMS within their constituencies.</li> </ul>	PMS
	<ul style="list-style-type: none"> <li>✓ Final decision making.</li> <li>✓ Approve the budget before the start of the financial year.</li> <li>✓ Council to approve unforeseen and unavoidable expenses.</li> <li>✓ Approve Service Delivery and Budget Implementation Plan.</li> </ul>	BUDGET
Mayor	<ul style="list-style-type: none"> <li>✓ Responsible for overseeing the process.</li> <li>✓ Political responsibility and accountability regarding the process.</li> </ul>	IDP
	<ul style="list-style-type: none"> <li>✓ Establishing the performance agreement for the Municipal Manager in terms of the PMS</li> <li>✓ Determine KPA's for MM based on institutional KPI's.</li> <li>✓ Determine the performance objectives and targets that the MM must meet in relation to the KPA's.</li> <li>✓ Negotiate the performance objectives and targets that the MM must meet.</li> <li>✓ Submit draft performance agreement for the MM via EXCO to the Council for consideration and approval.</li> <li>✓ Conclude and sign performance agreement with the MM on behalf of Council.</li> </ul>	PMS
	<ul style="list-style-type: none"> <li>✓ Table budget to Council at least 90 days before the start of the financial year.</li> <li>✓ Table budget timetable to Council.</li> <li>✓ Report authorization of unforeseeable and unavoidable expenses at Council meeting after having authorized such expenses.</li> <li>✓ Submit SDBIP to Council, 14 days after approval of budget.</li> <li>✓ Ensure conclusion of management's performance agreements.</li> <li>✓ Ensure that the management's performance agreements are made public.</li> <li>✓ Submit to Council an annual report within 7 months after the end of the financial year.</li> </ul>	BUDGET
	<ul style="list-style-type: none"> <li>✓ Provide technical/sector expertise through the IDP Steering Committee (Senior officials).</li> <li>✓ Prepare selected Sector Plans.</li> </ul>	IDP



Role Player	Roles and Responsibilities	Function
Ugu Municipal Officials	<ul style="list-style-type: none"> <li>✓ Provide comments on the IDP document as members of staff.</li> </ul>	
	<ul style="list-style-type: none"> <li>✓ Setting KPI's for administrative components and service providers.</li> <li>✓ Prepare progress reports- Top management: Monthly</li> <li>✓ Reporting on the performance measures.</li> <li>✓ Verification of interim PMS measurement results.</li> </ul>	PMS
Municipal Manager	<ul style="list-style-type: none"> <li>✓ Decide on planning process.</li> <li>✓ Monitor process.</li> <li>✓ Overall Management and co-ordination.</li> </ul>	IDP
	<ul style="list-style-type: none"> <li>✓ Submission of annual performance report to Council for approval.</li> <li>✓ Submission of audit to Council.</li> <li>✓ Submit report to the Council about mechanisms, systems and processes for auditing the results of performance measurements as part of the internal auditing process.</li> <li>✓ Establishment of a performance audit committee.</li> <li>✓ Entering into performance agreements with departmental heads.</li> <li>✓ Performance monitoring.</li> <li>✓ Submission of approved annual performance report, together with financial statements, to the Auditor General.</li> <li>✓ Receive external Auditors report.</li> <li>✓ Submission of audit report via EXCO to Council within 1 month of receipt.</li> <li>✓ Within 14 days of adopting the annual report:</li> <li>✓ Make copies available to the public and the media;</li> <li>✓ Submit a copy of the report to the MEC for local government in the province;</li> <li>✓ Submit a copy of the report to the Auditor General and any other institutions prescribed by regulation.</li> </ul>	PMS
	<ul style="list-style-type: none"> <li>✓ Give notice of bank account to National Treasury (NT) and Auditor General (AG).</li> <li>✓ Supply NT and AG with list of bank accounts.</li> <li>✓ Table consolidated report of all withdrawals from bank account to Council within 30 days after the end of each quarter.</li> <li>✓ Submission of draft budget implementation plan to Mayor within 14 days after approval of the budget.</li> <li>✓ Perform mid-year performance assessment of the municipality and the submission of the report to the Mayor.</li> <li>✓ The submission of the annual financial statements to the AG within two months after the end of the Financial Year.</li> <li>✓ Submission of annual oversight reports to the Provincial Legislature within 7 days after adoption by Council.</li> </ul>	BUDGET
IDP Manager	<ul style="list-style-type: none"> <li>✓ Ensure that the Process Plan is finalised and adopted by Council;</li> <li>✓ Day-to-day management of the IDP process.</li> <li>✓ Ensure continuous and improved participation of role players through IDPRF and other means;</li> <li>✓ Prepare documentation and submissions;</li> <li>✓ Co-ordinate the preparation of the Sector Plans and their inclusion into the IDP documentation;</li> <li>✓ Co-ordinate the inclusion of the Performance Management System (PMS) into the revised IDP;</li> <li>✓ Submit the developed IDP to the relevant authorities.</li> </ul>	IDP

Role Player	Roles and Responsibilities	Function
	<ul style="list-style-type: none"> <li>✓ Day-to-day management of the process</li> <li>✓ Performance management review planning and preparation.</li> <li>✓ Prepare documentation and submissions;</li> <li>✓ Ensure that the Process Plan is adopted by Council;</li> <li>✓ Day-to-day management of the IDP process</li> </ul>	PMS
	<ul style="list-style-type: none"> <li>✓ Interact with Budget Officer for alignment of processes.</li> <li>✓ Ensuring IDP process conducted timeously for budgeting purposes.</li> </ul>	BUDGET
Manager: Budget Office	<ul style="list-style-type: none"> <li>✓ Interact with IDP manager to ensure processes are aligned.</li> <li>✓ Ensuring budget proposals are in line with IDP.</li> </ul>	IDP
	<ul style="list-style-type: none"> <li>✓ Ensure that the Process Plan is adopted by Council;</li> <li>✓ Day-to-day management of the budgeting process.</li> <li>✓ Make information available to staff members for budgeting purposes.</li> <li>✓ Prepare documentation and submissions;</li> <li>✓ Ensure draft budget is in place for submission to Council.</li> </ul>	BUDGET

Table 2: External Roles and Responsibilities

Role Player	Roles and Responsibilities
Planning Professionals	<ul style="list-style-type: none"> <li>✓ Specialist &amp; targeted input.</li> <li>✓ Facilitation of planning workshops.</li> <li>✓ Sector Plans.</li> <li>✓ Documentation.</li> </ul>
Representative Forum/Civil Society	<ul style="list-style-type: none"> <li>✓ Representing interest and contributing knowledge and ideas.</li> <li>✓ Identify and priorities community needs.</li> <li>✓ Provide comments on the IDP document.</li> </ul>
Government Departments	<ul style="list-style-type: none"> <li>✓ Provide data and information.</li> <li>✓ Budget guidelines.</li> <li>✓ Alignment of budgets with the IDP.</li> <li>✓ Provide professional and technical support (sector specialization)</li> </ul>
Amakhosi	<ul style="list-style-type: none"> <li>✓ Provide traditional leadership.</li> <li>✓ Joint planning.</li> <li>✓ Makes land available.</li> <li>✓ Provide data and information.</li> </ul>
Communities	<ul style="list-style-type: none"> <li>✓ Joint planning.</li> <li>✓ Provide data and information.</li> <li>✓ Identifies community issues and needs.</li> <li>✓ Priorities needs.</li> <li>✓ Monitors the implementation of projects.</li> </ul>
Local Municipalities	<ul style="list-style-type: none"> <li>✓ Joint planning.</li> <li>✓ Alignment of budgets with the IDP.</li> <li>✓ Documentation.</li> <li>✓ Preparation of the Sector Plans.</li> <li>✓ Communication with civil society.</li> </ul>

## 4. Mechanisms and Procedures for Participation and Alignment

### 4.1. Functions and Context of Public Participation

Four major functions can be aligned with the public participation process namely:

- Needs orientation;
- Appropriateness of solutions;
- Community ownership; and
- Empowerment.

Like with the preparation of the IDP, the public participation process in the IDP phases has to be institutionalised in order to ensure all residents have an equal right to participate. The public participation process during the IDP development phase is closely linked to the activities of developing the municipal IDP, such as contributing to the municipal issues, objectives, ensuring the appropriateness of municipal strategies and forming part of project development task teams.

The completed performance management system (PMS) for the municipality will contribute to the public participation process, through regular information and consultation workshops and the preparation and audit of performance reports.

The importance of alignment is crucial as part of the 2017/2018 IDP Process. Alignment in terms of Spatial Development Frameworks, Land Use Management Systems (LUMS), cross boarder and institutional alignment between the municipality and the various processes ongoing at national and provincial government levels.

### 4.2. Mechanisms for Participation

Municipalities will confirm the following mechanisms for participation:

#### 4.2.1.IDP Representative Forum (IDP Rep Forum)

This forum will represent all stakeholders and will be as inclusive as possible. Efforts will be made to bring additional organisations into the Rep Forum and ensure their continued participation throughout the process.

#### 4.2.2.Media

Local newspapers will be used to inform the community of the progress of the 2017/2018 IDP development.

#### 4.2.3.Ward Committees

These forums will provide open dialogue between the municipality and the community. The municipality will provide regular support to the committee and will attend meetings per invite.



#### 4.3. Procedures / Process for Participation

##### 4.3.1. Council

The Council will consider, for comments, a draft 2017/2018 IDP document by March 2017. This will ensure inclusion into the national and provincial budgeting processes as well as inform the municipal budgeting process. The final IDP document will be adopted by 30 June 2017 together with the municipal budget. Sector Plans will be approved by Council on their completion.

##### 4.3.2. EXCO

- Responsible for overseeing the IDP process;
- Political responsibility and accountability regarding the IDP process.

##### 4.3.3. MAYOR

- Responsible for overseeing the IDP Development/ Review process, tabling and approval of the IDP process;
- Political responsibility and accountability regarding the IDP Development/ Review process

##### 4.3.4. IDP Representative Forum

In order to ensure maximum participation in the Rep Forum meetings from members of the public, representatives and relevant government officials, it is recommended that Rep Forum meetings are scheduled as and when required during the key stages of the IDP development process:

- The first Rep Forum meeting will involve a presentation of this Process Plan focusing on identifying areas to be addressed in the IDP Phase.
- Following the Rep Forum, workshops will be held to provide feedback on the IDP Process, acquire input from the Rep Forum members and to ensure participation in all activities such as PMS, LUMS and Budget development of the 2017/2018 IDP development process.

##### 4.3.5. IDP Steering Committee

- Provide technical/sector expertise in IDP process;
- Ensure preparation of Sector Plans relating to their functional areas;
- Provide comments on the IDP document;
- Ensure preparation of cross dimensional issues, strategies and plans;
- Identify key needs to meet strategies, objectives for budgeting.

**4.3.6.District Planners Forum**

- Provide relevant technical, sector and financial information regarding their municipality;
- Facilitate vertical alignment between DMs and LMs;
- Facilitate horizontal alignment with sector department and public utilities;
- Provide developmental planning input.
- Self assessment of district IDP documents.

**4.3.7.Newspapers**

Two newspaper adverts will be posted, the first one at the beginning of the process inviting the public to participate, the second advert will be posted once draft budget and IDP are in place inviting the public to comment and to comply with legislative requirement to advertise for 21 days for the public, once 21 day period has lapsed, the final draft will be sent to Council for approval.

**4.3.8.Roadshows / Izimbizo**

They will be held in 3 venues (on average) per municipality for all four local municipalities. They will be held in March to May 2017 to consider draft IDP and budget including the announcement of municipal programme of action. The municipality is to look at a more friendly approach so that elements raised are fully included in the strategic document. The language is also believed to be a barrier so these should be conducted in languages that best suit the majority so as to increase meaningful participation.

The meetings in 2016/2017 financial year will focus on the needs that the community have rather than the projects that the community proposes.

**How many meetings**

Two meetings per ward in the venues that are accommodative to most of the community members. In other words these meetings will make a clear distinction between what is needed by the community and what can be done. Thereafter the municipal officials together with the community will identify the support required in addressing the community needs.

**Types of meetings**

The focus of the meetings will ensure that many community members participate in the process; however the quality of the input will not be compromised. This is because one of the challenges within the participation process is that in some of the instances people do not contribute meaningfully in the participation process. The quality of the contribution will be ensured by having the group breakaways within the meetings. In addition to that within the invitations there will be specific invitations that will be sent to the civil society organisations.

There will be two types of meetings with the first meetings being aimed at confirming the communities' current priority issues. From the community issues these will then be budgeted for. Thereafter the second set of meetings will be the IDP Budget road shows aimed at involving the communities within the budgeting process. However a dialogue will be formed between the municipality and the community through ward meetings/community forums.

**With who**

These meetings will target all the community members within the Ugu district municipality. This in one way or the other will allow the community to be involved rather than informed about the development planning process.

**Objectives**

Move towards a community needs driven development with the community being involved both in the planning and budgeting process.

**By When**

These will be completed by April 2017. Ongoing dialogue is also being encouraged.

**4.3.9.RADIO SLOTS**

These are mainly used by the political leadership. These are recommended where possible if they suit the municipality's programme financially and otherwise.

## SECTION B: PROCESS PLAN

### 5. Section One: 2017/2018 IDP Action Programme

#### 5.1. Municipal and Provincial Budget and IDP Development Alignment

Legislation requires of district municipalities to prepare and adopt a Framework Plan which indicates how the district and local municipalities will align their IDPs. The Framework Plan provides the linkages and binding relationships to be established between the district and local municipalities in the region and in doing so, proper consultation, coordination and alignment of the IDP development process within the district and the various local municipalities can be maintained.

Every attempt has been made in this Process Plan to align the IDP and Budget preparation process, and the Performance Management System (PMS) development. The linkages of the three processes are summarised in figure 2.

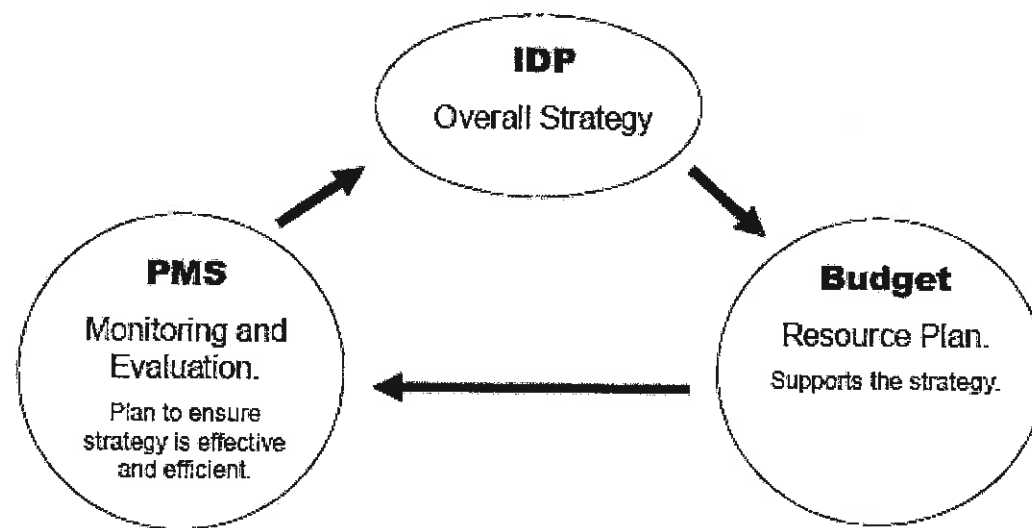


Fig 2: IDP, Budget & PMS Alignment

The 2017/2018 IDP Action Programme is based on the alignment of the internal municipal processes (IDP, PMS and Budget) with the external processes (planning and budgeting) of national and provincial government. This alignment has a substantial impact on the 2017/2018 IDP Process, specifically in terms of key milestones and deadline dates. The Municipal Finance Management Act (MFMA) No 176 of 2004 also has a direct and large impact on the 2017/2018 five year IDP development process in terms of alignment. Section 1.4 in the Process Plan indicates to the municipal and provincial budget and IDP alignment process, which also points to the critical dates for IDP and budget approval and development.

## 5.2. Horizontal, Vertical and Cross Border Alignment

The IDP forum, District Development Planning Forum (DDPF), MTSF Cluster meetings etc. will provide a platform/Mechanism for discussion on vertical, horizontal and cross border alignment issues since the three spheres of government are represented at the forum. Special strategic planning sessions and workshops will also be held.

### 5.2.1. Horizontal Alignment

Alignment of the district IDP with the local municipalities is very important to ensure that there is a sharing of information – particularly with regards to strategies, objectives, programmes and projects, and it will be undertaken through the DDPF meeting which sits on bi-monthly basis. The frequent DDPF meetings will assist the district family to monitor alignment issues constantly.

Furthermore, the District will ensure alignment with its entity, the South Coast tourism to ensure the tourism goals and objectives are met.

### 5.2.2. Vertical Alignment

Alignment with Service Providers is essential so as to ensure that the DM and LM's priorities can be reflected in their project prioritisation process, as well as so that Service Provider projects can be reflected in the IDP documentation. Alignment with Sector departments and Service providers will also take place as it is essential in order for the District family to have consistence planning and also priorities can be indicated in their project prioritization. This will be undertaken through meetings or one-on-one basis. The district holds its IDP RF meetings on a bi-monthly basis.

Department of Cooperative Government and Traditional Affairs will also be having a district wide alignment session with all the Sector Departments for the Ugu District area of jurisdiction on the month of November 2016.

### 5.2.3. Cross Border Alignment

Cross-border alignment is necessary to ensure the spatial coordination of development efforts. This can be done through existing organisational structures such as the District Deveiopment Planning Forum and IDP RF. A concerted effort will be made to facilitate such alignment and coordination. Ugu District Municipality will further arrange one on one meetings with cross border district municipalities to align and integrate issues of functional areas on the IDP and Spatial Development Framework. It will also assist the municipalities to align development issues in an efficient, effective and sustainable manner especially where there are shared and interdependent functional areas across the district. The one on one cross border meetings will be arranged with Alfred Nzo, Harry Gwaia, Umgungundlovu Districts and eThekweni Metro municipalities.

### 5.3. Integrated Development Planning & Budget:

The budget planning cycle considers a review of the IDP, service delivery targets and objectives for the next 3 years. It also considers local, provincial and national issues, previous year's performance and current economic and demographic trends. It is essential that such alignment is indicated so that the municipality can be able to ensure that all budgeted projects are implemented within the budget year whilst continuing to outsource funding for those projects which are non-funded.

#### 5.3.1.Key Budget Dates for 2017/2018

The key budget dates for the 2017/2018 financial year are captured in Table 3. The Budgetary Process will address the various budget requirements and focus areas identified through self-assessment, i.e. compliance issues. The spotlight is on the alignment of the Budget to the IDP, Organisational PMS and SDBIP.

**Table 3: Key Budget Dates**

KEY BUDGET DATES		
DATE	ACTIVITY	RESPONSIBILITY
September 2016	Budget Framework <b>Preparation of budget framework to provide parameters and request budget inputs for the 2017/2018 budget</b>	CFO
Oct 2016	Submission of three year capital plan to National Treasury	CFO
Oct 2016	Preliminary community engagement process	CFO
February 2017	Budget Review <b>Review of current budget and preparation of adjustment budget</b>	MANCO
January 2017	Submission of Budget Inputs <b>HODs to submit departmental budget inputs</b> <b>Capital projects submitted through IDP process</b>	HODs
March 2017	Budget Discussion Document <b>Compile discussion document from inputs and submit to EXCO and MANCO</b>	CFO
March 2017	Budget Workshop <b>Discuss budget inputs, link capital and operational plans to IDP and determine preliminary tariffs</b>	EXCO MANCO
March 2017	Draft Budget <b>Submit draft multi-year operational and capital budget to Council, Provincial Treasury, DLGTA and National Treasury</b>	CFO
April 2017	Public Consultation Process <b>Public consultation on draft budget throughout the district</b>	MAYOR EXCO MM
May 2017	Respond to Public Comments <b>Responding to public comments and sector comments and incorporate recommendation into draft budget where possible</b>	MAYOR CFO
May 2017	Approval of Final Draft Budget	COUNCIL



	<b>Approve draft multi-year operational and capital budget</b>	
June 2017	Advertising <b>Publications of approved budget and promulgation of water tariffs</b>	<b>MM CFO</b>
June 2017	Submission of Budget <b>Submit approved budget to Provincial Treasury, DLGTA and National Treasury</b>	<b>CFO</b>
June 2017	Compile SDBIP <b>Compilation of service delivery and budget implementation plans (SDBIP) and submit to Council for approval</b>	<b>MAYOR MM</b>

### 5.3.2. Key elements to be addressed during the review process

The following is a summary of the main activities to be undertaken during this IDP development 2017/2018 process:

- Comments received from CoGTA in the assessment of the IDP 2016/2017 Review held in April 2016 and July / August 2016;
- Areas requiring additional attention in terms of legislative requirements that were not addressed during the previous years of the IDP process;
- Consideration, review and inclusion of any relevant and new information such as New Council priorities;
- Shortcomings and weaknesses identified through self-assessment;
- Review and updating of the strategies and objectives as circumstances dictate;
- Review and updating of Water and Sanitation Backlogs;
- On-going alignment of the Ugu IDP to the PGDS and PDP, Outcome 9, MTAS, COP17 and other relevant National and Provincial development guidelines and policies;
- Review and updating the Sukuma Sakhe/ War on Poverty and War Rooms on a monthly basis;
- Preparation, review and alignment of relevant sector plans with the IDP.
- On-going alignment of the Municipality's Performance Management System in terms of Chapter 6 of the MSA, with the IDP.
- Update of the Financial Plan as well as the list of projects, inclusive of a 3-year Capital Investment Framework (CIF).

### 5.4. Performance Management

The process plan and its activities will be monitored in the Municipality. The PMS will be developed and will be reported by both internal and External Role players through the following strictures: Top Management, Extended Top Management and IDP Forum.



**5.4.1. Performance Management Systems Dates 2017/2018**

The key Performance Management System dates are summarised in Table 4 below.

**Table 4:** Performance Management System Dates

PERFORMANCE MANAGEMENT SYSTEMS DATES	
ACTIVITIES	TIMELINE/TARGET DATES
Approval of the draft PMS Review 2017/2018	Before end of July 2016
Advertise and adopt PMS Review 2017/2018	29 August 2016
Advertise 2017/2018 SDBIP	Mid-July 2016
2015/2016 Annual Municipal Performance Report	August 2016
Sect 57 Managers signing of 2016/2017 performance agreements	Due by 31 July 2016
SDBIP performance assessment and organisational performance reporting (Jul – Sept)	October 2016
Sect 57 Managers formal mid-year appraisals (Oct - Dec)	January 2017
Mayor tables 2015/2016 annual report to Council	Due by 30 January 2017
SDBIP performance assessment and organisational performance reporting (Oct – Dec)	January 2017
IA reporting and Special AC meeting (audit of mid-year performance assessment)	March 2017
SDBIP performance assessment and organisational performance reporting (Jan – Mar)	April 2017
Make public annual report and invite community inputs into report	21 days in Feb 2017
Council to adopt Oversight Report	Due by 31 March 2017
Publicise Annual Report and Submit copy to Provincial Legislature	Mid-April 2018
Draft and submit draft performance agreements to Mayor	June 2017

**5.5. Action Programme**

Table 5 provides the detailed action plan for the 2017/2018 IDP. The action plan is broken up into the 4 quarters of the municipal financial year with activities reflecting being either IDP, PMS or Budget related with budget Estimates. The development of the 2017/2018 IDP development will be done in five phases as outlined in 5.5.1. to 5.5.6.

**5.5.1. Preparatory Phase**

This is a phase in which the municipality positions itself to comply with the policy and legislature requirements that guide the IDP process. The local municipalities are guided by the common district IDP Review Framework Plan and each local adopts a process plan set out in writing.

The Drafting and approval of the IDP Framework and Process Plan is the deliverable of this phase and will take place between **July and August 2016**.

#### 5.5.2. Analysis Phase

This is the phase which deals with the existing situation in a municipality and focused on understanding the types of problems / challenges facing the communities in each municipality. Once these are identified the municipality then considers community's opinion of their problems and needs, but also facts and figures. The cause of the problem rather than the symptom should be well understood. It is also critical for the municipality to prioritise the key issues, due to capacity constraints.

The deliverable of this phase is **Chapter 3: Situational Analysis**, of the IDP and will take place between **September and November 2016** and will inform the strategic phase.

#### 5.5.3. Strategic Phase

This is the phase whereby the municipality formulates the solutions to address the problem or challenges that have been identified in the analysis phase, once it understands the problem. It includes the formulation of the vision that would reflect ambitious, credible, inspiring and achievable statements about the future of the municipality. Then statements are developed (developmental objectives) of what it would like to achieve in the medium term in order to address the problem issues and also contribute to the realisation of the vision. Once all of that is in place, the strategies that provide answers to the question how they will reach their objectives needs to be then developed. Once strategies are formulated they result in the identification of projects.

The deliverable of this phase is **Chapter 4: Development Strategies**, of the IDP and will take place between **December 2016 and January 2017**.

#### 5.5.4. Project Phase

This is the phase that is about the design and specification of projects for implementation. The projects identified need to have a direct linkage to the priority issues and the objectives that were identified in the preceding phases. The location, commencement & completion dates, project managers, project costs, sources of funding for each project as well as the intended beneficiaries of these projects are captured.

The deliverable of this phase is **Chapter 5: Implementation Plan**, of the IDP and will take place during **February and March 2017**.

#### 5.5.5. Integration Phase

This phase deals with the sub programme proposals, which were presented in the preceding phase have to be harmonised in terms of contents, location and timing in order to achieve consolidated programmes for municipalities.

The deliverable of this phase is an operational strategy (SDBIP) and OPMS, Chapters 7 & 8 of the IDP and will take place between **May and June 2017**. Furthermore, this is the phase that will ensure the adoption of the Draft 2017/2018 five year IDP which will take place in March 2017.

#### **5.5.6. Adoption Phase**

Once the IDP is completed it is submitted to the municipal council for consideration and approval. The council must make sure that the IDP complies with legal requirements before the approval. The final deliverable of this phase is the adoption of the 2017/2018 five year Ugu District Municipality IDP and will take place in **June 2017**.

The following steps will be taken to facilitate the final approval of this 2017/2018 five year Ugu IDP:

##### **i. Public Involvement**

- The Mayor must make presentations to all Wards by means of a Public Participation.
- Various IDP Steering Committee and EXCO meetings need to be held to facilitate reporting on progress with regard to the IDP process.
- IDP Representative Forum meetings need to be held and proper attendance ensured.

##### **ii. Critical Procedural Steps**

- Simultaneously, the general public need to be informed that the IDP is open for comment and representation.
- After the comment/representation period has closed, the draft IDP with relevant amendments must be submitted to the iLembe Council for adoption.
- To achieve District and Family alignment, the Ugu Development Planning Forum needs to ensure co-ordination and consultation between the district council and local municipalities.
- Draft IDP containing Finance Plan as well as draft SDBIP to be approved by EXCO and Council.

Table 5: Ugu District Municipality Action Programme

FIRST QUARTER																
PHASE	ACTIVITY	RESPONSIBILITY	KEY DEADLINES	JULY				AUGUST				SEPTEMBER				
				1	2	3	4	1	2	3	4	1	2	3	4	
PREPATORY	1. Drafting of Framework and Process Plan	Manager IDP	July – Sep 2016													
	1.1. Submission draft Framework & Process Plan to Cogta for comment		31 July 2016													
	1.2. Submit draft Framework & Process Plan to IDP Steering Committee, IDPRF and EXCO for consideration and recommendation		22 August 2016													
	1.3. Adoption by Council		30 September 2016													
	1.4. Advertise on local news paper for commencement of the IDP development process.	Ugu family	31 August 2016													
ANALYSIS	2. Submit Annual Performance Report to AG	PMS Officer	31 August 2016													
	3. Evaluate the changed circumstances and conduct socio analysis research	Manager IDP	Monthly													
	3.1. Develop IDP Implementation Plan (by developing alignment of objectives strategies and projects against the METF budget)		30 September 2016													
	3.2. Determine funding availability and requirements and all the necessary preparations															
	3.3. Determine which sector plans need to be reviewed and commence with the process of reviewing thereof															
	4. Consider MEC Comments															
	4.1. Action Plan to Address MEC Comments															

## SECOND QUARTER

PHASE	ACTIVITY	RESPONSIBILITY	KEY DEADLINES	OCTOBER				NOVEMBER				DECEMBER			
				1	2	3	4	1	2	3	4	1	2	3	4
Strategic & Projects	5. Submission of the 1st Draft Annual Report to Auditor General.	Snr. Manager CS & SS	31 August 2016												
	6. Conduct financial sustainability strategy with revenue enhancement focus	GM: Treasury	31 October 2016												
	7. Conduct Community needs Consultation	Manager IDP, Snr Manager Communications	October - November 2016												
	7.1. Mayoral izimbizo														
	7.2. Ward Committee Imbizo Workshop		28 November 2016												
	8. Hold strategic sessions (to include sector departments and feed local analysis into sector strategic plans thereof)	Manager IDP	December 2016												
	8.1. Align the strategic framework with internal and external policies		31 December 2016												
	8.2. Submit the draft reviewed strategic framework to the Steering Committee and IDPRF														
	9. Estimate available sources & provide guidance for way forward for budgeting	GM: Treasury	28 November 2016												
	9.1. Submit 2017/2018 budget framework to all relevant persons (Budget framework to include salary, operational and capital budget related information).		05 December 2016												
	9.2. District IDP mini assessments		11 December 2016												
	9.3. Preparation of a summary of available funds from: Internal Funds, e.g. CRR and External Funding, e.g. MIG	GM: Treasury	19 December 2016												
	9.4. Council finalises draft tariff policies in principle for 2017/2018 budget year.		28 November 2016												
	10. Sector - Municipal Alignment sessions under the auspices of COGTA	COGTA	20 November 2014												



		Manager IDP	30 December 2016												
Third Quarter															
PHASE	ACTIVITY	RES	KEY DEADLINES	JANUARY				FEBRUARY				MARCH			
				1	2	3	4	1	2	3	4	1	2	3	4
Integration	11. Integrate Reviewed Sector Plans into the IDP.														
	12. Alignment meetings with neighboring District Municipalities														
	13. Assess financial Feasibility of proposed new projects based on existing and potential funds. (Budget Examination)	GM: Treasury	21 January 2017												
	14. Mid-Year Review and submission of report to COGTA Provincial	PMS Officer	25 January 2017												
	15. Tabling of Draft Annual Report to Council	PMS Officer	31 January 2017												
	16. 1 <sup>st</sup> draft 2017/2018 IDP	Manager IDP	January – February 2017												
	16.1. Submit 1 <sup>st</sup> draft IDP to Steering Committee, IDRF and EXCO for recommendations.	Manager IDP	13 March 2017												
	16.2. Submit 1 <sup>st</sup> draft IDP to Council for adoption	Manager IDP	31 March 2017												
	16.3. Submit 1 <sup>st</sup> draft IDP to province (CoGTA) for assessment.	Manager IDP	27 March 2017												
	16.4. Advertise IDP for public comments	Ugu Family	March 2017												
	17. Tabling of Annual Report to Oversight Committee and adoption	Snr. Manager CS & SS	31 March 2017												
	18. Consideration of 2017/2018 Draft Budget by a joint meeting of the Budget Steering Committee and EXCO		20 March 2017												
	19. Tabling of 2017/2018 draft budget to Council	GM: Treasury	31 March 2017												

## FOURTH QUARTER

PHASE	ACTIVITY	RES.	KEY DEADLINES	APRIL				MAY				JUNE			
				1	2	3	4	1	2	3	4	1	2	3	4
Approval	19.1. Publicise tabled budget within 5 days after tabling, on website and the media	GM: Treasury	03 April 2017												
	19.2. Send copy of tabled budget to National and Provincial Treasury for comments		10 April 2017												
	20. Ugu Decentralised IDP Assessment Forums	CoGTA	07 April 2017												
	20.1. Incorporate comments received from IDP Provincial Assessment and all other outstanding comments	Manager IDP	30 April 2017												
	21. Conduct Community Consultation	Manager IDP, Senior Manager Communications	April /May 2017												
	21.1. Attend IDP/Budget Roadshows		April/May 2017												
	21.2. Ward Committee Imbizo Consultations	Manager IDP	22 May 2017												
	22. Submission of Budget for 2017/2018 to Council for approval		29 May 2017												
	22.1. Prepare Budget in the required format and submit Provincial and National Treasury.														
	22.2. Set up expenditure, revenue and asset management system, incorporating budget	GM: Treasury	29 May 2017												
	22.3. Publication of the approved 2017/2018 tariffs of charges in Gazette, website and local media.		05 June 2017												
	23. Final draft 2017/2018 IDP	Manager IDP	April – June 2017												
	23.1. Submit final draft IDP to Steering Committee, IDRF and EXCO for recommendations.	Manager IDP	26 May 2017												
	23.2. Submit final IDP to Council for adoption	Manager IDP	30 June 2017												
	23.3. Submit final draft IDP to province (CoGTA) for assessment.	Manager IDP	10 July 2017												



### 5.6. Cost Estimate for the Planning Process

Council has received grant funding from the Department of Local Government and Traditional Affairs for the IDP review process. The municipality has budgeted R10 590.00 for IDP review however grant funding from COGTA will also be utilized for IDP review but will not be reflected on the document. The planning process is outlined below:

ITEM	COST ESTIMATE
IDP Advertising	R10 590.00
Workshops and Meetings	R50 000.00
Printing and Translating Costs	R240 000.00
IDP / Budget Roadshows	R150 000.00
<b>Total</b>	<b>R450 590.00</b>

The IDP review is mainly done in-house; the planning process will therefore be to a large extent and be accommodated within the available funding. However, additional funds may be obtained from other sources and such funds will be utilized to complete certain aspects of the review process such as the sector plans that might need specialist assistance.

### 5.7. Conclusion

The Ugu IDP development 2017/2018 will focus on the achievements of the Ugu DM in accomplishing what it has set out to do within the new five year planning cycle. It is necessary to measure achievement in terms of backlog eradication and the effective spending of allocated funds. Ugu DM must assess its performance and the achievement of its targets and strategic objectives for the District IDP to remain relevant. The IDP therefore has to be reviewed annually in order to:

- Ensure its relevance as the Municipality's Strategic Plan.
- Inform other components of the Municipal business process including performance management and institutional and financial planning and budgeting.
- Inform the cyclical inter-governmental planning and budgeting cycle.

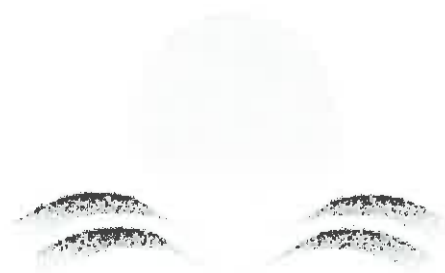
In the light of this development process, the IDP will reflect the impact of successes as well as corrective measures to address challenges. The IDP process will address internal and external circumstances that impact on the priority issues, objectives, strategies, projects and programmes of integrated planning.

The IDP, as the Ugu District Municipality's Strategic Plan, informs Municipal decision-making as well as all the business processes of the Municipality. The IDP must inform the Municipality's financial and institutional planning and most importantly, the drafting of the annual budget.

Although the IDP, Budget and Organisational PMS Process are three distinct processes, they are integrally linked processes which must be coordinated to ensure that the IDP, the Budget and the Organisational PMS with their related policies are tabled as mutually consistent and credible.

## UGU DISTRICT MUNICIPALITY

“The Municipality”



## BUDGET POLICY

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**1. DEFINITIONS**

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act, has the same meaning as in that Act.

**“Accounting Officer”** means the Municipal Manager of Ugu Municipality;

**“Allocation”** means –

- i) a municipality's share of the local government's equitable share referred to in Section 214(l) (a) of the Constitution;
- ii) an allocation of money to a municipality in terms of Section 214(1) (c) of the Constitution;
- iii) an allocation of money to a municipality in terms of a provincial budget; or
- iv) 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) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA.

**“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 rates policy which the Municipality must adopt in terms of Section 3 of the Municipal Property Rates Act;
- c) 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 of the Municipality for which an annual budget is to be approved in terms of Section 16(1) of the MFMA;

**“Chief Financial Officer”** means the Chief Financial Officer of Ugu Municipality;

**“Council”** means the Council of Ugu Municipality;

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

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

**“Financial Statements”** means statements consisting of at least -

- a) a statement of financial position;
- b) a statement of financial performance;
- c) a cash-flow statement;
- d) any other statements that may be prescribed; and
- e) any notes to these statements;

**“Financial year”** means a twelve months period commencing on 1 July and ending on 30 June each year;

**“Fruitless and wasteful expenditure”** means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

**“Irregular expenditure”**, means –

- a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of Section 170 of the MFMA;
- b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act 20 of 1998); or

- d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

**"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;

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

**"Mayor"** means the Mayor of Ugu Municipality;

**"Municipality"** refers to Ugu District Municipality

**"National Treasury"** means the National Treasury established by Section 5 of the Public Finance Management Act;

**"Official"** means -

- a) an employee of a municipality or municipal entity;
- b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

**"Overspending"** means -

- a) causing the operational or capital expenditure incurred by the Municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or

- c) in relation to expenditure under Section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

**“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.

**“Service Delivery and Budget Implementation Plan”** means a detailed plan approved by the Mayor of a municipality in terms of Section 53 (l) (c) (ii) of the MFMA for implementing the Municipality's delivery of municipal services and its annual budget, and which must indicate:

- a) projections for each month of:
  - i) revenue to be collected, by source and vote; and
  - ii) operational and capital expenditure, by vote;
- b) service delivery targets and performance indicators for each quarter; and
- c) any other matters that may be prescribed, and includes any revisions of such plan by the Mayor in terms of Section 54(l)(c) of the MFMA;

**“Unauthorised expenditure”** means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes –

- a) overspending of the total amount appropriated in the Municipality's approved budget;
- b) overspending of the total amount appropriated for a vote in the approved budget;
- c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- f) a grant by the Municipality otherwise than in accordance with the MFMA;



**"Virement"** means transfer of funds between functions / votes

**"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.

## 2. **PRINCIPLES**

- 2.1 Section 215 (1) of the Constitution of the Republic of South Africa states that National, provincial and municipal budgets and budgetary processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector. It also states in S215 (3), that Budgets in each sphere of government must contain;
- a. Estimates of revenue and expenditure, differentiating between capital and current expenditure;
  - b. Proposals for financing any anticipated deficit for the period to which they apply; and
  - c. An indication of intentions regarding borrowing and other forms of public liability that will increase public debt during the ensuing year.
- 2.2 Section 26(h) of the Municipal Systems Act (Act 32 of 2000) requires a municipality's Integrated Development Plan to reflect a financial plan, which must include a budget projection for at least the next three years (Medium Term Expenditure Framework);
- 2.3 Section 21 of the Municipal Finance Management Act (Act 56 of 2003) prescribes the function of the Mayor who must coordinate the processes for preparing the annual budget and for the reviewing of the municipality's Integrated Development Plan and budget related policies and to ensure that any revisions are mutually consistent and credible;
- 2.4 Section 16 of the Municipal Finance Management Act, requires the municipal council to approve an annual budget for the municipality before the start of the financial year;
- 2.5 The Minister with the concurrence of the Minister for Provincial and Local Government, has in terms of S168 of the Municipal Finance Management Act issued the Municipal Budget and Reporting Regulations which aim to secure sound and sustainable management of the budgeting and the reporting practices of the municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes; Now therefore, the Council of Ugu District Municipality adopts the Budget Policy as set out in this document.

**3. OBJECTIVES OF THE POLICY**

To set a broad framework within which Budget related decisions of the Municipality will be taken and implemented to ensure efficient and transparent financial planning that will promote sound and sustainable financial management, essential for the achievement of the Municipality's developmental priorities as contained in its Integrated Development Plan.

**4. SCOPE AND INTENDED AUDIENCE**

- 4.1 This Policy will serve as a guideline for the effective management of the Municipal budgetary processes, in order to attain the strategic objectives of the Municipality within the ambits of the applicable legislation, and shall apply to all departments within the Municipality.
- 4.2 Council has considered the guidelines distributed by National Treasury to local government which detail the processes and formats to be followed when preparing the budget policy.
- 4.3 The Municipality shall comply with the provisions of this Policy in the compilation of each of its budgets.

**5. REGULATORY FRAMEWORK**

In the process of preparing the Municipal budget, The Mayor, political office bearers (Councillors), Accounting Officer, Chief Financial Officer and other officials shall comply with all relevant legal requirements, including:-

- a) The provisions of Chapter 4 of the Municipal Finance Management Act, 2003, ('the MFMA'), as well as Sections 42, 43, 53, 54, 55, 68, 69, 70, 71, 72, 75, 80, 81, and 83 thereof; and
- b) The Municipal Budget and Reporting Regulations published in terms of Section 168 of the MFMA.
- c) All relevant budget related Circulars and notices issued by the National Treasury.

**6. ROLES AND RESPONSIBILITIES****6.1 Role of Council**

- a) Must provide political leadership and direction

- b) Play an oversight role by approving budget related policies, and ensuring that the priorities are reflected in the budget. (Council may not delegate approval of budgets and policies)
- c) Approve the Integrated Development Plan, the Annual Budgets and the Service Delivery Budget Implementation Plan.
- d) Monitor the outcomes of the implementation of the policies and budgets.

## 6.2 **Role of the Mayor**

- a) Provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. (S53, MFMA)
- b) Prepare and table a schedule of key deadlines for the preparation, tabling and approval of the budget, annual review of the IDP and the consultative process. (S21, MFMA)
- c) Take all reasonable steps to ensure that the Municipality approves its annual budget before the start of the financial year and report to the Municipal Council and the MEC for finance in the province any delays in the tabling of the annual budget. (S53, MFMA)
- d) Must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in S53, MFMA

## 6.3 **Role of the Accounting Officer**

- a) Assist the Mayor in performing budgetary functions assigned to him/her in terms of Chapter 4 & 7 of the MFMA and to provide administrative support, resources and information necessary for the performance of those functions. (S68, MFMA)
- b) Is responsible for the implementation of the approved budget and must take all reasonable steps to ensure that the spending of funds is in accordance with the budget and is reduced as necessary when the revenue is anticipated to be less than the projected in the budget.
- c) Ensure that revenue and expenditure are properly monitored.
- d) Must prepare an adjustments budget and submit it to the Mayor for consideration and tabling in the Municipal Council when necessary.
- e) Report to the Municipal Council any shortfalls in budget revenue, overspending and necessary steps taken to prevent shortfalls and overspending.
- f) Submit to the Mayor actual revenue, borrowings, expenditure and where necessary report variances on projected revenue and the budget.

#### 6.4 **Role of the Chief Financial Officer (CFO)**

- a) Without derogating in any way from the legal responsibilities of the Accounting Officer as Accounting Officer, the Chief Financial Officer shall be responsible for preparing the draft annual capital and operating budgets (including the budget components required for the ensuing financial years), any required adjustments budgets, the projections of revenues and expenses for the service delivery and budget implementation plan (including the alignment of such projections with the cash management programme prepared in terms of the banking, cash management and investments policy), and shall be accountable to the Accounting Officer in regard to the performance of these functions.
- b) Must advise the Accounting Officer on the exercise of powers and duties assigned to him in terms of the MFMA.
- c) Must assist the Accounting Officer in the preparation and implementation of the Municipality's budget.
- d) The Chief Financial Officer shall draft the budget timetable for the ensuing financial year for the Council's approval, and shall indicate in such timetable the target dates for the draft revision of the annual budget and the preparation of the annual budget for the ensuing financial year, which target dates shall follow the prescriptions of the Municipal Finance Management Act, and target dates for the submission of all the budget-related documentation to the Management Committee, Finance Portfolio, Executive Committee and Council.
- e) Except where the Chief Financial Officer, with the consent of the Mayor and Accounting Officer, decides otherwise, the sequence in which each annual budget and adjustments budget shall be prepared, shall be: first, the capital component, and second, the operating component. The operating component shall duly reflect the impact of the capital component on:
  - i) depreciation charges;
  - ii) repairs and maintenance expenses;
  - iii) interest payable on external borrowings; and
  - iv) other operating expenses.
- f) In preparing the operating budget, the Chief Financial Officer shall determine the number and type of votes to be used and the line-items to be shown under each

vote, provided that in so doing the Chief Financial Officer shall properly and adequately reflect the organisational structure of the Municipality, and further in so doing shall comply – in so far as the organisational structure permits – also with the prescribed budget format of National Treasury

- g) Must perform all budgeting and other duties as delegated by the Accounting Officer in terms of S79, MFMA.
- h) The Chief Financial Officer shall determine the depreciation expenses to be charged to each vote, the apportionment of interest payable to the appropriate votes, the estimates of withdrawals from (claims) and contributions to (premiums) the self-insurance reserve, and the contributions to the provisions for debt impairment, accrued leave entitlements and obsolescence of stocks
- i) The Chief Financial Officer shall further, with the approval of the Mayor and the Accounting Officer, determine the recommended contribution to the asset financing reserve and any special contributions to the self-insurance reserve.
- j) The Chief Financial Officer shall also, again with the approval of the Mayor and the Accounting Officer, and having regard to the Municipality's current financial performance, determines the recommended aggregate growth factor(s) according to which the budgets for the various votes shall be drafted.
- k) The Chief Financial Officer shall compile monthly budget reports, with recommendations, comparing actual results with budgeted projections, and the heads of departments shall timeously and adequately furnish the Chief Financial Officer with all explanations required for deviations from the budget. The Chief Financial Officer shall submit these monthly reports to the Mayor, Finance Portfolio and Executive Committee, and all other prescribed parties, in accordance with the prescriptions of the Municipal Finance Management Act.
- l) The Chief Financial Officer shall provide technical and administrative support to the Mayor in the preparation and approval of the annual and adjustment budgets, as well as in the consultative processes, which must precede the approval of such budget.
- m) The Chief Financial Officer shall ensure that the annual and adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities

determined by the Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the Mayor on the revision of the IDP and the budget-related policies where these are indicated.

- n) The Chief Financial Officer shall make recommendations on the financing of the draft capital budget for the ensuing and future financial years, indicating the impact of viable alternative financing scenarios on future expenses, and specifically commenting on the relative financial merits of internal and external financing options.
- o) The Chief Financial Officer shall determine the basis for allocating overhead expenses not directly chargeable to votes. The expenses associated with the democratic process shall be allocated to a separate vote, and shall not be charged out as an overhead.
- p) The Chief Financial Officer shall ensure that the cost of indigent relief is separately reflected in the appropriate votes.
- q) The Chief Financial Officer shall ensure that the allocations from other organs of state are properly reflected in the annual and adjustments budget, and that the estimated expenses against such allocations (other than the equitable share) are appropriately recorded.

#### 6.5 **Role of Senior Managers & Other Officials**

- a) Each Senior Manager and each Municipal official exercising financial management responsibilities must take all reasonable steps within his/her area of responsibility to ensure that the financial resources of the Municipality are utilised effectively, efficiently, economically and transparently.
- b) Must prevent unauthorised, irregular and fruitless or wasteful expenditure and other losses within his/her Department.
- c) Must ensure that all revenue due to the Municipality is collected.
- d) Must ensure that all information required by the Accounting Officer for compliance with the provisions of the Acts is timeously submitted.



## 6.6 **Role of the Budgeting Steering Committee**

6.6.1 The Municipal Budget and Reporting regulations (Government Gazette 32141) chapter 2 requires the Mayor to establish a Budget steering comprising of the following members:-

- a) The Mayor – Chairperson
- b) The Speaker
- c) The Whips of Political Parties
- d) The Accounting Officer (Municipal Manager)
- e) The Chief Financial Officer
- f) The IDP Manager
- g) The Manager Budget Office and,
- h) Members of Senior Management (Top Management)

6.6.2 The role of the Committee shall be:-

- a) To assist the Mayor in carrying out his/her statutory roles and responsibilities in accordance with S52 and S53 of the MFMA.
- b) To provide technical assistance to the Municipal political office bearers during policy formulation and to assist priority determination.
- c) To interrogate and make recommendations on the adoption of the Annual Budget, the Service Delivery and Budget Implementation Plan (SDBIP), S71 monthly budget statements and S72 Midyear budget and performance report and the Adjustments Budget.
- d) To evaluate the progress report of the Accounting Officer with regard to the financial year end closure and compilation of the Municipal audit file.
- e) To evaluate progress report on the statutory audit by the office of the Auditor General.
- f) To exercise oversight in the compilation of the Annual Report.
- g) To evaluate action plans from the Accounting Officer on corrective measures to be taken on issues raised by the Auditor General.
- h) To evaluate and recommend payment of Annual Performance Bonuses to the Accounting Officer and Senior Management after the annual report has been adopted by Council on 31 January each year.

6.6.3 Council may adopt its existing Finance Portfolio Committee as its Budget and Steering Committee.

## 6.7 **Role of the Budget and Treasury Office**

- a) To assist the Accounting Officer in tabulating key time frames for the Budget Process.
- b) To provide guidance to the Accounting Officer and Senior Managers during the budget preparation process in accordance with National Treasury MFMA Reforms.
- c) To consolidate departmental Capital and Operating budgets.
- d) To consolidate departmental S71 monthly budget statements, quarterly returns and the Midyear monitoring report and submit to the Finance Portfolio Committee.
- e) To report any unauthorised, irregular, fruitless and wasteful expenditure or any deviations from the approved budget to the Finance Portfolio Committee.
- f) To assist the Accounting Officer in implementing recommendations of the Finance Portfolio Committee.
- g) To manage the administrative operations of the Budget and Treasury Office to ensure full compliance with the MFMA and any issued guidelines or Circulars from National Treasury.

## 6.8 **Delegation of roles and responsibilities**

6.8.1 All delegations by the Mayor to the Accounting Officer, Mayor to the members of the Finance portfolio Committee, the Accounting Officer to the Chief Financial Officer and other Senior Managers, of their roles, duties and responsibilities as per the MFMA:-

- a) Must be in writing,
- b) Are subject to the limitations as may be imposed by the Act,
- c) Does not absolve the Mayor, the Accounting Officer or the Senior Officials of the responsibilities concerning the exercise of the delegated power or the performance of the fiduciary duties, and
- d) Should not be indefinite and must be reviewed annually.

## 7 **ANNUAL SCHEDULE OF KEY DEADLINES**

- 7.1 The deadline dates for all budget preparation processes shall be as per the approved Process Plan as tabled by the Mayor to Council in August.
- 7.2 Such Process Plan shall indicate the target dates for the draft revision of the Integrated Development Plan and the preparation of the annual budget for the ensuing financial year, which target dates shall follow the prescriptions of the MFMA, for the submission

of all the budget-related documentation to the Mayor, Finance Committee, Executive Committee and Council.

- 7.3 Such time schedule shall provide for the deadlines set out in Appendix A, unless the Mayor, after consultation with the Chief Financial Officer, determines otherwise and provided that the requirements of the MFMA shall at all times be adhered to.
- 7.4 The Chief Financial Officer shall be responsible for ensuring that the time schedule is adhered to.

## **8 BUDGET PRINCIPLES**

The sequence in which the Annual Budget shall be prepared shall be, first, the capital component and second, the operating component, except where the Chief Financial Officer with the consent of the Mayor decides otherwise. The Municipality's annual budget should:-

- a) Move towards the achievement of goals and objectives of the Municipality within the constraints of the available resources.
- b) Consider the Priorities as identified in the State of the Nation Address, State of the Province Address and the State of the District Address.
- c) Reflect the priorities contained in the Municipality's Integrated Development Plan.
- d) Be credible and fully funded from realistically anticipated revenues.
- e) Consider any resolutions taken by Council or the Executive Committee in the previous Budget Year which have financial implications on the current Medium Term Revenue Expenditure Framework.
- f) The basis of measurement and accounting policies underpinning the Municipality's annual financial statements must be the same as those used in the preparation of the Municipality's annual budget and supporting documentation.
- g) Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.

## **9 FUNDING OF EXPENDITURE**

An Annual budget must be funded only from:

- a) Realistically anticipated revenues to be collected.
- b) Cash-backed accumulated surpluses from previous years not committed for other purposes;

- c) Borrowed funds, but only for revenue-generating capital projects; and
- d) Grants and subsidies as per DORA.

## **10 THE CAPITAL BUDGET**

- 10.1 The Budget shall be prepared in the prescribed budget format of National Treasury.
- 10.2 The annual capital budget shall be prepared from a zero base, except in so far as capital projects represent a contractual commitment to the Municipality extending over more than one financial year.
- 10.3 The annual capital budget shall only be approved by Council if it is properly balanced (i.e. if the sources of finance have been secured to fund the budget and are equal to the proposed capital expenditure).
- 10.4 Before approving the capital budget, the Council shall consider the impact on the present and future operating budgets in relation to Finance Charges on external loans, Depreciation on fixed assets, Maintenance costs of fixed assets, and any other ordinary operational expenses associated with any item in that capital budget.
- 10.5 The Council shall also consider any impact of operating expenses – net of any revenues to be generated from the project – i.e. on future service tariffs.
- 10.6 Expenditure of a project shall be included in the Capital Budget if it meets the asset definition in terms of Council's approved Asset Management Policy

## **11 OPERATING REVENUE**

- 11.1 The Operating revenue must include:
  - a) Estimates for all municipal revenue sources and;
  - b) All gazetted grants and subsidies, donations and subsidies in kind or emergency relief funding.
- 11.2 The allocation of interest on investments shall be budgeted for in terms of the cash, banking and investment policy.
- 11.3 In preparing the revenue budget, the Municipality shall strive to maintain the aggregate revenues from service charges at not less than 90% of the aggregate revenues net of operating grants.
- 11.4 The proposed increases in tariffs should be affordable, i.e. in line with CPIX, and should take into account the need to address infrastructure backlogs.
- 11.5 Tariff increases must respond to the population growth rate and the Division of Revenue Act.

- 11.6 The water and sanitation charges shall be calculated and levied as per the reviewed Water and Sanitation Tariffs Policy for that MTREF.
- 11.7 All tariffs shall be published in a local newspaper, and placed on the Municipal website and at the entrance of Ugu offices at least 30 days before the start of the financial year.
- 11.8 All tariffs must be gazetted in the Government Gazette before the 1<sup>st</sup> July each year.

## **12 OPERATING EXPENDITURE**

- 12.1 The Municipality shall budget in each annual and adjustments budget for the contribution to:

- a) provision for accrued leave entitlements.
- b) entitlement of officials as at 30 June of each financial year;
- c) provision for impairment of debtors in accordance with its Rates and Tariffs Policies;
- d) provision for the obsolescence and deterioration of stock in accordance with its Supply Chain Management Policy;
- e) depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate;

- 12.2 The operating budget shall duly reflect the impact of the capital component on:

- a) Depreciation and impairment charges;
- b) Repairs and maintenance expenses;
- c) Interest payable on external loans, and
- d) Any other operating expenses associated with fixed assets.
- e) The operating budget must be in the prescribed National Treasury Format.

## **12.3 SALARIES AND ALLOWANCES**

The budget for salaries and allowances shall be separately prepared and shall not exceed the parameter (percentage) of the aggregate operating budget component of the annual or adjustments budget, the parameters as may be contained in the budget circular issued by National Treasury from time to time. If the salary budget, exceed the parameter (percentage) of the aggregate operating budget as issued by National Treasury Council will be advised and provided with reasons and remedial action. The remuneration of Councillors and other political office bearers shall be excluded from this limit.

## **12.4 PROVISION FOR MAINTENANCE**

The Municipality shall adequately provide in each annual and adjustments budget, for the maintenance of its fixed assets in accordance with its Fixed Asset Management and Accounting Policy as well as the routine maintenance plans. A minimum of 8% of the carrying amount of the fixed assets shall be provided for the expenditure on Repairs and Maintenance in the annual budget of the Municipality in accordance with the National Treasury norms.

#### 12.5 FINANCE CHARGES, DEPRECIATION AND IMPAIRMENT

12.5.1 The Finance Charges payable by the Municipality shall be apportioned between departments or votes on the basis of the proportion at the last balance sheet date of the outstanding loan balances belonging to such department or vote to the aggregate outstanding loan balances. However, should Council decide to raise loans only for financing of fixed assets in a specified service or vote, finance charges shall be charged to or apportioned only between the departments or votes relating to such service.

12.5.2 The depreciation expenses shall be apportioned to each department based on the cost of assets allocated to that department. The depreciation method used shall be in terms of the Fixed Assets Management and Accounting Policies.

#### 13 CONSULTATION ON TABLED DRAFT BUDGETS

The Municipality shall, after the annual draft budget is tabled in Council, consider the views of the local community, the National and Provincial Treasuries, organs of state and local municipalities, as required by Section 23 of the MFMA, and shall comply with all other requirements of that section. For the purpose of consultation, the draft budget will be made available to the community, through the community libraries, the municipal offices and the municipal website soon after tabling in Council.

#### 14 APPROVAL OF THE ANNUAL BUDGET

The Council shall approve the budget before the start of the financial year, in accordance the provisions of Section 24 of the MFMA, failing which, the Municipality shall be subject to the provisions of Section 25 of the MFMA.

#### 15 PUBLICATION OF THE BUDGETS

In accordance with Section 22 of the MFMA, the Municipal Manager shall ensure that immediately after the annual budget is tabled in the Council:

- a) The budget is made public in accordance with the provisions of Section 17 (3) of the Local Government Municipal Systems Act.
- b) The budget is submitted to the National Treasury and Provincial Treasury in printed and electronic formats;
- c) The budget is submitted to any prescribed organs of state and to other municipalities affected by it.

#### **16 MONTHLY BUDGET REPORTS**

The Chief Financial Officer shall compile monthly budget reports, with recommendations, comparing actual results with budgeted projections, and the heads of departments shall furnish the Chief Financial Officer with all explanations required for deviations from the budget.

The Chief Financial Officer shall submit these monthly reports to the Mayor, Finance Committee and Executive Committee, and all other prescribed parties, in accordance with the prescriptions of the Municipal Finance Management Act.

#### **17 RELATED POLICIES**

This Policy must be read in conjunction with the following budget-related policies of the Municipality:-

- 17.1.1 Indigent Support Policy
- 17.1.2 Asset Management Policy
- 17.1.3 Water Services Policy (incorporating the Tariff Policy)
- 17.1.4 Cash, Banking and Investments Policy
- 17.1.5 Supply Chain Management Policy
- 17.1.6 Credit Control and Debt Collection Policy
- 17.1.7 Funding and Reserves Policy
- 17.1.8 Virement Policy
- 17.1.9 Basic Services Policy

#### **18 REVIEW OF THE POLICY**

This Policy will be reviewed annually by the Budget Steering Committee prior to the commencement of the budget process to ensure compliance with any changes in



legislation or any 'best practice' guidelines and MFMA Circulars as may be issued by National Treasury from time to time.

**19 COMPLIANCE AND ENFORCEMENT**

- a. Violation of or non-compliance with this Policy may give a just cause of disciplinary steps to be taken.
- b. It will be the responsibility of Accounting Officer to enforce compliance with this Policy.

**20 EFFECTIVE DATE**

This Policy shall come to effect upon approval by Council.

**21 POLICY ADOPTION**

This Policy has been considered and approved by the **COUNCIL OF UGU DISTRICT MUNICIPALITY** as follows:

Resolution No:.....

Approval Date:.....

**ANNEXURE: LEGAL REQUIREMENTS**

**MUNICIPAL FINANCE MANAGEMENT ACT**

Section 15 Appropriation of funds for expenditure

Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each budget vote.

Section 16 Annual budgets

The Council of the municipality must approve the annual budget before the start of the financial year to which it relates.

The Mayor must table the annual budget at least ninety days before the start of such financial year.

The capital budget may extend over three years, provided that it is separated into annual appropriations for that period.

Section 17 Contents of annual budgets and supporting documents

The budget must be in the prescribed format, and must be divided into a capital and an operating budget.

The budget must reflect the realistically expected revenues by major source for the budget year concerned.

The expenses reflected in the budget must be divided into votes.

The budget must also contain the foregoing information for the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the year before the current year, and the estimated revenues and expenses for the current year.

The budget must be accompanied by all the following documents:

- draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
- draft resolutions (where applicable) amending the IDP and the budget-related policies;

- measurable performance objectives for each budget vote, taking into account the municipality's IDP;
- the projected cash flows for the financial year by revenue sources and expenditure votes;
- any proposed amendments to the IDP;
- any proposed amendments to the budget-related policies;
- the cost to the municipality of the salaries, allowances and other benefits of its political office bearers and other councillors, the municipal manager, the chief financial officer, and other senior managers;
- particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the municipality in service delivery, other organs of state, and organisations such as NGOs, welfare institutions and so on;
- particulars of the municipality's investments; and
- various information in regard to municipal entities under the shared or sole control of the municipality.

#### Section 18 Funding of expenditures

The budget may be financed only from:

- realistically expected revenues, based on current and previous collection levels;
- cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
- borrowed funds in respect of the capital budget only.

#### Section 19 Capital projects

A municipality may spend money on a capital project only if the money for the project (excluding the cost of any required feasibility studies) has been appropriated in the capital budget.

The total cost of the project must also be approved by the Council.

The envisaged sources of funding for the capital budget must be properly considered, and the Council must be satisfied that this funding is available and has not been committed for other purposes.

Before approving a capital project, the Council must consider the projected cost of the project over all the ensuing financial years until the project becomes operational, as well as the future operational costs and any revenues which may arise in respect of such project, including the likely future impact on property rates and service tariffs.

#### Section 20 Matters to be prescribed

The Minister of Finance must prescribe the form of the annual budget, and may further prescribe a variety of other matters, including the inflation projections which the municipality must use in compiling its budget.

The Minister may also prescribe uniform norms and standards in regard to the setting of tariffs where a municipality entity or other external mechanisms is used to perform a municipal service; and may also take appropriate steps to ensure that a municipality does not, in exceeding its fiscal powers, materially and unreasonably prejudice national economic policies (particularly on inflation, administered pricing and equity), economic activities across municipal boundaries, and the national mobility of goods, services, capital or labour.

#### Section 21 Budget preparation process

The Mayor of the municipality must:

- Co-ordinate the processes for preparing the annual budget, and for reviewing the municipality's IDP and budget-related policies to ensure that the budget, the IDP, and the policies are mutually consistent and credible.
- At least ten months before the start of the ensuing financial year, table in the Council the time schedule with key deadlines for the preparation, tabling and approval of the following year's annual budget, the review of the IDP and budget-related policies, and the consultative processes required in the approval of the budget.

- When preparing the annual budget, take into account the municipality's IDP, the national budget, provincial budget, the National Government's fiscal and macro-economic policies, and the annual Division of Revenue Act.
- Take all reasonable steps to ensure that the municipality revises its IDP in line with realistic revenue and expenditure projections for future years.
- Consult the district municipality (if it is a local municipality) and all other local municipalities in the district, and all other local municipalities in the district if it is a district municipality.
- Consult the National Treasury when requested, the Provincial Treasury, and such other provincial and national organs of state as may be prescribed.
- Provide, on request, any budget-related information to the National Treasury, other national and provincial organs of state, and any other municipality affected by the budget.

#### Section 22 Publication of annual budgets

Immediately after the annual budget has been tabled, the Municipal Manager must make this budget and other budget-related documentation public, and must invite the local community to submit representations in regard to such budget.

The Accounting Officer must also immediately submit the tabled budget in both printed and electronic formats to the National Treasury, the Provincial Treasury, and in either format to prescribed national and provincial organs of state and other municipalities affected by the budget.

#### Section 23 Consultations on tabled budgets

After the budget has been tabled, the Council of the municipality must consider the views of the local community, the National Treasury, the Provincial Treasury, and any provincial or national organs of state or municipalities which have made submissions on the budget.

After considering these views, the Council must give the Mayor the opportunity to respond to the submissions received, and – if necessary – revise the budget and table the relevant amendments for consideration by the Council.

The National Treasury may issue guidelines on the manner in which the Council must process the annual budget, including guidelines on the formation of a committee of the Council to consider the budget and hold public hearings. Such guidelines shall be binding only if they are adopted by the Council.

#### Section 24 Approval of annual budgets

The Council must consider approval of the budget at least thirty days before the start of the financial year to which such budget relates.

The budget must be approved before the start of such financial year, and the resolutions and performance objectives referred to in Section 17 must simultaneously be adopted.

#### Section 25 Failure to approve budget before start of budget year

This Section sets out the process which must be followed if the budget is not approved in the normal course of events. Briefly the Council must reconsider and vote on the budget, or an amended version of the budget, every seven days until a budget is approved. The Mayor must immediately inform the MEC for Local Government if the budget is not adopted by the start of the budget year, and may request a provincial intervention.

#### Section 26 Consequences of failure to approve budget before start of budget year

The provincial executive must intervene in any municipality which has not approved its annual budget by the start of the relevant financial year. Such intervention must entail the taking of any appropriate steps to ensure a budget is approved, including dissolving the Council and appointing an administrator until a new Council can be elected, and approving a temporary budget until such new Council can adopt a permanent budget for the municipality. The Section also imposes restrictions on what may be spent in terms of such temporary budget.

#### Section 27 Non-compliance with provisions of this chapter

This Section sets out the duties of the Mayor to report any impending non-compliance and the general consequences of non-compliance with the requirements of the various foregoing prescriptions.

Section 28 Municipal adjustments budgets

A municipality may revise its annual budget by means of an adjustments budget.

However, a municipality must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.

A municipality may appropriate additional revenues which have become available but only to revise or accelerate spending programmes already budgeted for.

A municipality may in such adjustments budget, and within the prescribed framework, authorise unforeseen and unavoidable expenses on the recommendation of the Mayor.

A municipality may authorise the utilisation of projected savings on any vote towards spending under another vote.

Municipalities may also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council.

Only the Mayor of the municipality may table an adjustments budget. Such budget may be tabled whenever necessary, but limitations on the timing and frequency of such tabling may be prescribed.

An adjustments budget must contain all of the following:

- an explanation of how the adjustments affect the approved annual budget;
- appropriate motivations for material adjustments; and
- an explanation of the impact of any increased spending on the current and future annual budgets.

Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.



Section 29 Unforeseen and unavoidable expenditure

In regard to unforeseen and unavoidable expenses, the following apply:

- the Mayor may authorise such expenses in an emergency or other exceptional circumstances;
- the municipality may not exceed a prescribed percentage of the approved annual budget in respect of such unforeseen and unavoidable expenses;
- these expenses must be reported by the Mayor to the next Council meeting;
- the expenses must be appropriated in an adjustments budget; and
- the adjustments budget must be passed within sixty days after the expenses were incurred.

Section 30 Unspent funds

The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for the expenses referred to above in Section 16.

Section 31 Shifting of funds between multi-year appropriations

If the funds for a capital project have been appropriated for more than one financial year (see Section 16) these expenses may exceed the appropriation for any one financial year, provided:

- the increase is not more than 20% of that financial year's allocation;
- the increase is funded in the next financial year's appropriations;
- the Municipal Manager certifies that actual revenues are expected to exceed budgeted revenues, and that enough funds will be available to finance such increased appropriation without incurring further borrowing beyond the annual budget limit;
- the Mayor gives prior written approval for such increased appropriation; and
- all the above documentation is provided to the Auditor-General.

Section 32 Unauthorised, irregular or fruitless and wasteful expenditure

Unauthorised expenses may be authorised in an adjustments budget.

Section 33 Contracts having future budgetary implications

Contracts extending beyond one financial year may be entered into by a municipality, but if such contract extends beyond the three years covered in the annual budget, the municipality may enter into such contract only if:

- The Municipal Manager, at least sixty days before the Council meeting at which the contract is to be approved, has made the contract public, with an information statement summarising the municipality's obligations, and inviting the local community and other interested parties to submit comments or make representations.
- The Municipal Manager solicits the views and recommendations of the National Treasury and Provincial Treasury in respect to such contract, as well as those of the National Department of Provincial and Local Government, and any national department concerned with water, sanitation or electricity, if the contract relates to any of these services.
- The Council has taken into account the projected financial obligations in regard to such contract, the impact on tariffs, and the views and comments received from all the foregoing parties.
- The Council adopts a resolution determining that the municipality will secure a significant capital investment or derive a significant financial or economic benefit from the contract, and approves the entire contract exactly as it is to be executed.

A contract for purposes of this Section shall exclude any contract relating to the incurring of long-term debt by the municipality, employment contracts, contracts for categories of goods as may be prescribed, or contracts where the value of the contract is less than a prescribed value or a prescribed percentage of the annual budget.

Section 42 Price increases of bulk resources for provision of municipal services

National and provincial organs of state which supply water, electricity or any other bulk resources to municipalities or municipal entities for the provision of municipal services may increase the price of such resources only after doing all the following:

- The proposed increase must be submitted to the organ's executive authority and (where legislation so requires) to any regulatory agency for approval.
- At least forty days prior to the above submission the National Treasury and organised local government must be invited to submit written comments on the proposed increase.
- The executive authority, after taking into account the comments received, must table the price increase in Parliament or the provincial legislature, as the case may be, with a full motivation and certain other prescribed explanatory documentation.

Unless the Minister of Finance otherwise directs, a price increase must be tabled on or before 15 March to take effect from 1 July of the same year. If it is tabled after 15 March it may only take effect from 1 July of the following year.

#### Section 43 Applicability of tax and tariff capping on municipalities

If a national or provincial organ of state is legislatively empowered to determine the upper limits of any municipal tax or tariff, such determination takes effect on the date specified in the determination, but provided that, unless the Minister of Finance otherwise directs:

- A determination promulgated on or before 15 March shall not take effect before 1 July of the same year.
- A determination promulgated after 15 March shall not take effect before 1 July of the following year.
- A determination shall not be allowed to impair a municipality's ability to meet any annual or periodic escalations in the payments it must make in respect of any contract legally entered into by a municipality.

#### Section 53 Budget processes and related matters

The Mayor of the municipality must:

- Provide general political guidance over the annual budget process and the priorities that guide the preparation of each budget.

- Co-ordinate the annual revision of the IDP, as well as the preparation of the annual budget, and determine how the IDP is to be taken into account or is to be revised for purposes of such budget.
- Take all reasonable steps to ensure that the Council approves the annual budget before the start of the financial year to which it relates, and that the municipality's service delivery and budget implementation plan is approved within twenty-eight days after the approval of the budget.
- Ensure that the annual performance agreements for the Municipal Manager and the senior managers of the municipality are linked to measurable performance objectives which are approved with the budget and the service delivery and budget implementation plan.

The Mayor must promptly report to the Council and the MEC for Local Government any delay in tabling the annual budget, approving the service delivery and budget implementation plan or signing the annual performance agreements.

The Mayor must further ensure that the service delivery targets and quarterly performance indicators, and the monthly projections of revenues and expenses in the service delivery and budget implementation plan, are made public not later than fourteen days after these matters have been approved; and that the performance agreements of the Municipal Manager and other senior officials are similarly made public not later than fourteen days after their approval.

#### Section 68 Budget preparation

The Municipal Manager must assist the Mayor in performing the assigned budgetary functions and must provide the Mayor with administrative support, operational resources and the information necessary to perform these functions.

#### Section 69 Budget implementation

**The Municipal Manager is responsible for implementing the budget, and must take reasonable steps to ensure that:**

- funds are spent in accordance with the budget;
- expenses are reduced if expected revenues are less than projected; and

- revenues and expenses are properly monitored.

The Municipal Manager must prepare any adjustments budget when such budget is necessary and submit it to the Mayor for consideration and tabling in Council.

The Municipal Manager must submit a draft service delivery and budget implementation plan to the Mayor fourteen days after the annual budget has been approved, and must also within the same period submit drafts of the annual performance agreements to the Mayor.

#### Section 70 Impending shortfalls, overspending and overdrafts

The Municipal Manager must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

#### Section 71 Monthly budget statements

The Municipal Manager must, not later than ten working days after the end of each calendar month, submit to the Mayor and Provincial Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

This report must reflect the following:

- actual revenues per source, compared with budgeted revenues;
- actual expenses per vote, compared with budgeted expenses;
- actual capital expenditure per vote, compared with budgeted expenses;
- actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- the amount of allocations received, compared with the budgeted amount;
- actual expenses against allocations, but excluding expenses in respect of the equitable share;
- explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
- the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and

- projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

The report to the National Treasury must be both in electronic format and in a signed written document.

#### Section 54 Budgetary control and early identification of financial problems

On receipt of the report from the Municipal Manager, the Mayor must:

- consider the report;
- check whether the budget has been implemented in accordance with the service delivery and budget implementation plan;
- issue appropriate instructions to the Municipal Manager to ensure that the budget is implemented in accordance with this plan, and that the spending of funds and the collection of revenues proceed in accordance with the approved budget;
- identify any financial problems facing the municipality, as well as any emerging or impending financial problems; and
- submit to the Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality.

If the municipality faces any serious financial problems, the Mayor must:

- promptly respond to and initiate the remedial or corrective steps proposed by the Municipal Manager, and
- alert the MEC for Local Government and the Council of the municipality to the problems concerned.

The Mayor may revise the details of the service delivery and budget implementation plan, but any revisions to the service delivery targets and quarterly performance indicators must be approved by the Council, and be supported by an adjustments budget. Any changes made to the projections of revenues and expenses as set out in the plan must promptly be made public.

#### Section 55 Report to provincial executive if conditions for provincial intervention exist

If the Council has not approved its annual budget by the first day of the financial year to which it relates, or if the municipality encounters serious financial problems, the Mayor must

immediately report this matter to the MEC for Local Government and may recommend a provincial intervention.

#### Section 72 Mid-year budget and performance assessment

The Municipal Manager must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan, and the past financial year's annual report and the progress made in resolving problems identified in such report.

The Municipal Manager must then submit a report on such assessment to the Mayor, the National Treasury and the Provincial Treasury.

The Municipal Manager may in such report make recommendations for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

In terms of Section 54(1)(f) the Mayor must promptly submit this assessment report to the Council of the municipality.

#### Section 73 Reports on failure to adopt or implement budget-related and other policies

The Municipal Manager must inform the Provincial Treasury, in writing, of any failure by the Council to adopt or implement any budget-related policy or a supply chain management policy, and of any non-compliance by an office bearer or political structure with such policy.

#### Section 75 Information to be placed on websites of municipalities

The Municipal Manager must place on the municipality's official website (inter alia) the following:

- the annual and adjustments budgets and all budget-related documents;
- all budget-related policies;
- the annual report;
- all performance agreements;
- all service delivery agreements;



- all long-term borrowing contracts;
- all quarterly reports submitted to the Council on the implementation of the budget and the financial state of affairs of the municipality.

#### Section 80 Establishment (of municipal budget and treasury office)

Every municipality must have a budget and treasury office comprising a Chief Financial Officer supported by appointed officials and contracted staff.

#### Section 81 Role of chief financial officer

The Chief Financial Officer is administratively in charge of the budget and treasury office and must, inter alia,

- assist the Municipal Manager in preparing and implementing the budget;
- perform such budgeting, financial reporting and financial management and review duties as are delegated by the Municipal Manager;
- account to the Municipal Manager for the performance of all the foregoing responsibilities.

#### Section 83 Competency levels of professional financial officials

The Municipal Manager, senior managers, the Chief Financial Officer and the other financial officials in a municipality must all meet prescribed financial management competency levels.

**SUMMARISED TIMETABLE**

NOTE: DATES IN BRACKETS ARE PUTATIVE

<b>FINAL DATE</b>	<b>ACTION BY MUNICIPALITY</b>	<b>ACTION BY MUNICIPAL ENTITY</b>
31 August	Table in council timetable for preparation of coming year's annual budget	-
20 January	-	Assess current year's budget performance and submit report to board of directors and municipality
25 January	Assess current year's budget performance	-
31 January	Table assessment report in council	-
31 January or earlier	-	Submit proposed budget for coming year to municipality
(31 January)	Consider municipal entity's proposed budget for coming year and make recommendations	-
(31 January or earlier)	Table municipal entity's adjustments budget for coming year	Submit adjustments budget for current year to municipality and make budget public
(Between 31 January and 31 March)	Table municipality's adjustments budget for current year and changes to service delivery targets and KPIs	-
(Between 31 January and 31 March)	Make public (adjustments budget and) revisions to service delivery and budget implementation plan for current year	-
Mid-March	-	Submit revised budget for coming year to municipality
31 March	Table municipality's draft budget for coming year	-
31 March	Table municipal entity's revised budget for coming year	-
Immediately after 31 March	Make public draft budget for coming year and invite submissions from community, provincial treasury and others	-
<b>FINAL DATE</b>	<b>ACTION BY MUNICIPALITY</b>	<b>ACTION BY MUNICIPAL ENTITY</b>
Before 31 May	Respond to submissions and revise draft budget for coming year	-
31 May	Consider approval of budget for coming year and attendant resolutions	Approve revised budget for coming year and make budget public

30 June	Budget for coming year and attendant resolutions must be approved by 30 June. Approved budget of entity must be tabled.	-
Early June to early July: immediately after budget approved	Submit budget to national treasury and provincial treasury	-
Early June to early July: immediately after approval dates	Place on website annual budgets and all budget-related documents	-
Mid June to mid July: 14 days after budget approved	Finalise draft service delivery and budget implementation plan and draft performance agreements	-
Late June to late July: 28 days after budget approved	Approve service delivery and budget implementation plan	-
Late June to late July: 28 days after budget approved	Conclude performance agreements	-
Mid July to mid August: 14 days after service delivery and budget implementation plan approved	Make public projections of revenues and expenses for each month of coming year, service delivery targets for each quarter, and performance agreements	-

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#### DETAILED BUDGET TIMETABLE

Section of Municipal Finance Management Act No. 56 of 2003	Date by which action must be completed	Action required	Responsible party	Practical considerations
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21(1)(b)	31 August	Mayor must at least 10 months before start of budget year table in council time schedule outlining key deadlines for <ul style="list-style-type: none"> <li>- preparation, tabling and approval of annual budget</li> <li>- annual review of IDP</li> <li>- annual review of budget-related policies</li> <li>- tabling and adoption of any amendments to IDP and budget-related policies</li> <li>- any consultative processes forming part of foregoing</li> </ul>	Mayor	Time schedule must either fit in with already scheduled council meetings or must indicate when special council meetings must be scheduled.
Section 88	20 January	Accounting officer of municipal entity must assess entity's budgetary and financial performance for first six months of financial year, and submit assessment report to board of directors and parent municipality.		
72(1), (2) and (3)	25 January	Accounting officer of municipality must assess budgetary and financial performance of municipality for first six months of financial year, make recommendations on whether adjustments budget necessary, and recommend revised projections for revenues and expenses. This assessment must be submitted to the mayor, national treasury and the provincial treasury (presumably immediately).	Accounting officer	
54(1)(f)	31 January	Mayor must submit accounting officer's report to council.	Mayor	Special council meeting may have to be scheduled.
87	31 January or earlier if requested by parent municipality	Board of directors of municipal entity must submit to parent municipality proposed budget for entity for ensuing financial year.	Board of directors of entity	It is not clear to what person or structure in the parent municipality this budget must be submitted.  However, it makes good sense for the council of the municipality to consider this budget at the same meeting that it considers the municipality's own proposed adjustments budget.

87		(31 January to mid-March)	Parent municipality must consider proposed budget, and make any necessary recommendations.			<p>It is not clear what person or structure in the parent municipality must perform this action, but the council seems the logical party. It would also make sense for the council to consider this budget by 31 January.</p> <p>Evidently such an adjustments budget may be prepared at any stage. It would make good sense, however, for the parent municipality to insist that the entity's revised budget be prepared and submitted to the mayor at the same time that or before the entity's proposed budget for the new financial year is considered.</p> <p>Again the potential problem of different parent municipalities having different views will have to be resolved by (presumably) the mayors considered.</p> <p>Adjustments budgets may be prepared by the accounting officer, and tabled in council by the Mayor "when necessary". They must be so prepared and tabled (within prescribed limits as to timing and frequency) whenever material adjustments to expenses or revenues are required, and not only when "serious financial problems" are looming. In general, adjustments budgets should preferably be tabled by or as soon as possible after 31 January, and certainly not later than 31 March when the draft annual budget for the next year is first tabled.</p>
87		(Tabled in council by 31 January)	Board of directors of entity may, with approval of mayor of parent municipality, revise budget of entity for certain prescribed reasons. Adjustments budget once approved by board of directors of entity must be tabled by mayor at next meeting of council of parent municipality. Adjustments budget must be made public.	Board of directors and mayor of parent municipality		
54(1) and (2)		(Between 31 January and 31 March)	If municipality faces "serious financial problems" mayor must "promptly" respond to and initiate remedial steps proposed by accounting officer, including steps to reduce expenses and tabling of adjustments budget. Mayor must also consider revisions to service delivery and budget implementation plan. (Note that only council may approve changes to service delivery targets and KPIs – these changes must therefore be tabled with the adjustments budget).	Mayor		

54(3)	(Between 31 January and 31 March)	Mayor must ensure that revisions to service delivery and budget implementation plan are "promptly" made public. (Note that no concomitant revision of performance agreements is evidently envisaged).	Mayor	Presumably the accounting officer must make these revisions for the mayor's approval as part of the process of adjusting the annual budget. The deadline for these revisions must be by or as soon as possible after 31 January, but certainly not later than 31 March. See also 54(1) and (2).
87	100 days before start of financial year (approximately mid March)	Board of directors of entity must consider recommendations, and if necessary submit revised budget to parent municipality.	Board of directors of entity	
16(2)	31 March	Mayor must table (draft) annual budget of municipality at council meeting at least 90 days before start of budget year.	Mayor	Council meeting must be scheduled appropriately.
87	31 March	Mayor of parent municipality must table originally proposed or proposed revised budget (as case may be) of entity when (draft) annual budget of municipality first tabled.	Mayor	-
22(a) and 22(b)	Immediately after 31 March or earlier date if annual budget tabled before 31 March	Immediately after (draft) annual budget tabled in council, accounting officer must (1) make public budget and documents referred to in Section 17(3), and invite local community to submit representations in connexion with budget, and (2) submit annual budget in both printed and electronic formats to provincial treasury, and in either format to prescribed national and provincial organs of state and to other municipalities affected by the budget.	Accounting officer	
23(2)	Before 31 May	Council must give mayor opportunity (1) to respond to submissions received on (draft) annual budget and attendant documentation and (2) to revise budget, if necessary, and table amendments for consideration by council.	Mayor and council	-

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24(1) and (2)	31 May	Council must consider approval of annual budget, together with resolutions imposing rates and levies, setting tariffs, approving measurable performance objectives for revenue from each source and for each vote, approving any changes to IDP, and approving any changes to budget-related policies.	Council	Although council has until 30 June to approve budget, best practice will be to approve budget not later than 31 May.
87(4)	31 May	Board of directors of municipal entity must approve budget for coming year, having taken into account recommendations of council of parent municipality, and must make budget public.	Board of directors of municipal entity	
24(3)	(Immediate after approval date)	Accounting officer must submit approved annual budget to national treasury and provincial treasury.	Accounting officer	No time limit is specified for this action, and neither is the format in which the budget is to be submitted specified.  Common sense dictates that the submission should be at least in electronic format and that it should be made as soon as possible after the approval date.
25(1) and (2)	Within 7 days of date of council meeting which failed to approve annual budget	If council fails to approve annual budget at meeting scheduled in terms of Section 24, must reconsider budget within 7 days of date of such meeting. If necessary, process must be repeated until budget approved by 30 June.	Council	As province will intervene if budget not approved by 30 June, mayor, councillors and accounting officer must co-operate to ensure obstacles to approval timeously removed.
69(3)(a) and (b)	14 days after approval of annual budget (mid June to mid July)	Accounting officer must submit to mayor draft service delivery and budget implementation plan, and drafts of annual performance agreements for municipal manager and all senior managers.	Accounting officer	
53(1)(c)(ii)	Within 28 days after date annual budget approved (late June to late July)	Service delivery and budget implementation plan must be approved by mayor, including projections of revenues and expenses for each month, and service delivery targets and performance indicators for each quarter. (Note that though the mayor approves these targets and KPIs, only the council	Mayor	

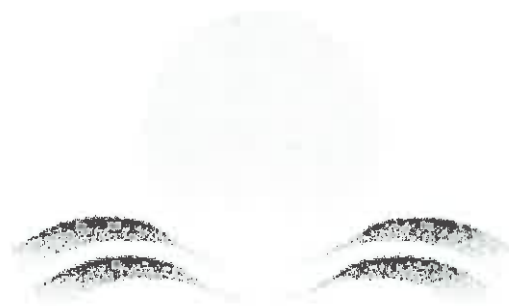


		may change them and then only following the approval of an adjustments budget. See Section 54(1)(c)).			
53(1)(c)(iii)(aa) & (bb)	Within 28 days after annual budget approved (late June to late July)	Mayor must take all reasonable steps to ensure that annual performance agreements for municipal managers and all senior managers are linked to measurable performance objectives approved with the budget and to the service delivery and budget implementation plan, and are concluded in accordance with Section 57(2) of the Municipal Systems Act.	Mayor	No date is specified for the completion of this requirement, but the logical inference is that the date should not be much later than the date on which the service delivery and budget implementation plan must be approved. See Section 53(3)(b).	
16(1)	30 June	Annual budget must be approved by council	Council	-	
53(3)(a) and (b)	14 days after approval of service delivery and budget implementation plan (mid July to mid August, depending on date plan approved)	Projections of revenues and expenses for each month and service delivery targets for each quarter (as set out in approved service delivery and budget implementation plan), and performance agreements of municipal manager and senior manager must be made public, and copies of performance agreements must be submitted to council and MEC for local government.	Mayor	Although this is not specified as a requirement, logic dictates that copies of the service delivery and budget implementation plan should also be submitted to council and the MEC.	

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# UGU DISTRICT MUNICIPALITY

“The Municipality”



## CASH, BANKING AND INVESTMENT MANAGEMENT POLICY

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## 1. **DEFINITIONS**

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act, has the same meaning as in that Act.

**“Accounting Officer”** means the Municipal Manager of Ugu District Municipality.

**“Act”** means the Local Government: Municipal Finance Management Act No. 56 of 2003, the Local Government: Municipal Systems Act No. 32 of 2000.

**“Accounting Principles”** mean stipulated guidelines to be followed.

**“Acquisition”** means acquiring goods or services through procurement policies.

**“Agents”** mean professional bodies appointed to execute a specific task on behalf of the Ugu District Municipality.

**“Accounts”** mean statement of moneys received.

**“Assignee”** means a person with a delegated authority.

**“Bank”** means an institution recognised by the Registrar of Banks.

**“Bank Account”** is the recognised statement of financial holdings on behalf of the municipality.

**“Cash”** means money, such as bank notes and coin, or cash equivalents.

**“Chief Financial Officer”** means the Chief Financial Officer of Ugu District Municipality.

**“Constitution of the Republic of South Africa, Act No. 108 of 1996”** means the Supreme Law of the Republic of South Africa.

**“Cash Management”** means efficient and effective management of funds.

**“Delegate”** means an official/person delegated to perform tasks on behalf of another person.

**“Delegated Authority”** means any person/persons/committee delegated with the authority to act for on behalf of Ugu District Municipality.

**“Diversification of Investments”** means investing in more, or more than one type of financial instrument.

**“Investment Ethics”** mean ethical framework within which investments must take place.

**“Liquidity”** means the ease with which financial instruments can be converted to cash or cash equivalents.

**“Municipal Entity”** means the developmental arm of the municipality established in terms of the Local Government: Municipal Finance Management Act No. 56 of 2003, in particular.

**“Municipality”** means the Ugu District Municipality.

**“Ownership”** means that all investments must be made in the name of the Ugu District Municipality.

**“Short term investment”** means a financial instrument with a lifespan or maturity of less than or equal to 1 year.

**“Long term investment”** means financial instrument with a lifespan or maturity of greater than a year.

**2. OBJECTIVE OF THE POLICY**

- 2.1 In terms of the Municipal Finance Management Act, Act 56 of 2003, Section 13(2): "Each Municipal Council and Governing body shall adopt by resolution cash, banking and investment policy regarding the investment of its cash resources not immediately required.
- 2.2 An Accounting Officer has an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible. Competitive investment and effective cash management ensures both short term and long-term viability and sustainability of the Municipality. Hence, it is critical for the Municipality to have its own cash, banking and investment management policy located within the local government legislative framework. This Policy should be read and understood against this background.
- 2.3 The primary and the ultimate goal of the investing funds is to earn the safety of returns on investment principal, an amount invested whilst managing liquidity requirements and, providing the highest return on investment at minimum risk, within the parameters of authorised instruments as per the MFMA

**3. BANKING ARRANGEMENTS****3.1 Opening of a Bank Account**

The Chief Financial Officer will ensure that the Municipality opens and maintains the following minimum bank accounts:

- a) General Bank Account – normal municipal receipts and payments
- b) External Financing Fund – to record loan receipts and accumulations towards the repayment of such loans
- c) Capital Replacement reserve – this reserve must be cash backed at all times and therefore requires a separate bank account
- d) Unutilised Capital Receipts – this is to account for unutilised conditional grant monies and developer contributions, requires a separate bank account and must be cash backed.
- e) Consumer deposits – this is to account for consumer deposits received and must be cash backed and requires a separate bank account.
- f) A specific account will be identified as a primary bank account and all the allocations from national, provincial and other spheres of government will be deposited into this account

### 3.2 Management of a Bank Account

Only the Accounting Officer or his/her delegate is authorised to withdraw money from the Municipality's bank account and the delegated powers shall be in accordance with limits which will be specified by the Accounting Officer

The responsibility for the management of all the Municipal bank accounts will be allocated by the Chief Financial Officers to the officials of the Treasury department in accordance with their job descriptions. The Chief Financial Officer or his/her delegate will review reconciliations of all the Municipal bank accounts on a monthly basis.

## 4. CASH MANAGEMENT

4.1 All monies received by the Municipality must be deposited into the Municipal primary bank account promptly.

The Chief Financial Officer will establish an internal control procedure for the operation and maintenance of the following process with regards to cash management:

- a) Receipting, and banking of and reconciliations of daily cash and cheques
- b) Returned cheque register
- c) Unallocated receipts/deposit registers

4.2 The Chief Financial Officer, inter-alia, has to ensure financial viability and sustainability of the Municipality. In order to achieve this in a sustainable manner, the Chief Financial Officer must ensure that internal financial systems and controls are in place that will enable the Municipality to detect the mismanagement of funds.

### 4.3 Cash Collection:

4.3.1 All monies due to the Municipality must be collected as soon as possible, either on or immediately after due date, and banked on a daily basis. Cash left in the safe can pose a security risk, could necessitate additional insurance coverage and does not earn any interest. Special deposits should be arranged for larger amounts to ensure that these are banked on the next working day they are received.

4.3.2 All monies collected by the Council must be banked in the primary bank account of the Municipality.

4.3.3 The respective responsibilities of the Chief Financial Officer and other Heads of Departments in this regard are defined in a procedures manual approved by the Municipal Manager and the Chief Financial Officer.



- 4.3.4 It is important that all monies owing to the Council are correctly reflected in the debtors system. The following control measures are necessary:
- a) A well managed debtors and banking control system will ensure that funds owed to the Council are received and banked; and
  - b) It is also important to review debt collection performance by comparing the debtors outstanding in relation to total revenue and then comparing this to previous financial years, in order to determine whether the debt collection process is deteriorating or improving.
- 4.3.5 The unremitant support of and commitment to the Municipality's credit control Policy, both by the Council and the Municipality's officials, is an integral part of proper cash collections, and by approving the present Policy the Council pledges itself to such support and commitment.
- 4.4 Petty Cash
- a) The Municipality keeps petty cash floats at two of its offices, that is Treasury office and Park Rynie office. Each petty cash float will be limited to R2 000 for the Treasury office.
  - b) Each transaction of petty cash shall not exceed R2 000.-
  - c) The officials who are responsible for petty cash management will be independent of all other cash functions like cashiering
  - d) An imprest system of petty cash will be used.
- 5. CASH FLOW ESTIMATES**
- 5.1 Before money can be invested, the Accounting Officer or his/her delegate must determine whether there will be surplus funds after meeting the necessary obligations.
- 5.2 To be able to make investments for any fixed terms; it is essential that cash flow estimates are prepared.
- 5.3 The Auditor-General requires the financial institution, where the investment is made, to issue a certificate for each investment made. This certificate must state that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.
- 6. INVESTMENT ETHICS**
- 6.1 The Accounting Officer and his/her delegate are responsible for the investment of funds and must ensure that there is no interference in these processes.

- 6.2 Under no circumstances may the Accounting Officer and his/her delegate ~~he/she~~ accept bribes into making an investment.
- 6.3 No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his/her relationship with the said institution.
- 6.4 The gift must be declared to the Municipality.
- 6.5 The Accounting Officer and his/her delegate must act according to their discretion and must report any serious cases of payment in kind or gifts, to the Municipal Council. Excessive gifts and hospitality should be avoided at all costs.

## 7. **INVESTMENT PRINCIPLES**

### 7.1 **Risk management**

The preservation of principal is the foremost objective of the investment program. To attain this objective, diversification is required to ensure that the Accounting Officer or his/her nominee prudently manages risk exposure. Risk profiles should be minimised by only placing investments with institutions and instruments approved by the Public Investment Commission or the Republic of South Africa: National Minister of Finance.

### 7.2 **Prudence**

Investments shall be made with care, skill, prudence and diligence. The approach must be that which a prudent person acting in a like capacity and familiar with investment matters would use in the investment of funds of like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Municipality. Investment officials are required to:

- a) Adhere to written procedures and policy guidelines.
- b) Exercise due diligence.
- c) Prepare all reports timeously.
- d) Exercise strict compliance with all legislation.

### 7.3 **Ownership**

All investments must be made in the name of the Ugu District Municipality.

### 7.4 **Risk and Return**

Although the objective of the Accounting Officer and/ Chief Financial Officer in making investments on behalf of the Municipality shall always be to obtain the best interest rate on offer, this consideration must be tempered by the degree of risk involved in regard to both the financial institution and the investment instrument concerned. No investment shall be made with an institution where the degree of risk is perceived to be higher than the average

risk associated with investment institutions. Deposits shall be made only with registered deposit-taking institutions (see Gazette 27431 1 April 2005).

## **8. INVESTMENT PROCEDURE**

8.1 After determining whether there is cash available for investment and fixing the maximum term of investment, the Municipal Manager must consider the way in which the investment is to be made.

### **8.2 Short-term Investment**

- a) The term of investment shall not be more than 12 months.
- b) Quotations must be obtained from a minimum of three financial institutions, for the term of which the funds will be invested.
- c) Should one of the institutions offer a better rate for a term, other than the term originally quoted for, the other institutions which were approached, must also be asked to quote a rate for the other term.
- d) Quotations can be obtained telephonically, as rates generally change on a regular basis and time is a determining factor when investments are made
- e) No attempts must be made to make institutions compete with each other.

### **8.3 Long-term investment**

- a) Written quotations must be obtained for investments made for periods longer than twelve months.
- b) The prior approval of the Council must be obtained for all investments made for periods longer than twelve months after considering the cash requirement for the next three years.

### **8.4 Investment maturity**

- a) Upon maturity of the investment the Municipality shall do one of the following:
  - i. Shall withdraw the whole amount invested.
  - ii. Shall re-invest 100% interest plus the original amount that had been invested, in terms of the investment procedure, unless if Council wishes to utilise the original money or the interest.
  - iii. Shall withdraw the interest and re-invest the original capital amount.

### **8.5 Early withdrawal of invested funds**

- a) When investing the funds with the banking institutions the Chief Financial Officer shall ensure that such funds are not withdrawn earlier than the maturity date agreed upon,

by so doing the Municipality will not incur fruitless and wasteful expenditures in form of penalties resulting from early withdrawal of investments.

- b) The Chief Financial Officer shall only withdraw funds if :
  - i) the banking institution concerned has agreed to exempt any penalties due to early withdrawal of investment or;
  - ii) the Accounting Officer may grant approval to withdraw the invested funds after he/she has satisfied himself/herself that the urgency was unforeseeable at the time when funds were invested and that the need for funds far outweighs the penalties being paid for such early withdrawal.

8.6 Call deposits and fixed deposits:

- a) Before making any call or fixed deposits, the Chief Financial Officer, shall obtain quotations from at least three registered financial institutions.
- b) Given the volatility of the money market, the Chief Financial Officer, shall, whenever necessary, request quotations telephonically, and shall record in an appropriate register the name of the institution, the name of the person contacted, and the relevant terms and rates offered by such institution, as well as any other information which may be relevant (for example, whether the interest is payable monthly or only on maturity, and so forth).
- c) Once the best investment terms have been identified, written confirmation of the telephonic quotation must be immediately obtained (by facsimile, e-mail or any other expedient means).
- d) Any monies paid over to the investing institution in terms of the agreed investment (other than monies paid over in terms of part 8 below) shall be paid over only to such institution itself and not to any agent or third party. Once the investment has been made, the Chief Financial Officer shall ensure that the Municipality receives a properly documented receipt or certificate for such investment, issued by the institution concerned in the name of the Municipality.

9. DELEGATION OF AUTHORITY

- 9.1 The delegation to authorise investments must distinguish between short term & long-term investments. The authority to make long-term investments as provision of security, is vested with the Municipal Council in terms of Section 48 of the MFMA and with reference to section 11(1) (h) of the MFMA dealing with cash management, the responsibility to make short investments lies with the Accounting Officer or Chief Financial Officer or any other senior financial officer authorised by either the Accounting Officer or the Chief Financial Officer/ relevant assignee.

9.2 The Local Government Municipal Systems Act of 2000, Section 3, (60) (2) states that the Municipal Council may only delegate to an Accounting Officer, Executive Committee, Mayor or Chief Financial Officer decisions to make investments on behalf of the municipality within a policy framework determined by the Minister of Finance.

9.3 The Chief Financial Officer is responsible for the investment of municipality's funds that are made under section 13 of the Municipal Finance Management Act.

**10. INVESTMENT ISSUE PERTAINING TO MUNICIPAL COUNCIL APPROVAL**

10.1 In the event that an investment that needs to be made, quotations are required from at least three registered financial institutions. In the case of telephonic quotations, the following information is required:

- a) The name of the Institution,
- b) The name of the person, who gave the quotation,
- c) The relevant terms and rates and
- d) Other facts such as if interest is payable on a monthly basis or on a compound basis upon maturation.

10.2 All investment documents must be signed by two authorised cheque signatories.

10.3 The Chief Financial Officer must ensure that a bank, insurance company or other financial institution, which at the end of a financial year holds, or at any time during a financial year held, an investment for the Municipality must:

- a) Within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year and
- b) Promptly disclose information regarding the investment when so requested by the National Treasury or the Auditor-General.
- c) Promptly disclose information of any possible or actual change in the investment portfolio, which could or will have a material adverse effect.

**11. MUNICIPAL ENTITIES**

The board of Directors of all municipal entities must adopt this cash management and investment policy. Further, the same municipal entities must submit reports, as detailed in the reporting and monitoring procedures, in the same manner as Ugu District Municipality, to the Mayor.

**12. POLICY REVIEW**

This Policy must be reviewed annually and be tabled to the Municipal Council for approval.

**13. INTERNAL CONTROL PROCEDURES**

13.1 An investment register should be kept of all investments made. The following facts must be indicated:

- a) Name of institution;
- b) Capital invested;
- c) Date invested;
- d) Interest rate; and
- e) Maturity date and
- f) Interests earned on investments.

13.2 The investment register and accounting records must be reconciled on a monthly basis.

13.3 The investment register must be examined on a fortnightly basis by the senior official under the direction of the Chief Financial Officer/ assignee as instructed, to identify investments falling due within the next two weeks. An investment plan must then be established for the next calendar month bearing in mind the cash flow requirements.

13.4 Interest, correctly calculated, must be received timeously, together with any distributable capital. The Chief Financial Officer or his/her assignee must check that the interest is calculated correctly, in terms of sound universally accepted financial management practices.

13.5 Investment documents and certificates must be safeguarded in a fire resistant safe, with dual custody. The following documents must be safeguarded:

- a) Fixed deposit letter or investment certificate;
- b) Receipt for capital invested;
- c) Copy of electronic transfer or cheque requisition;
- d) Schedule of comparative investment figures;
- e) Commission certificate indicating no commission was paid on the investment; and
- f) Interest rate quoted.

13.6 All investment must be denominated in South African Rand (ZAR)

13.7 The Chief Financial Officer or his/her assignee is responsible for ensuring that the invested funds have been invested with registered financial institutions approved by the Republic of



South Africa: National Minister of Finance, Public Investors Commission or with a bank rating of AA and endeavour to minimise risk exposure.

**14. REPORTING AND MONITORING PROCEDURES**

- 14.1 The Accounting Officer must within 10 days of the end of each month submit to the Mayor or Finance, Budget Control & Monitoring Committee a report describing in detail the investment and cash flow position of the Municipality as at the end of the month.
- 14.2 The report must contain a statement, prepared in compliance with generally recognised accounting principles/generally accepted municipal accounting principles, that states the:
- a) beginning market value for the period
  - b) additions and changes to the market value during the period
  - c) ending market value for the period
  - d) fully accrued interest/yield for the reporting period
  - e) the credit risk rating for the institutions whose securities are held by the Municipality as at beginning and end of the reporting period
  - f) investments disposed of due to adverse changes in credit ratings
  - g) diversification of investments
  - h) any investments locked into a time period with an institution that has a rating that is not acceptable according to Fitch, Naspers or CA-ratings.

**15. PERMITTED INVESTMENTS**

- 15.1 The Republic of South Africa: National Minister of Finance may identify by regulation in terms of Section 168 of the Municipal Finance Management Act instruments or investments other than those referred to below in which Municipality may invest:
- a) Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
  - b) Securities issued by the National Government;
  - c) Investments with the Public Investment Commissioners as contemplated by the Public Investment Commissions Act, 1984 (Act No. 5 of 1984);
  - d) Listed corporate bonds with an investment grade rating from a nationally or internationally recognized credit rating agency;
  - e) Deposits with the corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act 46 of 1984);
  - f) Banker's acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, 1990 (Act 94 of 1990);
  - g) Municipal Bonds issued by a Municipality
  - h) Guaranteed endowment policies with the intention of establishing a sinking fund; and



- i) Repurchase agreements with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)

**16. EXISTING INVESTMENTS**

Current investments that were not permitted investments at the time of purchase do not have to be liquidated.

**17. INVESTMENT DIVERSIFICATION**

The Chief Financial Officer must ensure that available money is not invested with one institution. Investment will be restricted to institutions with a minimum credit rating of [AA]. The maximum term for any investment, may be 2 years, other than ceded investments.

**18. PERFORMANCE EVALUATION**

- 18.1 The performance of the investment portfolio must be evaluated quarterly. The time weighted yield attributable to the investment portfolio must be calculated each quarter and compared with the prevailing returns available on securities issued by the National Government.

- 18.2 A report discussing the performance of the investment portfolio must be submitted to the Chief Financial Officer within 10 days of the end of each quarter.

**19. USE OF INDEPENDENT INVESTMENT MANAGERS**

Should the need arise to use an investment manager at any time; one will be appointed using Supply Chain Management principles and practices.

**20. UNALLOCATED RECEIPTS**

All unclaimed and unidentified deposits older than three (3) years shall be publicised in a local newspaper on an annual basis and if unclaimed within the specified time frame, such monies will be transferred to sundry income.

**21. PAYMENT OF CREDITORS**

- 21.1 Due to the high bank charges with regard to cheque payments, it is essential to limit the payment of creditors to one payment per creditor per month. Should the facility be available, payments should be done by electronic transfer (subject to strict controls).
- 21.2 When considering the time to pay a creditor, proper consideration must be given to the conditions of credit terms of payment offered.

- a) In cases where a cash discount is given for early settlement, the discount, if the relevant time scale is taken into account, must in most cases be more than any investment benefit that could be received from temporarily investing the funds.
- b) If discounts are offered for early settlement they must be properly considered and utilised.

21.3 Besides this, the normal conditions of credit terms of payment offered by suppliers, must also be considered and utilized to the full by paying on the due date and not earlier, provided that no worthwhile discount is available or offered.

**22. BANK AND CASH IN TERMS OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT Act NO.56 of 2003, Chapter 3, Part 1.**

- 22.1 All names of bank accounts must be changed to the name of the newly created municipality,
- 22.2 New bank accounts must be opened if required,
- 22.3 All cheques received from the disestablished municipalities must be banked,
- 22.4 All bank accounts currently held and transferred to the municipality must be accounted for in the new accounting system,
- 22.5 The official responsible must ensure that the name change on the accounts has been effected,
- 22.6 All bank and cash must be made in terms of the Cash Management Policy,
- 22.7 Every municipality must open and maintain at least one bank account in the name of the municipality and
- 22.8 All money received by a municipality must be paid into its bank account in the name of the municipality as per the abovementioned legislative framework.

**23. MANAGEMENT OF STOCK**

Cash management must be improved by seeing that adequate stock control is exerted over all goods kept in stock.

**24. SHORT- AND LONG-TERM DEBT**

A municipality may only incur debt in terms of the Municipal Finance Management Act No. 56 of 2003. The municipality may incur two types of debt, namely short-term and long-term debt.

**24.1. SHORT-TERM DEBT**

24.1.1 A municipality may incur short-term debt only when necessary to bridge:

- a) Shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year or

- b) Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

24.1.2 A municipality:

- a) Must pay off short-term debt within a financial year and
- b) May not renew or refinance its short-term debt.

24.2. **LONG-TERM DEBT**

A municipality may incur long-term debt for purposes of financing its long-term strategic objectives, as outlined in the Constitution of the Republic of South Africa, Act No. 108 of 1996, and Chapter 7 on Local Government.

- a) To provide democratic and accountable government for local communities,
- b) To ensure the provision of services to communities in a sustainable manner,
- c) To promote social and economic development,
- d) To promote a safe and healthy environment and
- e) To encourage the involvement of communities and community organizations in the matters of local government.

25. **COMPLIANCE AND ENFORCEMENT**

- a) Violation of or non-compliance with this Policy may give a just cause of disciplinary steps to be taken.
- b) It will be the responsibility of Accounting Officer to enforce compliance with this Policy.

26. **EFFECTIVE DATE**

This Policy shall come to effect upon approval by Council of Ugu District Municipality.

27. **POLICY ADOPTION**

This Policy has been considered and approved by the **COUNCIL OF UGU DISTRICT MUNICIPALITY** as follows:

Resolution No:.....

Approval Date:.....