

*Ugu District Municipality*

**BUDGET 2016/2017**

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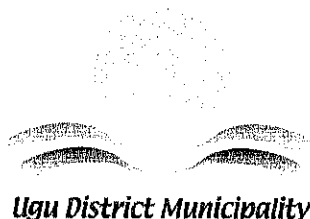
# *Ugu District Municipality*

## **VISION**

**“A place where everyone benefit equally from socio-economic opportunities and services”**

## **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.”**



**Budget Speech delivered by Her Worship, the Mayor of Ugu District Municipality, Cllr NH Gumede on the presentation of the Draft IDP and Budget for the financial year 2016/17, to the sitting of the Ugu District Municipal Council on the 26<sup>th</sup> of May 2016.**

This year marks 16 years of a Democratic local government in South Africa and all municipalities in the province of KwaZulu-Natal have used this opportunity to reflect on the 16-year journey of improving the lives of our communities. These milestones also provided an opportunity for our communities to reflect on the road we have travelled towards creating a better life for all through the provision of service delivery over the years.

Our district had the privilege of hosting the launch of the 16 years of local government celebrations which was held in Umuziwabantu local municipality. And this honour of hosting this historical event was bestowed upon us because of our selfless dedication towards improving the lives of our communities and in achieving the highest number of cleans audits among other Districts in the province.

It has been 22 years since the advent of democracy and 16 years into the operation of a new local government dispensation.

Local government has not only survived a fundamental restructuring over the past 16 years, it has also made great strides towards extending service delivery and development to marginalised communities.

In 16 years, local government has emerged from being an institution that was subservient and illegitimate to an institution with democratically elected leadership, who have constitutional status and a developmental agenda. And our task going forward is to work tirelessly in addressing the triple challenge of poverty, unemployment and inequality.

***Speaker of Council, Cllr SB Cele;***

***Traditional Leadership; Deputy Mayor, Cllr M Chiliza; Mayors of Local Municipalities; Members of the Executive Committee; Members of Council; Community of the UGu District; The Municipal manager, Mr DD Naidoo and officials of our administration; Invited Guests; Members of the media;***

### **All Protocol Observed**

Mr Speaker;

I stand here today to say with no fear of contradiction that Ugu District Municipality **Today** is better than it was **yesterday**. We have indeed moved our District Forward.

Let me welcome the People of our District whose voices were heard through the IDP/ Budget roadshows and who are joining us today via the live broadcasts throughout the District.

Mr Speaker, during the month of April 2016 we had conversations with thousands of residents through the IDP/Budget roadshows in all our local municipalities across the district, the purpose of which was to solicit the views of our communities on this draft budget and also measure our service delivery progress to date as well as to solicit information on the immediate community needs.

And residents confirmed that Ugu District Municipality is indeed at work in delivering water and sanitation services, but more work still needs to be done. This Draft Budget that I will be presenting to this sitting of council is meant to respond to the community needs articulated during the said Izimbizo.

Mr Speaker, this budget we are tabling today also demonstrates our commitment in addressing the challenges we face, with passion and vigour. This Budget also puts concrete figures to the programmes we have outlined in the Integrated Development Plan.

Over the course of this term of office we have made bold pronouncements and commitments aligned to the identified priorities. We have kept our word. We have done what we said we would do. We have worked hard to improve and strengthen our finances. Our finances **today** are in a better shape than they were **yesterday**. We have built a solid foundation of financial sustainability. We have worked hard to increase our investments in infrastructure that improves the quality of life of our communities. We have worked hard to improve the quality of our services.

Mr Speaker, it gives me great pleasure to address this sitting of Council today to present the draft budget of Ugu District municipality for 2016/17 financial year.

In addition, Section 87 sub-section (3) of the Municipal Finance Management Act No. 56 of 2003 requires the Mayor of the parent municipality to also table the proposed budget of the municipal entity at the time when the annual budget of the municipality for the relevant year is tabled. Therefore, in compliance to Section 87 (3), I will also be tabling the draft budget of the Ugu South Coast Tourism Entity together with that of the Ugu South Coast Development Agency. Mr Speaker, the aforementioned documents that I will be tabling to this Council are strategic tools with which to effectively manage public funds entrusted to this Council for the purposes of service delivery.

In preparing for this draft budget, we have been fully conscious of our legislative mandate (the provision of water and sanitation and a sustainable environment) and we have ensured that the appropriate resources were allocated to meet these strategic objectives.

Mr Speaker, the 2016/2017 draft budget we are presenting here today attempts to strike a balance between on-going service delivery imperatives and responding to the developmental challenges confronting our district.

The 2016/17 financial year tariff increases are driven by the following major broad considerations:

- Input costs from our suppliers – Eskom tariff increase of 9.4% and Umgeni Water tariff increase of above 9.5% on bulk water supply.

In light of the above considerations, the proposed tariff increases is 5.7% for water, and 5.7% for sanitation.

This will seriously impact on our income, positioning the financial year 2016/2017 as a year that will require even more financial prudence.

To ensure financial sustainability which I have referred to earlier, the employee related costs of the Municipality require urgent attention as the continued increase thereof is a real threat to our financial viability.

In spite of this, we are still required to deliver on our legislative mandate to our community. This will require us as the Council to be extra vigilant in the discharge of our role of political oversight and to ensure a more stringent monitoring of public expenditure. We can do this by thorough verification of the impact of our service delivery interventions to our community. The impact of our service delivery must at all times address the challenges of unemployment, poverty and inequality.

Mr Speaker, it is important to highlight the fact that, this Council is nearing the end of its term of office following its inauguration in June 2011.

We are thankful to the citizens of the Ugu District for giving us a clear mandate. This Council has a responsibility to respond to the National Government directives; which directives are captured in the National Development Plan – Government's vision for the transformation of the entire South Africa for 2030. As a Council, this plan is a clear road map which directs the delivery of services to the people in the Ugu District.



Mr Speaker, our Council has always recognised the critical contribution that has to be made by all of us for the whole district to move forward in achieving the Millennium Development Goals (MGDs), as we continue to realise the vision for South Africa by the year 2030.

We have continued to play our pivotal role of implementing our core functions which is water and sanitation, as a result we have achieved a hundred percent coverage of the provision of Ventilated Improved Pit latrines (VIPs) in two of our local Municipalities and we are remaining with less than 30 % in the rest of the local municipalities. In addition, we have commenced with sewer pipeline and sanitation refurbishment projects which is intended to service all areas within the Ugu District family of municipalities.

Mr Speaker, allow me to remind this house on the progress we have made thus far, during our political term of office, major projects of water and sanitation services are currently being undertaken and these are funded from our capital budget.

We have completed the construction of Mhlabatshane Dam at Umzumbe and the completion of Mhlabatshane Dam at Umzumbe Local Municipality marks our municipality's continued obligation of ensuring provision of basic water infrastructure to all communities. This project will serve about 100 000 people in the Umzumbe and Hibiscus Coast Local Municipalities with potable water. The objective of this project is to provide potable water to ten (10) Tribal Authority areas and forty-nine tribal wards which translate to 7 Municipal Wards.

The multi-million rand project includes the construction of the new dam, access roads, a pump house, water supply pipelines, a water treatment works and reservoirs.

- **Vulamehlo** – Dududu Water Reticulation, Maphumulo Water Supply and Phase 4 of Thoyane Water Project;
- **Umdoni** – Umzinto Farm Isonti Water and Sanitation
- **Umzumbe** – Ndelu Water Project, Umhlabashane Water Reticulation and Mabheleni East Water Project
- **Hibiscus Coast** – Stick Farm Water Supply, KwaXolo Bulk Water Supply, Umzimkhulu Off Channel Storage Dam, Umtamvuna Water Works
- **Ezingoleni** – Ezingoleni Bulk Water Supply; and we are currently upgrading in KwaNyuswa Bulk Scheme to finalise water reticulation
- **Umuziwabantu** – finalising designs for the Harding Weza Dam. We have also completed the bulk water & sanitation infrastructure for the Mazakhele Housing development in Harding.

I must mention that, these are continued collective efforts aimed at creating employment opportunities through the provision of infrastructure, whilst also providing a conducive and sustainable environment that promotes better livelihoods to the public that we serve. These are indeed good stories to tell.

## **2016/2017 Budget:**

In terms of Chapter 57 of the Municipal Finance Management Act, No 56 of 2003, I am required to table before this Council meeting, our municipal budget for the 2016/2017 financial year for approval.

The total budget we are presenting here before this house amounts to R1 333 146 991 with an allocation of R368 557 000 for capital and an allocation of R964 589 991 for the operational budget.

Mr Speaker, I stand before you to present critical strategic focus areas within our budget for the 2016/17 financial year. We have allocated an amount of R233 873 000 for our programme of action for the 2016/17 financial year.

## **Water and Sanitation:**

Fellow councillors, our district is currently facing drought with increasing severity and frequency and unless our call for coordinated water conservation is met with decisive action by all consumers, we faces risk of having no water for survival as we all aware, that water is life.

We therefore urge the public not to become complacent amid the recent rain showers and continue to conserve water to ensure that the current reserves last longer. The recent rainfall may give the false impression that the worst of the current drought is over. The impact of the current drought has been so severe that all this rainfall is simply insufficient to relieve even the most urgent shortages of water in the most affected areas of the district. Our campaign to conserve water will therefore continue.

We have then set aside an amount from the Municipal Infrastructure Grant (MIG) of R233 873 000 for the water and sanitation infrastructure programme.

An additional amount of R42 840 966 from the Equitable Share will be spent to ensure that we continue to provide our people with free basic water via the communal standpipes.

The National Government equitable share grant for an amount of R23 317 084 will be spent towards the cost of supplying free basic metered water.

And a further additional amount of R105 887 779 is allocated to subsidise the water tariff, this is due to the difficult economic conditions that our people within the Ugu District are facing.

An allocation of R6 246 580 has been made for rolling out the rural Ventilated Improved Pit toilets, which is a programme that will advance our work to eradicate rural sanitation backlogs from across the Ugu District family of municipalities.

### **Ugu South Coast Tourism:**

In compliance with the provisions of Section 87(3) Municipal Finance Management Act, we are also tabling the budget of the Ugu South Coast Tourism and South Coast Development Agency which has been approved by the respective Entity Board.

The total operating revenue for the financial year commencing on 1<sup>st</sup> July 2016 is *R18 750 428* which is made up of an Operational Expenditure of *R18 210 428* and a Capital Expenditure of *R540 000*. As part of our ongoing commitment to growing our tourism industry, we

have, as a District Municipality, made an allocation of R12 175 732 towards tourism marketing and development. We reiterate our commitment to the Board to execute its mandate and manage any operational challenges it may face. We will always be available to lend support because ours is about building a better District which attracts the local and international tourists.

### **South Coast Development Agency**

The total operating revenue for the financial year commencing on 1<sup>st</sup> July 2016 is *R13 684 000* which is made up of an operational expenditure of R13 678 020 and a Capital Expenditure of *R50 000*.

As part of our ongoing commitment to enhancing the economic development of our district, we have, as a District Municipality, made an allocation of R5 512 500. We also reiterate our commitment to the Board to execute its mandate and manage any operational challenges it may face. We will always be available to lend support because ours is about building a better District which enhances the economic development of its people.

### **Relief for the Poor**

Difficult economic conditions means people will find it difficult to make ends meet. Within the provisions of our Indigent Support Policy, we will continue to provide those who qualify for indigent support with rebates.

Regarding the provision of sanitation, indigent customers will receive a full monthly subsidy on sanitation, both in respect of waterborne sewer and conservancy tanks; except for additional draw requests, which must be paid for separately by the customers.

In respect of water provision, an allocation of R22 656 921 indigent support has been set aside to provide 6kl of water to deserving and qualifying households, whose total gross monthly income of all members of the household must not exceed two old age pension grants.

### **Special Programmes**

We have been making good progress with regards to addressing the plight of our special interest groups within our District. The introduction of the Operation Sukuma Sakhe Program (OSSP) which is a poverty alleviation program driven by the Office of the Premier, presented us with an opportunity to tap into other resources in pursuance of our mandatory coordination role. We are continuing to work well as the Ugu District Task Team of Operation Sukuma Sakhe.

Allocations in respect of the Special Programmes are as follows:

- Youth : R1 500 000
- Gender : R500 000
- Elderly : R310 000
- HIV/AIDS : R500 000
- Rights of the Child : R300 000

- Disability : R400 000
- Mayor's Bursary Fund : R500 000
- Public Participation : R1 500 000
- Pauper Burial Fund : R110 000
- Sports & Recreation : R4 000 000
- Community Initiative Support : R500 000

Mr Speaker, we are ready and capable through this draft budget we presented here today, to continue not only to make a massive contribution to the development of our district but also to spearhead, champion and coordinate such development. We recommit ourselves to overcoming the difficult challenges which impede our progress towards a better life for all.

### **Conclusion:**

Ugu District Municipality in its quest to fast track service delivery will continue to implement water and sanitation programmes, and also play a pivotal role in fulfilling its mandate through the application of well-coordinated service delivery approaches. This will enable us to collectively ensure that our communities receive a better life for all.

Fellow Councillors, the people spoke; we delivered, the people are speaking; we are responding; the people are governing. "Together we are moving our District Forward.

I thank you.

**ENDS**

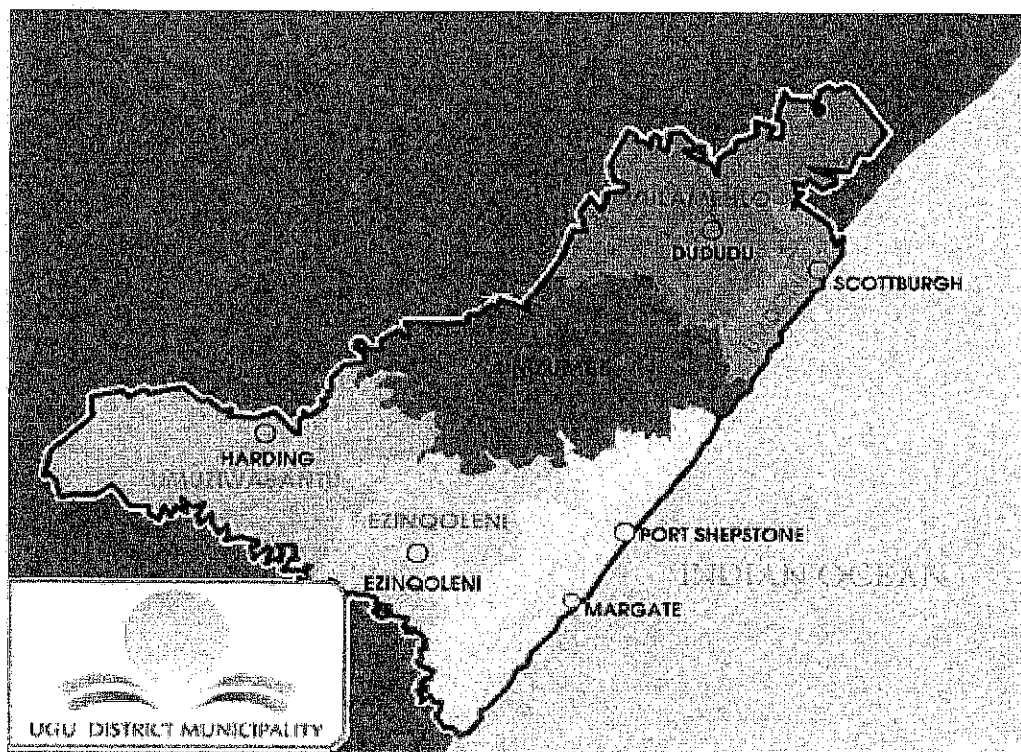
**Cllr NH Gumede**

**ISSUED BY:**

**UGU DISTRICT MUNICIPALITY  
COMMUNICATIONS UNIT**

## EXECUTIVE SUMMARY

### BACKGROUND



Source: <http://www.ugu.org.za/council/municipalities.asp>

Ugu District municipality consists of eighty one (81) municipal wards in its (06) Local Municipalities, namely, Hibiscus Coast, Umzumbe, Vulamehlo, Umdoni, Ezingoleni and Umuziwabantu. The municipality also has forty two (42) traditional authorities. It is 5866km<sup>2</sup> in extent and is home to 782,685 residents with 84% population residing in rural areas (Household Survey Data, Statistics SA (2007)). About 57,9% 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 151,620 households – with Hibiscus Coast 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 4.6 persons per household. (State of the Population of KZN (2009). 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 2016/2017 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.

	<ul style="list-style-type: none"> <li>- Eliminate corruption in procurement processes to ensure value for money</li> </ul>
5. A skilled and capable workforce to support inclusive growth	<ul style="list-style-type: none"> <li>- Develop and extend intern and work experience programmes.</li> <li>- Link procurement to skills development initiatives.</li> </ul>
6. An efficient, competitive and responsive economic infrastructure network	<ul style="list-style-type: none"> <li>- Ring-fence water and electricity functions so as to facilitate cost-reflecting pricing of these services.</li> <li>- Maintain and expand water purification and waste water treatment works in line with growing demand.</li> </ul>
7. Vibrant, equitable and sustainable rural communities and food security	<ul style="list-style-type: none"> <li>- Facilitate the development of local markets for agricultural produce.</li> <li>- Ensure effective spending of grants for funding extensions of access to basic services.</li> <li>- Improve transport links with urban centres to ensure economic integration.</li> </ul>
8. Sustainable human settlements and improved quality of household life	<ul style="list-style-type: none"> <li>- Ensure capital budgets are appropriately prioritised to maintain existing services and extend services.</li> </ul>
9. A response and accountable, effective and efficient local government system	<ul style="list-style-type: none"> <li>- Ensure ward committees are representative and fully involved in community consultation processes around IDP, Budget and other strategic service delivery issues.</li> <li>- Improve municipal financial administrative capacity by implementing competency norms and standards and acting against incompetence and corruption.</li> </ul>
10. Protection and enhancement of environmental assets and natural resources	<ul style="list-style-type: none"> <li>- Develop and implement water management plans to reduce water losses.</li> <li>- Ensure effective maintenance and rehabilitation of infrastructure.</li> <li>- Run water saving awareness campaigns</li> <li>- Ensure development does not take place on wetlands.</li> </ul>
11. A better South Africa, a better and safer Africa and World	<ul style="list-style-type: none"> <li>- Create an enabling environment for investment.</li> <li>- Ensure basic infrastructure is in place and properly maintained.</li> </ul>
12. A development-orientated public service and inclusive citizenship	<ul style="list-style-type: none"> <li>- Continue to develop performance monitoring and management systems.</li> <li>- Comply with legal financial reporting requirements.</li> <li>- Review municipal expenditure to eliminate wastage.</li> <li>- Ensure councils behave in ways to restore community trust in local government.</li> </ul>

### STATE OF THE PROVINCE ADDRESS

In the State of the Province address on 25<sup>th</sup> February 2016 the Premier Senzo 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 2016/2017 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; and
5. Implementing intern programmes to provide young people with on-the-job training.

### **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 2016/2017 ANNUAL BUDGET PROCESS**

The 2016/2017 Annual Budget preparation process can be illustrated as below:-

**August 2015** - Adoption of Framework Plan and Process Plan by Council and submission to COGTA, National and Provincial Treasury.

**September 2015** - Assessment of IDP Implementation Plan

**October 2015** - Conduct financial sustainability strategy with revenue enhancement focus.

**November 2015** - Conduct Community needs Consultation to develop KPIs for 2016 PMS.

**December 2015** - Submit 2016/2017 budget framework to all relevant persons (Budget framework to include salary, operational and capital budget related information).

**January 2016** - Submission of detailed estimates by Office of the Municipal Manager and Heads of Departments to the General Manager: Treasury.

**February 2016** - Internal Consultative process with Departments by means of workshops and meetings to assess financial feasibility of proposed projects.

**March 2016** - Tabling of 2016/2017 Draft Budget (Ugu and the Entity) in Council for noting.

**April – May 2016** – Stakeholder consultation process. Comments, additions, and proposals by stakeholders.

**May 2016** - Special Joint Exco and Finance Portfolio Committee meeting to consider stakeholders input on the 2016/2017 draft budget.

**May 2016** – Mayor tables the 2016/2017 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 2016/2017 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**

### **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 2016/2017 Budget, the Council has proposed a **5,7%** (6,5% in 2015/16) increase for water and sanitation charges effective from 01<sup>st</sup> July 2016. The proposed increase is based on Headline CPI Inflation forecast in 2016. The revenues are further affected by

1. % Increase in electricity 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. 87.0%), 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.

***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 23,317,084 to be made in the 2016/17 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 29 February 2016. The municipality has set aside R25,656,921 from Equitable Share for Indigent Support. Indigent households will receive 6kl free every month for the 2016/2017 financial year.

### **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 R399, 7 million and capital grants totalling R319, 9 million from the National and Provincial Equitable distribution of revenues in the 2016/2017 financial year. These receipts have been disclosed in SA18 of the budget.

Schedule SA19 discloses expenditure on operating grants totalling R408, 7 million and capital grants expenditure totalling R310, 9 million. Regarding Municipal Infrastructure Grant there is R10 million that is allocated to the Operational Budget for the construction of the VIP Toilets. The municipality has allocated R1 million from the Equitable Share to the Capital Budget for the purchase of the fire fighting equipment.

### **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 2015 to 31 January 2016 plus 1% for the budget year 2016/2017 (i.e. 5% plus 1%). The council had adopted a revised organogram in December 2014 and there are new positions that have been included in the new organisational structure, hence the total salaries budget, have been increased beyond 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 2014/2015 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 R123, 6m in 2016/2017. This amount is not fully cash backed. The municipality is currently updating its FAR and the depreciation amount will be revised based on the completed FAR.

## **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 8.3% which necessitated an allocation of R77, 5 million for the 2016/2017 financial year.

## **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

## **CAPITAL EXPENDITURE**

Zero-based budgeting method has been used in compiling the capital budget. Council has approved to total capital budget of R369, 1 million to be spent in 2016/2017 which is a 11, 36% decrease from the final capital budget of R416, 4 million in 2015/2016.

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 2016/2017 financial year.

1. Grants and subsidies
2. Internal funds

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

<b><u>Provincial Treasury's Comments on the 2015/2016 Budget</u></b>	<b><u>The Municipality's Responses and Corrective Actions</u></b>
Misalignment between the provision for debt impairment and the debt collection rates applied on the service revenues.	Although the municipality is anticipating an 87% collection rate in 2016/2017 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 2015/16 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 2016/207.
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 2015/2016 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 2015/2016 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 2016/2017.
The differences between the SA18 (Transfers and Grants Receipts) and A7 (Budgeted Cash Flow).	This discrepancy has been corrected in 2016/2017.
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 2016/2017.
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 2016/2017.

### **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, 411,434 and R6, 764,292 respectively. Other Local Municipalities also make grant contributions to the Entity.

The Board has adopted a total budget of R18, 750,428 for the 2016/2017 financial year which is made up of an operating budget of R18, 210,428 and a capital budget of R540, 000.

### **SOUTH COAST DEVELOPMENT AGENCY**

Ugu controls 100% of the South Coast Development Agency. This entity is an economic development implementing agency of the municipality. It's 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, 512, 500 for the financial year 2016/2017. The other Local Municipalities also make grant contributions to the Agency.

The Board has adopted a total budget of R12, 699, 020 for the 2016/2017 financial year which is made up of an operating budget of R12, 649, 020 and a capital budget of R50, 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 outdated and in certain places are none existent.	Develop a GIS Strategy to influence utility mapping as a whole and then implement 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

# UGU DISTRICT MUNICIPALITY

## EXTRACT FROM THE DRAFT MINUTES OF THE MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL HELD ON 26 MAY 2016

### 9.3 Ugu District Municipality: Draft Budget 2016/2017

The Speaker took members through the Draft Budget for the financial year 2016/2017.


Following which,

It was unanimously

#### RESOLVED:

- (a) That the report as regards the Ugu District Municipality: Draft Budget 2015/2016 be and is hereby **NOTED**.
- (b) That the Draft Budget of Ugu District Municipality for the financial year 2016/2017 be and is hereby **APPROVED**, as set out in the following schedules:
  - Table A1 - Budget Summary;
  - Table A2 to Table A4 – Budgeted Financial Performance;
  - Table A5 – Budgeted Capital Expenditure by vote, GFS and funding;
  - Table A6 – Budget Financial Position;
  - Table A7 – Budget Cash Flows;
  - Table A8 – Accumulated Surplus Reconciliation;
  - Table A9 – Asset Management;
  - Table A10 – Basic Service Delivery Measurement;
  - Other Supporting Tables (Table SA1 – SA37); and
  - Detailed Capital Budget
- (c) That increases in the Municipal tariffs for the budget year 2016/2017, as per the attached Tariff of Charges Schedule be and is hereby **ADOPTED**.
- (d) That the following budget related policies for the budget year 2016/2017, be and is hereby **NOTED**:
  - Water and Sanitation Tariff Policy;
  - Basic Water Policy;
  - Credit Control and Debt Collection Policy;
  - Funding and Reserves Policy;
  - Borrowing Policy;
  - Cash Management and Investment Policy;
  - Fixed Asset Management Policy & Asset Disposal Policy;
  - Supply Chain Management Policy;
  - Budget Policy;
  - Virement Policy

CERTIFIED A TRUE COPY OF THE ORIGINAL

  
 VP TSAKO  
 GENERAL MANAGER: CORPORATE SERVICES

## DC21 Ugu - Contact Information

## A. GENERAL INFORMATION

Municipality	DC21 Ugu
Grade	
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>

\* Grade in terms of the Remuneration of Public Office Bearers Act.

## B. CONTACT INFORMATION

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City / Town	Port Shepstone
Postal Code	4240
General Contacts	
Telephone number	039 688 5700
Fax number	039 682 4820

## C. POLITICAL LEADERSHIP

<b>Speaker:</b>		<b>Secretary/PA to the Speaker:</b>	
Name	Cllr SB Cele	Name	Sandile Nxumalo
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<b>Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Mayor/Executive Mayor:</b>	
Name	Cllr NH Gumede	Name	Khaya Matanzima
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Cell number	082 922 2600	Cell number	039 688 5713
Fax number	039 682 5783	Fax number	039 682 5783
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<b>Deputy Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Deputy Mayor/Executive Mayor:</b>	
Name	Cllr MA Chiliza	Name	Sthembele Memela
Telephone number	039 688 5700	Telephone number	039 688 3355
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## D. MANAGEMENT LEADERSHIP

<b>Municipal Manager:</b>		<b>Secretary/PA to the Municipal Manager:</b>	
Name	DD Naidoo	Name	Peroshnee Moodley
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<b>Chief Financial Officer</b>		<b>Secretary/PA to the Chief Financial Officer</b>	
Name	Sibongile Mbil	Name	Mballi Zeka
Telephone number	039 688 5703	Telephone number	039 688 5703
Cell number	071 672 0500	Cell number	0726506210
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## Official responsible for submitting financial information

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## Official responsible for submitting financial information

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

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		122 271	212 204	234 151	160 820	169 302	160 837	177 524	186 400	195 720
Executive and council		2 144	2 460	2 624	2 076	2 078	1 974	2 188	2 297	2 412
Budget and treasury office		118 782	209 226	231 525	157 796	165 846	157 554	174 287	183 002	192 152
Corporate services		1 345	518	2	948	1 377	1 308	1 049	1 101	1 156
<b>Community and public safety</b>		1 023	6 668	7 586	6 942	7 082	6 728	7 354	7 722	8 108
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		342	468	309	180	211	200	254	267	280
Public safety		681	6 201	7 277	6 762	6 871	6 528	7 100	7 455	7 828
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		3 790	287 860	287 228	49 982	49 961	47 463	60 970	64 019	67 220
Planning and development		-	284 122	277 022	33 015	32 564	30 936	43 180	46 339	47 606
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		3 790	3 738	10 206	16 967	17 397	16 527	17 790	18 679	19 613
<b>Trading services</b>		767 191	462 857	531 545	944 509	1 023 844	972 651	971 770	1 020 359	1 071 376
Electricity		-	-	-	-	-	-	-	-	-
Water		669 575	368 500	424 952	830 652	916 131	870 325	852 299	894 913	939 659
Waste water management		97 616	104 357	106 593	113 856	107 712	102 327	119 472	125 445	131 717
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>	4	11 283	1 726	1 284	600	750	713	250	263	276
<b>Total Revenue - Standard</b>	2	905 557	971 315	1 061 794	1 162 852	1 250 939	1 188 392	1 217 668	1 278 762	1 342 700
<b>Expenditure - Standard</b>										
<b>Governance and administration</b>		115 600	128 946	133 375	161 722	161 571	172 493	208 303	218 719	229 654
Executive and council		42 739	43 193	38 539	51 441	53 156	50 498	63 071	66 225	69 536
Budget and treasury office		33 294	30 199	30 963	30 315	38 276	36 362	42 873	45 017	47 268
Corporate services		39 567	55 554	63 873	79 966	90 140	86 633	102 359	107 477	112 851
<b>Community and public safety</b>		2 956	8 912	81 581	3 736	5 606	5 326	6 100	6 405	6 725
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		2 602	1 549	77 214	-	260	247	-	-	-
Public safety		355	7 364	4 367	3 736	5 346	5 079	6 100	6 405	6 725
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		8 533	69 096	70 460	64 891	66 734	63 388	79 581	83 560	87 738
Planning and development		-	60 158	56 054	47 624	48 562	46 134	61 917	65 013	68 264
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		8 533	8 938	14 406	17 267	18 172	17 263	17 664	18 547	19 474
<b>Trading services</b>		537 784	412 931	624 139	573 207	618 859	587 916	606 519	636 845	668 687
Electricity		-	-	-	-	-	-	-	-	-
Water		484 903	370 170	555 936	486 665	531 037	504 485	518 559	544 487	571 711
Waste water management		52 881	42 761	68 203	87 542	87 823	83 431	87 960	92 358	96 976
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>	4	12 160	825	784	1 032	1 022	971	1 160	1 218	1 279
<b>Total Expenditure - Standard</b>	3	677 033	620 710	910 339	804 588	873 793	830 104	901 663	946 746	994 084
<b>Surplus/(Deficit) for the year</b>		228 524	350 606	151 455	358 264	377 146	358 288	316 205	332 015	348 616

## 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 Abbatoirs, 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	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote		1									
Vote 1 - EXECUTIVE & COUNCIL			2 144	2 460	2 624	2 076	2 078	1 974	2 188	2 297	2 412
Vote 2 - FINANCE & ADMINISTRATION			120 127	209 744	231 527	158 744	167 224	158 863	175 336	184 103	193 308
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT			-	284 122	277 022	33 015	32 564	30 936	43 180	45 339	47 606
Vote 4 - WATER			669 575	358 500	424 952	830 652	916 131	870 325	852 299	894 913	939 659
Vote 5 - WASTE WATER MANAGEMENT			97 616	104 357	106 593	113 856	107 712	102 327	119 472	125 445	131 717
Vote 6 - PUBLIC SAFETY			681	6 201	7 277	6 762	6 871	6 528	7 100	7 455	7 828
Vote 7 - ENVIRONMENTAL PROTECTION			3 790	3 738	10 206	16 967	17 397	16 527	17 790	18 679	19 613
Vote 8 - OTHER: MARKET			11 283	1 726	1 284	600	750	713	250	263	276
Vote 9 - SPORTS & RECREATION			342	468	309	180	211	200	254	267	280
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	905 557	971 315	1 061 794	1 162 852	1 250 939	1 188 392	1 217 868	1 278 762	1 342 700
Expenditure by Vote to be appropriated		1									
Vote 1 - EXECUTIVE & COUNCIL			42 739	43 193	38 539	51 441	53 156	50 498	63 071	66 225	69 536
Vote 2 - FINANCE & ADMINISTRATION			72 861	85 753	94 836	110 281	128 415	121 995	145 232	152 494	160 119
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT			-	60 158	56 054	47 624	48 562	46 134	61 917	65 013	68 264
Vote 4 - WATER			484 903	370 170	555 936	485 665	531 037	504 485	518 559	544 487	571 711
Vote 5 - WASTE WATER MANAGEMENT			52 881	42 761	68 203	87 542	87 823	83 431	87 960	92 358	96 976
Vote 6 - PUBLIC SAFETY			355	7 364	4 367	3 736	5 346	5 079	6 100	6 405	6 725
Vote 7 - ENVIRONMENTAL PROTECTION			8 533	8 938	14 406	17 267	18 172	17 263	17 664	18 547	19 474
Vote 8 - OTHER: MARKET			12 160	825	784	1 032	1 022	971	1 160	1 218	1 279
Vote 9 - SPORTS & RECREATION			2 602	1 549	77 214	-	260	247	-	-	-
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	677 033	620 710	910 339	804 588	873 793	830 104	901 663	946 746	994 084
Surplus/(Deficit) for the year		2	228 524	350 606	151 455	358 264	377 146	358 288	316 205	332 015	348 616

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	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue By Source</b>												
Property rates	2		-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges			-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2		186 688	239 708	217 804	300 658	362 027	343 921	344 015	426 816	448 157	470 565
Service charges - sanitation revenue	2		89 769	93 777	102 346	107 110	100 791	95 751	95 751	112 281	117 895	123 790
Service charges - refuse revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - other			-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			1 693	2 194	2 430	1 485	1 801	1 711	1 711	1 249	1 312	1 377
Interest earned - external investments			1 929	10 970	16 025	5 606	13 898	13 201	13 201	11 068	11 622	12 203
Interest earned - outstanding debtors			18 376	3 192	3 490	3 597	3 464	3 291	3 291	3 802	3 992	4 181
Dividends received			-	-	-	-	-	-	-	-	-	-
Fines			-	-	-	-	-	-	-	-	-	-
Licences and permits			-	-	-	-	-	-	-	-	-	-
Agency services			-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational			318 044	229 567	326 213	381 544	378 071	359 168	359 168	408 662	429 095	450 549
Other revenue	2		12 735	9 794	16 964	7 862	26 358	25 040	25 040	11 558	12 136	12 743
Gains on disposal of PPE			-	-	862	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>629 235</b>	<b>589 203</b>	<b>686 134</b>	<b>807 760</b>	<b>886 409</b>	<b>842 084</b>	<b>842 177</b>	<b>975 436</b>	<b>1 024 207</b>	<b>1 075 418</b>
<b>Expenditure By Type</b>												
Employee related costs	2		247 612	246 106	274 840	290 324	309 766	294 278	294 278	332 850	349 493	366 967
Remuneration of councillors			7 951	7 938	9 146	9 916	11 067	10 514	10 514	11 874	12 468	13 092
Debt impairment	3		(18 186)	25 940	85 647	23 072	23 069	21 916	21 916	38 159	40 067	42 070
Depreciation & asset impairment	2		64 304	66 834	252 231	70 285	116 321	110 505	110 505	123 604	129 785	136 274
Finance charges			16 961	15 818	12 813	18 952	18 946	17 999	17 999	15 776	16 564	17 393
Bulk purchases	2		34 650	46 954	52 626	69 255	69 255	65 792	65 792	81 468	85 541	89 818
Other materials	8		-	5 821	3 664	9 067	9 067	8 614	8 614	8 700	9 135	9 591
Contracted services			18 266	19 680	19 964	22 337	23 121	21 965	21 965	29 683	31 168	32 726
Transfers and grants			190 422	55 926	29 478	95 190	90 583	86 054	86 054	37 028	38 679	40 823
Other expenditure	4, 5		115 031	128 314	169 930	196 191	202 598	192 468	192 468	222 521	233 647	245 330
Loss on disposal of PPE			22	1 378	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>			<b>677 033</b>	<b>620 710</b>	<b>910 339</b>	<b>804 588</b>	<b>873 793</b>	<b>830 104</b>	<b>830 104</b>	<b>901 663</b>	<b>946 746</b>	<b>994 064</b>
<b>Surplus/(Deficit)</b>												
Transfers recognised - capital			(47 799)	(31 506)	(224 205)	3 172	12 615	11 980	12 073	73 772	77 461	81 334
Contributions recognised - capital	6		276 254	437 602	400 790	354 998	364 437	346 215	346 215	310 862	326 405	342 725
Contributed assets			-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			<b>228 455</b>	<b>406 096</b>	<b>176 585</b>	<b>358 170</b>	<b>377 052</b>	<b>358 195</b>	<b>358 288</b>	<b>384 634</b>	<b>403 866</b>	<b>424 059</b>
Taxation			-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>			<b>228 455</b>	<b>406 096</b>	<b>176 585</b>	<b>358 170</b>	<b>377 052</b>	<b>358 195</b>	<b>358 288</b>	<b>384 634</b>	<b>403 866</b>	<b>424 059</b>
Attributable to minorities			-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>			<b>228 455</b>	<b>406 096</b>	<b>176 585</b>	<b>358 170</b>	<b>377 052</b>	<b>358 195</b>	<b>358 288</b>	<b>384 634</b>	<b>403 866</b>	<b>424 059</b>
Share of surplus/ (deficit) of associate	7		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>			<b>228 455</b>	<b>406 096</b>	<b>176 585</b>	<b>358 170</b>	<b>377 052</b>	<b>358 195</b>	<b>358 288</b>	<b>384 634</b>	<b>403 866</b>	<b>424 059</b>

**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	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<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]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE & COUNCIL		162	-	599	1 055	55	52	52	2 840	2 772	2 911
Vote 2 - FINANCE & ADMINISTRATION		8 998	1 881	11 766	26 320	24 780	23 541	23 541	44 055	46 258	48 571
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT		105 257	202	-	680	1 509	1 433	1 433	590	620	650
Vote 4 - WATER		70 775	278 094	289 821	308 829	327 186	310 827	310 827	238 418	250 339	262 856
Vote 5 - WASTE WATER MANAGEMENT		16 191	22 459	23 600	56 769	56 838	53 996	53 996	82 444	86 566	90 895
Vote 6 - PUBLIC SAFETY		88	3 555	-	3 000	6 000	5 700	5 700	1 000	1 050	1 103
Vote 7 - ENVIRONMENTAL PROTECTION		-	-	-	-	-	-	-	-	-	-
Vote 8 - OTHER: MARKET		888	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		202 359	306 216	325 786	396 653	416 367	395 549	395 549	369 147	387 604	406 985
<b>Total Capital Expenditure - Vote</b>		202 359	306 216	325 786	396 653	416 367	395 549	395 549	369 147	387 604	406 985
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		9 160	1 881	12 365	27 375	24 835	23 593	23 593	46 695	49 030	51 481
Executive and council		162	-	599	1 055	55	52	52	2 840	2 772	2 911
Budget and treasury office		-	-	-	20	490	456	456	15 000	15 750	16 538
Corporate services		8 998	1 881	11 766	26 300	24 300	23 085	23 085	28 055	30 508	32 033
<b>Community and public safety</b>		88	3 581	-	3 000	6 000	5 700	5 700	1 000	1 050	1 103
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	25	-	-	-	-	-	-	-	-
Public safety		68	3 555	-	3 000	6 000	5 700	5 700	1 000	1 050	1 103
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		105 257	202	-	680	1 509	1 433	1 433	590	620	650
Planning and development		105 257	202	-	680	1 509	1 433	1 433	590	620	650
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		87 855	300 553	313 421	365 598	364 024	364 623	364 623	320 862	336 905	353 750
Electricity		-	-	-	-	-	-	-	-	-	-
Water		70 775	278 094	289 821	308 829	327 186	310 827	310 827	238 418	250 339	262 856
Waste water management		16 191	22 459	23 600	56 769	56 838	53 996	53 996	82 444	86 566	90 895
Waste management		888	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	202 359	306 216	325 786	396 653	416 367	395 549	395 549	369 147	387 604	406 985
<b>Funded by:</b>											
National Government		175 171	294 998	297 015	354 998	359 437	341 465	341 465	310 862	326 405	342 725
Provincial Government		-	-	16 918	-	5 000	4 750	4 750	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	175 171	294 998	313 934	354 998	364 437	346 215	346 215	310 862	326 405	342 725
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	7 295	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		19 884	11 219	11 853	41 655	51 930	49 334	49 334	58 285	61 199	64 259
<b>Total Capital Funding</b>	7	202 359	306 216	325 786	396 653	416 367	395 549	395 549	369 147	387 604	406 985

**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	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS												
Current assets												
Cash			62 165	163 675	50 622	212 669	30 525	58 486	74 787	144 566	252 650	366 137
Call investment deposits	1		12 721	8 293	222 080	21 901	233 184	221 524	221 524	233 184	244 843	257 085
Consumer debtors	1		101 537	130 849	96 262	75 878	101 075	96 021	96 021	127 573	133 952	140 649
Other debtors			27 162	20 072	50 989	5 373	53 538	50 861	50 861	56 215	59 026	61 977
Current portion of long-term receivables			95	32	52	57	54	52	52	36	38	40
Inventory	2		6 939	8 069	14 426	9 053	24 201	22 991	22 991	21 781	22 870	24 013
Total current assets			210 619	330 991	434 431	324 932	442 577	449 935	466 237	583 355	713 378	849 902
Non current assets												
Long-term receivables			70	7	271	136	284	270	270	189	199	209
Investments												
Investment property			25 000	14 600	29 403	22 500	30 873	29 330	29 330	32 417	34 038	35 740
Investment in Associate												
Property, plant and equipment	3		2 004 387	3 531 226	3 590 626	2 579 253	3 770 157	3 581 649	3 581 649	4 015 300	4 216 055	4 426 868
Agricultural												
Biological												
Intangible			10 354	9 624	8 981	12 509	9 430	8 958	8 958	7 114	7 470	7 844
Other non-current assets												
Total non current assets			2 039 811	3 555 457	3 629 281	2 614 398	3 810 745	3 620 208	3 620 208	4 055 021	4 257 772	4 470 661
TOTAL ASSETS			2 250 430	3 886 448	4 063 711	2 939 330	4 253 322	4 070 143	4 086 444	4 638 376	4 971 150	5 320 563
LIABILITIES												
Current liabilities												
Bank overdraft	1		3 195	3 343	26 152	—	—	—	—	—	—	—
Borrowing	4		16 910	21 699	22 054	17 816	23 078	21 924	21 924	18 277	18 277	18 277
Consumer deposits			19 379	19 725	20 034	20 559	21 036	19 984	19 984	21 466	22 529	23 656
Trade and other payables	4		165 005	155 489	171 238	87 319	179 800	170 810	170 810	188 240	197 652	207 535
Provisions			17 271	16 733	20 269	2 116	21 282	20 218	20 218	22 346	23 464	24 637
Total current liabilities			221 760	216 990	259 747	127 811	245 196	232 936	232 936	250 320	261 922	274 105
Non current liabilities												
Borrowing			188 845	165 364	144 531	131 323	151 758	144 170	144 170	109 524	91 246	72 969
Provisions			29 816	24 600	28 484	31 436	29 908	28 413	28 413	31 575	33 154	34 811
Total non current liabilities			218 661	189 965	173 016	162 759	181 666	172 583	172 583	141 098	124 400	107 780
TOTAL LIABILITIES			440 421	406 954	432 762	290 570	426 862	405 519	405 519	391 419	386 322	381 885
NET ASSETS	5		1 810 008	3 479 494	3 630 949	2 648 760	3 826 460	3 664 624	3 680 925	4 246 957	4 584 828	4 938 678
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			1 810 008	3 479 494	3 630 949	2 648 760	3 826 460	3 664 624	3 680 925	4 246 957	4 584 828	4 938 678
Reserves	4		—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	5		1 810 008	3 479 494	3 630 949	2 648 760	3 826 460	3 664 624	3 680 925	4 246 957	4 584 828	4 938 678

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	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges										-	-	-
Service charges			255 563	286 747	331 918	354 839	402 733	382 596	382 596	425 248	446 510	468 836
Other revenue						8 131	31 484	29 910	29 910	12 785	13 424	14 095
Government - operating	1		398 696	288 174	321 618	381 544	370 510	351 984	351 984	408 662	429 095	450 549
Government - capital	1		214 682	378 821	384 636	355 678	364 137	345 930	345 930	310 862	326 405	342 725
Interest			20 305	14 163	19 515	7 919	14 628	13 897	13 897	14 856	15 598	16 378
Dividends										-	-	-
Payments												
Suppliers and employees			(253 653)	(254 044)	(283 986)	(594 335)	(618 719)	(587 783)	(587 783)	(613 622)	(644 304)	(676 519)
Finance charges			(16 961)	(15 818)	(12 813)	(18 952)	(18 945)	(17 998)	(17 998)	(15 776)	(16 564)	(17 393)
Transfers and Grants	1		(405 354)	(275 111)	(340 342)	(95 190)	(94 527)	(89 800)	(89 800)	(37 028)	(38 879)	(40 823)
NET CASH FROM/(USED) OPERATING ACTIVITIES			213 277	422 933	420 545	399 635	451 301	428 736	428 735	505 986	531 285	557 850
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			-	75	885					-	-	-
Decrease (Increase) in non-current debtors			(61)	63	(263)					-	-	-
Decrease (increase) other non-current receivables			-	19	(20)					81	85	89
Decrease (Increase) in non-current investments			-	-	-					-	-	-
Payments												
Capital assets			(187 217)	(306 216)	(323 048)	(337 894)	(416 367)	(395 549)	(395 549)	(368 747)	(387 184)	(406 544)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(187 277)	(306 059)	(322 446)	(337 894)	(416 367)	(395 549)	(395 549)	(368 666)	(387 100)	(406 455)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing			-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits			589	346	309	979	979	930	930	421	442	464
Payments												
Repayment of borrowing			(9 171)	(23 480)	(20 484)	(18 754)	(18 754)	(17 816)	(17 816)	(18 227)	(19 139)	(20 096)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(8 582)	(23 135)	(20 175)	(17 775)	(17 775)	(16 886)	(16 886)	(17 807)	(18 697)	(19 632)
NET INCREASE/ (DECREASE) IN CASH HELD												
Cash/cash equivalents at the year begin:	2		17 418	93 739	77 925	43 965	17 159	16 301	16 301	119 513	125 489	131 763
Cash/cash equivalents at the year end:	2		57 468	74 886	168 625	190 605	246 549	263 709	280 010	263 709	383 222	508 711
Cash/cash equivalents at the year end:	2		74 886	168 625	246 549	234 571	263 709	280 010	296 312	383 222	508 711	640 474

**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

Part A: Consolidated Cash and Resource Accumulated Surplus Reconciliation												
Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Cash and Investments available</u>												
Cash/cash equivalents at the year end		1	74 886	168 625	246 549	234 571	263 709	280 010	296 312	383 222	508 711	640 474
Other current investments > 90 days			(3 195)	0	-	-	0	0	0	(5 472)	(11 218)	(17 252)
Non current assets - Investments		1	-	-	-	-	-	-	-	-	-	-
<b>Cash and Investments available:</b>			<b>71 691</b>	<b>168 625</b>	<b>246 549</b>	<b>234 571</b>	<b>263 709</b>	<b>280 010</b>	<b>296 312</b>	<b>377 750</b>	<b>497 492</b>	<b>623 222</b>
<u>Application of cash and investments</u>												
Unspent conditional transfers			50 776	48 333	21 366	54 875	22 434	21 312	21 312	23 556	24 734	25 970
Unspent borrowing			-	-	-	-	-	-	-	-	-	-
Statutory requirements		2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements		3	7 819	(16 970)	6 633	(37 773)	20 812	19 770	19 795	19 664	20 648	21 681
Other provisions			-	-	-	-	-	-	-	-	-	-
Long term investments committed		4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>			<b>58 595</b>	<b>31 363</b>	<b>27 998</b>	<b>17 102</b>	<b>43 246</b>	<b>41 083</b>	<b>41 108</b>	<b>43 220</b>	<b>45 381</b>	<b>47 651</b>
<b>Surplus(shortfall)</b>			<b>13 096</b>	<b>137 262</b>	<b>218 551</b>	<b>217 469</b>	<b>220 462</b>	<b>238 928</b>	<b>255 204</b>	<b>334 529</b>	<b>452 111</b>	<b>575 571</b>

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

Table A5 Consolidated Asset Management											
Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CAPITAL EXPENDITURE											
Total New Assets		1	163 709	244 897	325 786	396 653	416 367	395 549	335 588	352 367	369 985
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			132 862	225 026	281 738	303 229	321 586	305 507	237 597	249 477	261 951
Infrastructure - Sanitation			13 716	4 063	20 858	56 769	56 638	53 996	47 208	49 586	52 044
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			146 598	229 091	302 586	359 998	378 424	359 603	284 803	299 043	313 995
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6	17 091	13 323	20 704	36 655	37 943	36 046	50 785	53 324	55 990
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			19	2 483	2 487	-	-	-	-	-	-
Total Renewal of Existing Assets		2	38 651	61 320	-	-	-	-	33 559	35 237	36 999
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			25 123	39 658	-	-	-	-	8 000	8 400	8 820
Infrastructure - Sanitation			11 595	18 396	-	-	-	-	25 559	26 837	28 179
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			36 718	58 254	-	-	-	-	33 559	35 237	36 999
Community			1 933	3 066	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6	-	-	-	-	-	-	-	-	-
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Capital Expenditure		4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			158 005	264 886	281 738	303 229	321 586	305 507	245 597	257 877	270 771
Infrastructure - Sanitation			25 311	22 459	20 858	56 769	56 638	53 996	72 765	76 403	80 223
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			183 316	287 344	302 596	359 998	378 424	359 603	318 362	334 280	350 994
Community			1 933	3 066	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets			17 091	13 323	20 704	36 655	37 943	36 046	50 785	53 324	55 990
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			19	2 483	2 487	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		2	202 359	306 216	325 786	396 653	416 367	395 549	369 147	387 604	406 985
ASSET REGISTER SUMMARY - PPE (WDV)		5									
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			1 163 777	1 339 663	2 791 080	1 473 900	2 929 538	2 783 081	3 059 369	3 212 338	3 372 955
Infrastructure - Sanitation			262 458	290 022	604 238	319 749	635 537	603 760	703 541	738 718	775 654
Infrastructure - Other			2 085	2 444	5 092	2 695	5 356	5 088	5 356	5 823	5 905
Infrastructure			1 418 320	1 632 129	3 400 410	1 796 344	3 570 431	3 391 909	3 768 267	3 956 880	4 154 514
Community			105 432	96 501	-	77 587	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			25 000	14 800	29 403	22 500	30 873	29 330	32 417	34 038	35 740
Other assets			480 635	517 362	190 216	705 322	189 727	189 740	247 033	259 365	272 354
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			10 354	9 824	8 981	12 500	9 430	8 958	7 114	7 470	7 844
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	2 039 740	2 270 236	3 629 010	2 614 262	3 810 461	3 619 938	4 054 831	4 257 573	4 470 452
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment			64 304	66 834	252 231	70 285	116 321	110 505	123 604	129 785	136 274
Repairs and Maintenance by Asset Class		3	11 200	17 164	52 638	58 600	58 643	55 710	64 636	67 867	71 261
Infrastructure - Road transport			-	1 463	954	6 581	6 586	6 257	5 799	6 089	6 393
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			1 917	8 308	15 067	14 955	14 966	14 218	20 695	21 730	22 817
Infrastructure - Sanitation			-	699	4 342	3 164	3 167	3 008	3 300	3 465	3 638
Infrastructure - Other			-	-	-	4 268	4 271	4 058	3 063	3 216	3 377
Infrastructure			1 917	10 471	20 354	28 969	28 990	27 541	32 857	34 500	36 225
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6, 7	9 283	6 693	32 284	29 631	29 653	28 170	31 779	33 368	35 036
TOTAL EXPENDITURE OTHER ITEMS			75 504	83 988	304 869	128 884	174 964	166 215	188 240	197 652	207 535
Renewal of Existing Assets as % of total capex			19.1%	20.0%	0.0%	0.0%	0.0%	0.0%	9.1%	9.1%	9.1%
Renewal of Existing Assets as % of deprecn"			60.1%	91.7%	0.0%	0.0%	0.0%	0.0%	27.2%	27.2%	27.2%
R&M as a % of PPE			0.6%	0.5%	1.5%	2.3%	1.6%	1.6%	1.6%	1.6%	1.6%
Renewal and R&M as a % of PPE			2.0%	3.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

## References

- Detail of new assets provided in Table SA34a
- Detail of renewal of existing assets provided in Table SA34b
- Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
- Must reconcile to total capital expenditure on Budgeted Capital Expenditure
- Must reconcile to 'Budgeted Financial Position' (written down value)
- 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	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		44 800	45 300	46 129	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		17 478	17 478	17 478	-	-	-	-	-	-
Using public tap (at least min.service level)	2	56 144	56 865	56 967	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		118 422	119 443	120 604	-	-	-	-	-	-
Using public tap (< min.service level)	3	32 268	31 788	31 162	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		29 827	29 827	29 827	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		62 095	61 615	60 989	-	-	-	-	-	-
<b>Total number of households</b>	5	180 517	181 058	181 593	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		33 000	33 000	33 831	-	-	-	-	-	-
Flush toilet (with septic tank)		13 400	13 400	14 200	-	-	-	-	-	-
Chemical toilet		15	15	15	-	-	-	-	-	-
Pit toilet (ventilated)		44 172	54 713	64 441	-	-	-	-	-	-
Other toilet provisions (> min.service level)		15 282	15 282	15 385	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		105 869	116 410	127 872	-	-	-	-	-	-
Bucket toilet		3 121	3 121	3 121	-	-	-	-	-	-
Other toilet provisions (< min.service level)		63 527	53 527	43 100	-	-	-	-	-	-
No toilet provisions		8 000	8 000	7 500	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		74 648	64 648	53 721	-	-	-	-	-	-
<b>Total number of households</b>	5	180 517	181 058	181 593	-	-	-	-	-	-
<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>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	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>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	6 696	6 484	6 808	6 808	6 703	7 036	7 390	7 760
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)		89	76	84	93	93	93	68	72	76
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>										
<b>Total cost of FBS provided</b>		69	76	84	93	93	93	68	72	76
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		15 043	15 086	15 133	15 880	15 889	15 889	16 684	17 518	16 394
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
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) (Impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and Impermissible values in excess of section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		16 900	3 593	22 983	26 407	26 407	25 086	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		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	6	16 900	3 593	22 983	26 407	26 407	25 086	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

## Detail on the provision of municipal services for A10

Total municipal services		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
8 10 9 10	Ref.	Household service targets (000)								
		<u>Water:</u>								
		Piped water inside dwelling	44 800	45 300	45 129	--	--	--	--	--
		Piped water inside yard (but not in dwelling)	17 478	17 478	17 478	--	--	--	--	--
		Using public tap (at least min.service level)	56 144	56 605	56 997	--	--	--	--	--
		Other water supply (at least min.service level)	--	--	--	--	--	--	--	--
		<i>Minimum Service Level and Above sub-total</i>	114 422	119 443	120 604	--	--	--	--	--
		Using public tap (< min.service level)	32 298	31 788	31 162	--	--	--	--	--
		Other water supply (< min.service level)	--	--	--	--	--	--	--	--
		No water supply	29 827	29 827	29 827	--	--	--	--	--
		<i>Below Minimum Service Level sub-total</i>	62 095	61 615	60 989	--	--	--	--	--
		<b>Total number of households</b>	180 517	181 058	181 593	--	--	--	--	--
		<u>Sanitation/sewerage:</u>								
		Flush toilet (connected to sewerage)	33 000	33 000	33 831	--	--	--	--	--
		Flush toilet (with septic tank)	13 400	13 400	14 200	--	--	--	--	--
		Chemical toilet	15	15	15	--	--	--	--	--
		Pit toilet (ventilated)	44 172	54 713	64 441	--	--	--	--	--
		Other toilet provisions (> min.service level)	15 282	15 282	15 385	--	--	--	--	--
		<i>Minimum Service Level and Above sub-total</i>	105 860	116 410	127 872	--	--	--	--	--
		Bucket toilet	3 121	3 121	3 121	--	--	--	--	--
		Other toilet provisions (< min.service level)	63 627	63 627	43 100	--	--	--	--	--
		No toilet provisions	8 000	8 000	7 500	--	--	--	--	--
		<i>Below Minimum Service Level sub-total</i>	74 648	64 648	53 721	--	--	--	--	--
		<b>Total number of households</b>	180 517	181 058	181 593	--	--	--	--	--
		<u>Energy:</u>								
		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>	--	--	--	--	--	--	--	--
		<b>Total number of households</b>	--	--	--	--	--	--	--	--
		<u>Refuse:</u>								
		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>	--	--	--	--	--	--	--	--
		<b>Total number of households</b>	--	--	--	--	--	--	--	--
Municipal in-house services		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
8 10 9 10	Ref.	Household service targets (000)								
		<u>Water:</u>								
		Piped water inside dwelling	44 800	45 300	45 129	--	--	--	--	--
		Piped water inside yard (but not in dwelling)	17 478	17 478	17 478	--	--	--	--	--
		Using public tap (at least min.service level)	56 144	56 605	56 997	--	--	--	--	--
		Other water supply (at least min.service level)	--	--	--	--	--	--	--	--
		<i>Minimum Service Level and Above sub-total</i>	114 422	119 443	120 604	--	--	--	--	--
		Using public tap (< min.service level)	32 298	31 788	31 162	--	--	--	--	--
		Other water supply (< min.service level)	--	--	--	--	--	--	--	--
		No water supply	29 827	29 827	29 827	--	--	--	--	--
		<i>Below Minimum Service Level sub-total</i>	62 095	61 615	60 989	--	--	--	--	--
		<b>Total number of households</b>	180 517	181 058	181 593	--	--	--	--	--
		<u>Sanitation/sewerage:</u>								
		Flush toilet (connected to sewerage)	33 000	33 000	33 831	--	--	--	--	--
		Flush toilet (with septic tank)	13 400	13 400	14 200	--	--	--	--	--
		Chemical toilet	15	15	15	--	--	--	--	--
		Pit toilet (ventilated)	44 172	54 713	64 441	--	--	--	--	--
		Other toilet provisions (> min.service level)	15 282	15 282	15 385	--	--	--	--	--
		<i>Minimum Service Level and Above sub-total</i>	105 860	116 410	127 872	--	--	--	--	--
		Bucket toilet	3 121	3 121	3 121	--	--	--	--	--
		Other toilet provisions (< min.service level)	63 627	63 627	43 100	--	--	--	--	--
		No toilet provisions	8 000	8 000	7 500	--	--	--	--	--
		<i>Below Minimum Service Level sub-total</i>	74 648	64 648	53 721	--	--	--	--	--
		<b>Total number of households</b>	180 517	181 058	181 593	--	--	--	--	--
		<u>Energy:</u>								
		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>	--	--	--	--	--	--	--	--
		<b>Total number of households</b>	--	--	--	--	--	--	--	--
		<u>Refuse:</u>								
		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>	--	--	--	--	--	--	--	--
		<b>Total number of households</b>	--	--	--	--	--	--	--	--



Municipal entity services			2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
	Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Name of municipal entity		Household service targets (000)										
		Water:										
		Piped water inside dwelling										
		Piped water inside yard (but not in dwelling)										
	8	Using public tap (at least min.service level)										
	10	Other water supply (at least min.service level)										
		Minimum Service Level and Above sub-total										
	9	Using public tap (< min.service level)										
	10	Other water supply (< min.service level)										
		No water supply										
		Below Minimum Service Level sub-total										
		Total number of households										
	Name of municipal entity		Sanitation/sewerage:									
			Flush toilet (connected to sewerage)									
			Flush toilet (with septic tank)									
		Chemical toilet										
		Pit toilet (ventilated)										
		Other toilet provisions (> min.service level)										
		Minimum Service Level and Above sub-total										
		Bucket toilet										
		Other toilet provisions (< min.service level)										
		No toilet provisions										
		Below Minimum Service Level sub-total										
		Total number of households										
Name of municipal entity			Energy:									
			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										
	Name of municipal entity		Refuse:									
			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										

Services provided by external mechanisms			2012/13	2013/14	2014/15	Current Year 2016/16			2016/17 Medium Term Revenue & Expenditure Framework			
	Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Names of service providers		Household service targets (000)										
		Water:										
		Piped water inside dwelling										
		Piped water inside yard (but not in dwelling)										
	8	Using public tap (at least min.service level)										
	10	Other water supply (at least min.service level)										
		Minimum Service Level and Above sub-total										
	9	Using public tap (< min.service level)										
	10	Other water supply (< min.service level)										
		No water supply										
		Below Minimum Service Level sub-total										
		Total number of households										
	Names of service providers		Sanitation/sewerage:									
			Flush toilet (connected to sewerage)									
			Flush toilet (with septic tank)									
		Chemical toilet										
		Pit toilet (ventilated)										
		Other toilet provisions (> min.service level)										
		Minimum Service Level and Above sub-total										
		Bucket toilet										
		Other toilet provisions (< min.service level)										
		No toilet provisions										
		Below Minimum Service Level sub-total										
		Total number of households										
Names of service providers			Energy:									
			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										
	Names of service providers		Refuse:									
			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										

Detail of Free Basic Services (FBS) provided			2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
	Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Electricity		Location of households for each type of FBS										
		Formal settlements - (50 kwh per indigent household per month R'000)										
		Number of HH receiving this type of FBS										
		Informal settlements (R'000)										
		Number of HH receiving this type of FBS										
		Informal settlements targeted for upgrading (R'000)										
		Number of HH receiving this type of FBS										
		Living in informal backyard rental agreement (R'000)										
		Number of HH receiving this type of FBS										
		Other (R'000)										
		Number of HH receiving this type of FBS										
		Total cost of FBS - Electricity for informal settlements										
	Water		Location of households for each type of FBS									
			Formal settlements - (5 kilolitre per indigent household per month R'000)	69 062	75 834	83 709	93 351	93 351	93 351	68 496	71 923	75 519
			Number of HH receiving this type of FBS	6 696	6 464	6 464	6 808	6 806	6 703	7 038	7 360	7 769
		Informal settlements (R'000)										
		Number of HH receiving this type of FBS										
		Informal settlements targeted for upgrading (R'000)										
		Number of HH receiving this type of FBS										
		Living in informal backyard rental agreement (R'000)										
		Number of HH receiving this type of FBS										
		Other (R'000)										
		Number of HH receiving this type of FBS										



DC21 Ugu - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type &amp; dept.)

Description	Ref	Vote 1 - EXECUTIVE & COUNCIL	Vote 2 - FINANCE & ADMINISTRATI ON	Vote 3 - INFRASTRUCT URE & ECONOMIC DEVELOPMEN	Vote 4 - WATER	Vote 5 - WASTE WATER MANAGEMENT	Vote 6 - PUBLIC SAFETY	Vote 7 - ENVIRONMEN TAL 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]	Total
R thousand	1																
<b>Revenue By Source</b>																	
Property rates																	-
Property rates - penalties & collection charges																	-
Service charges - electricity revenue																	-
Service charges - water revenue					358 387	112 281											470 667
Service charges - sanitation revenue																	-
Service charges - refuse revenue																	-
Service charges - other																	-
Rental of facilities and equipment					745				250	254							1 249
Interest earned - external investments			10 800	508													11 058
Interest earned - outstanding debtors					3 802												3 802
Dividends received																	-
Fines																	-
Licences and permits																	-
Agency services																	-
Other revenue			8	5 435	4 948	668		500									11 558
Transfers recognised - operational		2 188	184 828	37 177	174 656	6 523	6 100	17 290									408 652
Gains on disposal of PPE																	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		2 188	175 336	43 180	542 437	119 472	6 100	17 790	250	254	-	-	-	-	-	-	907 006
<b>Expenditure By Type</b>																	
Employee related costs		34 609	57 493	30 213	184 333	30 733		15 468									332 850
Remuneration of councillors		11 200		874													11 074
Debt Impairment				80	28 329	11 780											39 159
Depreciation & asset impairment			2 859	219	106 087	14 439											123 604
Finance charges				2	14 096	1 680											15 778
Bulk purchases					81 468												81 468
Other materials					5 450	3 210											8 700
Contracted services		200	29 085	39	7 926	1 452											29 683
Transfers and grants		8 518	2 801	11 755	9 831		6 013	110									37 028
Other expenditure		10 744	61 814	18 965	103 009	24 857	87	2 085	1 160								222 521
Loss on disposal of PPE																	-
<b>Total Expenditure</b>		63 271	145 032	51 917	518 559	87 950	6 100	17 664	1 160	-	-	-	-	-	-	-	894 663
<b>Surplus/(Deficit)</b>		(61 083)	30 303	(18 737)	23 678	31 512	-	126	(910)	254	-	-	-	-	-	-	5 343
Transfers recognised - capital					308 662		1 000										310 662
Contributions recognised - capital																	-
Contributed assets																	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(61 083)	30 303	(18 737)	333 740	31 512	1 000	126	(910)	254	-	-	-	-	-	-	316 205

**References**

1. Departmental columns to be based on municipal organisation structure

**Total capital expenditure includes expenditure on nationally significant priorities:**

[illegible]

DC21 Ugu - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Good Governance	Financial Management			110 495	103 180	229 798	157 796	165 846	157 554	174 287	183 002	192 152
Good Governance	Human Resources Management								–			
Good Governance	Support services			1 345	1 410	755	2 774	3 455	3 283	3 447	3 619	3 800
Good Governance	Institutional Transformation				889		–		–		–	–
Good Governance	Strategic Planning			12	278	250	250	250	238	400	420	441
Economic Development	Agricultural Market			1 261	1 903	1 284	600	500	475	250	263	276
Economic Development	Local Economic Development			10 022	13 174	4 736	32 932	32 564	30 936	19 443	20 415	21 436
Environmental Protection	Environmental Services			3 790	8 863	10 206	16 967	17 397	16 527	17 790	18 679	19 613
Community	Sports & Recreation			342	468	309	180	211	200	254	267	280
Safety & Security	Fire Fighting			–	4 686	–	3 000	1 500	1 425	1 636	1 718	1 804
Safety & Security	Disaster Management			681	14 679	7 277	3 762	5 371	5 103	5 464	5 737	6 024
Sustainable Services	Sanitation			98 856	100 105	104 180	113 856	107 712	102 327	119 472	125 445	131 717
Sustainable Services	Water			678 753	721 682	703 000	830 736	916 131	870 325	875 425	919 197	965 156
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	905 557	971 315	1 061 794	1 162 852	1 250 939	1 188 392	1 217 868	1 278 762	1 342 700

## References

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

References

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

DC21 Ugu - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

2021/22 Supporting Table 6.10: Reconciliation of 2017 Strategic Objectives and Budget Capital Expenditure												
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Good Governance	Support services	A				589	438	468	458			
Good Governance	Human Resources Management	B										
Good Governance	Vehicle Replacement Programme (Fleet Management)	C					12 800	4 000	4 000	16 450	17 273	16 136
Good Governance	Financial Management / IA	D										
Good Governance	Legal Services	E										
Good Governance	Financial Management	F		8 988		11 766				18 645	19 472	20 446
Good Governance	Strategy & shared services	G										
Good Governance	Executive & Council	H		162								
Institutional Transformation	Office centralisation	I					15 500	15 960	8 718	15 790	16 580	17 408
Infrastructure	Telecommunication	J			1 681		4 437	10 417	10 417			
Institutional Transformation	Workshops/Refurbishment	K										
Infrastructure	Sports development	L			25							
Institutional Transformation	Special Programmes	M										
Safety & Security		N		88								
Safety & Security	Disaster Management	O		105 257	3 556		3 000		5 700			
Safety & Security	Fire Fighting	P										
Economic Development	Agricultural Market	Q		888								
Economic Development	Local Economic Development	R			202		680	1 509	1 433			
Environmental Protection	Environmental Services	S										
Sustainable Services	Leakage Management	T										
Sustainable Services	Water	U		70 775	254 601	268 754	303 229	327 186	310 827	235 918	247 714	260 099
Sustainable Services	Sanitation	V		16 191	48 756	23 600	56 769	56 839	53 996	82 444	86 566	90 895
Allocations to other priorities				3								
Total Capital Expenditure				1	202 359	309 020	324 720	396 653	416 367	395 549	369 147	405 985

## References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Budget and Treasury Office</b>										
<b>Equity and Accounts</b>										
<b>Cash Management</b>										
Liquidity Ratio					01:01	01:01	01:01	1,05:1	1,05:1	1,05:1
Improve Cash Coverage								3 month	3 month	3 month
Cash Backed Reserves					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Improve Debt to Operating Revenue ratio					45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
Management of Cash Banking					1 working day	1 working day	1 working day	1 working day	1 working day	1 working day
<b>Asset Management</b>										
Verification of Movable Assets					Bi-annually	Bi-annually	Bi-annually	Quarterly	Quarterly	Quarterly
Disposal of Obsolete and Redundant Assets					Annually	Annually	Annually	Bi-annually	Bi-annually	Bi-annually
Adequate Insurance Cover of the Municipal Assets					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Revenue Management</b>										
Debt Collection Ratio					85.0%	85.0%	85.0%	95.0%	95.0%	95.0%
% Reduction of Overdue Debt								20.0%	20.0%	20.0%
% Billing based on Actual meter readings					85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Turnaround time for Responding to billing queries					1 working day			1 working day	1 working day	1 working day
Turnaround time for processing Indigent support					30 calendar			30 calendar	30 calendar	30 calendar
<b>Budgeting and Financial Reporting</b>										
<b>Sub-function 1 - (name)</b>										
Submission of Annual Financial Statements					31 Aug & 30			31 Aug & 30	31 Aug & 30	31 Aug & 30
Unauthorised Expenditure as % of Total Expenditure					0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Adoption of Annual Budget					28 May 2015			26 May 2016	25 May 2017	24 May 2018
<b>Supply Chain Management</b>										
Irregular Expenditure as % of Total Ops Expenditure					1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Inventory Management (Stock counts)					2	2	2	4	4	4
Vendor Management (Database Review)					12	12	12	12	12	12
Adoption of Procurement Plan								01 July 2016	01 July 2017	01 July 2018
<b>Expenditure Management</b>										
Creditors payment (days)					30 days	30 days	30 days	30 days	30 days	30 days
Payment of Salaries					20th of the	20th of the	20th of the	20th of the	20th of the	20th of the
Expenditure					2.0%	2.0%	2.0%	0.5%	0.5%	0.5%
% Reduction of Unspent Conditional Grants					0.5%	0.5%	0.5%	0.0%	0.0%	0.0%
<b>Corporate Services</b>										
<b>Information Computer Technology</b>										
<b>Systems Management</b>										
Systems Implementation Management					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Data Migration Management					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Ensure mSCOA Compliance					15.0%	15.0%	15.0%	100.0%	100.0%	100.0%
<b>Office of the Municipal Manager</b>										
Follow up on the Implementation of the SDBIP					Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
% Compliance with the Batho Pele Principles					80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Review of the Special Programmes Strategy								30 June 2017		
% Gender Programmes Co-ordinated								100.0%	100.0%	100.0%
Number of HIV & Aids Campaigns held								4	4	4
<b>Infrastructure and Economic Development</b>										
Insert measure/s description										
<b>Infrastructure and Economic Development</b>										
<b>Local Economic Development</b>										
Training of Co-operatives								10		
Alternative Energy Support Initiative					240			180		
Local Film Industry Development Program					3 projects			1 project		
Support Agriculture Garden program					12			6		



DC21 Ugu - Supporting Table SA8 Performance indicators and benchmarks

2021 Egn - Supporting Table SA6 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.9%	6.3%	3.7%	4.7%	4.3%	4.3%	4.3%	3.8%	3.8%	3.8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	8.4%	10.9%	9.3%	8.8%	7.4%	7.4%	7.4%	6.0%	6.0%	6.0%
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	0.9	1.5	1.7	2.5	1.8	1.9	2.0	2.3	2.7	3.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.9	1.5	1.1	1.3	1.2	1.2	2.0	1.7	2.1	2.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.8	1.0	1.8	1.1	1.2	1.3	1.5	1.9	2.3
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing %		92.4%	86.0%	103.6%	87.0%	87.0%	87.0%	87.0%	78.9%	78.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		92.4%	86.0%	103.7%	87.0%	87.0%	87.0%	87.0%	78.9%	78.9%	78.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	20.5%	25.6%	21.5%	10.1%	17.5%	17.5%	17.5%	18.9%	18.9%	18.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		152.5%	63.5%	80.6%	13.8%	59.5%	53.2%	50.3%	43.0%	34.0%	28.3%
<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)	8 367	9 125	9 184	9 544	10 126	8 172	8 172	8 581	9 010	9 460
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated	47.88%	67.70%	49.79%							
Employee costs	Employee costs/(Total Revenue - capital revenue)	39.4%	41.8%	40.1%	35.9%	34.9%	34.9%	34.9%	34.1%	34.1%	34.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	40.6%	43.1%	41.4%	37.2%	36.2%	36.2%		35.3%	35.3%	35.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1.8%	2.9%	7.7%	7.3%	6.6%	6.6%		6.6%	6.6%	6.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.9%	14.0%	38.6%	11.0%	15.3%	15.3%	15.3%	14.3%	14.3%	14.3%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	8.3	9.0	13.5	12.8	12.8	12.8	14.6	16.3	10.3	17.1
II. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	46.3%	45.0%	45.7%	19.9%	33.3%	33.3%	33.3%	34.0%	34.0%	34.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.6	5.1	5.5	5.7	5.8	6.5	6.9	7.4	9.4	11.2

**References**

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

